c&c group plc

Annual Report 2020

View this report online
candcgroupplc.com or
candc.annualreport20.com

Financial Highlights

Profitability

Net Revenue

€1,719.3m
Increased by +7.8%[1]

Operating Profit

€120.8m
before exceptional items up 14.6%[1]

Adjusted Diluted Earnings Per Share

29.6 cent
per share up 11.3% before exceptional items

Basic Earnings Per Share

2.9 cent
per share impacted by exceptional items

Cash

Free Cash Flow Conversion

101.0%
before exceptional items

Shareholder Return

No Final Dividend

5.5 cent
per share reflecting the cancellation of the final dividend

1. Financial highlights percentage movement versus last year are stated on a constant currency basis (FY2019 translated at FY2020 F/X rates as outlined on page 36).

Business & Strategy

Governance

Financial Statements

About C&C Group

C&C Group plc is a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits, and soft drinks across the UK and Ireland.

C&C Group's portfolio of owned/exclusive brands include: Bulmers, the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; as well as a range of fast-growing, super-premium and craft ciders and beers, such as Heverlee, Menabrea, Five Lamps and Orchard Pig. C&C exports its Magners and Tennent's brands to over 60 countries worldwide.

C&C Group has owned brand and contract manufacturing/packing operations in Co. Tipperary, Ireland; Glasgow, Scotland; and Vermont, US.

C&C is the No.1 drinks distributor to the UK and Ireland hospitality sectors. Operating under the Matthew Clark, Bibendum, Tennent's and C&C Gleeson brands, the Group supplies over 35,000 pubs, bars, restaurants and hotels, and is a key route-to-market for major international beverage companies.

C&C Group also has joint venture in the Admiral Taverns tenanted pub group, which owns over 1,000 pubs across England & Wales.

C&C Group plc is headquartered in Dublin and is listed on the London Stock Exchange.

Creating Value for Stakeholders

Purpose

Our Purpose is to deploy our brand led distributor model as an asset to the market; for suppliers and customers alike. In doing so, we seek to further strengthen our position as the number one drinks distribution partner in each of our core markets to generate long-term sustainable value for our shareholders and to benefit our full range of stakeholders.

Culture

Our culture and values are critical in the delivery of our strategy and drive decision making on a daily basis. By nature of the industry in which we operate, we are required to be entrepreneurial and dynamic, remaining prepared to capitalise quickly on emerging opportunities with long-term value always at the forefront of our decisions. This requires a specific entrepreneurial mind-set which is inherent in our culture. Reward systems encourage this mentality, motivating our people to develop long term value, ensuring the ambitions of the Group's agents are aligned with its owners.

Diversity

Diversity strengthens our capabilities. Each of our people demonstrate their unique skillsets to the benefit of the business and each other. Drawing from an eclectic range of experiences allows us to remain innovative in an industry increasingly characterised by evolving consumer and customer trends.

Employees

Our people are our greatest strength. Our decentralised business model fosters a culture of entrepreneurialism ensuring we remain dynamic and responsive within each of our local territories. This concept underpins our recruitment, reward and development policies to ensure the long-term sustainability of our business model. Empowerment and accountability ensures our people have the appropriate environment to develop their careers whilst simultaneously contributing to the success of the business.

All of our colleagues are key stakeholders to our business who embody our core values daily. We have a culture of internal progression and development, providing the Company with exceptional talent with an invaluable awareness of the unique dynamics of our company and it's positioning within our industry. This presents a pipeline of future talent to continue with the sustainable progression of our overall long-term strategy and purpose, both of which significantly rely on our people.

Customers

Serving customers is the basic threshold as a distributor. We aim to go above this. In partnering with our customers, we aspire to provide unrivalled value adding services to form a collaboration that enhances our competitive advantage. In doing so, we build a loyal customer base to whom we offer a spectrum of services which ranges from capital loans to data driven market insight.

Suppliers

In our objective to further strengthen our position as number one drinks distributor in our markets, we see ourselves as an aggregator of supplier's products for our customers. Our suppliers therefore provide the lifeblood to our operating model. We partner with a diverse range of suppliers, from global manufacturers to local artisan producers and our approach remains consistent for all; working collaboratively to ensure our customers receive the best possible service and value for money.

Consumers

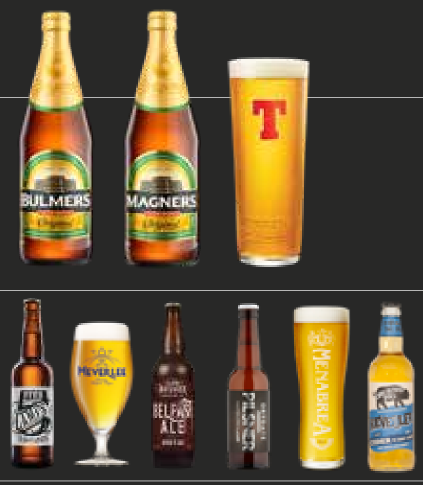
C&C has been a long-term advocate of the responsible consumption of the products we manufacture and distribute. From the outset, we supported the introduction of Minimum Unit Pricing legislation in Scotland and support its introduction in Ireland. We promote moderate consumption of our products to ensure they are enjoyed safely by our consumers. For our core brands, we have launched low/no alcohol versions in recognition of this policy allowing us to offer variation to our consumers on the brands they love.

Sustainable fabric brands

Investing in our portfolio of local, fabric brands to ensure that they continue to service the requirements of their respective markets, and contribute to local business and communities. We are lucky to own brands that are so important to their respective markets and consumers, sustainable management and investment is at the core of what we do.

C&C at a Glance

Brands



C&C Group's portfolio of owned/exclusive brands include: Bulmers, the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; as well as a range of fast-growing, super-premium and craft beers and ciders, such as Heverlee, Five Lamps, Menabrea and Orchard Pig.

Route-to-Market

C&C is the No.1 drinks distributor to the UK and Ireland hospitality sectors and is a key route-to-market partner for all major local and international beverage brand owners.

Scale

C&C supplies 13,000 SKUs to over 35,000 pubs, bars, restaurants and hotels across the UK and Ireland and exports its brands to over 60 countries internationally.

Divisional Structure

Ireland

C&C's Ireland division includes the sale of the Group's own branded products across the Island of Ireland, principally Bulmers, Magners, Tennent's, Five Lamps, Clonmel 1650, Heverlee, Dowd's Lane, Roundstone Irish Ale, Finches and Tipperary Water. The Group also operates the C&C Gleeson's drinks distribution business, a leading distributor of third party drinks to the licensed on and off trade in Ireland. The Group distributes San Miguel, Tsingtao and AB InBev beer brands across the Island of Ireland. With effect from July 2020, the Group will also distribute the Budweiser brand. Our primary manufacturing plant is located in Clonmel, Co. Tipperary, with major distribution and administration centres in Dublin and Culcavy, Northern Ireland.

Matthew Clark and Bibendum

The Group operates, as a separate division, distribution businesses Matthew Clark and Bibendum across the UK and Ireland. In aggregate, Matthew Clark and Bibendum form the UK's No. 1 drinks distribution business to the UK licensed on-trade.

Great Britain

C&C's GB division includes the sale of the Group's own branded products in Scotland, with Tennent's, Caledonia Best, Heverlee and Magners the main brands. This division includes the sale of the Group's portfolio of owned cider brands across the rest of GB, including Magners, Orchard Pig, K Cider, and Blackthorn which are distributed in partnership with AB InBev. In addition, the division includes the Tennent's drinks distribution business in Scotland. The Group also distributes selected AB InBev brands in Scotland and the Tsingtao, Pabst and Menabrea international beer brands across the UK. Our primary manufacturing plant and administration centre is located at the Wellpark Brewery in Glasgow.

International

C&C's International division manages the sale and distribution of the Group's own branded products, principally Magners and Tennent's outside of the UK and Ireland. The Group exports to over 60 countries globally, notably in continental Europe, Asia and Australia. The Group operates mainly through local distributors in these markets and regions. This division includes the sale of the Group's cider and beer products in the US and Canada. The Vermont Hard Cider Company manufactures the Woodchuck and Wyder's brands at its cidery in Middlebury, Vermont.

Strategic Report - Business Model

Brands

Core Brands

Our three core fabric brands: Bulmers, Magners and Tennent's, hold a special place in the hearts of regional, national and global drinkers. Tennent's is Scotland's favourite beer, Bulmers is Ireland's No.1 cider and Magners is the No.2 apple cider in the UK and is one of the few truly global apple cider brands.

No.1 beer in Scotland

Tennent's Lager is brewed to the highest standards using only local Scottish ingredients to create a lager with a crisp taste and refreshingly clean finish. Tennent's has been made with pride in the heart of Glasgow since 1885, but is famous far beyond its home city. Tennent's Lager is Scotland's best-selling lager.

No.1 cider in ROI

Bulmers Original is a premium, traditional blend of 100% Irish cider with an authentic clean and refreshing taste. Only ever made with the finest Irish apples in Clonmel, Co. Tipperary.

Exported to over 60 countries

Magners is a premium, traditional blend of Irish cider with a crisp, refreshing flavour and a natural authentic character. Also in the range is Magners Dark Fruit which offers cider drinkers a fruitier alternative to draught apple.

C&C's core brands have resilient revenues, high margins and are strongly cash generative.

Super-premium and craft brands and complete portfolio

Our growing portfolio of super-premium and craft beers and ciders serves the consumer's increasing demand for diversity, newness and taste. We are targeting that super-premium and craft will represent over 10% of branded revenue in the medium-term through a combination of in-house innovation, international agency and investment in leading craft brands. In addition to super-premium and craft our complete range of brands is designed to meet all the needs of both customers and consumers.

Belgian beer

Heverlee is a premium Belgian Beer, which is endorsed by the Abbey of the order of Prémontré, in the town of Heverlee in Leuven.

Dublin lager

The Five Lamps Dublin Brewery was originally set up in early 2012 beside Dublin's iconic Five Lamps. Its first beer, Five Lamps Dublin Lager, was launched in September 2012.

Italian lager

Menabrea is from Northern Italy and is matured gently in the perfect temperature of cave cellars for a taste of superior clarity. This pale lager is well balanced between citrus, bitter tones and floral, fruity undertones giving a consistent and refined flavour.

Craft cider

Orchard Pig craft ciders are full of Somerset character and scrumptious tanins found in West Country cider apples.

Other Owned & Agency

Local, niche and speciality brands as well as world premium brands such as Stella Artois, Becks, Budweiser and Corona.

An unrivalled range across Core, Super-Premium and Craft and other owned and agency brands designed to meet the requirements of our broad and diverse customer base across the UK and Ireland.

Strategic Report - Business Model
(continued)

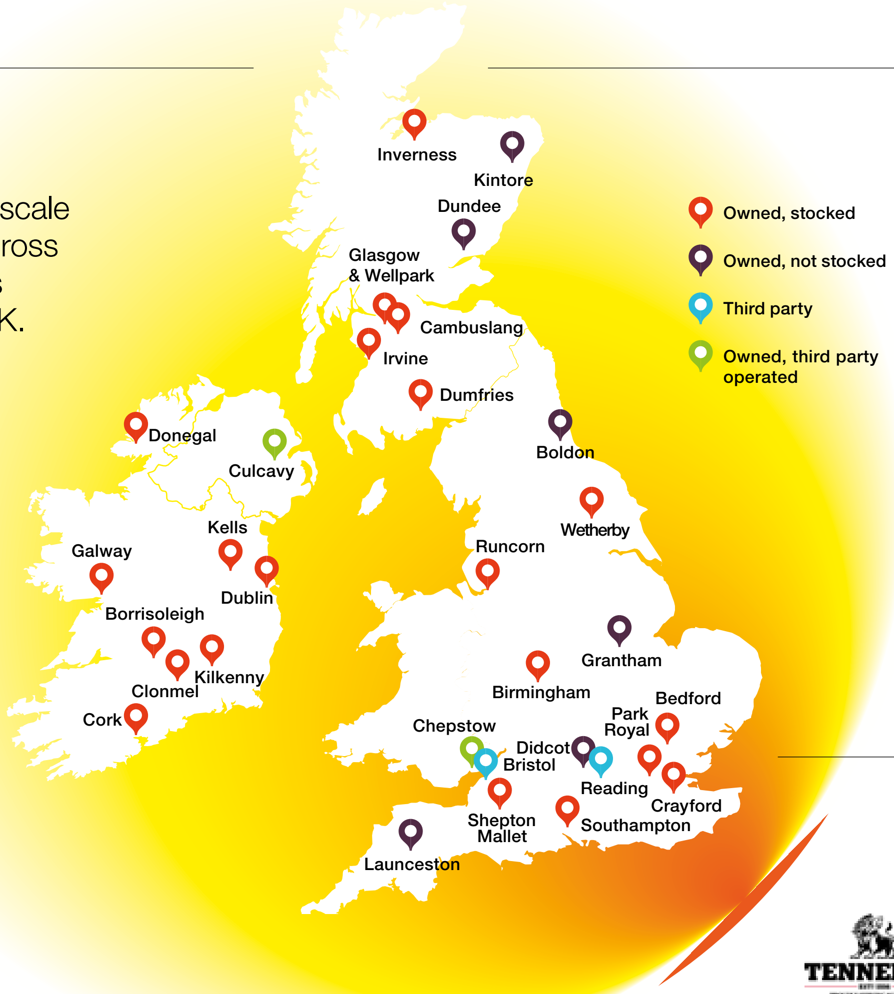
Route-to-market

C&C's route-to-market platforms are an integral part of the UK and Ireland hospitality sectors.

Benefits for Customers	**Benefits for C&C**	**Benefits for Suppliers**
C&C gives its on-trade customers access to an unrivalled portfolio of local, premium and third-party brands combined with intimate product expertise and insight into evolving consumer tastes.	Route-to-market ownership broadens C&C into a multi-beverage business.	C&C provides a unique route-to-market platform for local and international brand owners, with unrivalled market access to over 35,000 licensed premises across the UK and Ireland.
With over 13,000 SKUs, C&C's distribution platform provides a comprehensive "one stop shop" for licensed premises owners.	Ensuring the Group participates in evolving consumer trends across multiple drinks categories.	C&C allies intimate knowledge of local and regional markets, with national coverage and economies of scale.
Our national distribution network and economies of scale provide unparalleled coverage, service and value to the benefit of our customers.	C&C's distribution platforms enhance market access and visibility for its brands.	C&C takes approximately 1 million orders per year across 13,000 SKUs generating unrivalled insight and data for brand-owners on the ever evolving consumer and customer trends.
C&C's balance sheet strength ensures stability, certainty of supply and access to credit.	Route-to-market complements C&C's portfolio of local champion brands.	C&C provides an open-access, stable platform to all brand-owners – large and small.

Scale

C&C has unrivalled size, scale and distribution reach across attractive on-trade drinks markets in Ireland and UK.



C&C GLEESON

gilbeys

BIBENDUM

TENNENT'S

Matthew Clark

BIBENDUM

Ireland Market Value: €5.4bn
(ROI alcoholic drinks)

2019 growth +0.3%

10k licensed premises in Ireland

No.1 Drinks distributor on Island of Ireland

No.1 Drinks distributor in Scotland and GB

UK Market Value: €53.4bn

2019 growth +1.5%

119k licensed premises in GB
(of which 11k in Scotland)

Strategic Report - Group Strategy

Our ambition is to be the pre-eminent integrated brands and drinks distribution business serving the UK and Ireland hospitality industries. Our brand and distribution assets provide: an unrivalled range of 'fabric', premium and third-party brands; enhanced customer service; market insight, value and national coverage.

Strategic pillars	Medium term strategic goals	Financial characteristics
1 Invest and grow our portfolio of leading local, super-premium and craft beer and cider brands.	Brand and product investment to build value of key brands over the long-term. Leverage key brand strength and market position to grow our portfolio of super-premium and craft brands.	Cash generation and conversion
2 Strengthen our position as the No.1 drinks distribution business in the British Isles.	Margin expansion at Matthew Clark and Bibendum through simplification and optimisation programmes. Deliver unrivalled portfolio strength, value and service to the UK and Irish hospitality sectors.	Balance Sheet strength
3 Capital allocation to enhance growth and shareholder returns.	Maintain medium term balance sheet leverage of circa 2.0x Net Debt/EBITDA. Selective acquisitions to fuel sustainable, profitable growth and/or cash returns to shareholders.	EPS growth

Achievements during FY2020

FY2020 saw solid performance across our branded portfolio in the UK and Ireland. Despite tough comparatives following a very good summer in 2018, total C&C branded revenues were -1%, outperforming the wider beer and cider sectors.

Tennent's and Magners improved margins in their respective markets with Bulmers margins slightly declining. A number of innovative brands extensions were launched during the year.

We saw growth in our super-premium and craft portfolio with volumes +2.6%. Our super-premium and craft portfolio now contributes 5.9% of Group branded volume and 8.4% of Group branded revenues, with revenues of €24.0m. We strengthened our portfolio of premium international agency brands, securing the exclusive distribution rights on Tsingtao, China's leading beer brand, across the UK and Ireland. During the year we also secured the distribution rights for Budweiser on the Island of Ireland with effect from July 2020.

FY2020 was our first full year of Matthew Clark and Bibendum ownership. Having completed our stabilisation phase, we are well progressed into our simplification programme and delivered margins of 2.4%. As part of this phase, we closed our event management business, Elastic as well as disposing our festival business Peppermint during the year.

We entered into a long term distribution agreement with AB InBev, to distribute the Budweiser brand in Ireland. In doing so we have united the entire AB InBev portfolio of Beers into C&C's Irish operations and added the #4 Long Alcoholic Drink (LAD) brand to our portfolio (Bulmers is #3 LAD brand in Ireland).

The Group delivered strong free cash flow of €136.5m in the year and cash conversion of 103.5% of Adjusted EBITDA (before exceptional items), assisted by an improving working capital performance at Matthew Clark and Bibendum.

Post year-end, we strengthened and diversified our capital structure by raising approximately €140m with a debut issue in US Private Placement (USPP) notes with maturities of between 10 and 12 years.

Committed to a number of ESG initiatives that will position us positively for the future. We sponsored the Footprint Sustainability Index and announced plans to invest €16m in sustainability capex over the coming years. Eliminating our use of one way plastics and becoming carbon neutral as a Group are our short term ambitions.

Strategic priorities

Our core strategic objective is to deliver earnings growth.

Existing Businesses

- continue to support our customers and consumers by providing quality, locally produced fabric brands and adding value through the supply of the largest range of products to the on-trade in the UK and Ireland;
- to strengthen and grow our portfolios of core, super-premium and craft brands through select brand investment, innovation and leveraging our route-to-market platforms across the UK and Ireland.

Capital Allocation

- maintain the strong cash conversion characteristics of the business;
- we will de-gear towards target leverage of 2x Net Debt/EBITDA.

Environmental, Social and Governance

- targeting further sustainability improvements across the Group;
- support of Deposit Return Scheme (DRS) in Scotland;
- focusing our social responsibility agenda and engagement in the community;
- continue to support MUP legislation in Scotland and Ireland;
- achieving a continuous improvement in workforce health and safety;
- continue to implement the UK Corporate Governance code.

Strategic Report - Key Performance Indicators

Strategic Priority	KPI	Definition (see also financial definitions on pages 196 and 197)	FY2020 performance	FY2020 Focus	Links to other Disclosures
To enhance earnings growth	Operating Profit	Operating profit (before exceptional items)	FY18 €86.1m FY19 €104.5m FY20 €120.8m	To seek continuing growth, through revenue enhancement, acquisition synergies and cost control	Group CFO Review page 31
	Operating Margin	Operating profit (before exceptional items), as a percentage of net revenue	FY18 15.7% FY19 6.6% FY20 7.0%		
To enhance earnings growth	Adjusted diluted earnings per share	Attributable earnings before exceptional items divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY18 22.0c FY19 26.6c FY20 29.6c	To achieve adjusted diluted EPS growth in real terms	Group CFO Review page 31
To enhance earnings growth	Basic earnings per share	Attributable earnings divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY18 25.8c FY19 23.4c FY20 2.9c*	To achieve EPS growth in real terms	Group CFO Review page 31
To generate strong cash flows	Free Cash Flow	Free Cash Flow is a non GAAP measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities(before exceptional items)	FY18 €70.8m FY19 €96.9m FY20 €155.1m	To generate improved operating cash flows	Group CFO Review page 34
	Free Cash Flow Conversion Ratio	The conversion ratio is the ratio of free cash flow as a percentage of EBITDA (before exceptional items)	FY18 70.5% FY19 80.8% FY20 101.0%		
To ensure the appropriate level of financial gearing and profits to service debt	Net debt: EBITDA	The ratio of net debt (Net debt comprises borrowings (net of issue costs) less cash less IFRS 16 Leases) to Adjusted EBITDA	FY18 2.37x FY19 2.51x FY20 1.77x	Move towards medium term target of 2.0 times Net Debt/ EBITDA (excluding IFRS 16 leases)	Group CFO Review page Page 33
To deliver sustainable shareholder returns	Progressive dividend/return to shareholders	Total dividend per share paid and proposed in respect of the financial year in question	FY18 14.58c FY19 15.31c FY20 5.5c	The Group will continue to seek to enhance shareholder returns	
	Dividend Payout Ratio	Dividend cover is Dividend/Adjusted diluted EPS	FY18 66.3% FY19 57.6% FY20 18.6%		
To achieve the highest standards of environmental management	Reduction in CO_2 emissions	Tonnes of CO_2 emissions	FY18 31,612t FY19 30,241t FY20 28,810t	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 41
To achieve the highest standards of environmental management	Waste recycling	Tonnes of waste sent to landfill	FY18 0t FY19 0t FY20 0t	To achieve best practice across the Group, including acquired businesses	
To ensure safe and healthy working conditions	Workplace safety accident rate	The number of injuries that resulted in lost-work days, per 100,000 hours working time in production facilities	FY18 0.54 FY19 1.02 FY20 0.52	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 46

* Basic earnings per share has been impacted by exceptional items in the year.

COVID-19

While it remains too early to fully assess the impact of the COVID-19 crisis, it is clear that a short term, adverse impact will be experienced by the Group. Our priority is the health and wellbeing of our people, customers, suppliers, business partners and community and the Group has implemented an extensive range of measures to provide the safest environment we can for our stakeholders.

The crisis doesn't change our strategy. We remain committed to supporting our on-trade customers and the industry generally. As we did in 2018 when we rescued and stabilised the Matthew Clark and Bibendum businesses, we will act responsibly with the interests of our employees and trade relationships' at the core of the decisions we make. We will continue to be guided by our principles. While the short term is uncertain, the medium term will present opportunities for us because of our market positions, structural importance and operational strength relative to our competitive set.

Strategic Report - Management of Risks and Uncertainties

The Board has overall responsibility for the Group's system of internal control, for reviewing its effectiveness and for confirming that there is a process for identifying, evaluating and managing the principal risks affecting the achievement of the Group's strategic objectives. This system of internal control can only provide reasonable and not absolute, assurance against material misstatement or loss.

The Group has established a risk management process to ensure effective and timely identification, reporting and management of risk events that could materially impact upon the achievement of the Company's strategic objectives and financial targets. This involves the Board considering the following:

- the nature and extent of the principal risks facing the Group;
- the likelihood of these risks occurring;
- the impact on the Group should these risks occur; and
- the actions being taken to manage these risks to the desired level.

The Audit Committee oversees the effectiveness of the risk management procedures in place and the steps being taken to mitigate the Group's risks.

A process for identifying, evaluating and managing significant risks faced by the Group, in accordance with the Corporate Governance Code 2018 and the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, has been in place for the entire period and up to the date the financial statements were approved. These risks are reviewed by the Audit Committee and the Board, who will also consider any emerging risks for inclusion in the Group Risk Register.

The risks facing the Group are reviewed regularly by the Audit Committee with the executive management team. Specific annual reviews of the risks and fundamental controls of each business unit are undertaken on an ongoing basis, the results and recommendations of which are reported to and analysed by the Audit Committee with a programme for action agreed by the business units.

Internal Controls and Risk Management

The key features of the Group's system of internal control and risk management include:

- review, discussion and approval of the Group's strategy by the Board;
- clearly defined organisation structures and authority limits for the operational and financial management of the Group and its businesses;
- corporate policies for financial reporting, treasury and financial risk management, information technology and security, project appraisal and corporate governance;
- review and approval by the Board of annual budgets for all business units, identifying key risks and opportunities;
- monitoring of performance against budgets on a weekly basis and reporting thereon to the Board on a periodic basis;
- an internal audit function which reviews key business processes and controls; and
- review by senior management and the Audit Committee of Internal Audit findings, recommendations and follow up actions.

The preparation and issue of financial reports, including consolidated annual financial statements is managed by the Group Finance function with oversight from the Audit Committee. The key features of the Group's internal control procedures with regard to the preparation of consolidated financial statements are as follows:

- the review of each operating division's period end reporting package by the Group Finance function;
- the challenge and review of the financial results of each operating division with the management of that division by the Group Chief Financial Officer;
- the review of any internal control weaknesses highlighted by the external auditor, the Group Chief Financial Officer, Head of Internal Audit and the Audit Committee; and
- the follow up of any critical weaknesses to ensure issues highlighted are addressed.

The Directors confirm that, in addition to the monitoring carried out by the Audit Committee under its terms of reference, they have reviewed the effectiveness of the Group's risk management and internal control systems up to and including the date of approval of the financial statements. This review had regard to all material controls, including financial, operational and compliance controls that could affect the Group's business. The Directors considered the outcome of this review and found the systems satisfactory.

Principal Risks and Uncertainties

During the year, the Audit Committee and the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties set out on pages 14 to 20 represent the principal uncertainties that the Board believes may impact the Group's ability to effectively deliver its strategy and future performance. The register of risks includes the potential impact of COVID-19 which is addressed in greater detail below. The list does not include all risks that the Group faces and it does not list the risks in any order of priority. The actions taken to mitigate the risks cannot provide assurance that other risks will not materialise and adversely affect the operating results and financial position of the Group. These principal risks are incorporated into the modelling activity performed to assess the ability of the Group to continue in operation and meet its liabilities as they fall due for the purposes of the Viability Statement on pages 20 to 21.

Strategic Report - Management of Risks and Uncertainties (continued)

COVID-19

Prior to the year-end, the emergence of COVID-19 began to have an impact on global economies and on businesses generally. This impact has increased significantly since the end of the 2020 financial year on 29 February. Similar to businesses across many sectors and specifically the drinks industry, Government imposed restrictions, while necessary to slow the spread of COVID-19, have had a significant impact on many of the Group's outcomes, principally the on-trade, as well as the Group's employees, many of whom have been furloughed. Our primary concern is for the welfare of our people, their families and the communities in which we operate. To that end, we have followed the advice from the respective governments at all times and will continue to do so to protect our people and our operations.

The Audit Committee and the Board have assessed the potential impact of COVID-19 on the business and worked closely with the executive team to put in place near-term measures to protect the business and its prospects, in the best interests of all stakeholders. The Board has added COVID-19 to the register of principal risks and uncertainties; is closely monitoring the development of COVID-19 and the guidance of Governments and health authorities; and is overseeing all business continuity actions being undertaken by the Group's management team.

Risk Movement ● New ■ Unchanged ▲ Increased ▼ Decreased

Risk & Uncertainties	Impact	Mitigation	Risk Trend
COVID-19	The Group is exposed to the impact of the recent COVID-19 virus pandemic and the measures taken by governments to minimise the spread and immediate impact of Coronavirus. With the Irish and UK governments passing legislation to close pubs, bars, restaurants and clubs, there is a significant risk to our on-trade business and the overall viability of the hospitality industry. Operations may be impacted as staff self-isolate if they or anyone within their homes develop symptoms. In addition, employees may be required to be temporarily or permanently furloughed during the period.	The Group has acted quickly to respond to the emergence of the COVID-19 virus to protect the health and wellbeing of employees and the interests of all stakeholders; and ensure it is in compliance with local Government and health authority guidelines. The Group has implemented its business continuity planning and restricted all unnecessary access to its operations in line with government and health service guidelines and consistent with industry best-practice. All travel has been suspended unless business critical, gatherings (such as customer tastings) are suspended and visitors are no longer allowed on site. Staff are also not allowed to move between production facilities to minimise exposure risk. The Group is ensuring that all employees who can work from home are doing so. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing. The Group has strengthened its financial position through the drawdown of additional financial resources; and through the diversification of its funding sources. The Group has suspended all unnecessary capital expenditure, reduced marketing spend, reduced other operating costs and implemented a range of working capital controls to protect liquidity including furloughing all non-essential employees. The Group has put in place measures to help affected customers including a three month holiday on capital and interest repayments to loan customers, full credit or "new for old" on un-broached kegs, together with a dedicated helpline to offer advice and guidance around government support initiatives that have been introduced and how to access them. The Group will continue to monitor guidance from governments and health authorities and implement measures in line with best practice.	▲ ●

Risk & Uncertainties	Impact	Mitigation	Risk Trend
Regulatory and social attitude changes to alcohol	The Group may be adversely affected by changes in government regulations affecting alcohol pricing (including duty), sponsorship or advertising.	The Group and Business Units continue to engage with trade bodies to ensure any proposed changes to legislation and restrictions are appropriate within the industry. The Group is actively involved in BBPA and also complies with all Portman Group guidance. Within the context of supporting responsible drinking initiatives, the Group supports the work of its trade associations to present the industry's case to government. The Group is currently developing low alcohol options for brands in order to address legislation and possible duty increases as well as appeal to those consumers looking for a healthier choice.	■
Economic, political and environmental	Our business, financial results and operations may be adversely affected by economic or political instability and/or uncertainty, in particular relating to the impact of the COVID-19 pandemic. The Group may also be impacted by the UK's exit from the European Union. The Group's performance is also impacted by potential recessions, inflation, exchange rates, taxation rates and social unrest.	The Board and management will continue to consider the impact on the Group's businesses, monitor developments and engage with the UK, Irish and Scottish Governments to help ensure a manageable outcome for our businesses. The Group has taken a number of immediate measures to respond to the impact of the emergence of COVID-19. Group businesses are active members in respected industry trade bodies including being a steering committee member of the all-party UK Parliamentary Beer Group and the United States Association of Cider Makers. On an ongoing basis, the Group seeks, where appropriate, to mitigate currency risk through hedging and structured financial contracts and take appropriate action to help mitigate the consequences of any decline in demand within its markets.	▲
Sustainability	Failure to implement policies and meet required sustainability and ethical standards and social perceptions could significantly impact C&C's reputation as well as potentially impact future growth.	The Group seeks to operate as efficiently and sustainably as possible. There are objectives in place to continually reduce emissions and become a carbon neutral company by 2025. The Group is seeking to continually reduce waste levels and also the use of single use plastics. The Group continues to be proactive in conserving water usage and minimising energy usage. Both Clonmel and Wellpark sites continue to be ISO14001 accredited for an effective environmental management system. The Group ensures strong overall corporate social responsibility of suppliers is reviewed and assessed both on an ongoing basis and as part of new tenders to ensure sustainability and ethical practices are a fundamental part of the supply chain.	▲

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement ● New ■ Unchanged ▲ Increased ▼ Decreased

Risk & Uncertainties	Impact	Mitigation	Risk Trend
Change in customer and consumer dynamics and Group performance	Consumer preference may change, new competing brands may be launched and competitors may increase their marketing or change their pricing policies. Failure to respond to competition and/or changes in customer preferences could have an adverse impact on sales, profits and cash flow within the Group. COVID-19 may have an impact on the viability of a certain cohort of the Group's customers and on underlying consumer behaviour and preferences.	Through diversification, innovation and strategic partnerships, we are developing our product portfolio to enhance our offering of niche and premium products to satisfy changing consumer requirements including the production of low and non-alcoholic variants of our brands. The Group has a programme of brand investment, innovation and product diversification to maintain and enhance the relevance of its products in the market. The Group also operates a brand-led model in our core geographies with a comprehensive range to meet consumer needs. In order to specifically assist customers manage the impact of COVID-19, the Group has introduced a three month holiday on capital and interest repayments to loan customers, full credit or "new for old" on un-broached kegs, together with a dedicated helpline to offer advice and guidance around government support initiatives that have been introduced and how to access them.	▲
People and culture	The Group's performance is dependent on the skills and experience of its high-performing colleagues throughout the business, which could be affected by their loss or the inability to recruit or retain them. Failure to continue to evolve our culture, diversity and inclusion could impact our reputation and delivery of our strategy.	The Group seeks to mitigate this risk through appropriate remuneration policies and succession planning. The Group also seeks to ensure good employee relations through engagement and dialogue. In respect of the impact of COVID-19 on employees, the Group has implemented an extensive range of measures to provide the safest working environment possible for our people. These measures include reducing all unnecessary access to the Group's operating facilities and ensuring that all employees who can work from home are doing so. The Group is also offering support to employees who have children in school and has put in place additional measured to aid personal wellbeing.	▲
Health and Safety	A health and safety related incident could result in serious injury to the Group's employees, contractors, customers and visitors, which could adversely affect our operations and result in reputational damage, criminal prosecution, civil litigation and damage to the reputation of the Group and its brands. The emergence of COVID-19 presents a new and specific risk to the health and welfare of the Group's employees.	The Group has a Safety, Health and Environmental (HSE) team who are responsible for ensuring that the Group complies with all environmental, health and safety laws and regulations with ongoing monitoring, reporting and training. The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover. The Group has enacted specific business continuity plans and a range of measures to protect the business and the health and wellbeing of employees including strict safety, hygiene and two metre social distancing measures. The safety and well-being of our employees has been and continues to be our overriding priority. Executive management are monitoring events closely with regular Board oversight evaluating the impact and designing appropriate response strategies.	▲

Risk & Uncertainties	Impact	Mitigation	Risk Trend
Product Quality and Safety	The quality and safety of our products is of critical importance and any failure in this regard could result in a recall of the Group's products, damage to brand image and civil or criminal liability. The COVID-19 virus presents additional risk to the safe production of the Group's products.	The Group has implemented quality control and technical guidelines which are adhered to across all sites. Group Technical continually monitor quality standards and compliance with technical guidelines. The Group also has quality agreements with all raw material suppliers, setting out our minimum acceptable standards. Any supplies which do not meet the defined standards are rejected and returned. The Group has enacted specific business continuity plans and a range of measures to protect the business in line with the advice of governments and local health authorities; and ensure the safe production and distribution of the Group's products.	▲
Supply Chain Operations and Costs	Circumstances such as the prolonged loss of a production or storage facility, disruptions to its supply chains or critical IT systems and reduced supply of raw materials may interrupt the supply of the Group's products, adversely impacting results and reputation. COVID-19 also poses the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities. Also, there is a risk of increased input costs due to poor harvest and price of inputs.	The Group seeks to mitigate the operational impact of such an event through business continuity plans, which are tested regularly to ensure that interruptions to the business are prevented or minimised and that data is protected from unauthorised access, contingency planning, including involving the utilisation of third party sites and the adoption of fire safety standards and disaster recovery protocols. The Group seeks to mitigate the financial impact of such an event through business interruption and other insurance covers. The Group has enacted specific business continuity plans including a range of measures to protect the integrity of production and distribution facilities and increased packaging capacity to meet increased take home demand. To date we have maintained strong levels of service into our customer base. We have taken action to ensure our facilities are staffed sufficiently, that our production plans optimise the capacity available at each of our sites and that we prioritise the SKUs that current consumer demand requires. The Group is also working closely with its suppliers to protect the integrity and consistency of supply of raw materials. The Group seeks to minimise input risks through long-term or fixed price supply agreements. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.	▲

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement ○ New ■ Unchanged ▲ Increased ▼ Decreased

Risk & Uncertainties	Impact	Mitigation	Risk Trend
Information Systems and Data Security	Failure of our IT infrastructure or key IT systems may result in loss of information, inability to operate effectively, financial or regulatory penalties, loss of financial control and negatively impact our reputation. Failure to comply with legal or regulatory requirements relating to data security (including cyber security) or data privacy in the course of our business activities, may result in reputational damage, fines or other adverse consequences, including criminal penalties and consequential litigation, adverse impact on our financial results or unfavourable effects on our ability to do business. COVID-19 also poses specific IT risks including the potential for key personnel to contract the virus, the Group's IT support services being unable to discharge their obligations due to the impact of the virus on their own operations or an increase in the number of malicious emails sent to colleagues working from home.	The Group has a number of IT security controls in place including gateway firewalls, intrusion prevention systems, security incident monitoring and virus scanning. Regular communications are sent out to colleagues containing advice on IT security particularly in relation to home working. The Group's approach is one of ongoing enhancement of controls as threats evolve with the target being to align controls, and in particular to implement any new services or changes to the environment, with reference to the ISO 27001 international standard. The Group also has a suite of information security policies in place including Data Protection (GDPR) and Electronic Information and Communications. The Group has enacted specific business continuity plans including co-ordination with key third party IT suppliers and consideration of keyman risk for the Group's IT personnel.	▲
Business growth, integration and change management	As the Group grows through acquisition, it is necessary to adjust to change and assimilate new business cultures. The breadth and pace of change can present strategic and operational challenges. Business integration and change that are not managed effectively could result in unrealised synergies, poor project governance, poor project delivery, increased staff turnover, erosion of value and failure to deliver growth.	Significant acquisitions have formal leadership and project management teams to deliver integration. Regular Group communications ensure effective information, engagement and feedback flow to support cultural change. The Executive Management Team oversees change management and integration risks through regular people, planning and products meetings.	▲

Risk & Uncertainties	Impact	Mitigation	Risk Trend
Compliance with laws and regulations	The Group operates in an environment governed by strict and extensive regulations to ensure the safety and protection of customers, shareholders, employees and other stakeholders. These regulations include hygiene, health and safety, the rules of the London Stock Exchange and competition law. Changing laws and regulation may impact our ability to market or sell certain products or could cause the Group to incur additional costs or liabilities that could adversely affect its business. Moreover, breach of our internal global policies and standards could result in severe damage to our corporate reputation and/or significant financial penalty.	The Group has in place permanent Legal and Compliance functions that ensure the Group is aware of all new regulations and legislation, providing updated documentation, training and communication across the Group. The Group has a Code of Conduct, which is approved by the Board and supported by a wide range of policies, including Modern Slavery, Anti-Bribery and Corruption and Diversity. The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management.	■
Brand and Reputation	The Group faces considerable risk if we are unable to uphold high levels of consumer awareness, retain, attract key associates and sponsorships for our brands and inadequate marketing investment to support our brands. Maintaining and enhancing brand image and reputation through the creation of strong brand identities is crucial for sustaining and driving revenue and profit growth. The closure of on-trade outlets and a reduction in the Group's marketing and brand advertising due to COVID-19 may impact the Group's brand health scores.	To mitigate this risk, C&C has defined values and goals for all our brands. These form the foundation of our product and brand communication strategies. Central to all our brand image initiatives is ensuring clear and consistent messaging to our targeted consumer audience. Executive Management, Group Legal and internal/external PR consultants work together to ensure that all sponsorship and affiliations are appropriate and protect the position of our brands. The Group is monitoring the impact of the rapidly changing trading environment on the Group's brands and will make necessary investment decisions to protect the Group's brand health scores and reputation.	▲

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement ○ New ■ Unchanged ▲ Increased ▼ Decreased

Risk & Uncertainties	Impact	Mitigation	Risk Trend
Financial and Credit Risks	The Group is subject to a number of financial and credit risks such as adverse exchange and interest rate fluctuations, availability of supplier credit, credit management of customers and possible increase to pension funds deficits and cash contributions.	The Group seeks to mitigate currency risks, where appropriate, through hedging and structured financial contracts to hedge a portion of its foreign currency transaction exposure. It has not entered into structured financial contracts to hedge its translation exposure on its foreign acquisitions. In relation to pensions, continuous monitoring, taking professional advice on the optimisation of asset returns within agreed acceptable risk tolerances and implementing liability-management initiatives.	▲
	Non-conformities of accounting and financial controls could impair the accuracy of the data used for internal reporting, decision-making and external communication.	A range of credit management controls are in place and regularly monitored by management to minimise the risk and exposure. A range of key internal financial controls, such as segregation of duties, authorisations and detailed reviews are in place with regular monitoring by management to ensure the accuracy of the data for reporting purposes.	
	COVID-19 may have an impact on the Group's customers' ability to honour their obligations. COVID-19 may also impact the Group's ability to access supplier credit.	The Group is working with all customers and suppliers to minimise the adverse impact of COVID-19 on the business.	

Assessment of the Group's Prospects

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of this report. That expectation factors in the current and expected impact of COVID-19. Please refer to the "Going Concern" section of the Audit Committee Report on Page 69 of this Annual Report for further detail. The going concern assessment indicated that even if a return of on-trade business was extended beyond the Group's estimate of summer 2020, to the end of the going concern assessment period, that the Group has sufficient access to liquidity to operate over this assessment period.

Accordingly, we continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

Viability Statement

As set out in Provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group and its ability to meet its liabilities as they fall due over the medium-term. Specifically, the Directors have assessed the viability of the business over a three year period to February 2023, taking account of the Group's current position and prospects, the Group's strategy, the Board's risk appetite and the Group's Principal Risks and Uncertainties as set out above and how these are identified, managed and mitigated. Key metrics such as cash flow, including working capital and the restoration of working capital improvements following the expected outflows in FY2021, interest cover, liquidity, covenant compliance and headroom in covenants, were subject to sensitivity testing by flexing a number of the key financial assumptions in order to assess the impact of the Group's Principal Risks, particularly in respect of the extent and timing of the recovery in the on-trade business from the impact of the COVID-19 pandemic.

The scenarios, which have been modelled encompass the Group's Principal Risks. The hypothetical impacts are deliberately severe in terms of timing and extent and designed to test the viability of the Group and to understand the level of performance decline that the Group could withstand. In the case of these impacts, various options are available to the Group in order to maintain liquidity. These include reducing non-essential capital expenditure, short term cost reductions, further simplification of and focus on the core business, or the continuation in reducing returns to shareholders.

Based on this assessment, which includes a robust assessment of the potential impact that these risks would have on the Group's business model, future performance, solvency and liquidity 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 February 2023.

In making this statement, the Directors have considered the resilience of the Group, taking account of its current position and the Group's Principal Risks and Uncertainties and the Group's ability to manage those risks. The risks have been identified using a top down and bottom up approach, and their potential impact was assessed having regard to the effectiveness of controls in place to manage each risk. At the time of reporting in June 2020, the situation around the COVID-19 pandemic is still evolving. Whilst the current situation is unprecedented, the Directors have considered the potential impacts of the pandemic and the various options available to maintain liquidity and meet future covenant requirements beyond those currently waived, and the inherent uncertainty that this entails. The considerations included the key assumption of a return of on-trade business in summer 2020 and the impacts of delays in the timing and extent of that return. Based on the facts available at the time of reporting, the Directors believe the conclusions reached in the viability testing remain appropriate.

The Directors have determined that the three year period to February 2023 is an appropriate period over which to provide its viability statement. This period has been considered for the following reasons:

- The business model can be evolved for significant changes in market structure or government policy over the three year period;
- For major investment projects three years is considered by the Board to be a reasonable time horizon for an assessment of the outcome; and
- The Group's strategic planning cycle covers a three year period.

In reaching its conclusion as to Group's viability over a three year period to February 2023, the Directors have reviewed the strategic plan against the impacts which assess the potential risk to the viability of the Group in the context of COVID-19. These impacts included, but were not limited to, a substantial reduction in sales; significant deterioration in consumer confidence and timing and extent of recovery from the pandemic. In assessing the risks to the business and the outcomes which might present, the Directors' noted the actions already taken to mitigate the potential impact of COVID-19 on the business including:

- Drawing down the Group's revolving credit facility, the tenure of which had already been extended during the period in review;
- Significantly reducing capital expenditure;
- Reducing marketing spend and other costs;
- Prudent and vigilant working capital management;
- Reduction of Executive leadership team and Board remuneration by 30% and 40% respectively for an initial three month term;
- Engagement with the Irish and UK tax authorities regarding deferrals of tax;
- The waiver of certain financial covenants for August 2020 and February 2021 in respect of a significant portion of the Group's debt;
- Agreement to certain monthly liquidity and gross debt tests for the period until the next financial covenant tests in August 2021;
- Post-year end, successfully issuing the equivalent of approximately €140m in Euro and Sterling of new US Private Placement notes which were unsecured and have maturities of 10 and 12 years;
- Receiving confirmation from the Bank of England of eligibility to issue commercial paper under the Covid Corporate Financing facility (CCFF) Scheme.

The Directors will continue to monitor risks to the Group and its prospects, particularly those related to COVID-19. The Directors have concluded that, in conjunction with the management team, the appropriate short term measures have been implemented to protect the business and, as of the date of this report, the Board does not expect any reasonably anticipated COVID-19 outcomes to impact the Group's long-term viability or ability to continue as a going concern.

Strategic Report Approval

The Strategic Report, outlined on pages 2 to 49, (including the assessment of the Group's prospects as set out above) incorporates the Highlights, the Business Profile and Key Performance Indicators, the Interim Executive Chairman's Statement, the Group Chief Financial Officer's report, the Sustainability Report and the Management of Risks and Uncertainties section of this document.

This report was approved by the Board of Directors on 3 June 2020.

Mark Chilton
Company Secretary

Group Interim Executive Chairman's Review

Continued to mark progress in advancing our strategic objectives

Net revenue for FY2020 of €1,719.3 million represents an increase of 7.8% versus last year.

Our operating profit in the year is €120.8 million and €116.4 million excluding IFRS 16.

The FY 2020 performance represents a 11.3% (10.5% excluding IFRS 16) increase in adjusted diluted EPS and a 26.9% (9% excluding IFRS 16 Leases) increase in EBITDA.

Basic EPS 2.9 cent.

Strategic development

In FY2020 we continued to mark progress in advancing our strategic objectives. The Group completed the acquisition of Matthew Clark and Bibendum in April 2018 and therefore FY2020 is the first full year of our ownership of these two businesses. The performance of the acquired businesses was positive, as we completed the stabilisation phase and are well progressed into the simplification initiatives identified. Investment into our insight capability, improvements to our logistics network and an even sharper focus on our ESG objectives are highlights of the year in review and which will support our medium term objectives.

Inclusion into the FTSE 250 in December 2019 marked an important and proud day for the Group. As set out in my letter to shareholders on 10 September 2019, with the majority of the Group's revenue and earnings now coming from the UK and, mindful that the majority of our shareholders are based in the UK and North America, the inclusion of C&C in to FTSE UK Index series has increased the awareness of C&C among the investor community.

The progressions of our brand-led distribution strategy is underpinned by our entrepreneurial culture at C&C. Our people are our greatest asset and their inherent mind-set as business owners is crucial for our decentralised model which we operate. This allows for our autonomous business units to remain dynamic and flexible to capitalise on emerging opportunities with efficiency and speed.

Financial Performance

The numbers referred to in this section are pre-application of IFRS16. Reported net revenue for FY2020 of €1,719.3 million represents an increase of 7.8% versus last year on a constant currency basis. This includes a proportional uplift from an additional month of ownership of the Matthew Clark and Bibendum businesses versus FY2019. Excluding this extra month, net revenue increase for the year is 2.6% despite the challenging comparatives presented by last year's warm weather and FIFA World Cup.

Our operating profit in the year is €116.4 million and our overall earnings before interest, tax depreciation and amortisation was €131.9 million. The FY2020 performance represents a 10.5% increase in adjusted diluted earnings per share and 9% increase in EBITDA on a constant currency basis. FY2020 marks the second consecutive year of double digit EPS growth. Basic EPS is 2.8c.

The Company's strong inherent cash generation and conversion characteristics remained throughout the course of the year allowing us to pay down debt as we targeted a Net Debt / EBITDA multiple of 2.0x. Our year end net debt of €233.6 million was €68.0m lower than last year and represents 1.77x our trailing twelve months EBITDA. Cash conversion (pre-exceptional items) at 103.5% was resilient and our ten year average is 73%.

Finance costs in the year amounted to €16.3m which is an increase of 4.5% versus FY2019. This reflects full year access to components of our debt structure as opposed to only 7 months in FY2019. We continued to mitigate our sales ledger risk by leveraging our receivables purchase programme which contributed to €131m to closing cash for FY2020. Whilst improving our working capital and bolstering customer default protection, this facility does come at a cost of additional interest.

On the 27th March 2020, we announced the successful issue of the equivalent of approximately €140m in Euro and Sterling of new US Private Placement notes. Secured after the financial year end, this issue has diversified our sources of debt financing and extended their maturity out to 2032 on attractive terms with covenants aligned to those of the Company's existing debt facilities.

Capital Allocation

The sustainable stewardship and growth of our business remains the guiding principle underpinning our capital allocation strategy. The long-term sequential components of this strategy remain; investment in existing business, bolt-on acquisitions, debt repayment and the return of surplus cash to shareholders.

Capital investment in the existing business stood at €19.4 million for the year with a range of projects undertaken. These projects enhanced our operational efficiency and provided momentum towards our environmental and sustainability targets.

At our Clonmel facility in Ireland, we invested €2.5m in a waste water treatment facility similar to the infrastructure already installed at our Wellpark site in Glasgow. This technology has dramatically improved our wastewater quality and significantly reduced our impact on the local ecological system on which we rely. This had the added benefit of mitigating our forward effluent charges as well as providing a bio-gas by-product which we can incorporate within our heating system thereby reducing energy usage and cost.

We spent €2.5 million on property and equipment investments in the year across the Group, a proportion of which was on the opening of our Five Lamps micro-brewery and visitor centre in Camden Street, Dublin. Iconic and steeped in local history, this former cinema has undergone a radical modernisation and transformation, whilst respecting its original features, which includes a first floor dedicated to the Five Lamps Dublin Brewery. This investment is testament to the growth of the brand and will allow consumers an opportunity to experience first-hand the culture, heritage and authenticity of Five Lamps.

Investment in intangible assets for the year amounted to €4.5m in the year, the majority of which related to ERP system upgrades across the recently acquired distribution businesses. This upgrade means the same ERP package is now deployed across each business unit of the Group, ensuring a more homogeneous and efficient approach to data processing.

We continued our support of the Independent Free Trade in both Scotland and Northern Ireland by lending to outlets seeking growth capital for their business plans. These loans are primarily secured by freehold assets and are conditional upon the outlet purchasing our products over the tenure of the agreement. Guided by our capital allocation hurdle rate, we invested net proceeds of €4.2m and our total loan book stands at €55.1m.

In line with our policy of offsetting scrip dividend dilution, we acquired 5.6 million shares throughout the year at an average EUR equivalent price of €4.03. These shares were subsequently cancelled following purchase.

Our Brands

Consumption trends within the beverages market continue to hinge on premiumisation, authenticity and local provenance. The progression of our brand-led distribution model across our core geographies has provided us with valuable on-trade outlet access.

Following exceptionally warm summer weather in 2018, FY2020 was always going to be challenging, however our local, fabric brands maintained a flat net revenue performance for the year.

We invested €10.7m million in the Admiral Taverns Pub estate in support of growth. The total estate now consists of over 1,000 wet-led outlets.

Our brands are locally produced. Bulmers in Ireland is only ever made in Clonmel and we buy only Irish apples to create a liquid famed for its refreshment, authenticity and its 100% Irish heritage. Tennent's Lager was first brewed at Wellpark Brewery, Glasgow in 1885 from the finest Scottish barley using only locally sourced water. Little has changed in the intervening 135 years and Tennent's Lager remains the biggest and most popular alcohol brand in Scotland. Magners like Bulmers is 100% Irish and is only made at our cider mill in Clonmel, Co.

Group Interim Executive Chairman's Review (continued)

Tipperary. Exported to over 60 countries, the most important market is the UK which accounts for 81% of brand volume. Last year Magners benefitted from both an exceptionally warm summer and the football World Cup.

In Ireland Bulmers revenue declined 7.7%, suffering against tough comparatives bolstered by sunny weather and significant investment in competitor brands. Growth of Five Lamps and investment in a new Visitor Centre in Dublin city centre demonstrate our strategy of identifying a local brand with a unique heritage and supporting the sustainable growth of that brand while retaining its essence and authenticity. Third party brand revenue in Ireland grew by 5.3% in the year. We continue to support the implementation of minimum unit pricing (MUP) in Ireland, as we did in Scotland where we are encouraged by the impact this responsible legislation is having since its introduction.

In Great Britain, Tennent's continues to enjoy particularly strong brand health, we launched the "Life is Bigger than Beer" campaign during the year as part of our ESG sustainability awareness campaign. Revenue growth for the brand was +5.3% and the Visitors Centre welcomed an incremental 11,000 visitors in the year. Following the introduction of minimum unit pricing in Scotland, in FY2020 we invested in our capability to service and supply the convenience channel direct. This incremental volume has bolstered our third party brand revenue in Scotland which grew by +11.8% in the year. Magners volume in GB declined by -2.4% in the year, outperforming the wider market which faced tough comparatives in the year.

Focused brand investment combined with a strong social media, digital and trade marketing presence improved brand health scores on all of our key brands.

Matthew Clark and Bibendum delivered revenue growth of 9.3% with margins in line with our previously stated goal for the year. We continue to maintain high levels of customer service, coupled with unrivalled range to ensure we remain the supplier of choice to the on-trade in the GB.

The performance of our international division was disappointing with sales revenue down from €39.9m to €37.9m, a drop of 5.0%, mainly due to our continued focus on key, sustainable markets only. Margins have improved this year as a consequence of this more focused approach to export.

Our strategy over the last few years has been a combination of investing or partnering in the growth of this premium category. Five Lamps in Dublin, Drygate in Scotland and Orchard Pig cider in the UK are examples of working with others to create brands for tomorrow. In Menabrea, Heverlee and Tsingtao we also have exclusive distribution rights for these authentic premium products. Growth in volumes for our super premium and craft portfolio was 2.6%. They now account for 5.9% of branded volumes and at 8.4% of NSV, we are moving towards our medium term target of 10%.

"Growth of Five Lamps and investment in a new Visitor Centre in Dublin city centre demonstrate our strategy of identifying a local brand with a unique heritage and supporting the sustainable growth of that brand while retaining its essence and authenticity.

Operating Review

We operate broadly decentralised business units in relevant geographies and mainly seek to share back office, IT and procurement efficiencies. We believe proximity to customers and consumers, inherent in our business model, provides us with a distinct competitive advantage over our international competitors over the long term.

It also allows the Company to attract more entrepreneurial talent. We aim to minimise our head office structure and ensure that, within a controlled environment, the decision making is as close to our customer as possible. Our key operational geographies are marked by strong free trade customer penetration and this fragmentation requires investment in sales and distribution infrastructure. It also supports our philosophy of a one-stop shop model underpinned by our fabric brands; Bulmers, Magners and Tennent's.

Ireland

Core Brands

€m Ireland Constant currency[i]	FY2020	FY2019	Change %
Net revenue	227.7	219.8	+3.6%
- Price / mix impact			(0.6%)
- Volume impact			+4.2%
Operating profit (excluding IFRS 16) [ii]	40.2	40.3	(0.2%)
Operating margin	17.7%	18.3%	(60bps)
Operating profit [ii]	40.5	40.3	+0.5%
Operating margin	17.8%	18.3%	(50bps)
Volume – (kHL)	1,416	1,359	+4.2%
- of which Bulmers	366	392	(6.6%)

In Ireland we operate a full multi beverage model with Gleeson being the largest last mile distribution business on the Island. It sells a range of owned brands such as Tipperary Water, Finches soft drinks and of course our beer and cider brands. In Gilbey's with Bibendum we have the largest independent wine business shipping 878k cases annually. Divisional sales in the year increased from €219.8m to €227.7m, representing revenue growth of 3.6%.

Over the last few years there has been huge competitive pressure on Bulmers draught taps from scale players and we ceded distribution. FY2020 saw more competitor cider launches. This competitor investment coupled with an exceptionally warm summer the previous year provided a challenging backdrop for Bulmers, against which revenue declined -7.7%.

In grocery, Bulmers' share of total cider declined from 49.2% to 46.8% [iii] in a highly competitive market. Importantly in the run up to Minimum Unit Pricing (MUP) in Ireland we maintaining a price premium over standard lager of 10%.

Despite the very challenging backdrop this year Operating Profit was broadly flat, a testament to the Irish, brand-led distribution model.

We seek to provide route to market access for as wide a possible range of craft beers, ciders and spirits and actively encourage market participation responding to both consumer and customer demand. Gleeson stock more than 368 beer and cider SKUs as well as a wide range of premium wine.

We have exclusive distribution rights for a range of beers including San Miguel and certain AB InBev brands (from 1st July 2020 we will have all AB InBev brands). Franchise arrangements provide scale and enhanced customer reach.

Group Interim Executive Chairman's Review
Operating Review (continued)

Great Britain

Core Brands

€m Great Britain Constant currency[i]	FY2020	FY2019	Change %
Net revenue	334.1	310.5	+7.6%
- Price / mix impact			+7.7%
- Volume impact			(0.1%)
Operating profit (excluding IFRS 16)[ii]	43.5	42.7	+1.9%
Operating margin	13.0%	13.8%	(80bps)
Operating profit[ii]	44.9	42.7	+5.2%
Operating margin	13.4%	13.8%	(40bps)
Volume – (kHL)	2,626	2,628	(0.1%)
- of which Tennent's	977	1,004	(2.7%)
- of which Magners	530	543	(2.4%)

In Scotland there is no exclusivity on other beers or ciders, but the strength of our system means that we are a natural partner for other brand owners. Our distribution business grew net revenues by 12% as we launched our Convenience direct-to-store solution in recognition of the shift in channel mix following the introduction of Minimum Unit pricing legislation.

The Tennent's brand increased revenue in the critical independent free trade against challenging prior year comparatives that reflected a much warmer summer and a soccer World Cup. The strength of the Tennent's brand has also been reflected in the Off-Trade channel where our share has grown to 26.3%[iii].

Recent investments behind the Tennent's brand have strengthened the brand's role as a fabric brand in Scotland. Conscious of our commitment to our local communities, during the year we launched the "*Because life is bigger than beer*" sustainability campaign behind Tennent's. The campaign underpins our environmental pledges.

Again, the focus on premium beers and ciders helped enhance value with volume growth of our premium portfolio at 1.2%. This included an exceptional year for the Tsingtao brand which delivered volume growth of 53%. On average the margin on these products is higher than the blended average for mainstream brands. The move to an in house system for logistics will lower future costs and the transition was extremely smooth from a customer perspective.

In the UK, AB InBev provides route to market access for our cider portfolio and we are proud to be represented by them and sold as part of their internationally renowned portfolio. Our share was maintained in FY2020 with cider volumes though ABI down 2.5% year on year. Again, at retail we maintained a price premium over the market leading apple cider brand.

Matthew Clark and Bibendum

Matthew Clark and Bibendum Constant currency(i)	FY2020 12 months	FY2020 11 months	FY2019 11 months	LFL Change %	Change %
Net revenue	1,119.6	1,036.4	1,024.4	+1.2%	+9.3%
- Price / mix impact				+5.9%	+5.8%
- Volume impact				(4.7%)	+3.5%
Operating profit (excluding IFRS 16)(ii)	26.4	26.5	15.9	+66.7%	+66.0%
Operating margin	2.4%	2.6%	1.6%	+100bps	+80bps
Operating profit(ii)	29.0	29.1	15.9	+83.0%	+82.4%
Operating margin	2.6%	2.8%	1.6%	+120bps	+100bps
Volume – (kHL)	2,731	2,514	2,639	(4.7%)	3.5%
- Volume – (cases k 9L)	30,344	27,933	29,322	(4.7%)	3.5%

In our first full year of ownership we continue to be pleased with the service levels and contribution from both Matthew Clark and Bibendum. The businesses have delivered operating margin in line with our stated goals for the year and did so whilst continuing to carefully manage cash and working capital.

Net revenues for the combined MCB Group in FY2020 were €1,119.6m and we are reporting net operating profits and operating margins of €26.4m.and 2.4% respectively.

Revenue grew 9.3%, on a like for like basis revenue grew by 1.2%, in part reflecting planned withdrawal of loss or low margin business. Our customer service metrics remained a core focus in the year, building on the progress made since acquisition. Our OTIF (on time in full) metrics was in excess of 95% for the year and our stock availability remained high at 98% throughout the year. Net Promoter Scores were also high across both businesses with scores finishing the year at 53.6 for Matthew Clark and 52.8 for Bibendum.

Throughout the year, our unparalleled scale and service capabilities allowed us to welcome a range of new suppliers to our supply chain network, from global brands to local craft producers. We also strengthened our existing strategic supplier partnerships to further develop our core offering to over 20,000 customer outlets we served.

Bibendum ended the year in a breakeven profit position, an important milestone in the recovery of the business. Bibendum's business was more damaged when we acquired it than Matthew Clark and so the recovery to profitability was always going to take longer. Revenues grew 1.8% in the year with a number of new business wins secured. Bibendum's Off-Trade offering has also provided a revenue stream post COVID-19 and we continue to work collaboratively with our Off-Trade partners in meeting the current consumer demand.

Group Interim Executive Chairman's Review
Operating Review (continued)

International

Core Brands

€m International Constant currency(i)	FY2020	FY2019	Change %
Net revenue	37.9	39.9	(5.0%)
- Price / mix impact			+0.5%
- Volume impact			(5.5%)
Operating profit (excluding IFRS 16)(ii)	6.3	6.5	(3.1%)
Operating margin	16.6%	16.3%	+30bps
Operating profit(ii)	6.4	6.5	(1.5%)
Operating margin	16.9%	16.3%	+60bps
Volume – (kHL)	239	253	(5.5%)

We continue to consolidate our various positions within our International division. Volumes were down 5.5% and revenues fell 5.0%. Profit at €6.3m was only marginally behind the previous year reflecting loss of lower profit business and cost reduction. We experienced disruption through a distributor switch in Italy and exited a number of low volume export markets. In the US the success of other new categories, such as Hard Seltzers, has put further pressure on our portfolio of Ciders with revenues down 6.2%.

Admiral Taverns

We entered our joint venture in the Admiral Taverns Pub estate originally in December 2017, and continued to invest to support the growth of the estate in FY2020. The total estate now consists of over 1,000 wet-led outlets. Admiral is treated as an equity accounted investment and our consolidated earnings, pre-exceptionals, for the year were €3.1m.

Environmental, Social and Governance

The recent prevalence of ESG is a welcomed paradigm that we as a Company are pleased to prioritise. Historically, the Group has invested in a host of initiatives and resources in this arena designed to benefit our broad spectrum of stakeholders as well as mitigating risk and driving further efficiencies. These efforts were relatively unheralded however as we progressed with our tacit commitments in this field. The emerging trends now call for enhanced transparency and communication within the ESG sphere, a trend which we are now fully immersing in as we increase our efforts to communicate our range of initiatives that we have proudly invested behind in support of our stakeholders and local communities for years.

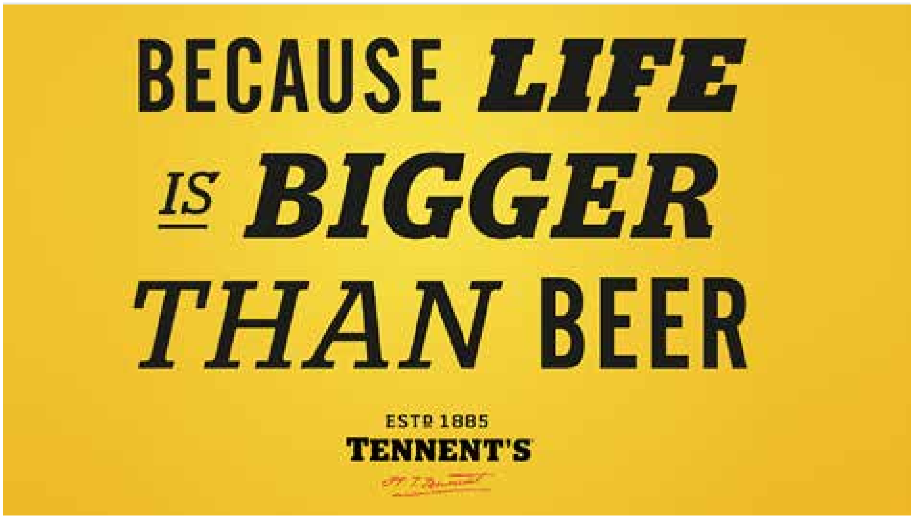
Our Responsibility Report is set out on pages 37 – 49.

Environmental

Sustainability Commitment

Our first foray into this enhanced reporting came in May of FY2020 with a detailed overview of our Sustainability capabilities and commitments as part of our Capital Markets Day. This was designed to give an overview of our industry leading abilities such as our water ratio of 3 and our zero waste to landfill policies. This was also a forum for us to set out our ambitious targets as we strive for continual improvement.

Many of these commitments were captured in the year by our 'Because Life is Bigger than Beer' campaign under the Tennent's



brand in Scotland. Underpinning this campaign is a €16 million investment which enabled the introduction of pioneering green-technology and strategic partnerships. This campaign encapsulates our commitments to be out of single-use plastic by 2022 and to be carbon neutral by 2025. Work has already begun switching from plastic packaging to cardboard, an initiative which will remove 150 tonnes of plastic from the environment each year. Our carbon dioxide recovery system will remove the equivalent of 27,000 flights from Glasgow to London of CO_2 out of the atmosphere.

Similarly in Ireland, where our production site is already carbon neutral, investment continued in our ground water protection programme to upgrade the site drainage and wastewater network. This technology, already installed at our Wellpark site causing improvement of wastewater quality there of over 90%, will protect the water sources of the surrounding Tipperary countryside.

In January we launched the first ever Drinks Industry Sustainability Index – Trends Report in collaboration with sustainable research company, Footprint Intelligence. The report analyses the extent to which the drinks industry is adopting sustainable strategies and practices for packaging, waste, water, emissions, energy, social impact and raw materials and helps identify sustainable operating practices to assist in the reduction of the drinks industry's carbon footprint. This initiative aligns with our ambitious sustainability commitment of being 100% carbon-neutral by 2025, a target the Group is on course to deliver.

Social

People and Culture

A strong and entrepreneurial culture within C&C is what differentiates us from our larger international peers. At its core, C&C is a local business guided by local values and imbedded in the local communities we serve. With a decentralised business model, our business units deploy a high degree of autonomy within their markets. Being in close proximity to our local stakeholders ensures we are able to meet and adapt to bespoke needs. This requires our people to be entrepreneurial in their thinking, steering the local business units as they would their own business.

Our team is therefore our greatest asset and we acknowledge the contribution of all our colleagues in delivering the significant progress we made this year.

Social Responsibility

For C&C, the local communities we serve have long featured as a priority in our strategic planning and we continue to undertake a range of initiatives designed to benefit our local stakeholders across the geographies we operate in.

In Ireland, we support a variety of local charities and partnerships. This includes an established partnership with Inner City Enterprise (ICE) in Dublin, a charity which advises and assists unemployed people in Dublin's inner city to set up their own businesses, to which C&C donates annually. During the year, we also donated to the Irish Society for the Prevention of Cruelty to Children (ISPCC), Ireland's national child protection charity to support the services they provide, all run by professionally trained ISPCC staff and volunteers. We also proudly sponsor local teams including the Tipperary Ladies Gaelic Football Team, Liffey Wanderers and under age soccer clubs: Kilcullen AFC, and Crumlin AFC.

Similarly in Scotland, the Group supports a host of charitable and community projects. This includes the award-winning Tennent's Training Academy – situated on the Wellpark Brewery site. The Training Academy continues its work in supporting charities and schools with a programme of training and learning sessions across a range of hospitality sectors. We also held several fundraising events during the year to support KidsOut, a charity which provides support to disadvantaged children across the UK. This included a Question of Sport dinner, at which over 300 people across the sector attended raising approximately £70,000.

To highlight the incredible support offered by pub teams and customers for charities and good causes in England, we partnered with Pubaid to support Charity Pub of the Year.

Governance

Our Corporate Governance policies underpin the effective stewardship of your business and provide essential mechanisms to narrow the downside potential emanating from the inherent enterprise risks in our objective of generating long-term sustainable value for shareholders.

Group Interim Executive Chairman's Review
Operating Review (continued)

In FY2020, we realigned our Corporate Governance framework in harmony with the UK Corporate Governance Code (the "Code") which was published in July 2018 and became effective for the Group on 1 March, 2019. We as the Board consider that the Group has acted in accordance with the provisions of the Code however note that deviation was unavoidable for a period from 15th January when I was appointed Interim Executive Chairman following the retirement of Stephen Glancey as CEO. Further explanation can be found in the Corporate Governance Report on page 58.

Board Developments

In October, we announced that Jim Clerkin, Non-Executive Director, would replace Vincent Crowley, Senior Independent Director, as a member of the Remuneration Committee and that Helen Pitcher, Non-Executive Director, would be appointed as a member of the Nomination Committee.

CEO Selection Process

Following the retirement of Stephen Glancey, a thorough selection process, guided by global executive search firm Spencer Stuart, remains on-going to appoint our new CEO. On behalf of myself and the Board, I would like to thank Stephen for his significant contribution to C&C over many years. In the interim, the management team and I are committed to ensuring we continue to execute our strategic priorities and navigate through the short term challenges the COVID-19 pandemic has presented and position the Group to be a winner post the crisis.

COVID-19

The global COVID-19 pandemic has presented unprecedented challenges to each community we serve and placed enormous pressure on frontline healthcare workers. We recognise that there is a responsibility on all businesses to help fight this virus and we have implemented a number of initiatives in light of this. Across our core geographies, we have provided hand sanitizers, bottled water and soft drinks whilst also supporting foodbanks to ensure those who are most vulnerable can access the basic necessities they require. We will continue to provide support where we possibly can and hope we can in some way alleviate the challenges being faced by society as a whole.

Summary and outlook

The FY2020 results were strong and reflect the incremental impact of the full year of Matthew Clark and Bibendum ownership. During the year the entire management team worked closely on various projects and synergy initiatives.

The result of the UK's exit from the European Union ("Brexit") on 31st January 2020 and its impact in terms of the exit deal including tariffs and trade agreements remain unclear. With continued uncertainty we will continue to monitor developments closely. We will continue to work closely and navigate through the immediate term challenges presented by Brexit and COVID-19.

Our top priority is protecting the health and wellbeing of our people, customers, suppliers, business partners and community. We are continuously monitoring the advice provided by the health authorities and in line with that guidance, the Group has implemented an extensive range of measures to provide the safest environment we can for our stakeholders.

We continue to implement a series of measures to reduce operating costs, maximise available cash flow, and maintain and strengthen the Group's liquidity position. These measures include:

- Capital spend significantly reduced
- Reduced discretionary spend
- Prudent and rigorous working capital management
- Continue to actively engage with the Irish and UK Tax Authorities
- Salary reductions across our workforce with Board remuneration reduced also.
- Approximately 70% of employees have been placed on furlough.

Given the absolute focus on liquidity, and with the high levels of uncertainty, the Group will not declare a final dividend for the current financial year. The Group has taken these extensive measures to ensure that we preserve cash and have the financial flexibility to avail of opportunities that will present themselves as we, and the drinks industry, emerge from this crisis.

Stewart Gilliland
Interim Executive Chairman

Summary notes to interim Executive Chairman's Report are set out below.

(i) FY2019 comparative adjusted for constant currency (FY2019 translated at FY2020 F/X rates).
(ii) Before exceptional items
(iii) OUTLET On Trade Market model & CGA OPMS WE 25/01/20 (GB On Trade); AC Nielsen Total Business BWS Category Report to 07.03.20 (GB Off Trade); CACI NI Weekly OA Expenditure and Social Scene Profile 2018 (NI On Trade); Internal calculations (NI Off Trade)

Group Chief Financial Officer's Review

Results For The Year

C&C is reporting net revenue of €1,719.3 million, operating profit[i] of €120.8 million, adjusted diluted EPS[ii] of 29.6 cent, and FCF[i][iii] of 101.0%. Basic EPS of 2.9 cent was impacted by exceptional items. Excluding the impact of IFRS 16 Leases which the Group adopted in the current financial year, the Group reports operating profit[i] of €116.4 million, adjusted diluted EPS[ii] of 29.4 cent, basic EPS of 2.8 cent and FCF[i][iii] of 103.5%.

The Group's net revenue increased 7.8% on a constant currency[iv] basis. Excluding the impact of IFRS 16 *Leases*, operating profit[i] increased 10.4% on a constant currency basis[iv] and adjusted diluted EPS[ii] of 29.4 cent increased 10.5% delivering on our double digit EPS growth target. Basic EPS of 2.8 cent was impacted by the exceptional items as outlined in further detail below.

Cash generation was very strong at over 100%[iii] resulting in a Net Debt[vi]/EBITDA[vii] position at year end of 1.77x excluding Leases, which aligns with our banking covenant definition which excludes leases, or 2.13x including Leases.

The key financial performance indicators are set out on page 12.

The COVID-19 pandemic is having a significant impact on our business and we are proactively taking measures to reduce operating costs, maximise available cash flow, and maintain and strengthen the Group's liquidity position.

In March 2020, the Group announced the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end. The Group also received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF'') scheme. The Group had not drawn down on this facility as at 3 June 2020.

Given the absolute focus on liquidity with the high levels of uncertainty, the Group will not declare a final dividend for the current financial year.

Accounting Policies

As required by European Union ('EU') law, the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and as applied in accordance with the Companies Act 2014, applicable Irish law and the Listing Rules of the UK Listing Authority. Details of the basis of preparation and the accounting policies are outlined on pages 111 to 125. The Group has adopted IFRS 16 Leases from 1 March 2019 and the impact of same is disclosed on page 112.

Finance Costs, Income Tax and Shareholder Returns

Net finance cost was €19.8 million for the year including IFRS 16 Leases. Excluding the impact of IFRS 16 *Leases* net finance costs were €16.3 million (FY2019: €15.6 million). The Group's Euro term loan was only drawn down in July last year as was the extension of the Group's receivables purchase programme to include Matthew Clark and Bibendum receivables. Costs associated with both increased year on year due to the fact they were in place for the full 12 month period.

The income tax charge in the year was €12.3 million excluding the credit in relation to exceptional items and equity accounted investments' tax charge. This also includes a charge of €0.3 million with respect to IFRS 16 *Leases*. Excluding IFRS 16 Leases, the credit in relation to exceptional items and the equity accounted investments' tax charge the income tax charge in the year was €12.0 million. This represents an effective tax rate of 12.0%[v] reflecting a decrease of 0.1 percentage points on the prior year. Included within the effective tax rate is a net benefit of €2.9 million arising from an internal re-organisation. This benefit is made up of a current period tax charge offset mainly by deferred tax assets on future tax deductions. Excluding the impact of this reorganisation, the Group's effective tax rate would have been 14.9%[v]. The Group is established in Ireland and as a result it benefits from the 12.5% corporate tax rate on profits generated in Ireland. Excluding the impact of the reorganisation, the effective tax rate is higher than the standard corporate tax rate of 12.5% for the Group mainly as a result

Group Chief Financial Officer's Review
(continued)

of a higher proportion of profits subject to taxation coming from outside of Ireland. The Group's effective tax rate is subject to a number of factors, such as local and international tax reform including the OECD's Base Erosion and Project Shifting project "BEPS", EU directives and initiatives and the consequences of Brexit. In any given financial year the effective tax rate reflects a variety of factors that may not be present in subsequent financial years and may be affected by changes in profit mix, challenges brought by tax authorities, amendments in tax law, guidance and related interpretations.

The Group paid an interim dividend of 5.50 cent per share but as noted previously will not declare a final dividend. Total dividends to ordinary shareholders in FY2020 amounted to €48.1 million, of which €29.7 million was paid in cash, €18.1 million or 37.6% (FY2019: 20.2%) was settled by the issue of new shares and €0.3 million (FY2019: €0.3 million) was accrued with respect to LTIP 2015 dividend entitlements.

In addition to increased dividends, we invested €22.7 million (€23.0 million including commission and related costs) in market share buybacks, to minimise the dilutive impact of scrip dividends, purchasing 5,625,000 of our own shares at an average Euro equivalent price of €4.03. Our stockbrokers, Davy, conducted the share buyback programme. All shares acquired during the current financial year were subsequently cancelled.

During the period, the Group took the decision to seek admission to the FTSE UK Index Series. This was deemed the most appropriate action based on a number of factors. Following the acquisition of Matthew Clark and Bibendum in 2018 the majority of the Group's revenues, earnings and activities are now derived in and from the United Kingdom ("UK"). The continued evolution of our shareholder base now results in the majority of the Group's shares being held by shareholders based in the UK and North America and the Group believes that over time the change in listing will increase awareness of the Group among the investor community. The move entailed cancelling the Group's listing on the Official List of Euronext Dublin on 7 October 2019. From that date, C&C shares are traded solely on the London Stock Exchange in Sterling. The Group is listed on the premium segment of The London Stock Exchange and was included in the FTSE All-Share Index and the FTSE 250 indices in December 2019.

Exceptional items

Total exceptional items, pre the impact of taxation, of €92.5 million were incurred in the financial year.

COVID-19

The Group has accounted for the COVID-19 pandemic as an adjusting event in the current financial year and has incurred an exceptional charge of €47.6 million at 29 February 2020 in this regard. In light of the closure of on-trade premises in both Ireland and the UK, the Group reviewed its recoverability of its debtor book and advances to customers and booked an expected credit loss provision directly associated with COVID-19 of €19.4 million and €5.8 million respectively. The Group also reviewed its stock balances and in particular stock that was due to expire in the short to medium term and booked a provision of €10.6 million. The balance of €11.8 million relates to trade and marketing contracts now deemed to be onerous €9.4m and the write off of an IT intangible asset where the project will now not be completed, as a direct consequence of COVID-19, of €2.4m.

Impairment of intangible assets

The Group impaired the Woodchuck suite of brands by €34.1 million at 29 February 2020. The success of the relatively new Hard Seltzers' category has squeezed the Cider and other categories and resulted in less space being available for our brands. In the short and medium term the outlook is not positive for growth in Cider in the US and the COVID-19 crisis and linked restrictions has further impacted our ability to innovate and trade our way back to sustainable profit growth.

An impairment of €0.1m was also taken with respect to the Group's Matthew Clark Bibendum cash generating unit directly attributable to a discontinued brand.

Other

Other exceptional items in the current financial year include €4.4 million for the termination of a number of the Group's long term apple contracts which were deemed surplus to requirements; restructuring costs of €3.0 million primarily relating to restructuring following the prior year acquisition of Matthew Clark and Bibendum, incremental costs related to the dual running of warehouse management systems in Scotland due to system implementation delays of €0.6 million, acquisition related costs of €0.2 million and a €1.0 million revaluation loss following an external valuation of property, plant & equipment. A net gain arising from the same revaluation exercise of €1.1m was accounted for within Other Comprehensive Income.

During the current financial year, the Group disposed of its equity accounted investment in a Canadian company for cash proceeds of €6.1 million, realising a profit of €2.6 million on disposal. Also during the current financial year, the Group disposed of its investment and non-controlling interest Peppermint Events Limited at a loss of €1.7 million.

Equity accounted investments' exceptional items

Property within Admiral Taverns are valued at fair value on the Balance Sheet, the result of the fair value exercise at 29 February 2020 resulted in a revaluation loss (the Group's share of this loss equated to €2.7 million) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €3.7 million) accounted for within Other Comprehensive Income. Also during the current financial year, the Group invested a further €10.7 million which gave rise to capital duties to be expensed in relation to the acquisition (the Group's share of this expense was €2.9 million). This was offset by recognition of the Group's share of an adjustment made by the investee to recognise a higher deferred tax asset in respect of timing differences on fixed assets in respect of prior years (the Group's share of this gain was €3.2 million).

Balance Sheet Strength, Debt Management and Cashflow Generation

Balance sheet strength provides the Group with the financial flexibility to pursue its strategic objectives. It is our policy to ensure that a medium/long-term debt funding structure is in place to provide us with the financial capacity to promote the future development of the business and to achieve its strategic objectives.

In July 2018, the Group amended and updated its committed €450 million multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank, and Ulster Bank. During the current financial year, the Group availed of an option within the Group's multi-currency revolving loan facility agreement to extend the tenure for a further 364 days from termination date. The multi-currency facility agreement is therefore now repayable in a single instalment on 11 July 2024. The Euro term loan is repayable in instalments, with the last instalment payable on 12 July 2021.

As noted previously, in March 2020, the Group completed the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end in addition to a waiver of a July 2020 term loan repayment which now becomes payable with the last instalment in July 2021. The Group also received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF') scheme. The Group had not drawn down on this facility as at 3 June 2020.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100 million in the form of an uncommitted accordion facility.

At 29 February 2020 net debt(vi) excluding leases capitalised under IFRS 16 which is the basis for debt covenant calculations, was €233.6 million, representing a net debt(vi):EBITDA(vii) ratio of 1.77x. Net debt(vi) to EBITDA(vii) including IFRS 16 Leases was €326.9 million, representing a net debt(vi):EBITDA(vii) ratio of 2.13x.

Cash generation

Management reviews the Group's cash generating performance by measuring the conversion of EBITDA(vii) to Free Cash Flow(iii) as we consider that this metric best highlights the underlying cash generating performance of the continuing business.

The Group's performance during the year resulted in an EBITDA(vii) to Free Cash Flow(iii) conversion ratio pre-exceptional costs of 101.0%. Excluding the impact of IFRS 16 *Leases*, the Free Cash Flow conversion ratio pre-exceptional costs would have been 103.5%. The Group's year end cash position benefited from the Group's receivables purchase programme which contributed €131.4 million (2019: €152.6 million) to year end cash. A reconciliation of EBITDA(vii) to operating profit(i) is set out below.

Table 1 – Reconciliation of EBITDA(vii) to Operating profit(i)

	2020 (Including IFRS 16) €m	2020 (Excluding IFRS 16) €m	2019 €m
Operating profit	**29.8**	**25.4**	96.7
Exceptional items	**91.0**	**91.0**	7.8
Operating profit before exceptional items	**120.8**	**116.4**	104.5
Amortisation and depreciation charge	**32.8**	**15.5**	15.5
Adjusted EBITDA(vii)	**153.6**	**131.9**	120.0

Group Chief Financial Officer's Review
(continued)

Table 2–Cash flow summary

	2020 (Including IFRS 16) €m	2020 (Excluding IFRS 16) €m	2019 €m
Adjusted EBITDA(vii)	**153.6**	**131.9**	120.0
Working capital	**47.9**	**47.6**	19.9
Advances to customers	**(4.2)**	**(4.2)**	(0.9)
Net finance costs	**(17.4)**	**(14.0)**	(12.5)
Tax paid	**(8.0)**	**(8.0)**	(8.6)
Pension contributions paid	**(0.4)**	**(0.4)**	(0.2)
Tangible/intangible IT expenditure	**(19.8)**	**(19.8)**	(22.1)
Disposal proceeds property plant & equipment	**0.4**	**0.4**	0.1
Exceptional items paid	**(9.5)**	**(9.5)**	(5.9)
Other*	**3.0**	**3.0**	1.2
Free cash flow(iii)	**145.6**	**127.0**	91.0
Free cash flow(iii) conversion ratio	**94.8%**	**96.3%**	75.8%
Free cash flow(iii)	**145.6**	**127.0**	91.0
Exceptional cash outflow	**9.5**	**9.5**	5.9
Free cash flow(iii) excluding exceptional cash outflow	**155.1**	**136.5**	96.9
Free cash flow(iii) conversion ratio excluding exceptional cash outflow	**101.0%**	**103.5%**	80.8%
Reconciliation to Group Condensed Cash Flow Statement			
Free cash flow(iii)	**145.6**	**127.0**	91.0
Net proceeds from exercise of share options/equity Interests	**0.4**	**0.4**	-
Shares purchased under share buyback programme	**(23.0)**	**(23.0)**	(1.9)
Drawdown of debt	**192.6**	**192.6**	736.0
Repayment of debt	**(280.7)**	**(280.7)**	(786.2)
Payment of Lease liabilities	**(18.6)**	**-**	-
Payment of issue costs	**(0.5)**	**(0.5)**	(5.0)
Disposal of subsidiary/equity investment	**5.1**	**5.1**	-
Cash outflow re acquisition of equity accounted investments	**(11.2)**	**(11.2)**	-
Dividends paid	**(29.7)**	**(29.7)**	(36.0)
Net decrease in cash	**(20.0)**	**(20.0)**	(2.1)

* Other relates to share options add back, pensions debited to operating profit and net profit on disposal of property, plant & equipment.

Retirement Benefits

In compliance with IFRS, the net assets and actuarial liabilities of the various defined benefit pension schemes operated by the Group companies, computed in accordance with IAS 19® *Employee Benefits*, are included on the face of the Balance Sheet as retirement benefits.

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. The most recent actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. As a result of these updated valuations the Group has committed to contributions of 27.5% of pensionable salaries for the Group's staff defined benefit scheme. There is no funding requirement with respect to the Group's Executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to these surpluses when the scheme concludes.

There are 2 active members in the NI scheme and 55 active members (less than 10% of total membership) in the ROI staff defined benefit pension scheme and no active members in the executive defined benefit pension scheme.

At 29 February 2020, the retirement benefits computed in accordance with IAS 19(R) *Employee Benefits* amounted to a net deficit of €7.9 million gross of deferred tax (€16.7 million deficit with respect to the Group's staff defined benefit pension scheme, €3.3 million surplus with respect to the Group's Executive defined benefit pension scheme and a €5.5 million surplus with respect to the Group's NI defined benefit pension scheme) and a net deficit of €8.1 million net of deferred tax (FY2019: net deficit of €3.2 million gross and net deficit of €4.1 million net of deferred tax).

The key factors influencing the change in valuation of the Group's defined benefit pension scheme obligations gross of deferred tax are as outlined below:

	€m
Net deficit at 1 March 2019	**(3.2)**
Employer contributions paid	**0.4**
Charge to Other Comprehensive Income	**(4.4)**
Charge to Income Statement	**(0.7)**
Net deficit at 29 February 2020	**(7.9)**

The increase in the deficit from €3.2 million at 28 February 2019 to a deficit of €7.9 million at 29 February 2020 is primarily due to an actuarial loss of €4.4 million over the year. The actuarial loss was driven by the reduction in the discount rates used to value the pension benefit obligation. The impact of the reduction in discount rates was partially offset by other actuarial gains such as higher than expected asset returns over the year, a reduction in the future benefit inflation assumptions, a change to the commutation assumption (ROI Staff) and other experience gains over the year.

Financial Risk Management

The main financial market risks facing the Group continue to include foreign currency exchange rate risk, commodity price fluctuations, interest rate risk and creditworthiness risk in relation to its counterparties.

The Board of Directors set the treasury policies and objectives of the Group, the implementation of which are monitored by the Audit Committee. There has been no significant change during the financial year to the Board's approach to the management of these risks. Details of both the policies and control procedures adopted to manage these financial risks are set out in detail in note 23 to the Consolidated Financial Statements.

Currency risk management

The reporting currency and the currency used for all planning and budgetary purposes is Euro. However, as the Group transacts in foreign currencies and consolidates the results of non-Euro reporting foreign operations, it is exposed to both transaction and translation currency risk.

Currency transaction exposures primarily arise on the Sterling, US, Canadian and Australian Dollar denominated sales of our Euro subsidiaries and Euro purchases in the Group's Matthew Clark and Bibendum business. We seek to minimise this exposure, when economically viable to do so, by maximising the value of subsidiary foreign currency input costs to offset our sales exposure and by maximising the value of subsidiary foreign currency revenue to offset our payables exposure, creating a natural hedge. When the remaining net exposure is material, we manage it by hedging an appropriate portion for a period of up to two years ahead. Forward foreign currency contracts are used to manage this risk in a non-speculative manner when the Group's net exposure exceeds certain limits as set out in the Group's treasury policy. In the current financial year, the Group hedged a portion of its Euro payables exposure in Matthew Clark and Bibendum. At 29 February 2020 the Group has hedges to the value of €24.6 million in place at an average exchange rate of 1.15 GBP/EUR (28 February 2019: €48.7 million hedges at an average exchange rate of 1.115 GBP/EUR). The hedges are based on forecasted exposures and meet the requirements of IFRS 9 *Financial Instruments*. These hedges remain effective despite the impact of COVID-19.The fair value of outstanding hedges, as calculated by reference to the current market value resulted in a net liability at 29 February 2020 of €0.3 million (28 February 2019 : €2.0 million).

Group Chief Financial Officer's Review
(continued)

The average rate for the translation of results from Sterling currency operations was €1:£0.8721 (year ended 28 February 2019: €1:£0.8841) and from US Dollar operations was €1:$1.1132 (year ended 28 February 2019: €1:$1.1664).

Comparisons for revenue, net revenue and operating profit before exceptional items for each of the Group's reporting segments are shown at constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's Sterling and US Dollar denominated subsidiaries by restating the prior year at current year average rates.

Applying the realised FY2020 foreign currency rates to the reported FY2019 revenue, net revenue and operating profit[(i)(iv)] as shown below.

Table 3 – Constant currency comparatives

	Year ended 28 February 2019 €m	FX transaction €m	FX translation €m	Year ended 28 February 2019 €m
Revenue				
Matthew Clark and Bibendum	1,156.6	-	15.9	1,172.5
Ireland	318.3	-	0.9	319.2
Great Britain	482.7	-	6.6	489.3
International	39.7	-	1.1	40.8
Total	**1,997.3**	**-**	**24.5**	**2,021.8**
Net revenue				
Matthew Clark and Bibendum	1,010.5	-	13.9	1,024.4
Ireland	219.2	-	0.6	219.8
Great Britain	306.3	-	4.2	310.5
International	38.9	-	1.0	39.9
Total	**1,574.9**	**-**	**19.7**	**1,594.6**
Operating profit[(i)]				
Matthew Clark and Bibendum	15.7	-	0.2	15.9
Ireland	40.3	(0.1)	0.1	40.3
Great Britain	42.1	-	0.6	42.7
International	6.4	-	0.1	6.5
Total	**104.5**	**(0.1)**	**1.0**	**105.4**

Notes to the Group Chief Financial Officer's Review

(i) Before exceptional items.
(ii) Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please also see note 9 of the financial statements.
(iii) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €131.4m (2019:€152.6m) inflow in the period. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out above.
(iv) FY2019 comparative adjusted for constant currency (FY2019 translated at FY2020 F/X rates). FY2020 excluding the impact of IFRS 16 Leases so as to be a direct comparison to FY2019 on a constant currency basis.
(v) Effective tax rate is calculated on the Group's Profit before tax, excluding exceptional items and excluding the share of equity accounted investments' profit after tax.
(vi) Net debt comprises borrowings (net of issue costs) less cash. Net debt including finance leases comprises borrowings (net of issue costs) less cash plus leases capitalised under IFRS 16 Leases.
(vii) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' profit after tax. A reconciliation of the Group's operating profit to EBITDA is set out on page 33.

Commodity Price and Other Risk Management

The Group is exposed to commodity price fluctuations, and manages this risk, where economically viable, by entering into fixed price supply contracts with suppliers. We do not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. Our policy is to fix the cost of a certain level of energy requirement through fixed price contractual arrangements directly with its energy suppliers.

The Group seeks to mitigate risks in relation to the continuity of supply of key raw materials and ingredients by developing trade relationships with key suppliers. We have long-term apple supply contracts with farmers in the west of England and have an agreement with malt farmers in Scotland for the supply of barley.

In addition, the Group enters into insurance arrangements to cover certain insurable risks where external insurance is considered by management to be an economic means of mitigating these risks.

Jonathan Solesbury
Group Chief Financial Officer

Responsibility Report

People, customers, shareholders, suppliers and the communities

C&C is committed to conducting business as efficiently, sustainably and responsibly as possible. This is demonstrated in the way we engage with our people, customers, shareholders, suppliers and the communities in which we operate.

We recognise that we must play a strong and leading role in promoting the safe and responsible consumption of alcohol in society. Alcohol is enjoyed by the vast majority of consumers but we recognise that it can have a damaging impact on individuals and in society in cases where it is abused. We work hard to advocate the responsible consumption of alcohol among consumers; promote and support Minimum Unit Pricing of alcohol; and, offer low-alcohol options where possible.

We also recognise that we have an important role to play in supporting the communities in which we operate. We undertake a range of initiatives that benefit our local areas and details on these initiatives are set out below.

At C&C, sustainability is also a core facet of the development of our strategy and we welcome the increasing focus on it from a number of stakeholders. We believe that by improving our environmental and sustainability performance, we will unlock benefits across our business and beyond. In this report, we outline how we have embedded good practices and our performance areas that are central to the sustainable creation of value for our stakeholders and society generally. Our progress in FY2020 against our environmental and sustainability targets is set on page 12.

Alcohol and Social Responsibility

We are a sector leader in promoting enhanced public policy on responsible alcohol consumption. We work at a local, national and international level with a particular focus on the Minimum Unit Pricing ('MUP') of alcohol.

We were strong supporters of the Scottish Government's introduction of MUP, which the Group believes is a responsible measure to help reduce the misuse of alcohol in society. We are encouraged by the early, positive impact of this legislation. We welcome the Public Health (Alcohol) Act in Ireland and the introduction of MUP in the Irish market in due course. We will continue to advocate and support the introduction of MUP in England and Northern Ireland.

We were the first drinks organisation to carry the UK Chief Medical Officer's new responsible drinking guidelines on our packaging in the UK. We also offer low alcohol alternatives to our core brands. The need to ensure that communities are well educated and protected in terms of their relationship with our products is central to our business and consistent with the role we want to play within our local communities. We are funders of Drinkaware, which performs the valuable role of equipping consumers with information about responsible alcohol consumption. We also promote Drinkaware on our packaging and advertising materials.

We are members of the UK's National Association of Cider Makers ('NACM'), which works closely with apple growers and the agricultural communities in cider regions in the UK. This working relationship puts us at the heart of many UK Government discussions relating to the responsible use of alcohol. The NACM is also engaged with tax and regulatory departments and opinion-forming bodies having an interest in cider and alcohol generally. We are also a member of the European Cider and Fruit Wine Association ('AICV').

Consistent with our commitment towards responsible alcohol consumption, and to ensure that consumers are provided with full detail on our products, we voluntarily display calorie information on our packaging in the UK and Ireland. Our products are relatively low in sugar content with our leading cider brands containing less sugar than their key competitors. Tennent's lager contains only trace levels of sugar.

Responsibility Report
(continued)

> **With utmost respect for the South Tipperary Beekeepers association, our site in Clonmel has donated a space in our 165 acre site for the association to build a large apiary, with over 15 hives.**

Community and Local Responsibility

The Group is committed to the communities in which it operates and undertakes a range of initiatives that benefit our local communities; in particular supporting charitable activities. Our commitment to the community is set out below.

Ireland

As worldwide concerns grow for the future of our ecosystems, so do ours. With the utmost respect for the South Tipperary Beekeepers association, our site in Clonmel has donated a space in our 165 acre site for the association to build a large apiary, with over 15 hives.

We are currently in the process of applying for Origin Green membership. This programme enables us to set and achieve measurable sustainability targets that respect the environment and serve our local communities more effectively.

We supported a number of local schools in Ireland by providing student work experience opportunities at our Clonmel production site for students in technical and manufacturing subjects. We are a contributor to schools fundraising initiatives, donating iPads, and we have also contributed to school building projects, trips and the purchase of equipment.

C&C proudly sponsor local teams including the Tipperary Ladies Gaelic Football Team and under age soccer clubs: Kilcullen AFC and Crumlin AFC. Through our Five Lamps craft beer, we are also proud sponsors of Liffey Wanderers, a leading inner-city Dublin soccer team.

Plans are underway to open a Bulmers visitor centre at the original site of Dowd's Lane in Clonmel, in conjunction with Tipperary County Council, as a major element of the county tourism plan.

We have an established partnership with Inner City Enterprise (ICE) in Dublin to which C&C donates €15,000 annually. ICE is a charity which advises and assists unemployed people in Dublin's inner city to set up their own businesses. We have provided ICE with funding to support their initiatives and a number of our staff have joined their panel of business advisors to support the entrepreneurs that they work with.

During FY2020, we donated €20,000 to the Irish Society for the Prevention of Cruelty to Children (ISPCC), Ireland's national child protection charity to support their freephone number, text number, online chat system, school outreach programme and their campaigning for children's rights, all run by professionally trained ISPCC staff and volunteers.

Scotland

The Group supports a diverse range of sporting, charitable and community projects across Scotland and has endeavoured to use its support of sports to generate opportunities for community engagement and fundraising. The Tennent's Training Academy continues to provide a range of training courses to the local community.

We held several fundraising events during the year to support KidsOut, a charity which provides support to disadvantaged children across the UK. This included a Question of Sport dinner, at which over 300 people across the sector attended raising approximately £70,000. Tennent's also signed up to the KidsOut Just Giving Tree, providing thousands of gifts to children less fortunate at Christmas.

Sales of Tennent's Light at certain bars in the BT Murrayfield stadium and selected Edinburgh rugby hubs on the day of Scotland vs France match in March 2020 saw a donation of £1 per pint from draught sales of its new low calorie, low ABV product to the My Name'5 Doddie Foundation, which provides support for those affected my motor neuron disease, and the 40tude cancer charity.

Tennent's continues its longstanding partnership with The Benevolent Society of Scotland, which aids people of all ages who have worked in the licensed trade for at least three years full-time. Beneficiaries receive annual financial assistance as well as discretionary grants for emergency situations. Tennent's contribution in FY2020 amounted to circa £20,000.

Tennent's Training Academy

The award-winning Tennent's Training Academy – situated on the Wellpark Brewery site - continues its work in supporting charities and schools with a programme of training and learning sessions across a range of hospitality sectors. Our diverse range of courses and classes have seen continued growth with over 45,000 students having passed through our doors.

For the past five years the Tennent's Training Academy has been working closely with Glasgow City Council Education Services to provide alternative provision for pupils who are attending special needs schools.

The successful 'Yes Chef' programme, aimed at rehabilitating young adult males recently released from prison, has seen sponsorship of six students who train over three months before cooking and serving a seven-course meal for 200 delegates at the Glasgow Hilton hotel.

The Magners Employability Scheme sees the continued partnership between Magners, the Celtic FC Foundation and the Tennent's Training Academy to teach new skills to adults who are registered as long-term unemployed. This intensive ten week project has helped 37 participants gain employment in the hospitality sector or move into further education since it began in 2015.

England

In 2019, Matthew Clark, partnered with Pubaid to support Charity Pub of the Year to highlight the incredible support provided by pub teams and customers for charities and good causes. Pubs in the UK raise approximately £100 million every year for charity and contribute a further £40 million to grassroots sport, making them a powerful force for good in their local communities and wider society.

North America and Europe

In FY2020, the Vermont business continued its commitment to local orchard partners as well as to its allied industry associations. The team voluntarily serves on the board of directors for the Vermont Tree Fruit Growers Association, the Vermont Cider Makers Association and the United States Association of Cider Makers. The Vermont business also participates in renewable energy by supplying the cider lees to the Vermont Cow Power program which turns waste into power, and partnered with the Appalachian Trail Conservancy to help preserve and clean trails along sections of the Appalachian Trail in Vermont.

Heverlee is created in association with the Abbey of the Order of Premontre (known as Park Abbey) and is inspired by the beers first brewed by the monks in medieval times. The Abbey lies just outside Leuven, Belgium, and is the largest of its kind in the country, founded in 1129. Today, every pint of Heverlee sold supports the major multi-million Euro restoration of Park Abbey ensuring Heverlee is as bound to the Abbey's future as we are indebted to its past.

COVID-19 Frontline Support

Since the emergence of COVID-19 across the globe, the pressure on those we are depending on the most – frontline healthcare workers – has been immense. All businesses must do their utmost in an effort to ease the burden of those workers insofar as possible. In each of our main markets, we have implemented a number of initiatives. From the provision of hand sanitizer and facemasks in Dublin, providing bottled water and soft drinks in Northern Ireland and Scotland, to supporting foodbanks across the UK, we are doing our best to give to those who need it most. In the face of such a threat to society, we will continue to search for ways that all of our business units can contribute to the cause.

Responsibility Report
(continued)

Sustainability and Environmental Responsibility

During the year, the Group formed a working group tasked with progressing our sustainability agenda, comprising of employees from a range of departments including operations and legal. Our overall objective is to operate as efficiently and sustainably as possible by focussing efforts across six key pillars, which support the UN Sustainable Development Goals. These six pillars aim to reduce our consumption of our planet's valuable resources and promote a positive impact with regards to our customers and product.

Resources			Customer and Product		
Conservation of Energy and Water	**Carbon Emissions**	**Waste Reduction**	**Sustainable Partnerships**	**Sustainable Packaging**	**Sustainable Transport**
Energy and water are central to our operations and our conservation programme focuses on how we manage consumption. We have set ourselves stringent targets to drive change including manufacturing site operations to be carbon neutral by 2025, with 100% of the power being provided by renewable sources; and achieve a water usage ratio of 2.5 by 2022.	We recognise that it is of paramount importance to monitor the impact that our operations have on the environment and look to reduce our greenhouse gas emissions. We are aiming for our manufacturing sites to be carbon neutral by 2025.	As a manufacturing business we recognise the Group's responsibility to reduce the waste disposed of and to conserve the use of valuable resources. Zero waste was sent to landfill for the Group's sites at Wellpark and Clonmel. 100% of by-products are recycled for use as animal feed or organic compost.	The success of any sustainability strategy is dependent on our partners embracing these practices at every stage of the supply chain. We continue to work to enhance our partnerships with suppliers.	We are aiming to eliminate single use plastics from our manufacturing by 2022. The Group is a member of the UK "Plastic Pact" which sets additional targets for plastic packaging.	We recognise that our carbon footprint extends to the transportation of our products. We are trialling electric vehicles in the UK & Ireland. The Group also continues its focus on eliminating unnecessary journeys and improving vehicle efficiency.

The Group has achieved the ISO 14001 certification for its Clonmel, Matthew Clark (Whitchurch) and Bibendum sites, which is the international standard specifying the requirements for an effective environmental management system. Our Wellpark site has been recognised for its consistently excellent environmental compliance by the Scottish Environment Protection Agency.

Resources

Conservation of Energy & Water Usage

The Group has employed various practices to conserve the use of energy and water across operations.

For energy efficiency these include:

- Biogas energy: anaerobic Digestion technology installed at Wellpark Brewery.
- Solar energy: at our cidery in Vermont, USA, we make energy from our "solar orchard" which is a 26 array solar project providing sustainable electricity and revenue diversification for local farmers. Clonmel is exploring the use of a solar array to provide up to 1MW of energy.
- Geothermal energy: investigating a ground heat source at Wellpark Brewery with the potential to reduce carbon footprint by more than 20%.
- Pasteurisation control system: there is an on the can pasteuriser at Wellpark Brewery. This control system delivered a 10% reduction in steam usage year on year, as well as further improving the finished product quality.
- Energy efficiency technology: Matthew Clark has rolled out a £0.5 million investment on LED motion sensor lighting for all main depots.

Solutions for water consumption include:

- Can rinsing system using de-ionised air was commissioned in Clonmel in early 2020. Expected to reduce water consumption of by more than five million litres per annum.
- Pasteurisation control system (as before): has reduced water consumption in the canning operation by 14 million litres per annum.
- Groundwater protection programme: the Clonmel site commenced a three-year programme in 2018 to upgrade the site drainage and wastewater network. This will protect the water sources of the surrounding Tipperary countryside.

Heat Intensity (KWh/hl)

FY16	21.80
FY17	19.20
FY18	19.28
FY19	18.68
FY20	18.44

Power Intensity (Kwh/hl)

FY16	7.81
FY17	7.82
FY18	7.45
FY19	7.37
FY20	7.36

The graphs above display the total usage of electricity or gas measured against the amount of product produced from the sites in Wellpark and Clonmel. This gives a measure of the energy efficiency improvement in the last 5 years.

Carbon Emissions

We assess and manage climate change related risks and opportunities, including the impact on the availability and security of our sources of raw materials, such as aquifers, orchards and maltings. We have set the target for our manufacturing sites to be carbon neutral by 2025.

In 2020, we will install a carbon capture process in the Wellpark Brewery, similar to that already installed in Clonmel. This will reduce CO_2 emissions by more than 4,000 tonnes per annum. We will maximise the use of recovered CO_2 and use collected gas for product carbonation initially then covert other processes to CO_2 instead of N_2 where possible.

We actively monitor our carbon emissions and have participated in the Carbon Disclosure Project (CDP) Supply Chain Programme since 2012. The Group were pleased to be awarded a B rating in 2020. Our manufacturing sites year on year performance is shown in the table below:

Site	Estimates only FY2020	FY2019	Reduction
Clonmel:*	10,558 tonnes	10,792 tonnes	2.2%
Wellpark:	15,304 tonnes	15,408 tonnes	0.7%
Vermont:*	1,412 tonnes	2,505 tonnes	43.6%
Others:	1,536 tonnes	1,536 tonnes	-
Total	28,810 tonnes	30,241 tonnes	4.7%

*Adjusted to reflect the local electricity factors from SEAI (Ireland) and EPA (US).

Waste Reduction

The group has a long term objective of sending zero waste to landfill, in FY2020 our main manufacturing sites at Clonmel and Wellpark both achieved this target. We will continue to use a waste hierarchy approach through prevention, re-use and recycling.

- In our manufacturing operations, we routinely monitor our waste stream and target improvement annually. We measure raw material usage and yields on a weekly basis to ensure the efficient use of our resources.
- Within the Matthew Clark business they are maximising use of return journeys when the vehicles are empty and backhauling cardboard and plastic to main depots. The cardboard and plastic are baled and sent for recycling. This not only negates the need for a standalone recycling service, but it also protects the quality of the recycled materials and ensures maximum recycling rates are achieved.

Responsibility Report
(continued)

Case study

Wellpark Brewery – Wastewater Improvements

At C&C, we regard sustainability as vital in driving our organisation forward. Sustainability is essential, not just for our business but also for the environment and our stakeholders. At Wellpark Brewery in Glasgow, we encountered a unique challenge, one that would test our sustainability credentials and deliver benefits beyond the original scope of the project.

Brewing at Wellpark can be traced back to 1556. The brewery is located in the east end of Glasgow, approximately one mile from the city centre. The site is a recognised landmark and Tennents lager has been brewed here since 1885.

Wellpark Brewery currently produces 240 million litres of beer per annum. One of the key raw materials is locally sourced water. Despite our highly efficient brewing process we generate approximately 500 million litres of wastewater each year to meet the Company's required hygiene standards.

Due to the historic nature and location of the site, and the decades of development, Wellpark Brewery had always discharged its wastewater at up to six locations on the property. These locations, known as outfalls, were connected to a public sewer system which passes through the brewery. Discharges were untreated and were subject to routine sampling (by Tennent's/Scottish Water) to confirm discharge strength and volume. The wastewater was then treated at the Scottish Water treatment facility at Dalmarnock, before it reached the River Clyde. The Wellpark Brewery management team determined that a more efficient and sustainable solution was necessary.

By reducing the brewery's waste water emissions – namely by improving the quality of the wastewater on site – C&C would curtail the cost of the external treatment at the Dalmarnock facility, which had risen significantly in previous years.

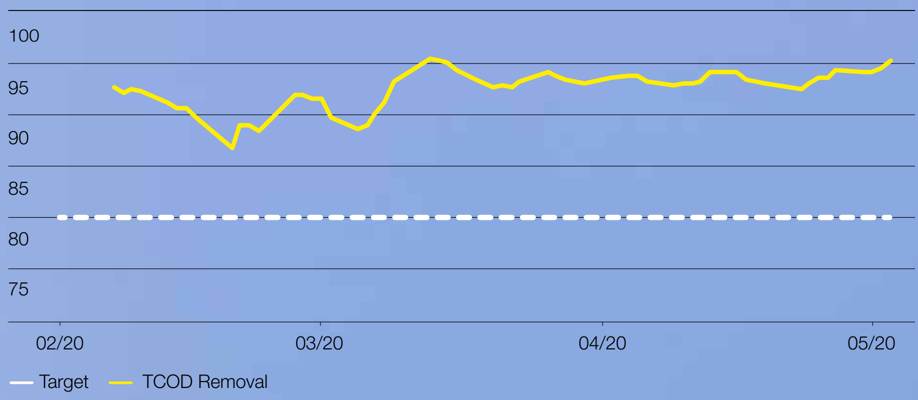
The brewery sits within a tight physical footprint, confined by its city centre location. There was no significant room for expansion so any new development had to be accommodated within the existing site. This clearly provided a unique set of challenges for the business while it also presented a desirable objective for C&C to strengthen its sustainability credentials.

Before introducing a treatment facility the first step was to redesign the site's existing wastewater network so that all flows returned to a single point. Wellpark Brewery is a 24/7 operation so this was no small undertaking. The works were carried out and the pipe network was re-engineered to a single new location adjacent to the main vehicle entrance. This was completed in 2018, ahead of the anaerobic digestion plant installation in 2019, without interruption to the brewery's operations.

The most important stage of the process was to identify the most efficient and effective form of treatment for our wastewater. Various technologies were considered but the selected anaerobic treatment solution fulfilled several essential criteria:

- **Compact design meant a smaller footprint;**
- **Lower running costs;**
- **Fully automated;**
- **Low energy requirement and highly efficient;**
- **Minimal sludge production;**
- **Significant Chemical Oxygen Demand ('COD') reduction capability;**
- **Ability to generate biogas as a fuel; and**
- **Less susceptible to environmental changes.**

Actual COD Removal Rate vrs Target (%)



The treatment plant was also designed to ensure minimal impact on our neighbours, from noise, odours or waste.

The brewery's wastewater contains organic components which are by their very nature biodegradable. These include sugars, soluble starch, ethanol and volatile fatty acids. The strength of these is measured in COD. Anaerobic technology involves the degradation of organic substances by micro organisms in the absence of oxygen, producing methane, carbon dioxide and water. This is a fully enclosed process.

The KPI for this project was an improvement in wastewater quality of 80%. In just a matter of months we have already seen improvements in excess of 90%. The performance over the three months is shown on the graph above.

Improvement in wastewater quality was the key motivating factor but it was not the only benefit. The advantages of anaerobic treatment extend further as the plant also generates biogas for a steam boiler. This feeds the brewery network and the boiler can generate up to one tonne of steam per hour. This covers 5% of the brewery's total needs and means that C&C have reduced the requirement for fossil fuels for heating purposes.

In all, the new treatment plant has contributed to three of our six sustainability pillars: Conservation of Energy & water usage; Carbon Emissions in Manufacturing; and Waste Reduction. The system has an expected life of 20 years and we hope to see it continue to make a positive impact to our sustainability agenda.

Responsibility Report (continued)

Customer and Product

Sustainable Partnerships

The Group recognises that sustainability needs to be embraced by partners at every stage of the supply chain to promote the success of its sustainability strategy. Audits and reviews are carried out both during initial procurement and over the lifetime of the contract to assess suppliers track record in environmental management, health and safety, sustainability, diversity and overall corporate social responsibility.

Additionally, Bibendum has launched the 'Bibendum Vivid Charter' which promotes sustainable supply chain practices of the supply chain.

We aim to share best practice across the industry. In February 2020, in collaboration with the sustainable research company, Footprint Intelligence ('Footprint'), we launched the first ever Drinks Industry Sustainability Index – Trends Report 2020. The report analysed the extent to which the drinks industry is adopting sustainable strategies and practices for packaging, waste, water, emissions, energy, social impact and raw materials. In September 2019, Matthew Clark was the headline sponsor of the Inaugural Food & Beverage Sustainability Awards. This event was aimed at sharing best practice and recognising outstanding industry achievement in support of sustainability.

We are committed to sourcing our raw materials from local sustainable sources. All apples crushed at the Clonmel site for the production of Bulmers and Magners cider are sourced from the island of Ireland. As well as having 165 acres of our own orchards in Co. Tipperary, there are over 50 partner growers on the island, whom we work closely with. The health and sustainability of the Irish apple growing sector are therefore central to the overall Group strategy. A key aspect of apple orcharding is the health of the population of bees and other pollinating insects. As part of our commitment to protect the biodiversity of bees, C&C are patrons of the South Tipperary Bee-Keepers Association who carry out much activity on the protection and promotion of the species in our Redmonstown Orchard.

Similarly in Scotland, Tennent's lager is produced using 100% Scottish malt. We seek to support the growers of our key raw materials such as barley and wheat through entering into long-term supply arrangements. As part of this, we take account of broader outputs such as the impact on sustainability, environmental and social impacts. Malting barley is only purchased from farms with current and up-to-date, independently audited farm assurance schemes. Those schemes are the Scottish Quality Crops ('SQC') or the Red Tractor assurance schemes, which ensure the best environmental practices are adhered to.

In both Scotland and Northern Ireland we lend on a secured basis to independent free trade to help our customers grow their business. In some instances this is to help refurbish existing facilities, or in other cases, to assist in the acquisition of new premises. In return, customers commit to buying our product for their outlets. Our long-term support for trade customers is normally recognised through increased customer loyalty and the lifetime value is higher than for those customers that trade without a tie.

Sustainable Packaging

The Group has set an ambitious target to be out of single-use plastics by 2022, reducing the environmental impact and ecological footprint of our products. We are the only brewer who is a member of the UK plastics pact, which has additional targets on plastic packaging, waste and recyclates. The Group is committed to utilising sustainable packaging and in FY2020, more than 30% of the total volume produced by C&C was in 100% returnable and reusable packaging formats.

The change to be out of plastics requires significant capital investment, a combined €11.5 million in the Wellpark and Clonmel production sites. The new primary packaging material will be cardboard which is fully and easily recyclable. The investment is focused on the canning operations at both of these sites, with significant equipment and infrastructure changes already planned for FY2021. The investment also recognises the future market changes e.g. the Deposit Return Scheme introduction.

In FY2020, we entered a can light weight programme, further optimising the material used. We have completed more than 50% of the planned activity to date, and will complete the programme this year, removing 330 tonnes of aluminium from the supply chain.

As an interim measure whilst moving out of plastic, we have introduced a hi-cone plastic ring, which has a 50% recycled content.

In 2019, we completed a change to the design of the preforms used in PET production. This reduced the amount of plastic used by more than 10%. Simultaneously we reviewed the raw materials used, to further improve the recyclability of the bottles. The technology to produce PET bottles directly onto reusable trays is used for 37% of the PET volume produced.

“

The Group has a unique “End to End” supply chain model in the UK and Ireland, with c.360 vehicles in operation. This allows efficiencies to be identified across every stage of the product journey.

Sustainable Transport

We recognise that our carbon footprint extends beyond manufacturing and the distribution and transport of our products also contributes to the Group’s carbon footprint. In 2020, we will report for the first full year the carbon emissions associated with our transport fleet through CDP. The Group has a unique “End to End” supply chain model in the UK and Ireland, with circa 360 vehicles in operation. This allows efficiencies to be identified across every stage of the product journey.

Our Fleet

- All new vehicles leased or purchased must meet the EURO 6 standard. We also have a rolling programme to replace existing fleet and 40 vehicles were replaced in the Matthew Clark fleet in 2019.
- A solar transport solution is being fitted to 30 new vehicles. The solar panels will harvest energy for ancillary functions reducing fuel consumption by up to 5%. We are also updating existing fleet by retrofitting panels.
- Electric vehicles are being trialled for deliveries in urban areas. An electric-powered van is currently being utilised for small-volume deliveries of Five lamps craft beer in Dublin. Whilst the weight of deliveries presents a challenge for electric vehicles for primary product movements, we are investigating alternative fuels and are looking to trial a liquid natural gas (HGV) for Cambuslang.

Driving efficiencies

- We are eliminating the need for secondary loads, by introducing direct delivery of orders from manufacturing sites to customer premises. In FY2020, we further increased the level of direct deliveries from the Clonmel site to UK customers to 68%.
- By working in collaboration with raw material and third-party drinks suppliers we are reducing empty running of trucks. Vehicles delivering to C&C operational sites are backloaded with outbound customer deliveries.
- Software including transport network and route planning and on-road training for driver habits have maximised fuel consumption.

Responsibility Report
(continued)

Responsibility to our People

Developing, engaging and rewarding colleagues fairly is fundamental to the success of our business and also to the relationships that we have with the local communities in which we work.

Health and Wellbeing

The business continues to develop its risk management approach delivering improved health and safety management standards and training whilst enhancing the development of its management teams and employees. Year one of a three year corporate strategy providing direction and positive key results is in place. The progress and effects are reviewed routinely by the Board to ensure that key performance indicators and delivery of the improved standards remain on target.

The health, safety and wellbeing of our employees is of paramount significance to us; recognising the key importance of delivering better safety standards and improved wellbeing for our colleagues. The Group continues to drive accidents down and has this year been successful in delivering a 21% reduction in lost time events against 2019 results. This places our collective RIDDOR rate some 70% below the national average for the manufacturing and logistics sectors combined.

A series of coordinated events has taken place across all operations including the delivery of accredited training focusing on health and safety leadership to the senior leadership teams in each business unit.

Individually each business unit has also played its part in delivering a safer and healthier workplace for our employees. At Clonmel, a Health and Safety Day took place in March 2020 with over 100 staff

across the site taking part in workshops on food safety, environmental awareness, raising near misses and reporting incidents, working at height awareness and positive health culminating in a presentation on safety awareness.

Wellpark Brewery Health and Safety Day in January 2020 had a significant impact regarding the engagement of employees. There was a series of presentations delivered by internal and external speakers on topics including mental health and workplace transport. Of significant impact was a presentation delivered by a survivor of the Piper Alpha disaster who spoke openly about the impact the event had on him and his mental health.

Across the Matthew Clark depots the key focus has been on addressing the largest risk facing our staff of manual handling. A major project was conducted by colleagues from across the depots to create a new suite of work systems which have since been rolled out to the business. We have also developed a tool for assessing the risks associated with driving and delivering to our customer's premises. This is showing some very encouraging results at an early stage, achieving a reduction in the overall risk rating by 43%, resulting in a 10% decline in the

> **"The health, safety and wellbeing of our employees is of paramount significance to us; recognising the key importance of delivering better safety standards and improved wellbeing for our colleagues.**

number of vehicle collisions. The tool is now in the process of being rolled out across the remaining logistics operations.

The Group encourages colleagues to manage their wellbeing and makes available advice on how to improve their health and wellbeing generally. Where possible we avail of facilities local to our sites to enhance opportunities for the improvement of health and fitness. There has continued to be a focus on mental health with initiatives run in various parts of the business. In Tennent's, interactive workshops were facilitated where teams explored the impact mental health has on our daily working lives and how to identify and support a colleague or friend suffering with mental health challenges. Here too events took place around "Time to Talk Day" and "Health and Well Being Day". In Bibendum, a series of mental health themed workshops were run while in Matthew Clark a new Wellbeing Policy was launched. Also in Matthew Clark a Christmas Awareness Campaign was run, which highlighted that Christmas is not always a great time for everyone and how to access supports that are available. Following on from this campaign a number of Mental Health First Aiders have now come forward and are currently undergoing training. Once trained they will enhance the network that is already in place in some other parts of the business to positively promote mental health, as well as supporting individuals where needed. An Employee Assistance Programme ('EAP') and Health checks also are available in many areas of the business.

In addition to safety of our employees, partners and suppliers, we continue to seek ways to improve the health impacts of our offering. Having been a leader in transparent packaging, we were delighted to confirm that Tennent's Light has been recognised as the beer with the lowest calories on the market. Tennent's Light, at only 66 calories a 33cl bottle, is further evidence of not just our efforts to evolve our offerings with changing demand but our commitment to providing healthier substitutes to existing beer offerings.

Employee Benefits

We continually review the benefits and services we provide to our colleagues to ensure the best level of service while managing the cost both to the business and to colleagues (tax implications). This year we've made changes in some business areas including Healthcare, Fleet and the Employee Assistance Program ('EAP'). This year we re-launched the all employee share scheme ('SIP') in the UK and Ireland to enhance the opportunity to participate in the Group's performance. We have now doubled the amount that colleagues can invest and for each share that is purchased the company matches it with a free share.

Development

We continually strive to support our colleagues in achieving their full potential and have created a variety of development opportunities this year.

This year there was an emphasis on apprenticeships with programmes running across a range of disciplines in various parts of the business. This included apprenticeship training in Sales, Team Leadership, Management, Health and Safety, Engineering, Packaging, Brewing, Logistics, Digital Marketing, People Services, Warehousing and Quality.

Our "Raising the Bar", initiative continued in Tennent's this year. The aim of this programme is to ensure colleagues have the skills, confidence and knowledge to deliver, developing them personally and professionally. This year the focus was on leadership training within our management and team leader populations. Similarly, in Matthew Clark, a suite of internal management training interventions was delivered across a range of Behavioural and Employee Relations topics.

We continue to support professional development across the business and this year have supported colleagues through further education and professional exams including SVQ's in Management, MBAs, CIMA, CIPD and IBD qualifications.

Further emphasis was placed this year on delivering a comprehensive range of skills training across the Group including Lean Operational Excellence, Wine Appreciate and Finance for Non-Financial Managers.

In line with our commitment to ensuring our activities do not cause or contribute to contemporary forms of slavery in the workplace, and taking steps to stop it from happening in our supply chains and elsewhere, a programme entitled "Tackling Modern Slavery in Business" was delivered to appropriate people across the group including members of our Executive Committee, Procurement, Operations Management and HR teams.

We continue to invest many training hours in specialised and compliance training, where appropriate, such as food safety, HACCP, manual handling, forklift driving, chemical handling, first aid and fire safety.

Inclusion and Diversity

We are an equal opportunities employer. We aim to create a working environment in which all individuals are able to make the best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. We have a formal equal opportunities policy that commits us to promoting equality of opportunity for all our staff and job applicants. For our operations in Northern Ireland this includes adherence to the MacBride Principles. Our policy states that we do not discriminate on the basis

Responsibility Report
(continued)

of age, disability, marital status, ethnicity, creed, sex or sexual orientation. The policy also requires our staff to treat customers, suppliers and the wider community in accordance with these principles as well.

We are committed to increasing diversity in our business through access, opportunities and training. We have piloted an inclusion and diversity survey in some business areas as are keen to understand more about the demographic make-up of our colleagues and their views on how inclusion and diversity is supported. We intend to build upon and expand this approach in FY2021 and use the survey output to help identify where further improvements can be made.

An analysis of Directors, senior managers and other colleagues by gender as at 29 February 2020 is as follows:-

	Male Number	Female Number	% Female of Total
Directors	6	3	33%
Senior Managers	60	28	32%
Other employees	2,220	753	25%

Engagement

Engagement with the workforce is considered of paramount importance by the Board and management team. During the course of FY2020, as detailed in the Corporate Governance Report, the Board established new structures to provide for effective engagement by the Board with the wider workforce. These include confidential colleague feedback surveys to all businesses with results presented annually to the Board, and the appointment of a Non-Executive Director to each business unit to understand employee's views. The business areas assigned to each of the Non-Executive Directors is set out on page 61.

Beyond these structures, each of the business areas already share company and operational updates with colleagues in a range of different ways, including newsletters, business area intranet, email communications as well as formal briefings and informal gatherings with senior leaders which also provide the opportunity for colleagues to ask questions and share their thoughts and any feedback. Business engagement forums are also present in many areas of the business, and are particularly active across operations functions.

Employee contribution and service continuity are celebrated though various business area recognition schemes, including award ceremonies and prize givings and many areas have active social committees who arrange local employee social and community events, for example family days and BBQs.

We have broadened the scope of engagement surveying to take place in all areas of the business across the UK and Ireland. Colleague participation has increased from last year and over 76% of colleagues in these areas participated during FY2020. In most business areas, team managers have direct and instant access to feedback. Feedback provided has enabled departments and teams to identify opportunities for improvements and action plans have been put in place to address these. Where we have surveyed colleagues more than once during FY2020, overall engagement scores have improved.

“

During the course of FY2020, as detailed in the corporate governance report, the Board established new structures to provide for effective engagement by the Board with the wider workforce.

Ethics

Human Rights

We do not condone and will not knowingly participate in any form of human exploitation, including slavery and people trafficking. We refuse to work with any suppliers or service providers who knowingly participate in such practices or who cannot demonstrate to us sufficient controls to ensure that such practices are not taking place in their supply chains. Our approach is reflected in our Sustainable and Ethical Procurement Policy, which we circulate to suppliers. We also carry out diligence audits and checks on our suppliers to ensure that they have in place and adhere to appropriate ethical policies including our Sustainable Ethical Procurement Policy, with KPIs for those areas where we believe the potential impact on the Group is material. A process is in place internally to address and remediate any instances of non-conformance with our Sustainable and Ethical Procurement Policy.

A copy of our Anti-Modern Slavery Statement is available on our website.

Anti-Bribery and Corruption

Our Anti-Bribery and Corruption Policy and accompanying training materials are designed to be straightforward and direct so that it is clear to all employees what they may or may not do as part of normal business transactions. The Policy applies to everyone in the Group equally. It is written to ensure that legitimate and honest business transactions can be distinguished from improper and dishonest transactions. This Policy and the accompanying training will be tracked as part of the internal audit monitoring process to monitor understanding and adherence to the Policy. KPIs have been established for those areas where we believe the potential impact on the Group is material. During FY2020, no incidences of bribery or corruption were uncovered across the Group.

Tax

The Group takes its responsibilities as a corporate citizen seriously. This includes respecting and complying with local tax laws and paying the required and appropriate levels of tax in the different countries where we operate. We claim the allowances and deductions that we are properly entitled to, for instance, on the investment and employment that we bring to our communities. We benefit from having always been an Irish company, established in the Republic of Ireland's corporate tax environment, with our major cider production unit located in Clonmel and the Group is headquartered in Dublin. The majority of the Group's profits are earned in the Republic of Ireland and the UK, which both have competitive corporation tax rates compared with the European average. In the Republic of Ireland and the UK, we remit substantial amounts of duty on alcohol production.

Directors' Report

The Directors present the Annual Report and audited Consolidated Financial Statements of the Group for the year ended 29 February 2020.

Principal Activities

The Group's principal trading activity is the production, marketing and distribution of cider and beer, wine, soft drinks and bottled water.

Non-Financial Reporting Statement

In compliance with the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, the table below is designed to help stakeholders navigate to the relevant sections in this Annual Report to understand the Group's approach to these non-financial matters:

Reporting Requirements	Our Policies	Section in Annual Report or Page References	Risks
Environmental matters	Environmental Sustainability	Responsibility Report	Although the risks associated with environmental matters are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for our business.
Social and Employee matters	• Diversity, Equality and Inclusion • Health and Safety • Whistleblowing • Conflicts of Interest	Responsibility Report Confidential Reporting Procedures – page 72	For employee matters, retention and recruitment of staff is one of our principal risks. Please refer to page 16 for more details.
Human Rights	Anti-Modern Slavery	Responsibility Report	Although the risks associated with human rights abuses are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for our business.
Anti-bribery and Corruption	Code of Conduct Compliance Anti-Bribery	Responsibility Report	Although the risks associated with bribery and corruption are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for our business.
Description of the business model		Please refer to pages 6 to 9	
Non-Financial key performance indicators		Please refer to page 12	

Dividends

An interim dividend of 5.50 cent per share for the year ended 29 February 2020 was paid on 13 December 2019. Due to the emergence of COVID-19 and the impact this has on global economies and on business generally, the Board has concluded it is not appropriate to pay a final dividend for FY2020. For the previous financial year ending 28 February 2019, an interim dividend of 5.33 cent per share was paid on 13 December 2019 and a final dividend of 9.98 cent per share was paid on 19 July 2019.

Board of Directors

The names, functions and date of appointment of the current Directors are as follows:

Director	Function	Appointment
Stewart Gilliland	Interim Executive Chairman	2020
Jonathan Solesbury	Group Chief Financial Officer	2017
Andrea Pozzi	Chief Operating Officer	2017
Jill Caseberry	Independent Non-executive Director	2019
Jim Clerkin	Independent Non-executive Director	2017
Vincent Crowley	Independent Non-executive Director	2016
Emer Finnan	Independent Non-executive Director	2014
Helen Pitcher	Independent Non-executive Director	2019
Jim Thompson	Independent Non-executive Director	2019

Research and Development

Certain Group undertakings are engaged in ongoing research and development aimed at improving processes and expanding product ranges.

Listing Arrangements

During the course of the year, the Group sought inclusion in the FTSE UK Index Series. In order to facilitate the entry into the FTSE UK Index Series, the Group cancelled the listing and trading of C&C shares on Euronext Dublin with effect from 8 October 2019.

The Group is listed on the premium segment of The London Stock Exchange and was included in the FTSE All-Share Index and the FTSE 250 indices in December 2019.

The Group remains domiciled and tax resident in Ireland, with its registered and corporate head office located in Dublin. The Group also retains a significant manufacturing, commercial and brand presence in Ireland.

Share Price

The price of the Company's ordinary shares as quoted on the London Stock Exchange at the close of business on 28 February 2020 (being the last working day) was £3.28 (28 February 2019: £2.63 (converted from Euro equivalent)). The price of the Company's ordinary shares ranged between £3.28 and £4.11 during the year.

Further Information on the Group

The information required by section 327 of the Companies Act 2014 to be included in this report with respect to:

1. The review of the development and performance of the business and future developments is set out in the interim Executive Chairman's Review on pages 22 to 30 and the Strategic Report on pages 2 to 49.

2. The principal risks and uncertainties which the Company and the Group faces are set out in the Strategic Report on pages 13 to 21 and which have been updated to reflect the risks posed by COVID-19.

3. The key performance indicators relevant to the business of the Group, including environmental and employee matters, are set out in the Strategic Report on page 12 and in the Group Chief Financial Officer's Review on pages 31 to 36; and further information in respect of environmental and employee matters is set out in the Responsibility Report on pages 37 to 49.

4. The financial risk management objectives and policies of the Company and the Group, including the exposure of the Company and the Group to financial risk, are set out in the Group Chief Financial Officer's Review on pages 31 to 36 and note 23 to the financial statements.

The Group's Viability Statement is contained in the Strategic Report on pages 20 to 21.

Corporate Governance

In accordance with Section 1373 of the Companies Act 2014, the corporate governance statement of the Company for the year, including the main features of the internal control and risk management systems of the Group, is contained in the Strategic Report and the Corporate Governance Report on pages 58 to 66.

Directors' Report
(continued)

Substantial Interests

As at 29 February 2020 and 3 June 2020, details of interests over 3% in the ordinary share capital carrying voting rights which have been notified to the Company are:

	No. of ordinary shares held as notified at 29 February 2020	% at 29 February 2020	No. of ordinary shares held as notified at 3 June 2020	% at 3 June 2020
Artemis Investment Management LLP	34,074,190	11.01%	37,255,442	11.99%
FIL Limited	30,728,611	9.90%	14,265,107	5.93%
FMR LLC	29,624,562	9.54%	29,624,562	9.54%
Southestern Asset Management, Inc.	17,703,604	5.69%	17,703,604	5.70%
Silchester International Investors LLP	15,465,170	4.99%	15,465,170	4.98%
Investec Asset Management Limited	15,391,039	4.98%	15,391,039	4.96%
BlackRock, Inc.	12,504,053	4.03%	12,222,351	3.94%
Wellington Management Company, LLP	12,306,055	3.97%	12,306,055	3.96%
JNE Partners LLP	7,944,591	2.54%	7,944,591	4.07%

As far as the Company is aware, other than as stated in the table above, no other person or company had at 29 February 2020 or 3 June 2020 an interest in 3% or more of the Company's share capital carrying voting rights.

Issue of Shares and Purchase of Own Shares

At the Annual General Meeting held on 4 July 2019, the Directors received a general authority to allot shares. A limited authority was also granted to Directors to allot shares for cash otherwise than in accordance with statutory pre-emption rights. Resolutions will be proposed at the Annual General Meeting to be held on 23 July 2020 to allot shares to a nominal amount which is equal to approximately one-third of the issued ordinary share capital of the Company. In addition, resolutions will also be proposed to allow the Directors to allot shares for cash otherwise than in accordance with statutory pre-emption rights up to an aggregate nominal value which is equal to approximately 5% of the nominal value of the issued share capital of the Company and, in the event of a rights issue, and a further 5% of the nominal value of the issued share capital of the Company for the purposes of an acquisition or a specified capital investment. If granted, these authorities will expire at the conclusion of the Annual General Meeting in 2021 and the date 18 months after the passing of the resolution, whichever is earlier.

The Directors have currently no intention to issue shares pursuant to these authorities except for issues of ordinary shares under the Company's share option plans and the Company's scrip dividend scheme. At the Annual General Meeting held on 4 July 2019 authority was granted to purchase up to 10% of the Company's ordinary shares (the "Repurchase Authority"). As at the date of this Report, the Group has purchased 1.76% of the Company's ordinary shares pursuant to the Repurchase Authority from the start of the financial year.

The Group spent €23m in the year under review, using an average exchange rate to convert GBP spend into Euros (2019: €1.9m) (including commission and related costs) to purchase 5,625,000 (2019: 576,716) of the Company's ordinary shares.

Special resolutions will be proposed at the Annual General Meeting to be held on 23 July 2020 to renew the authority of the Company, or any of its subsidiaries, to purchase up to 10% of the Company's ordinary shares in issue at the date of the Annual General Meeting and in relation to the maximum and minimum prices at which treasury shares (effectively shares purchased and not cancelled) may be re-issued off-market by the Company. If granted, the authorities will expire on the earlier of the date of the Annual General Meeting in 2021 and the date 18 months after the passing of the resolution. The minimum price which may be paid for shares purchased by the Company shall not be less than the nominal value of the shares and the maximum price will be 105% of the average market price of such shares over the preceding five days. The Directors will only exercise the power to purchase shares if they consider it to be in the best interests of the Company and its shareholders.

As at the date of this report, options to subscribe for a total of 3,765,506 ordinary shares (excluding Recruitment and Retention Awards) are outstanding, representing 1.21% of the Company's total voting rights. If the authority to purchase ordinary shares were used in full, the options would represent 1.35% of the Company's total voting rights.

Dilution Limits and Time Limits

All employee share plans contain the share dilution limits recommended in institutional guidance, namely that no awards shall be granted which would cause the number of Shares issued or issuable pursuant to awards granted in the ten years ending with the date of grant (a) under any discretionary or executive share scheme adopted by the Company to exceed 5%, and (b) under any employees' share scheme adopted by the Company to exceed 10%, of the ordinary share capital of the Company in issue at that time.

The European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006

Structure of the Company's share capital

At 3 June 2020 the Company has an issued share capital of 319,495,110 ordinary shares of €0.01 each and an authorised share capital of 800,000,000 ordinary shares of €0.01 each.

At 29 February 2020, the trustee of the C&C Employee Trust held 1,784,957 ordinary shares of €0.01 each in the capital of the Company. Shares held by the trustee of the C&C Employee Trust are accounted for as if they were treasury shares. These shares are, however, included in the calculation of Total Voting Rights for the purposes of Regulation 20 of the Transparency (Directive 2004/109/EC) Regulations 2007 ("TVR Calculation").

As at 29 February 2020, a subsidiary of the Group held 9,025,000 shares in the Company, which were acquired under the authority granted to the Company. These shares are not included in the TVR Calculation and are accounted for as treasury shares.

Details of employee share schemes, and the rights attaching to shares held in these schemes, can be found in note 4 (Share-Based Payments) to the financial statements and the Report of the Remuneration Committee on Directors' Remuneration on pages 77 to 92.

The Company has no securities in issue conferring special rights with regard to control of the Company.

Details of persons with a significant holding of securities in the Company are set out on page 52.

Rights and obligations attaching to the Ordinary Shares

All ordinary shares rank pari passu, and the rights attaching to the ordinary shares (including as to voting and transfer) are as set out in the Company's Articles of Association ("Articles"). A copy of the Articles may be obtained upon request to the Company Secretary.

Holders of ordinary shares are entitled to receive duly declared dividends in cash or, when offered, additional Ordinary Shares. In the event of any surplus arising on the occasion of the liquidation of the Company, shareholders would be entitled to a share in that surplus pro rata to their holdings of ordinary shares.

Holders of ordinary shares are entitled to receive notice of and to attend, speak and vote in person or by proxy, at general meetings having, on a show of hands, one vote, and, on a poll, one vote for each Ordinary Share held. Procedures and deadlines for entitlement to exercise, and exercise of, voting rights are specified in the notice convening the general meeting in question. There are no restrictions on voting rights except in the circumstances where a "Specified Event" (as defined in the Articles) shall have occurred and the Directors have served a restriction notice on the shareholder. Upon the service of such restriction notice, no holder of the shares specified in the notice shall, for so long as such notice shall remain in force, be entitled to attend or vote at any general meeting, either personally or by proxy.

Holding and transfer of Ordinary Shares

The ordinary shares may be held in either certificated or uncertificated form (through CREST). Save as set out below, there is no requirement to obtain the approval of the Company, or of other shareholders, for a transfer of ordinary shares. The Directors may decline to register (a) any transfer of a partly-paid share to a person of whom they do not approve, (b) any transfer of a share to more than four joint holders, and (c) any transfer of a certificated share unless accompanied by the share certificate and such other evidence of title as may reasonably be required. The registration of transfers of shares may be suspended at such times and for such periods (not exceeding 30 days in each year) as the Directors may determine.

Transfer instruments for certificated shares are executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. Transfers of uncertificated shares may be effected by means of a relevant system in the manner provided for in the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 (the "CREST Regulations") and the rules of the relevant system. The Directors may refuse to register a transfer of uncertificated shares only in such circumstances as may be permitted or required by the CREST Regulations.

The Board proposes to convene later in the year a separate Extraordinary General Meeting to consider a number of resolutions to be proposed in connection with the migration of securities settlement in the securities of Irish registered companies listed on the London Stock Exchange (such as the Company) and/or Euronext Dublin from the current settlement system, CREST, to the replacement system, Euroclear Bank ("Migration"). This Migration is required as a result of Brexit. We will provide you with further details of the proposed Migration later in the year.

Directors' Report
(continued)

Rules concerning the appointment and replacement of the Directors and amendment of the Company's Articles

Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than two or more than 14. Subject to that limit, the shareholders in general meeting may appoint any person to be a Director either to fill a vacancy or as an additional Director. The Directors also have the power to co-opt additional persons as Directors, but any Director so co-opted is under the Articles required to be submitted to shareholders for re-election at the first Annual General Meeting following his or her co-option.

The Articles require that at each Annual General Meeting of the Company one-third of the Directors retire by rotation. However, in accordance with the recommendations of the UK Corporate Governance Code, the Directors have resolved they will all retire and submit themselves for re-election by the shareholders at the Annual General Meeting to be held this year.

The Company's Articles may be amended by special resolution (75% majority of votes cast) passed at general meeting.

Powers of Directors

Under its Articles, the business of the Company shall be managed by the Directors, who exercise all powers of the Company as are not, by the Companies Acts or the Articles, required to be exercised by the Company in general meeting.

The powers of Directors in relation to issuing or buying back by the Company of its shares are set out above under "Issue of Shares and Purchase of Own Shares".

Change of control and related matters

Certain of the Group's borrowing facilities include provisions that, in the event of a change of control of the Company, could oblige the Group to repay the facilities. Certain of the Company's customer and supplier contracts and joint venture arrangements also contain provisions that would allow the counterparty to terminate the agreement in the event of a change of control of the Company. The Company's Executive Share Option Scheme and Long-Term Incentive Plan each contain change of control provisions which allow for the acceleration of the exercise of share options/awards in the event of a change of control of the Company.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid in excess of their normal contractual entitlement.

Shareholder Rights Directive II

Following the end of the financial year, on 20 March 2020, the provisions of the Shareholders' Rights Directive II (SRD II) became law in Ireland with the publication of the European Union (Shareholders' Rights) Regulations 2020 (SRD II Regulations). The SRD II Regulations apply with effect from 30 March 2020.

SRD II Regulations codify that Irish companies must seek shareholder approval of a remuneration report annually; and, an advisory remuneration policy once every four years. The Group is, in effect, already in compliance with this requirement having provided shareholders with the opportunity to opine on the Group's remuneration report annually since 2010; and also provided shareholders with an advisory vote on the Group's Remuneration Policy.

Political Donations

No political donations were made by the Group during the year that require disclosure in accordance with the Electoral Acts, 1997 to 2002.

Accounting Records

The measures taken by the Directors to secure compliance with the requirements of Sections 281 to 285 of the Companies Act, 2014 with regard to the keeping of adequate accounting records are to employ accounting personnel with appropriate qualifications, experience and expertise and to provide adequate resources to the finance function. The books of account of the Company are maintained at the Group's office in Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702.

Auditor

In accordance with Section 383(2) of the Companies Act, 2014, the auditors, Ernst & Young, Chartered Accountants, will continue in office. Ernst & Young were first appointed as the Company's auditor during the financial year ending 28 February 2018.

Disclosure of Information to the Auditor

In accordance with Section 330 of the Companies Act, 2014, the Directors confirm that, so far as they are each aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the Company's auditor is unaware. Having made enquiries with fellow Directors and the Company's auditor, each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors Compliance Statement (Made In Accordance With Section 225 of the Companies Act, 2014)

The Directors acknowledge that they are responsible for securing compliance by the Company with its relevant obligations as are defined in the Companies Act, 2014 (the 'Relevant Obligations').

The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company with respect to compliance by the Company with its relevant obligations.

The Directors further confirm the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its relevant obligations including reliance on the advice of persons employed by the Company and external legal and tax advisers as considered appropriate from time to time and that they have reviewed the effectiveness of these arrangements or structures during the financial year to which this report relates.

Financial Instruments

In the normal course of business, the Group has exposure to a variety of financial risks, including foreign currency risk, interest rate risk, liquidity risk, and credit risk. The Company's financial risk objectives and policies are set out in Note 23 of the financial statements.

Post Balance Sheet Events

As outlined in the Group's viability statement on pages 20 to 21, COVID-19 is having a material impact on the Group's business post year end. In response to this, the Group has implemented a series of measures to reduce operating costs, maximise available cash flow, and maintain and strengthen the Group's liquidity position.

In March 2020, the Group completed the successful issue of approximately €140 million of new US Private Placement ('USPP') notes.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility scheme. The Group had not drawn down on this facility as at 3 June 2020.

Due to the emergence of COVID-19 and the impact this has on global economies and on business generally, the Board concluded, post year-end, that it was not appropriate to pay a final dividend for FY2020.

See note 29 (Post Balance Sheet Events) to the financial statements for further information.

Annual General Meeting

Your attention is drawn to the letter to shareholders and the notice of meeting accompanying this report which set out details of the matters which will be considered at the Annual General Meeting. In particular, please ensure to read additional disclosures relating to restrictions at the Annual General Meeting due to government and health authority guidance on COVID-19 social distancing.

Other Information

Other information relevant to the Director's Report may be found in the following sections of the Annual Report:

Information	Location in the Annual Report
Results	Financial Statements – pages 104 to 110.
Principal risks & uncertainties including risks associated with recent emergence of COVID-19	Principal Risks & Uncertainties – pages 13 to 21.
Directors' remuneration, including the interests of the directors and secretary in the share capital of the Company	Directors' Remuneration Report – pages 77 to 92.
Long-Term Incentive Plan, share options and equity settled incentive schemes	Directors' Remuneration Report – pages 77 to 92.
Significant subsidiary undertakings	Financial Statements – Note 28.

The Directors' Report for the year ended 29 February 2020 comprises these pages and the sections of the Annual Report referred to under 'Other information' above, which are incorporated into the Directors' Report by reference.

Signed
On behalf of the Board

Stewart Gilliland
Interim Executive Chairman

Jonathan Solesbury
Group Chief Financial Officer

3 June 2020

Directors and Officers

Stewart Gilliland

Interim Executive Chairman

Stewart Gilliland (63) was appointed a non-executive Director of the Company in April 2012, Chairman in July 2018 and interim Executive Chairman in January 2020. Stewart is also Chairman of the Nomination Committee. From 2006 to 2010 he was Chief Executive Officer of Müller Dairy (UK) Ltd. Prior to that, he held positions at Whitbread Beer Company and at Interbrew SA in markets including the UK, Ireland, Europe and Canada. He is currently Chairman of Curious Drinks Limited, a non-executive Director and member of the Audit Committee and Nomination Committee at Tesco plc and a non-executive Director and Chairman of the Remuneration Committee at Natures Way Foods Limited. He is a former non-executive Director of Booker Group plc, Mitchells & Butlers plc, Sutton & East Surrey Water plc, Vianet Group plc and Tulip Limited.

Jonathan Solesbury

Group Chief Financial Officer

Jonathan Solesbury (54) was appointed Group Chief Financial Officer in November 2017. A former SABMiller plc Director of Group Finance, Jonathan held a number of senior roles during his 22 year tenure with the global drinks company. He oversaw the acquisition and subsequent integration of SABMiller's Colombian business and transformation programme in Latin America and served as an executive Director on many boards across multiple jurisdictions and as Chief Financial Officer for the Latin American and Asian regions. He has extensive international and emerging market experience and played a prominent role in building SABMiller plc into one of the world's largest and most successful beverage companies.

Andrea Pozzi

Group Chief Operating Officer

Andrea Pozzi (48) is the Group's Chief Operating Officer with responsibility for the Group's manufacturing, logistics, procurement and IT functions as well as leading the Group's businesses in Great Britain. He joined C&C in 2010 and has had a number of roles within the Group, including Group Manufacturing Director and Managing Director International (EMEA). Before joining C&C, Andrea held various management positions with the Carlsberg Group, Brasseries Kronenbourg and Masterfoods.

Jill Caseberry

Independent Non-executive Director

Jill Caseberry (55) was appointed a non-executive Director of the Company in February 2019 and a member of the Remuneration Committee in March 2019. Jill has extensive sales, marketing and general management experience across a number of blue chip companies including Mars, PepsiCo and Premier Foods. Jill is a non-executive Director, Chair of the Remuneration Committee and member of the Audit and Nomination Committee at Bellway plc and at Halfords plc. Jill is also a non-executive Director and member of the Audit, Nomination and Remuneration Committees of St. Austell Brewery Company Limited. Jill brings considerable experience of brand management and marketing to the Board.

Jim Clerkin

Independent Non-executive Director

Jim Clerkin (65) was appointed as a non-executive Director of the Company in April 2017. Over his 40-year career, Jim has worked for many prominent companies in the wine and spirits industry. Jim is currently the President of Strategic Development and advisor to the CEO at Moët Hennessy. Jim joined Moet Hennessy USA in 2008 and prior to his current role, was the President and CEO of Moët Hennessy North America. Before joining Moët Hennessy, Jim held roles in Guinness and Diageo, including terms as Managing Director of Gilbeys of Ireland, President of Diageo North America's Western Division, and President of Allied Domecq North America. Jim's career began in Ireland where he progressed through the ranks at Guinness to become Executive Sales Director and a member of the Board of Directors. Jim brings a wealth of experience and knowledge of the global drinks industry to the Board.

Vincent Crowley

Independent Non-executive Director

Vincent Crowley (65) was appointed as a non-executive Director of the Company in January 2016 and as Senior Independent Director in June 2019. He is a member of the Audit Committee and the Nomination Committee. Vincent was previously both Chief Operating Officer and Chief Executive Officer of Independent News and Media plc, a leading media company. He also served as Chief Executive Officer and subsequently as a non-executive Director of APN News & Media, a media company listed in Australia and New Zealand. He initially worked with KPMG in Ireland. Vincent is currently Chairman of Altas Investments plc and a non-executive Director of Grafton Group plc. He is also Chairman of Newsbrands Ireland and a non-executive Director of Inner City Enterprise. Vincent brings considerable domestic and international business experience across a number of sectors to the Board.

Board Committees

Audit Committee
Emer Finnan (Chairman)
Vincent Crowley
Jim Thompson

Nomination Committee
Stewart Gilliland (Chairman)
Emer Finnan
Vincent Crowley
Helen Pitcher

Remuneration Committee
Helen Pitcher (Chairman)
Jill Caseberry
Jim Clerkin

Senior Independent Director
Vincent Crowley

Emer Finnan

Independent Non-executive Director

Emer Finnan (51) was appointed as a non-executive Director of the Company in May 2014 and became Chairman of the Audit Committee in July 2015 and is a member of the Nomination Committee. She is a Partner and Senior Managing Director of Kildare Partners, a private equity firm based in London and Dublin, where she is responsible for investment origination in certain countries. After qualifying as a chartered accountant with KPMG, she worked in investment banking at Citibank and ABN AMRO in London and then NCB Stockbrokers in Dublin. In 2005 she joined EBS Building Society in Ireland, becoming its Finance Director in early 2010. In September 2012, Emer re-joined NCB Stockbrokers to lead a financial services team in Ireland. She joined Kildare Partners in 2013. She brings considerable financial expertise to the Board.

Helen Pitcher OBE

Independent Non-executive Director

Helen Pitcher (62) was appointed a non-executive Director of the Company in February 2019 and Chairman of the Remuneration Committee in March 2019. Helen is currently Chair of leading board effectiveness consultancy Advanced Boardroom Excellence Ltd, Chair of the UK Criminal Cases Review Comission, a non-executive Director of a subsidiary of United Biscuits, and is President of KidsOut, a national UK charity for disadvantaged children, and of the INSEAD Global Directors Network. Helen also sits on the Advisory Board for Leeds University Law Faculty. Previously, Helen was Chair of the Advisory Board and Chair of the Remuneration Committee of Pladis Global and a board member of the CIPD (Chartered Institute of Personal Development). In 2015 Helen Pitcher was awarded an OBE for services to business. Helen bring a wealth of experience and knowledge of governance and board effectiveness in a variety of sectors, including the drinks industry, to the Board.

Jim Thompson

Independent Non-executive Director

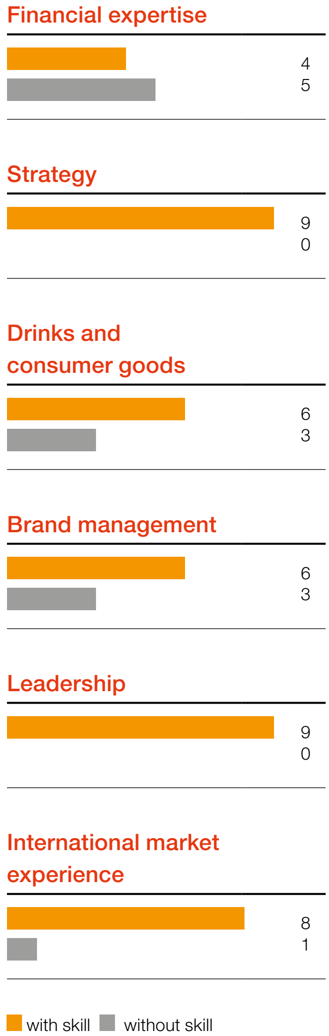
Jim Thompson (59) was appointed a non-executive Director of the Company and a member of the Audit Committee in March 2019. Jim is a private investor of Kingfisher Single Family Office and serves on the board of Directors of Millicom International Cellular SA. He has been a Guest Lecturer at the MBA Programmes at the University of Virginia, Columbia University and George Washington University. He holds an MBA from the Darden School at the University of Virginia where he received the Faculty Award for academic excellence. He has previously worked at Southeastern Asset Management, Mackenzie and Bryant Asset Management. Jim brings substantial international investment management experience to the Company.

Mark Chilton

Company Secretary & Group General Counsel

Mark Chilton (57) joined the Group in January 2019 as Company Secretary and Group General Counsel. Mark was Company Secretary and General Counsel of Booker Group plc from 2006 until 2018. Mark qualified as a solicitor in 1987.

Board members skills overview



For information on independence of the Directors, please see Directors' Statement of Corporate Governance on pages 58 to 66.

Corporate Governance Report

Dear Shareholder,
On behalf of the Board I am pleased to present the FY2020 Corporate Governance Report. During the past year, the most significant change in terms of our approach to corporate governance was refining our framework to align it with the provisions of the new UK Corporate Governance Code (the "Code"), which was published in July 2018 and became effective for the Group on 1 March 2019.

The Board considers that it has complied with the provisions of the Code for FY2020, except in relation to Stewart Gilliland being appointed interim Executive Chairman with effect from 15 January 2020 and for a period up to the appointment of non-executive Directors responsible for engagement with the workforce.

Stephen Glancey stepped down as CEO and from the Board on 15 January 2020. On that date, Stewart Gilliland was appointed interim Executive Chairman. Upon the appointment of a new CEO, Stewart will revert to his position as Non-Executive Chairman of the Board. As Stewart is currently an interim Executive, the Board determined it appropriate that I would author the introduction to the Corporate Governance report for FY2020. Further details of this and the ongoing recruitment processes are set out within the Nomination Committee Report.

In relation to ensuring appropriate channels were in place for employee views to be considered by the Board, a non-executive Director has been assigned to each business segment during the second half of FY2020, details of which are set out on page 61.

Leadership

The Board has agreed an effective corporate governance model for the Group, based on the principles and provisions of the UK Corporate Governance Code 2018 ('the Code'). We welcome the Code's strengthened focus on companies generating long-term, sustainable value for shareholders, as well as consideration for other stakeholders and the impact of the business's operations on wider society. The Board oversees the Group's operations and strategy, and ensures that the Group's approach promotes transparency, accountability and challenge as the fundamental underlying principles for the Board's entrepreneurial and prudent approach to developing the business and delivering strategy.

During the year we have reviewed our matters reserved for the Board and the terms of reference of our key Committees and will continue to refine our approach in FY2021 to ensure each is aligned with the altered guidance on corporate governance.

COVID-19

As detailed in other parts of this report, COVID-19 will have a significant impact on the global and regional economy. Nonetheless, as a Board, we are satisfied that during the most disruptive times of the spread of the pandemic that our governance framework and individual Directors demonstrated resilience, including running ad hoc and regular Board meetings remotely in compliance with government guidelines. The Board and our company secretarial team during this time have worked tirelessly in order to ensure the best outcome for all stakeholders.

As progress is made by government and health authorities to tackle the pandemic and, ultimately, attempts are made to ease the current restrictions, the Board will play a central role in determining the pace at which our operations return to a level of normality. While as a Board we will be guided by the regulations and guidance put forward by the relevant authorities, the safety of our employees and wider stakeholders will be front and centre of all decisions and actions.

Board Effectiveness

Following significant change to the non-executive cohort of the Board, one of our priorities during FY2020 was Board development aimed at ensuring it continues to operate at a highly effective standard. The three Directors appointed in February 2019 have already demonstrated their value. Each has broadened the diversity of experience and background of the Board. In addition to their tailored induction, they have received regular training. For the first time, we have also included a skills matrix in the Directors Biographies on page 57, which we hope shareholders find useful and confirms the depth and range of experience of the Board as a whole.

Given the level of change to the Board over the past 18 months, the external evaluation carried out during the year was of increased importance. While the evaluation showed that the Board and each of its Committees continue to operate effectively, we were pleased that the external evaluator identified certain areas of improvement that could be made. The value of external evaluations lies in ensuring the Board consistently tests itself and always strives to improve. Further details of the evaluation process and its outcomes are set out on page 64.

Stakeholder Engagement

Stakeholder engagement has always been a priority for the Board and we welcome the increased focus on this area under the new Code. We take into account the interests of a wide range of stakeholders, including shareholders, customers, our employees and suppliers. In doing so, we place a clear emphasis on understanding the views of our stakeholders. We have effective mechanisms in place to achieve this aim and stakeholder feedback has always been elevated to Board discussion. During the past fiscal year, however, we used the revisions under the Code to conduct an evaluation of these channels of communication and engagement. As a result, we introduced new ways of engaging with our stakeholders, particularly employees.

We have opted for an approach that we believe is aligned with our business model most appropriately and will be most effective in ensuring the 'employee voice' plays a key role in Board decision-making. As we operate a decentralised business model where our employees' experience and engagement with the business mainly resides locally, we believe that the most meaningful way of adopting this provision is to assign responsibility for a business area to each of our Non-Executive Directors.

Through this alignment, each non-executive gains a more in depth understanding on the business area, the associated metrics and employees' issues and concerns. In turn, the Board believes this leads to a deeper and broader input from each Director, enhancing Board discussions and strategy development. In addition to the appointment of a Non-Executive to a business area, each member of the Board meets employees every year through functional updates at Board meetings and site visits. These encounters support and add richness to our annual employee surveys, which this year saw more than 76% of colleagues across the business share their thoughts about the Group. The Non-Executives Directors relish this opportunity to engage directly with the business areas. Recognising the focus on engagement needs to be continuous, the non-executives spend time in their business areas twice yearly as a minimum to hear colleagues' views and report back to the Board. A breakdown of the non-executives' areas of responsibility is set out on page 61. In next year's Annual Report, we will provide further details on the outcomes of the non-executive Directors two-way engagements with employees.

Vincent Crowley
Senior Independent Director

Corporate Governance Report (continued)

Compliance with the 2018 UK Corporate Governance Code

C&C Group plc (the "Company") is incorporated in Ireland and is subject to Irish company law. Its shares are listed on the London Stock exchange and the Group is subject to the 2018 UK Corporate Governance Code (the "Code"). The Board considers that the Company has, throughout the accounting period complied with the provisions of the Code with the exception of the period when the Company was non-compliant with provision 9 of the Code whereby the roles of chair and chief executive should not be exercised by the same individual. This was due to the appointment of Stewart Gilliland as interim Executive Chairman following the retirement of Stephen Glancey as CEO, reflecting the circumstances of the CEO's departure and the need to ensure an orderly and successful transition. The process to appoint a new CEO is ongoing and we have identified a number of potential candidates. There was a period up to the appointment of non-executive Directors responsible for engagement with the workforce whereby the Company was non-compliant with provision 5 of the Code. A Non-Executive Director was assigned to each business segment during the second half of FY2020 to ensure appropriate channels are in place for employee views to be considered by the Board. This Corporate Governance Report, which incorporates by reference the Responsibility Report, the Audit Committee Report, the Nomination Committee Report (which contains the Diversity Report) and the Remuneration Report, describes how the Company has complied with the provisions of the Code.

Leadership and Company Purpose

The Role of the Board

The Company is led and controlled by the Board of Directors ('the Board') chaired by Stewart Gilliland.

The core responsibility of the Board is to ensure the Group is appropriately managed to achieve its long term objectives, generating value for shareholders and contributing to wider society. The Board's objective is to do this in a way that is supported by the right culture and behaviours.

The Board has adopted a formal schedule of matters specifically reserved for decision by it, thus ensuring that it exercises control over appropriate strategic, financial, operational and regulatory issues (a copy of the schedule of reserved matters is available on our website). Matters not specifically reserved for the Board and its Committees under its schedule of matters and the Committees' terms of reference, or for shareholders in general meeting, are delegated to members of the Executive Committee.

The balance of skills, background and diversity of the Board contributes to the effective leadership of the business and the development of strategy. The Board's composition is central to ensuring all directors contribute to discussions. As a means to foster challenge and director engagement, led by the Senior Independent Director, the Non-Executive Directors meet without the Chairman present at least annually. Likewise, the Chairman holds meetings with the non-executive Directors without the executives present. In each of these settings, there is a collegiate atmosphere that also lends itself to a level of scrutiny, discussion and challenge.

The Company has procedures whereby Directors (including Non-Executive Directors) receive formal induction and familiarisation with the Group's business operations and systems on appointment, including trips to manufacturing sites with in-depth explanations of the processes involved at the site.

Attendance at Meetings

The Directors' attendance at Board meetings during the year is shown below. The core activities of the Board and its Committees are covered in scheduled meetings held during the year. Additional ad hoc meetings are also held to consider and decide matters outside scheduled meetings. There were 13 Board meetings, 6 Audit Committee meetings, 4 Nomination Committee meetings and 7 Remuneration Committee meetings held in the year under review.

All Directors holding office at the time attended the 2019 AGM.

Director	Number of Meetings Attended*	Maximum Possible Meetings	% of Meetings Attended
Executive			
Stephen Glancey (retired 15 January 2020)[1]	9	9	100
Jonathan Solesbury	13	13	100
Andrea Pozzi	13	13	100
Non-Executive			
Stewart Gilliland	13	13	100
Jill Caseberry[2]	12	13	92
Jim Clerkin[3]	11	13	85
Vincent Crowley	13	13	100
Emer Finnan	13	13	100
Geoffrey Hemphill (retired 1 May 2019)[4]	1	1	100
Richard Holroyd (retired 31 May 2019)[5]	2	2	100
Helen Pitcher[6]	12	13	92
Jim Thompson[7]	12	13	92

1. Meetings attended by Stephen Glancey until date of retirement.
2. Jill Caseberry was unable to attend a meeting due to a prior commitment made before joining the Board.
3. Jim Clerkin was unable to attend two unscheduled meetings due to the meetings being called at short notice and his inability to re-arrange his schedule.
4. Meetings attended by Geoffrey Hemphill until date of retirement.
5. Meetings attended by Richard Holroyd until date of retirement.
6. Helen Pitcher was unable to attend a meeting due to a prior commitment made before joining the Board.
7. Jim Thompson was unable to attend one unscheduled meeting due to the meeting being called at short notice and his inability to re-arrange his schedule.

Board activity during the financial year

Each Board meeting follows a carefully tailored agenda agreed in advance by the Chairman, Group Chief Executive Officer and Company Secretary. A typical meeting will comprise reports on current trading and financial performance from the CEO and CFO, investor relations updates, monitoring strategy, examining investment and acquisition opportunities and presentations/reports upon areas on specific subject areas. Further detail is set out in the table below.

Strategy, Operations and Finance

- Approved the Group's three year plan;
- Received presentations from the COO and management on brand marketing plans;
- Received presentations from the CEO and CFO and senior management on strategic initiatives and trading performance;
- Approved the annual budget plan and KPIs;
- Reviewed and approved the Group's full year 2019 and half year 2020 results (including the 2019 final dividend) as well as trading updates;
- Approved the Group's 2019 Annual Report (including a fair, balanced and understandable assessment) and 2019 AGM Notice;
- Approved the cancellation of the listing of the Company's shares on Dublin Euronext and the subsequent listing on the FTSE UK Index Series;
- Received updates from the COO and senior management on the Group's sustainability framework;
- Reviewed and approved the removal of plastic packaging from our products by FY2022;
- Reviewed the Group's debt, capital and funding arrangements and approved the private placement;

Leadership and People

- Appointed Spencer Stuart to lead the search for the recruitment of a new CEO;
- Reviewed and approved the proposals for the Chairman's and Non-Executive Directors' fees;
- Considered progress towards greater diversity in the workforce;
- Considered and approved the appointment of Non-Executive Directors to individual business units to facilitate greater workforce engagement;

Safety

- Received and discussed six monthly safety performance reports and updates presented by the COO and Group Health and Safety Manager;

Internal Control and Risk Management

- Reviewed the Group's risk management framework and principal risks and uncertainties;
- Reviewed and confirmed the Group's Viability Statement and going concern status;
- Reviewed and validated the effectiveness of the Group's systems of internal controls and risk management;
- Reviewed updates on the information and cyber security control environment;
- Reviewed updates on Brexit;

Governance and Legal

- Approved the Group's Modern Slavery Statement for publication;
- Received reports on engagement with institutional shareholders, investors and other stakeholders throughout the year;
- Conducted an externally facilitated Board evaluation covering the Board's effectiveness, with the outcome discussed by the Board;
- Reviewed and approved the terms of reference for the Board Committees;
- Received regular reports from the Chairs of the Audit, Nomination and Remuneration Committees; and
- Approved a Group anti-bribery/gifts and hospitality policy.

Company Purpose, Values and Strategy

Further detail on the Group's purpose to deploy our brand led distributor model as an asset to the market for suppliers and customers alike, along with information on our core values and strategy is available on pages 3 to 11.

Objectives and Controls

The Group's strategic objectives are set out on pages 10 to 11 and a summary of performance against the Group's KPIs is at pages 12. The Board also receives regular updates across a broad range of internal KPIs and performance metrics. The Group has a clear risk management framework in place as set out on page 13 to manage the key risks to the Group's business.

Workforce Engagement

The Board has established structures to provide for effective engagement by the Board with the wider workforce. These include confidential colleague feedback surveys to all businesses with results presented annually to the Board, and the appointment of a Non-Executive Director to each business unit to understand employee's views. The following are the areas assigned to each of the Non-Executive Directors:

<table>
<tr><th>Business Area</th><th>Non-Executive Director</th></tr>
<tr><td>Matthew Clark</td><td>Jim Thompson</td></tr>
<tr><td>Commercial Scotland</td><td>Jill Caseberry</td></tr>
<tr><td>Commercial Ireland</td><td rowspan="2">Helen Pitcher</td></tr>
<tr><td>HR</td></tr>
<tr><td>Commercial International</td><td rowspan="2">Emer Finnan</td></tr>
<tr><td>Finance</td></tr>
<tr><td>Bibendum</td><td>Jim Clerkin</td></tr>
<tr><td>Operations</td><td>Vincent Crowley</td></tr>
</table>

Corporate Governance Report
(continued)

Business Model and Risks
The Group's Business model is set out on pages 6 to 9. The Risk Management Report on pages 13 to 21 contains an overview of the principal risks facing the Group and a description of how they are managed.

Assessing and Monitoring Culture
The Board recognises the importance of communication and engagement with the wider workforce as a means of assessing and monitoring culture. The role and effectiveness of the Board and the culture it promotes are essential to a successfully run company. During the year the Board met with senior management from across the Group on a number of occasions. In addition, the Board visited our Wellpark Brewery in Glasgow in September 2019 and met with senior management, who provided an overview of the regional business including their business plan, customer service levels, employee engagement and diversity and other operational matters. These contacts enabled the Board to interact with employees to gain an understanding of any issues they might be facing. During FY2021, the engagement of the Non-Executive Directors with a range of employees from each business area will provide further invaluable insight into the evolution of our culture and values, and their link to strategy.

Stakeholder Views
The Code provides that the Board should understand the views of the Company's key stakeholders other than shareholders and describe how their interests and the matters set out in section 172 of the UK Companies Act 2006 (s.172) have been considered in Board discussions and decision making.

Whilst s.172 is a provision of UK company law, the Board acknowledges that as a premium listed issuer, it is important to address the spirit intended by these provisions. An overview of how the Group engages with all of its stakeholders is set out on page 3.

Whistleblowing
All employees have access to a confidential whistleblowing service which provides an effective channel to raise concerns. The Audit Committee and the Board receives updates detailing all notifications and subsequent action taken.

Division of Responsibilities

It is the Company's policy that the roles of the Chairman and Group Chief Executive Officer are separate, with their roles and responsibilities clearly divided and set out in writing (available on our website). In January 2020, the Chairman became the interim Executive Chairman for a temporary period. Upon the appointment of a new Chief Executive Officer, the Chairman will revert to a Non-Executive role.

Chairman
The Chairman, Stewart Gilliland is responsible for the leadership of the Board and ensuring effectiveness in all aspects of its role. The Chairman is responsible for ensuring, through the Company Secretary that Directors receive accurate, timely and clear information. He is responsible for setting the Board's agenda and ensuring adequate time is available for Board discussion and to enable informed decision making. He is responsible for encouraging and facilitating the effective contribution of Non-Executive Directors and constructive relations between Executive and Non-Executive Directors.

Senior Independent Director
Vincent Crowley is the Senior Independent Non-Executive Director. In addition to his role and responsibilities as an Independent Non-Executive Director, the Senior Independent Director is available to shareholders where concerns have not been resolved through the normal channels of communication and for when such contact would be inappropriate, which is of particular importance during the period that the Non-Executive Chairman is serving as interim Executive Chairman. He acts as a sounding board for the Chairman and acts as an intermediary for the Directors when necessary. He is responsible for annually evaluating the performance of the Chairman in consultation with the other Non-Executive Directors.

Non-Executive Directors
The Non-Executive Directors provide an external perspective, sound judgement and objectivity to the Board's deliberations and decision making. With their diverse range of skills and expertise, they support and constructively challenge the Executive Directors and monitor and scrutinise the Group's performance against agreed goals and objectives. The Non-Executive Directors together with the Chairman meet regularly without any Executive Directors being present. The Non-Executive Directors provide a conduit from the workforce to the Board for workforce engagement and have sufficient time to meet their board responsibilities.

Chief Executive Officer
The Group Chief Executive Officer is responsible for the leadership and day-to-day management of the Group. This includes formulating and recommending the Group's strategy for Board approval in addition to executing the approved strategy.

Company Secretary
Mark Chilton as Company Secretary supports the Chairman, the Group Chief Executive Officer and the Board Committee Chairs in setting agendas for meetings of the Board and its Committees. He is available to all Directors for advice and support. He is responsible for information flows to and from the Board and the Board Committees and between Directors and senior management. In addition, he

supports the Chairman in respect of training and the Board and Committee performance evaluations. He also advises the Board on regulatory compliance and corporate governance matters.

Board Committees

The Board has established an Audit Committee, a Nomination Committee and a Remuneration Committee to oversee and debate relevant issues and policies outside main Board meetings. Throughout the year, the Chairman of each Committee provided the Board with a summary of key issues considered at the Committee meetings. Board Committees are authorised to make enquiries of the Executive Directors and other executives across the Group as they feel appropriate and to engage the services of external advisers as they deem necessary in the furtherance of their duties at the Company's expense.

The Audit Committee Report is on pages 67 to 72, the Nomination Committee Report is on pages 73 to 76 and the Remuneration Report is on pages 77 to 92.

Composition, Succession and Evaluation

For the majority of the FY2020 financial year, the Board consisted of the Chair, three Executive Directors and six Independent non-executive Directors. Following the retirement of Stephen Glancey, and the appointment of Stewart Gilliland as interim Executive Chairman, there are currently three Executive Directors on the Board. Upon the appointment of a Group Chief Executive Officer, the interim Executive Chairman will revert back to a Non-Executive role.

Over half of the Board comprises independent Non-Executive Directors and the composition of all Board Committees complies with the Code. Additionally, the Chairman was considered independent on his appointment. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 56 and 57.

The independence of Non-Executive Directors is considered by the Board and reviewed at least annually, based on the criteria suggested in the Code. Non-Executive Directors do not participate in any of the Company's share option or bonus schemes.

Following this year's review, the Board concluded that all the Non-Executive Directors continue to remain independent in character and judgement and are free from any business or other relationship that could materially interfere with the exercise of their independent judgement in accordance with the Code.

Appointments to the Board

Recommendations for appointments to the Board are made by the Nomination Committee. The Committee follows Board approved procedures (available on our website together with a copy of the terms of reference for the Nomination Committee) which provide a framework for the different types of Board appointments on which the Committee may be expected to make recommendations. Appointments are made on merit and against objective criteria with due regard to diversity (including skills, knowledge, experience and gender).

All Board appointments are subject to continued satisfactory performance followings the Board's annual effectiveness review. The Nomination Committee leads the process for Board appointments and makes recommendations to the Board. The activities of the Nomination Committee and a description of the Board's policy on diversity are on page 76.

Time Commitment

Following the Board evaluation process, detailed further on page 64, the Board has considered the individual Directors attendance, their contribution and their external appointments and is satisfied that each of the Directors is able to allocate sufficient time to devote to the role.

Development

On appointment, a comprehensive tailored induction programme is arranged for each new Director. The aim of the programme is to provide the Director with a detailed insight into the Group. The programme involves meetings with the Chairman, Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Operating Officer, Company Secretary and key senior executives as appropriate. It covers areas such as:

- the business of the Group;
- their legal and regulatory responsibilities as Directors of the Company;
- briefings and presentations from Executive Directors and other senior executives; and
- opportunities to visit business operations.

To update the Directors' skills, knowledge and familiarity with the Group and its stakeholders, visits to Group business locations are organised for the Board periodically, as well as trade visits with members of senior management to assist Directors' understanding of the operational issues that the business faces. Non-executive Directors are also encouraged to visit Group operations throughout their tenure to increase their exposure to the business. Directors are continually updated on the Group's businesses, the markets in

Corporate Governance Report (continued)

which they operate and changes to the competitive and regulatory environment through briefings to the Board and meetings with senior executives.

Training opportunities are provided through internal meetings, presentations and briefings by internal advisers and business heads, as well as external advisers.

Information and Support

All members of the Board are supplied with appropriate, clear and accurate information in a timely manner covering matters which are to be considered at forthcoming Board and Committee meetings.

Should Directors judge it necessary to seek independent legal advice about the performance of their duties with the Group, they are entitled to do so at the Group's expense. Directors also have access to the advice and services of the Company Secretary, who is responsible for advising the Board on all governance matters and ensuring that Board procedures are followed.

The appointment and removal of the Company Secretary is a matter requiring Board approval.

Re-election of Directors

All Directors are required by the Company's Articles of Association to submit themselves to shareholders for re-election at the first Annual General Meeting after their appointment and thereafter by rotation at least once every three years. In accordance with the Code, all Directors will, however, stand for re-election annually.

External Evaluation

The Board's independent external evaluation for the year under review was facilitated by Independent Audit, supported by the Chairman and Company Secretary. The Company nor any of its Directors have a connection with Independent Audit.

Board and Committee Evaluation Process

Online questionnaires were issued to the Board and Committee members and to the Company Secretary. The questionnaire was designed by Independent Audit, based on an initial conversation with the Chairman and Company Secretary. It looked at a variety of matters including, among other matters, the composition of the Board and Committees, understanding stakeholders, Board dynamics, strategic oversight, risk management and internal control, succession planning, the advice and support provided, the focus of meetings and priorities for change.

The results of the questionnaires were collated and a summary provided to the Chairman and the Chairs of each of the Committees. The results were presented and discussed by the Board and each of its committees at their respective meetings in May 2020.

FY2020 External Board effectiveness evaluation outcomes

Overall the results of the evaluation were positive and showed that the Board is running effectively. The Board is seen as being cohesive and comprising the appropriate balance of experience, skills and knowledge. Board meetings operate in a spirit of openness, fostered by the Chairman, in which Directors are able to challenge and discuss openly ideas of importance to the Group, its strategy and risk.

While the outcome of the evaluation clearly indicated that the Board and individual Directors continue to operate to a high standard, the Board is currently developing an action plan based on the feedback from the evaluation, designed to further enhance Board effectiveness. At an important juncture for the Company, and the economy as a whole, ensuring the Board maintains the high standards it has always set is of significant importance.

The key areas identified by this year's external evaluation for increased focus and development during FY2021 are set out below:

Area of Focus	Detailed Feedback
Culture	The evaluation found a strong desire from the Board to develop a deeper understanding of organisational culture. As part of this focus Directors are eager to develop workforce engagement and greater oversight of reward practices throughout the organisation.
Board logistics and information	In light of the challenges of remote Board meetings, Directors communicated that there may need to be refinement to Board agendas, including ensuring there is a balance struck between insight and excessive detail.
Risk Picture	The Directors voiced satisfaction with the strength of work done on developing and communicating the updated risk framework in recent years. Feedback indicated that this risk picture needs to be further developed, particularly in relation to emerging non-financial risks and wider economic developments.

Progress against these areas will be reviewed as part of the 2021 internal evaluation and will be reported on in next year's Annual Report. Outside of payment for the external performance evaluation of the Board and its Committees, Independent Audit has no connection to the Group.

Evaluation of the Chairman and Non-Executive Directors

The evaluation of the effectiveness of the Chairman was also conducted by Independent Audit. A questionnaire was issued to each Board member (excluding the Chairman) and the result was unanimous support for the Chairman. Of particular note was how supportive the Chairman is of other Directors and his willingness to listen to all contributions during the course of a debate. In addition, Board members found him engaging and encouraging of building Board cohesion through activities outside of formal Board meetings. The Directors were complimentary of the way in which the Chairman managed his other commitments, always ensuring sufficient time is given to his role with the Company. The Senior Independent Director shared the feedback with the Chairman.

The Chairman held one to one meetings with each Director to assess their effectiveness and to agree any areas of improvement or training and development, including on environmental, social and governance matters based on the outcomes of the questionnaires each of them had completed on themselves. There were no issues of any substance arising from this review.

Audit, Risk and Internal Control

Financial and Business Reporting

The Strategic Report on pages 2 to 49 explains the Group's business model and the strategy for delivering the objectives of the Group.

A Statement on Directors' Responsibilities on the Annual Report and Accounts being fair, balanced and understandable can be found on page 93 and a statement on the Group as a going concern and the Viability Statement are set out on pages 20 to 21.

Risk Management

Please refer to pages 13 to 21 for information on the risk management process and the Group's principal risks and uncertainties.

Internal Control

Details on the Group's internal control systems are set out on pages 70.

Internal Audit

Details of the Internal Audit function are provided within the Audit Committee report on pages 70.

Audit Committee and Auditors

For further information on the Group's compliance with the Code and provisions relating to the Audit Committee and auditors, please refer to the Audit Committee Report on pages 67 to 72.

Remuneration

For further information on the Group's compliance with the Code provisions relating to remuneration, please refer to the Directors' remuneration report on pages 77 to 92 for the level and components of remuneration. Shareholders approved the Group's current Remuneration Policy at the 2018 AGM. The Policy is designed to promote the long term success of the Group. No changes are proposed to the Policy for FY2021.

The following is a table of reference that provides an overview of where to find disclosures relating to the sections of the 2018 UK Code:

Section	Disclosure Locations
Board Leadership and Purpose	Details on how the Board promotes the long-term success of the Company are set out in our Strategic Report on pages 2 to 49 and throughout this Corporate Governance Report on pages 58 to 66. Our purpose and values are set out on pages 2 to 3. Relations with shareholders are described on page 66. Our whistleblowing programme is described on page 72.
Division of Responsibilities	Pages 56 to 57 gives details of the Board and Management Team. The Board governance structure is detailed on pages 58 to 66.
Composition, Succession and Evaluation	Details on appointments and our approach to succession are set out in the Nomination Committee report on pages 73 to 76. Details on the external evaluation are set out on pages 64 to 65.
Audit, Risk and Internal Control	The Audit Committee Report can be found on pages 67 to 72, with further detail on the principal risks to the business in the Risk Report on pages 13 to 21.
Remuneration	The Company's Remuneration Policy can be found in the 2018 Annual Report. The Remuneration Committee Report can be found on pages 77 to 92.

Corporate Governance Report
(continued)

Engaging with Investors

Information on relations with shareholders is provided as part of the Stakeholder engagement section of the Strategic Report on pages 37 to 49.

In fulfilling their responsibilities, the Directors believe that they govern the Group in the best interests of shareholders, whilst having due regard to the interests of other stakeholders in the Group including customers, employees and suppliers.

The Code encourages a dialogue with institutional shareholders with a view to ensuring a mutual understanding of objectives. The Executive Directors have regular and ongoing communication with major shareholders throughout the year, by participating in investor roadshows and presentations to shareholders. Feedback from these visits is reported to the Board. The Executive Directors also have regular contact with analysts and brokers. The Chairman, Senior Independent Non-Executive Director and other non-executive Directors receive feedback on matters raised at the meetings with shareholders and are offered the opportunity to attend meetings with major shareholders. As a result of these procedures, the Non-Executive Directors believe that they are aware of shareholders' views. In addition, Vincent Crowley, the Senior Independent Non-Executive Director, is available to meet with major shareholders.

Arrangements can also be made through the Company Secretary for major shareholders to meet with newly appointed Directors.

The Group maintains a website at www.candcgroup.com which is regularly updated and contains information about the Group.

Constructive Use of the Annual General Meeting

The Code encourages boards to use the Annual General Meeting to communicate with investors and to encourage their participation. In compliance with the Code, under normal circumstances, the Board welcomes as many shareholders as possible to attend the Annual General Meeting to discuss any interest or concern, including performance, governance or strategy, with the Directors. All Directors are also usually expected to attend the Annual General Meeting. The Chairs of the Audit, Nomination and Remuneration Committees would be expected to be available at the Annual General Meeting to answer shareholder questions, through the Chairman of the Board, on the responsibilities and activities of their Committees. Shareholders also have the opportunity to meet with the Directors following the conclusion of the formal part of the meeting.

For the 2020 Annual General Meeting, your attention is drawn to details set out in the notice of meeting. Given government and health authority guidance on COVID-19 is still evolving, shareholders are encouraged to monitor the Company's website and regulatory news for updates in relation to the AGM.

In compliance with the Code, at the Annual General Meeting, the Chairman of the meeting will announce the level of proxies lodged on each resolution, the balance for and against and abstentions, and such details will be placed on the Group's website following the meeting. A separate resolution will be proposed at the Annual General Meeting in respect of each substantially separate issue.

This report was approved by the Board of Directors on 3 June 2020.

Mark Chilton
Company Secretary

Audit Committee Report

Chairman's Introduction to the Audit Committee Report

I am pleased to report on the work of the Committee for the year ended 29 February 2020.

During the year the Committee continued to play a key role in assisting the Board in fulfilling its oversight responsibility. Its activities included reviewing and monitoring the integrity of financial information, the Group's system of internal controls and risk management, the internal and external audit process and recommending appointment of the external auditor and determining their remuneration.

We have considered the processes underpinning the production and approval of this year's Annual Report to enable the Board to confirm that the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee also assessed the viability of the Group over a three-year period, in particular, considering the potential impact of COVID-19 on the business and its prospects. Further details on the outcome of this assessment can be found on pages 20 to 21.

There were six meetings during the year and after each Committee meeting I provided an update to the Board on the key issues discussed during our meetings. I also met separately with the external audit partner and senior management on a number of occasions during the year.

This report sets out details of the role of the Committee and how it has discharged its duties and responsibilities during the year.

I would like to thank my colleagues for their contribution and counsel over the past 12 months. For the 2020 Annual General Meeting, your attention is drawn to details set out in the notice of meeting. Given government and health authority guidance on COVID-19 is still evolving, shareholders are encouraged to monitor the Company's website and regulatory news for updates in relation to the AGM.

On behalf of the Board.

Emer Finnan
Chairman of the Audit Committee
3 June 2020

Role and Responsibilities of the Committee

The Committee supports the Board in fulfilling its responsibilities in relation to financial reporting, monitoring the integrity of the financial statements and other announcements of financial results published by the Group; and reviewing and challenging any significant financial reporting issues, judgements and actions of management in relation to the financial statements. The Committee reviews the effectiveness of the Group's internal controls and risk management systems and the effectiveness of the Group's Internal Audit function. On behalf of the Board, the Committee manages the appointment and remuneration of the External Auditor and monitors its performance and independence. The Group supports an independent and confidential whistleblowing procedure and the Committee monitors the operation of this facility.

In accordance with the Code, the Board requested that the Committee advise it whether it believes 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 position and performance, business model and strategy.

The Committee's Terms of Reference reflect this requirement and can be found in the Investor Centre section of the Group's website. A copy may be obtained from the Company Secretary.

Membership and Meeting Attendance

The following non-executive Directors served on the Committee during the year:

Member	Member Since	Number of Meetings Attended	Maximum Possible Meetings	% of Meetings Attended
Emer Finnan (Chairman)	2 July 2014	6	6	100
Vincent Crowley	22 March 2016	6	6	100
Jim Thompson	1 March 2019	6	6	100

All members of the Committee are, and were considered by the Board to be throughout the year under review, independent.

Audit Committee Report
(continued)

The Committee members have been selected to provide the wide range of financial and commercial expertise necessary to fulfil the Committee's duties and responsibilities. As a qualified chartered accountant, I am considered by the Board to have recent and relevant financial experience, as required by the Code. The Committee is considered by the Board as a whole to have competence relevant to the sector in which the Group operates. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 56 and 57 of the Annual Report and Accounts.

The Committee has access to the Group's finance team, to its Internal Audit function and to its External Auditor and can seek further professional training and advice, at the Group's cost, as appropriate.

The quorum necessary for the transaction of business by the Committee is two, each of whom must be a Non-executive Director. Only members of the Committee have the right to attend Committee meetings, however, during the year, Stewart Gilliland (in his capacity as Chairman), Stephen Glancey, Group Chief Executive Officer, Jonathan Solesbury, Group Chief Financial Officer, the Head of Internal Audit together with members of her team, Group Finance Director, and representatives from Ernst & Young ("EY"), the External Auditor, were invited to attend meetings. The Committee also meets separately with the Head of Internal Audit and the External Auditor without management being present.

The Company Secretary is Secretary to the Committee.

Meeting Frequency and Main Activities in the Year

The Committee met on five scheduled occasions during the year ended 29 February 2020. In addition there was one meeting by conference call to review a trading statement for recommendation to the Board. All members of the Committee attended every meeting.

During the year ended 29 February 2020, the Committee reviewed and made recommendations to the Board on the Preliminary Results Announcement for the period to 28 February 2019, the 2019 Annual Report and Accounts, the Interim Results Announcement for the period to 31 August 2019, the trading update for the four months to 31 December 2019, and updating the Committee's Terms of Reference.

Since 29 February 2020, the Committee has met seven times. These meetings were to review and make recommendations to the Board on the pre-close trading update for the period to 29 February 2020; the COVID-19 Update Announcement; the Preliminary Results Announcement for the period to 29 February 2020, to review and assess the impact of COVID-19 on the business; and to review the 2020 Annual Report and Accounts.

In carrying out its reviews during the year, the Committee considered:
- whether the Group had applied appropriate accounting policies and practices both on a year on year basis and across the Group;
- the significant areas in which judgement had been applied in preparation of the financial statements in accordance with the accounting policies set out on pages 111 to 126 of the Annual Report and Accounts;
- reports from the Group Chief Financial Officer and the External Auditor;
- the clarity and completeness of disclosures and compliance with relevant financial reporting standards and corporate governance and regulatory requirements; and
- whether the Annual Report and Accounts, taken as a whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Committee also:
- approved the Internal Audit plan and agreed the External Auditor's work plans for the Group;
- considered regular reports from the Head of Internal Audit on their findings;
- reviewed and recommended revisions to the Board to the Group Risk Register and the Principal Risks and Uncertainties; and
- reviewed the External Auditor's independence and objectivity, the effectiveness of the audit process, the re-appointment of the External Auditor and approved the External Auditor's remuneration.

Significant Judgemental Areas

The significant areas of judgement considered by the Committee in relation to the accounts for the year ended 29 February 2020 and how these were addressed are outlined below. Each of these areas received particular focus from the External Auditor, who provided detailed analysis and assessment of the matters in their report to the Committee.

Going Concern

In conjunction with the Company's other external advisers, the Committee and the Board reviewed and assessed the work undertaken to support the adoption of the going concern basis for the FY2020 financial statements.

The Committee has also considered the impact of the COVID-19 pandemic on the business. The Committee reviewed the draft Going Concern Statement, Viability Statement and Directors Compliance Statement prior to recommending them to the Board for their review and approval. These statements are included in the Directors' Report on page 55 and the Risk Report on pages 20 to 21.

The reviews included assessing the effectiveness of the actions undertaken by the Group's management team to evaluate going concern, including the analysis supporting the Going Concern Statement and disclosures in the financial statements. In particular, the Committee and the Board reviewed the Group's short-term cash flow forecasts, the cash flow forecasts for the period ending 28 February 2021 which were revised post year end in light of COVID-19 and the updated three year strategic plan, the assumptions relating to the profitability and cash generation of the business, the achievement of cost saving measures, the Group's financing facilities and future funding plans. In addition to the base case scenario forecast, which included an estimate of the impact of COVID-19, the Group examined the impact on cash flows of a change in the assumptions in respect of the extent and timing of the recovery in the on-trade business from the pandemic, and benchmarked the impact against the new monthly liquidity and gross debt covenant waiver tests for FY2021 and through the going concern assessment period.

The Committee and the Board consider it appropriate to adopt the going concern basis of accounting with no material uncertainties as to the Group's ability to continue to do so. The Committee also reviewed the Viability Statement scenario workings assessing the ability of the Group to continue trading for at least three years. In making this assessment, the Committee and Board have also considered the impact of COVID-19. While there will be a negative impact on the business, the Committee and the Board do not expect any reasonably anticipated COVID-19 outcomes to impact the Group's ability to continue as a going concern.

For further information on the work undertaken by the Committee, the Board and management in relation to the going concern basis of preparation for the 2020 financial statements, please see 'Going Concern' on page 20 and 'Viability Statement' on pages 20 to 21. The Directors' Going Concern statement is set out on page 20.

Trade Receivables and Trade Loans recoverability

The Group has a risk through exposure to on-trade receivable balances and advances to customers who may experience financial difficulties. Given the uniqueness of the COVID-19 outbreak, the assessment of the impact of the outbreak on the Group's expected credit loss model required significant judgement by the Committee. In particular, the Committee considered the basis used by management in calculating the expected credit losses, whether it adequately captured the additional risks in the current environment and the level of security in respect of those loans. As a result of the review process, the Committee concluded that the expected credit loss on trade receivables and loans was prudent but appropriate and were properly reflected in the consolidated financial statements.

Goodwill and intangible assets impairment testing

The Committee considered the carrying value of goodwill and intangible assets as at the year-end date to assess whether or not it exceeded the expected recoverable amounts for these assets. In particular, the Committee considered the value-in-use financial models, including sensitivity analysis, used to support the valuation and the key assumptions and judgements used by management underlying these models including consideration for COVID-19. The key assumptions used in the financial models and consequently the key focus areas for the Committee relate to future volume, net revenue and operating profit, the growth rate in perpetuity and the discount rate applied to the resulting cash flows. The Committee considered the outcome of the financial models and found the methodology to be robust, and in all instances concluded that the outcome was appropriate. This included the recognition of an impairment with respect to the Group's Woodchuck brand of €34.1 million.

Valuation of property, plant and equipment

The Group values its land and buildings and plant and machinery at market value/depreciated replacement cost ('DCR') and consequently carries out an annual valuation. The Group engages external valuers to value the Group's property, plant and machinery at a minimum every three years or as at the date of acquisition for assets acquired as part of a business combination. An external valuation was conducted at 29 February 2020 by PricewaterhouseCoopers LLP to value the land and buildings and plant and machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow), Vermont (USA) and Portugal sites, along with the Group's various Depots. Following a review of PwC's valuation report, the Committee is satisfied that the adjustments posted were reasonable and that the carrying values at 29 February 2020 are appropriate.

Audit Committee Report
(continued)

Revenue recognition

The Committee considered the Group's revenue recognition policy and is satisfied it is appropriate and in line with IFRS 15 Revenue from Contracts with Customers.

IFRS 16 Leases Implementation

The Committee considered the assumptions, calculations and assessment of the impact on the accounts of the new lease accounting standard, IFRS16, which the Group adopted on 1 March 2019. The Committee concluded that the approach adopted and the disclosures in the financial statements were appropriate.

Following discussions with the External Auditor, and the deliberations set out above, we were satisfied that the financial statements dealt appropriately with each of the areas of significant judgement.

The External Auditor also reported to the Committee on any misstatements that they had found in the course of their work.

Fair, Balanced and Understandable Assessment

One of the key compliance requirements of a group's financial statements is for the Annual Report and Accounts to be fair, balanced and understandable. The coordination and review of Group wide contributions into the Annual Report and Accounts follows a well established and documented process, which is performed in parallel with the formal process undertaken by the External Auditor.

The Committee received a summary of the approach taken by management in the preparation of the 2020 Annual Report and Accounts to ensure that it met the requirements of the Code. This, and our own scrutiny of the document, enabled the Committee, and then the Board, to confirm that the 2020 Annual Report and Accounts taken as a whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Internal Controls and Risk Management Systems

The Committee is responsible, on behalf of the Board, for reviewing the effectiveness of the Group's internal controls and risk management systems, including financial, operational and compliance controls.

In order to keep the Committee abreast with latest developments, the Head of Internal Audit reported to each meeting on developments and emerging risks to internal control systems and on the evolution of our principal risks. The Committee reviewed the updated principal risks, their evolution during the year, and the associated risk appetites and metrics in light of business changes and performance, challenging and confirming their alignment to the achievement of the Group's strategic objectives. At each meeting, the Committee considered the ongoing overall assessment of each risk, their associated metrics and management actions and mitigations in place and planned. This review was supported through consideration of risk dashboards outlining both principal risks and any escalated or emerging risks resulting in the addition of new risk regarding COVID-19, and the reclassification of two risks, namely Sustainability and Brand and Reputation. Those changes to our risk profile were then approved by the Board.

In addition, the Committee reviewed reports issued by both Internal Audit and the External Auditor and held regular discussions with the Group Chief Financial Officer, the Head of Internal Audit and representatives of the External Auditor. During the course of these reviews, the Committee has not identified nor been advised of any failings or weaknesses which it has determined to be significant.

Internal Audit

The Committee is responsible for monitoring and reviewing the operation and effectiveness of the Internal Audit function including its focus, work plan, activities and resources.

At the beginning of the financial year, the Committee reviewed and approved the Internal Audit plan for the year having considered the principal areas of risk in the business and the adequacy of staffing levels and expertise within the function. During the year, the Committee received regular verbal and written reports from the Head of Internal Audit summarising findings from the work of Internal Audit and the responses from management to deal with the findings.

The Committee monitors progress on the implementation of any action plans arising on significant findings to ensure these are completed satisfactorily and meets with the Head of Internal Audit in the absence of management.

External Audit

It is the responsibility of the Committee to monitor the performance, objectivity and independence of EY, the External Auditor. In December 2019, we met with EY to agree the audit plan for the year end, highlighting the key financial statement and audit risks, to ensure that the audit was appropriately focused. In addition, EY's letter of engagement and independence was reviewed by the Committee in advance of the audit.

In May 2020, in advance of the finalisation of the financial statements, we received a report from EY on their key audit findings, which included the key areas of risk and significant judgements referred to above, and discussed the issues with them in order for the Committee to form a judgement on the financial statements. In addition, we considered the Letter of Representation that the External Auditor requires from the Board.

The Committee meets with the External Auditor privately at least once a year to discuss any matters they may wish to raise without management being present.

Assessment of Effectiveness of External Audit

The Committee obtained feedback on the effectiveness and efficiency of the external audit process from completion of a short questionnaire by each member of the Committee, the Group Chief Financial Officer, the Director of Group Finance, the Group Strategy and Finance Director and applicable senior finance executives across the business. The results were reviewed by the Committee and the Committee concluded that the external audit process as a whole had been conducted robustly and the team selected to undertake the audit had done so thoroughly and professionally. EY's performance as auditor to the Company during FY2020 was therefore considered to be satisfactory.

Audit Tender

The current External Auditor was first appointed for the year ended 28 February 2018 and the external audit had not been tendered since then.

There are no contractual obligations restricting the Company's choice of External Auditor. The Committee will continue to review the auditor appointment and the need to tender the audit, ensuring the Group's compliance with the Code and any related regulations.

Non-Audit Services

The Group has a policy in place governing the provision of non-audit services by the External Auditor in order to ensure that the External Auditor's objectivity and independence is safeguarded.

Under this policy the auditor is prohibited from providing non-audit services if the auditor:
- may, as a result, be required to audit its own firm's work;
- would participate in activities that would normally be undertaken by management;
- would be remunerated through a "success fee" structure or have some other mutual financial interest with the Group; and
- would be acting in an advocacy role for the Group.

Other than above, the Company does not impose an automatic ban on the External Auditor providing non-audit services. However, the External Auditor is only permitted to provide non-audit services that are not, or are not perceived to be, in conflict with auditor independence and objectivity, if it has the skill, competence and integrity to carry out the work and it is considered by the Audit Committee to be the most appropriate to undertake such work in the best interests of the Group. The engagement of the External Auditor to provide non-audit services must be approved in advance by the Audit Committee or entered into pursuant to pre-approved policies and procedures established by the Audit Committee and approved by the Board.

The nature, extent and scope of non-audit services provided to the Group by the External Auditor and the economic importance of the Group to the External Auditor are also monitored to ensure that the external auditor's independence and objectivity is not impaired. The Audit Committee has adopted a policy that, except in exceptional circumstances with the prior approval of the Audit Committee, non-audit fees paid to the Group's auditor should not exceed 100% of audit fees in any one financial year.

EY did not provide any other services other than audit services. Details of the amounts paid during the year for audit services are set out in note 2 to the financial statements.

Audit Committee Report
(continued)

Confidential Reporting Programme

In line with best practice, the Group has an independent and confidential reporting programme in all of its operations whereby employees can, in confidence, report on matters where they feel a malpractice has taken or is taking place, or if health and safety standards have been or are being compromised. Additional areas that are addressed by this procedure include criminal activities, improper or unethical behaviour and risks to the environment.

The programme allows employees to raise their concerns with their line manager or, if that is inappropriate, to raise them on a confidential basis. An externally facilitated confidential helpline and confidential email facility are provided to protect the identity of employees in these circumstances. Any concerns are investigated on a confidential basis by the Human Resources Department and/or the Company Secretary and Group General Counsel and feedback is given to the person making the complaint as appropriate via the confidential email facility. An official written record is kept of each stage of the procedure and results are summarised for the Committee.

The Audit Committee is also responsible for ensuring that arrangements are in place for the proportionate independent investigation and appropriate follow up of any concerns which might be raised. The Committee receives regular reports on all whistleblowing incidents. The Board also receives a report on whistleblowing in the Company Secretary and Group General Counsel's regular report to Board meetings. In FY2020, no incidences of concern were uncovered.

We encourage employees to report genuine issues and concerns as they arise. Those concerns are taken seriously. They are investigated where appropriate and confidentiality is respected.

Evaluation of the Committee

The evaluation of the Committee was completed as part of the 2020 external board evaluation process conducted by Independent Audit. An explanation of how this process was conducted, the conclusions arising from it and the action items identified is set out on pages 64 and 65. The Committee has considered this in the context of the matters that are applicable to the Committee.

This report was approved by the Board of Directors on 3 June 2020.

Emer Finnan
Chairman of the Audit Committee

Nomination Committee Report

I am pleased to present the Nomination Committee ('the Committee') report covering the work of the Committee during the 2020 financial year. This has been a busy year for the Committee with a keen focus on Board and Committee composition. From 1 March 2019, the new UK Corporate Governance Code ('the Code') came into effect for C&C, which has several material implications for Nomination Committees. The review and adoption of principles of the new Code also formed part of the Committee's activity during the year.

The primary role of the Committee is to monitor and maintain an appropriate balance of skills, experience, independence and diversity on the Board while regularly reviewing its structure, size and composition. It is also responsible for ensuring there is a formal, rigorous and transparent process for the appointment of new Directors to the Board.

Succession planning is a fundamental aspect of the Committee's work and encompasses a number of factors:

- contingency planning – for sudden and unforeseen departures;
- medium-term planning – the orderly replacement of current Board members and senior executives; and
- long-term planning – the relationship between the delivery of the Company strategy and objectives to the skills needed on the Board and the profile of senior management now and in the future.

During the year, the Committee oversaw a number of changes to the Board and Committee composition:

- March 2019 – Helen Pitcher succeeded Vincent Crowley as Chairman of the Remuneration Committee and Jim Thompson joined the Board as a Non-Executive Director;
- May 2019 – Richard Holroyd resigned as Senior Independent Director and Non-Executive Director and Geoffrey Hemphill resigned as a non-executive Director;
- June 2019 – Vincent Crowley was appointed Senior Independent Director and a member of the Committee;
- October 2019 – Helen Pitcher was appointed as a member of the Nomination Committee and Jim Clerkin replaced Vincent Crowley as a member of the Remuneration Committee;
- January 2020 – Stephen Glancey announced that he wished to retire as Group Chief Executive Officer ('CEO'). Stewart Gilliland was appointed interim Executive Chairman.

As noted above, on 16 January 2020, we announced that Stephen Glancey had informed the Board that he would retire and would stand down as CEO and from the Board. Pending the appointment of his successor, I agreed to take on the role of interim Executive Chairman to ensure continuity of executive leadership and an orderly process of succession. I would like to thank Stephen for his significant contribution to the Company over many years. The Company is well positioned to continue to implement its established strategy to deliver value for shareholders. We wish him the very best in his retirement. As detailed later in this report, the process to appoint his successor is ongoing and we have identified a number of excellent potential candidates.

In the year ahead, the Committee will place a priority on supporting the orderly succession of a new Group CEO and ensuring the actions developed as part of the external evaluation are carried out.

I would like to thank my colleagues for their contribution and counsel over the past 12 months. For the 2020 Annual General Meeting, your attention is drawn to details set out in the notice of meeting. Given government and health authority guidance on COVID-19 is still evolving, shareholders are encouraged to monitor the Company's website and regulatory news for updates in relation to the AGM.

On behalf of the Board

Stewart Gilliland
Chairman of the Nomination Committee
3 June 2020

Nomination Committee Report
(continued)

Roles and Responsibilities of the Committee

Role of the Committee

The Committee is responsible for Board recruitment and conducts a continuous and proactive process of planning and assessment, taking into account the Board's composition against the Company's strategic priorities and the main trends and factors affecting the long-term success and future viability of the Company. The Committee's key objective is to ensure that the Board comprises individuals with the necessary skills, knowledge, experience and diversity to ensure that the Board is effective in discharging its responsibilities. The Committee has defined Terms of Reference which can be found in the Investor Centre section of the Group's website at www.candcgroupplc.com.

Membership and Meeting Attendance

The following Non-Executive Directors served on the Committee during the year.

Member	Member Since	Number of Meetings Attended	Maximum Possible Meetings	% of Meetings Attended
Stewart Gilliland (Chairman)	24 October 2017	4	4	100
Vincent Crowley	1 June 2019	2	2	100
Richard Holroyd (Retired 31 May 2019)	28 October 2013	2	2	100
Emer Finnan	5 July 2018	4	4	100
Helen Pitcher	23 October 2019	1	1	100

Except for the interim Executive Chairman, all members of the Committee are and were, throughout the year under review, considered by the Board to be independent. Given that the Chairman is carrying out an executive function on an interim basis, it was determined that he should remain on the Committee. This is particularly important as he plays a leading role in ensuring an orderly transition to a new Group CEO.

No member of the Committee nor any other Director participates in discussions concerning or votes on his or her own re-election or evaluation of his own performance. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 50 and 51. Their remuneration is set out in the Remuneration Report.

The quorum necessary for the transaction of business by the Committee is two, each of whom must be a non-executive Director. Only members of the Committee have the right to attend Committee meetings, however, during the year, Stephen Glancey (Group CEO) and the Group Director of Human Resources were invited to attend meetings.

The Company Secretary is Secretary to the Committee.

Meeting Frequency and Main Activities during the year

The Committee met on five occasions during the year ended 29 February 2020. All members of the Committee attended each meeting.

During the year ended 29 February 2020, the Committee:

- recommended revisions to the Board to the Committee's Terms of Reference;
- approved the Board Diversity Policy;
- recommended to the Board that Vincent Crowley be appointed as the Senior Independent Director and a member of the Committee from 1 June 2019;
- recommended to the Board that Helen Pitcher be appointed as a member of the Committee from 23 October 2019;
- commenced the search, for a candidate to succeed Stephen Glancey as Group CEO;
- recommended to the Board that workforce engagement best be undertaken through the appointment of a Non-Executive Director to specific business areas; and
- reviewed the size, structure and composition of the Board.

Since 29 February 2020, the Committee met on six occasions to:

- recommend to the Board that all of the Directors who have indicated their willingness to stand for re-election be proposed for re-election as Directors at the forthcoming AGM;
- review the Committee's report within the 2020 Annual Report and Accounts and recommend its approval to the Board; and
- Review the interviews the Committee members had held with potential appointees to the role of Group CEO.

Board Composition/Succession Planning

The Board plans for its own succession, with the support of the Committee. The Committee remains focused, on behalf of the Board, on Board succession planning for both Executive and Non-Executive Directors.

The Committee aims to ensure that:

- the succession pipeline for senior executive and business critical roles in the organisation is strong and diverse;
- processes are in place to identify potential successors and manage succession actively;
- there is a structured approach to developing and preparing possible successors; and
- processes are in place to identify "at risk" posts.

On at least an annual basis each Director's intentions are discussed with regard to continued service on the Board and their succession is considered in the context of the composition of the overall Board and the corporate governance guidance on non-executive tenure. This transparency allows for an open discussion about succession for each individual, both for short term emergency absences as well as longer terms plans.

As in previous years, we conducted an analysis of the balance of experience, skills, gender and diversity on the Board as a whole, taking account of the future needs of the business in the light of the business strategy, the Board changes set out above, and the knowledge, experience, length of service and performance of the Directors, including their ability to continue to contribute effectively to the Board. In accordance with our policy, we also had regard to the requirement to achieve a diversity of characters, backgrounds, experience and gender amongst Board members.

CEO Recruitment

The Committee appointed Spencer Stuart to conduct a search for candidates for the role of the new Group CEO. Spencer Stuart did not and does not have any connection to the Company other than in respect of provision of these services.

The Company did not use open advertising to search for suitable candidates for the role as we believe that the optimal way of recruiting for this position is to use targeted recruitment based on the skills and experience required.

As an initial step, the Committee agreed a role profile with Spencer Stuart, which referred to the following key characteristics and experience:

- Previous experience of the public company environment;
- Experience of operating within the beverage industry;
- A reputation for delivering shareholder value; and
- A positive match with the culture of the Group and the members of the Board.

The search from Spencer Stuart was rigorous and international in its scope. The Committee considered in all instances a list of potential candidates, both internally and externally, with the skills, knowledge and experience. The candidates included in the initial list for the Committee were of diverse backgrounds in its widest sense (gender, nationality, age, experience, ethnicity and social backgrounds). The process for appointing a successor is ongoing. We are committed to ensuring the appointment of a candidate as early as practicable; however, the Committee is keenly aware of balancing this imperative with ensuring the process is as comprehensive as possible. While the Committee has progressed the interviewing of candidates remotely, the recruitment process has been slowed by travel restrictions associated with COVID-19.

Workforce Engagement

In relation to workforce engagement, the Board has opted to follow an approach that it considers best aligns with the Group's business model and will be most effective in ensuring the 'employee voice' plays a key role in Board decision-making. Having reviewed how best to align the workforce engagement framework with that of the Group's operations, during the year the Committee recommended that a Non-Executive Director be appointed with specific responsibility for a different segment of the business.

A Non-Executive was appointed with responsibility for workforce engagement at each of the eight different business areas/ segments. Each Non-Executive Director will provide updates to the Board on a twice-yearly basis. Details of the role and the non-executive Directors' activities are set out on page 61. The Board and Committee are satisfied that the Group's approach meets the underlying principle of the revised provision, which is ensuring the employee voice is heard and considered by the Board when making decisions.

Skills Balance and Directors' Performance Evaluation

During the year, the Committee also considered the composition of the Board and each of its Committees. The Committee continues to actively review the long term succession planning process for Directors to ensure the structure, size and composition (including the balance of skills, experience, independence, knowledge and diversity (including gender, ethnic and social backgrounds)) of the Board and its Committees continues to be effective, promoting the Company's ability to deliver its strategy.

As part of its review, the Committee considered the performance and independence of Stewart Gilliland, Jill Caseberry, Jim Clerkin, Vincent Crowley, Emer Finnan, Helen Pitcher and Jim Thompson, each of them having confirmed their willingness to stand for re-election at the forthcoming AGM.

Having undertaken a performance evaluation of both the Board and individual Directors, the Committee considered that the independence of each of the non-executive Directors, being Jill Caseberry, Jim Clerkin, Vincent Crowley, Emer Finnan, Helen Pitcher and Jim Thompson. In assessing their independence, the Committee has had due regard to various matters which might affect, or appear to affect, the independence of certain of the directors. The Committee was fully satisfied that each remained fully independent in both character and judgement.

In determining the independence of Helen Pitcher, the Committee had particular regard to her position as a Chair of Advanced Boardroom Excellence Ltd, which provided services to the Company during FY2019. Likewise the Company had regard to the products sold to Tesco plc, of which Stewart Gilliland is a Non-Executive Director, and the products purchased from St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director. Note 27 to the Accounts on page 188 sets out further details and the Committee remains fully satisfied these relationships have in no way impaired their independence.

Nomination Committee Report
(continued)

The Committee had also undertaken a review of each of the Non-Executive Directors' other interests, external time commitments and tenure, such review being particularly rigorous in the case of Emer Finnan and Stewart Gilliland as they had served six and eight years respectively on the Board, and has concluded that each of them is independent in character and judgement and that there are no relationships or circumstances likely to affect (or which appear to affect) his or her judgement. The Committee is also satisfied that each of them continues to be able to devote sufficient time to their role.

No Director participated in the evaluation of his/her own performance, independence or time commitments.

The Committee was satisfied that the Board has the appropriate balance of relevant skills, experience, independence and knowledge of the Company to enable it to discharge its duties to lead and steward the business.

Diversity Policy

The Committee reviewed the Board Diversity Policy during the year. We also ensured that the Board considered whether diversity and inclusion across the wider business was being progressed, including discussions with management at site visits during the year. The Board recognises the benefits of diversity. Our Directors come from different backgrounds, nationalities, a wide range of professions and each brings unique capabilities and perspectives to our Board discussions.

We are committed to maintaining a diverse Board. Appointments to the Board and throughout the Company will continue to be made on merit and overall suitability for the role against objective criteria with due regard to the benefits of diversity (including, but not limited to, ethnicity, experience, gender, nationality, age and educational and social backgrounds as well as individual characteristics such as broad life experience).

When recruiting, we require any search agency to have signed up to the "Enhanced Voluntary Code of Conduct for Executive Search Firms" covering Board appointments, as accredited by the Hampton-Alexander Steering Group.

The Board monitors progress against this policy. In terms of Board diversity, an analysis of Directors by gender as at 29 February 2020 is as follows:

	Male Number/ Percentage	Female Number /Percentage
Directors	6/67%	3/33%

Any future appointments will continue to be made to the Board on merit and with the aim of recruiting Directors who offer the right skills and who can complement the rest of the Board with a view to achieving effective diversity, in its widest sense.

The Committee and the Board recognise the importance and benefit of diversity beyond the Board and in this regard seek to ensure that all recruitment decisions are fair and non-discriminatory and that all employees get an equal opportunity to achieve their full potential. During the year, the Group commenced working with The Pipeline who provide targeted development for women in senior positions to support them in making the transition into Executive Committee roles.

Statistical gender diversity employment data for the Company as at 29 February 2020 is as follows:

	Male Number/ Percentage	Female Number/ Percentage
Senior Managers	60/68%	28/32%
Other employees	2,220/75%	753/25%

The Committee and the Board are committed to greater diversity throughout the Company and recognise this will require continued focus on an inclusive culture and a systematic review of existing recruitment, retention and promotion practices during the forthcoming year.

The Responsibility section of the Annual Report on pages 37 to 49 provides further detail on the approach being taken to better understand our diversity and employees' views on inclusion and the implementation of the Policy across the Group.

Evaluation of the Committee

The evaluation of the Committee was completed as part of the FY2020 external Board evaluation process conducted by Independent Audit. An explanation of how this process was conducted, the conclusions arising from it and the outcome of that review can be found on pages 64 and 65.

This report was approved by the Board of Directors on 3 June 2020.

Stewart Gilliland
Chairman of the Nomination Committee

Directors' Remuneration Committee Report

Dear Shareholder

On behalf of my colleagues on the Committee and the Board, I am pleased to present the Directors' Remuneration Report ('Report') for the year ended 29 February 2020.

The Company is incorporated in Ireland and is therefore not subject to the UK company law requirement to submit its Directors' Remuneration Policy ('Policy') to a binding vote. Nonetheless, in line with our commitment to best practice, at the AGM in July 2018, our revised Policy was approved by our shareholders on an advisory basis. As no changes to the Policy are proposed this year, the Policy will not be subject to a vote at the 2020 AGM. In the interests of succinct reporting the Policy is not reproduced in this Report but can be found on our website and in our 2018 Annual Report.

Last year, the Report received the support of over 99% of the votes cast. We hope that shareholders will demonstrate their support again this year.

Executive Remuneration for FY2020

Salary

Executive directors received increases of 2% from March 2019, this being the same or less than the increase awarded to all employees across the Group that were effective at the same time.

Incentive out-turns

Annual bonus targets were set by reference to challenging financial and personal performance measures, as set out below. For the year to 29 February 2020, the financial performance of the Group resulted in an actual bonus achievement (as a percentage of their maximum opportunity) of 12.5% for Andrea Pozzi and 25% for Jonathan Solesbury.

As he was employed for the entirety of FY2020, Stephen Glancey was eligible to earn a bonus in respect of the year calculated by reference to the ordinary performance targets. The financial performance of the Group resulted in an actual bonus achievement (as a percentage of his maximum opportunity) of 25%.

The Committee believes the bonus outcomes appropriately reflect the overall performance in FY2020. Although the bonuses earned are disclosed in the Single Total Figure of Remuneration table on page 83, the Committee is mindful of the current circumstances affecting the wider economy and the Company's commitment to preserve cash and lower operating expenses. Consequently, final approval of the amount of any bonuses based on performance during FY2020 will be deferred until after the end of the FY2021 half year in August. This deferral will apply to all continuing Executives as well as former Group CEO, Stephen Glancey.

For the LTIP and ESOS, which vested in 2020, the targets we set in 2017 - based on EPS growth, free cash flow conversion and growth in ROCE - were demanding and were met in full over the three year performance period ended 29 February 2020.

This has led to an overall outcome for both the LTIP and ESOS of 100% of the maximum opportunity. The Committee considered this outcome and determined that it was a fair reflection of the performance of the Company as a whole over the performance period, which concluded on 29 February 2020. In determining the appropriateness of the vesting of awards to Executives, the Committee was cognisant of the impact of COVID-19 on the company's share price and the economy.

In evaluating whether the final outcomes were a fair reflection of Company performance and individual contribution, the Committee noted the significant reduction in the value of vested awards to participants and did not deem it necessary to exercise discretion over vesting levels. While the ESOS awards technically vested, the share price on the vesting date was below that of the grant date and as such, no value is yet capable of realisation by participants.

When determining executive director and senior management remuneration, the remuneration committee addresses the following:

- clarity – remuneration arrangements will be transparent and promote effective engagement with shareholders and the workforce;
- simplicity – remuneration structures will avoid complexity and their rationale and operation should be easy to understand;
- risk – remuneration arrangements will ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated;
- predictability – the range of possible values of rewards to individuals and other limits or discretions will be identified and explained;
- proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company will be clear; and,
- alignment to culture – incentive schemes will drive behaviours consistent with company purpose, values and strategy.

Engagement with our key investors during our last policy review in 2018 was constructive and insightful. We look forward to engaging with them on the Policy again in the coming year.

Directors' Remuneration Committee Report
(continued)

In accordance with the Policy approved at the 2018 AGM, the executive Directors' remuneration framework for FY2020 was as follows:

	Opportunity	Performance Measures	Out-turn
Annual Bonus	100% of salary	***Andrea Pozzi*** 37.5% of the opportunity: Adjusted operating profit. 12.5% of the opportunity: cash conversion. 50% of the opportunity: increased distribution/ volume for our branded cider portfolio. ***Jonathan Solesbury*** 75% of the opportunity: Adjusted operating profit. 25% of the opportunity: cash conversion Personal underpin applying to 100% of the opportunity of restructuring finance and reducing the fixed cost of the finance structure. ***Stephen Glancey*** 75% of the opportunity: Adjusted operating profit. 25% of the opportunity: cash conversion.	Detail as to the performance against the relevant measures is set out on page 84. The cash conversion element of the bonus was achieved at 100%. The Adjusted operating profit element of the bonus was below the threshold level of performance and therefore no bonus will be payable in relation to this element. The cider target element of the bonus, using our extended route to market in order to gain incremental distribution/volume for our branded cider portfolio, was below the threshold level of performance and therefore no bonus will be payable in relation to this element. Overall bonuses earned are as follows: Andrea Pozzi: 12.5% of salary Jonathan Solesbury: 25% of salary Stephen Glancey: 25% of salary The Committee considers the level of achievement is reflective of the overall performance of the Group in the year and is appropriate.
Long-Term Incentives awarded in the year	LTIP: 150% of salary	As set out below: • EPS growth (33.3% of the opportunity) • Free Cash Flow Conversion (33.3% of the opportunity) • Return on Capital Employed (33.3% of the opportunity)	Performance will be assessed over the three year period ending with FY2022 and then be subject to a two year holding period.

LTIP Performance Conditions

Performance condition	Weighting	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2020, FY2021 and FY2022	33%		
Threshold		3%	25%
Maximum		8%	100%
Free cash flow Conversion – average over the three year period	33%		
Threshold		65%	25%
Maximum		75%	100%
Return on Capital Employed	33%		
Threshold		9.3%	25%
Maximum		10%	100%

Notwithstanding the extent to which the performance conditions set out above are satisfied, an award or option will only vest to the extent the Committee is satisfied that the improvement in the underlying financial performance of the Company over the performance period warrants the degree of vesting. The Committee retains the discretion to reduce (but not increase) awards should it see fit to do so on the basis of the wider business performance or other factors.

	Opportunity	Performance Measures	Out-turn
Long term incentives vesting in respect of performance in FY2020	LTIP: 100% of salary	As set out below: EPS growth (33.3% of the opportunity) Free Cash Flow Conversion (33.3% of the opportunity) Return on Capital Employed (33.3% of the opportunity)	The performance measures for the awards granted in June 2017 were met in full and the awards vested at maximum as set out below:- • EPS growth achieved – 8.0% Award Vested – 100% of target, 33.3% of total award; • FCF Conversion achieved – 84.9% Award Vested – 100% of target, 33.3% of total award; • ROCE achieved – 11.9% Award Vested - 100% of target, 33.3% of total award Total Vested 100%.
	ESOS: 150% of salary	As set out below and note 4 to the financial statements, EPS growth.	The performance measures for the awards granted in June 2017 were met and the awards vested in full as set out below:- • EPS growth achieved – 8.0% Award Vested – 100% of target, 100% of total award

ESOS Performance Conditions

Performance condition	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2018, FY2019 and FY2020		
Threshold	2%	25%
Maximum	6%	100%

LTIP Performance Conditions

Performance condition	Weighting	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2018, FY2019 and FY2020	33.3%		
Threshold		3%	25%
Maximum		8%	100%
Free cash flow Conversion – average over the three year period	33.3%		
Threshold		65%	25%
Maximum		75%	100%
Return on Capital Employed	33.3%		
Threshold		9.3%	25%
Maximum		10%	100%

Notwithstanding the extent to which the performance targets set out above are satisfied, an award or option will only vest to the extent the Committee is satisfied that the improvement in the underlying financial performance of the Company over the performance period warrants the degree of vesting. The Committee considered the vesting outcomes of the LTIP and ESOS awards during the year to be appropriate. Again, the Committee retains the discretion to reduce (but not increase) awards should it see fit to do so on the basis of the wider business performance or other factors.

Directors' Remuneration Committee Report
(continued)

Director Changes

As announced on 16 January 2020, Stephen Glancey stepped down from the Board on 15 January 2020 and left the Company on 29 February 2020. As he was employed for the entirety of FY2020, Stephen Glancey remains eligible to receive a bonus in respect of the year ending 29 February 2020, calculated by reference to the performance targets that applied to the FY2020 bonus plan.

In relation to outstanding awards under the two long-term incentive schemes, Stephen retained awards granted to him in June 2017 under the ESOS and LTIP 2015 under the terms of the respective schemes. As with the bonus, the Committee was of the view that due to his working the entire performance period, and informing the Board of his intention to retire just six weeks prior to the conclusion of FY2020, Stephen should be entitled to the entire portion of the 2017 awards. In line with the outcome for continuing Executives, these awards vested in full and will be released on their normal vesting date.

As Stephen informed the Board of his intention to retire, all other unvested share awards under the Company's share plans lapsed in full on his departure.

Full detail of the terms of his departure are set out on page 86.

Stewart Gilliland was appointed as interim Executive Chairman from 16 January 2020 to ensure continuity of executive leadership while the Group recruits Stephen's Glancey's successor.

Gender Pay Gap Disclosure

In April 2020 we published our second Gender Pay Gap report for those entities with more than 250 UK employees, namely, Matthew Clark Bibendum Limited and Tennent Caledonian Breweries Limited. Details can be found on each business's respective website.

We are committed to promoting equality, diversity and inclusion as we build a culture where everyone can progress. This includes ensuring that our colleagues are paid a fair and equitable rate for the work they do regardless of gender or other differences. Going forward we will continue to focus on areas that improve our gender pay gap.

Wider Workforce Remuneration and Employee Engagement

In line with the Code, the Company takes a fully aligned approach to remuneration throughout the organisation to support succession, as well as a culture of performance and ownership. The Company regularly engages directly with the workforce through a number of channels and on a wide range of topics, including pay. The Company's annual engagement survey places a focus on employee satisfaction, and seeks details on a number of areas including competitive pay and benefits.

It is an important part of our values that all employees, not just management, have the opportunity to become shareholders in the Group. All employees with at least one month's continuous service have the opportunity to participate in our Share Incentive Plan.

An aspect of the new Code that we believe will enhance business is the greater linkage between companies' corporate governance and remuneration frameworks. The widening of the remit of Remuneration Committees to oversee employee rewards and ensure incentives are aligned with culture while simultaneously promoting greater consideration of the 'employee voice' in Board decision-making is a particularly positive step. My role as the non-executive Director responsible for engaging with HR will be an invaluable resource when reviewing wider employee incentive arrangements.

Review of the Remuneration Policy during 2020

The Committee will be undertaking a full review of its Policy during 2020, ahead of a vote at the 2021 AGM. As always, that review will take account of market practice, shareholder expectations and best practice governance developments since our last review. These matters will be given careful consideration during the Policy review process. In particular, we will take into account the Code provisions in relation to the alignment of executive director pensions with those of the wider workforce and the requirement to adopt a formal policy on post-employment shareholding requirements. While we determine our formal policy on post-employment shareholding, we will, where relevant, rely on the existing 'leaver' provisions in the plan rules, deferring to the ordinary vesting date the vesting of awards retained on cessation ensuring awards are only released on the original vesting date for departing executives.

In addition to the post-employment holdings, the Committee is fully aware of the focus on Executive Director pensions and, more specifically, any difference between contributions for Executive Directors and those of the workforce. As part of the policy that will be put to shareholders at the 2021 AGM, there will be a cap on contributions for all future Executive Directors. The Committee is also aware of the expectation that contributions for incumbent Executive Directors are aligned with the majority of the workforce by the end of 2022, and will set out a clear plan to achieve this for all current Executive Directors in the 2021 Annual Report.

The policy will be proposed in the new Group CEO's first full year since appointment, being an opportune time to put in place a new three-year Policy designed to continue to drive the delivery of strategy and generate value for all stakeholders. The new Group CEO will be provided time to review the Group's existing incentive framework and input into the Committee's proposals prior to our consultation with shareholders in 2020 and 2021.

COVID-19

As detailed in other areas of the Annual Report, COVID-19 has had a significant impact on our business. In response to the rapid emergence of the pandemic, on 30 April, the Company announced actions to preserve cash and reduce costs. As part of those actions, there was an average reduction in salary of approximately 20% across the workforce, with management and Board remuneration reduced by 30% and 40% respectively for at least a three-month period until the end of June, at which point the Board and management will review the decision.

While the final level of that impact is yet unclear, the Committee also considered it prudent to delay certain key decisions in the first half of FY2021. Consequently, all decisions on salary, bonuses and share awards for FY2021 have been deferred until at least September, following the completion of our half year. In practice, this means that the targets relating to bonuses for FY2021 and performance ranges for the FY2021 LTIP awards will not be set until the second half of the financial year.

This decision was made to ensure that the Committee has a clear line of sight over expected performance and the full impact of COVID-19 on the business prior to implementing any decisions and setting performance targets. In implementing the decision, the Committee had the full support of Executive Management.

Once the Committee confirms the granting of the LTIP awards, the targets for those awards will immediately be communicated to shareholders through the stock exchange announcement detailing the number of awards to Executive Directors. Bonus targets will be detailed in the FY2021 Annual Report, the year of any potential payment, in line with market best-practice.

Committee Evaluation

The evaluation of the Committee was completed as part of the 2020 external board evaluation process conducted by Independent Audit. An explanation of how this process was conducted, the conclusions arising from it and the action items identified is set out on pages 64 and 65. The Committee has considered this in the context of the matters that are applicable to the Committee.

Conclusion

I would like to thank my colleagues for their invaluable contribution and counsel over the past 12 months. I also thank our shareholders for their continued support and trust you will find the Report useful and informative. For the 2020 Annual General Meeting, your attention is drawn to details set out in the notice of meeting. Given government and health authority guidance on COVID-19 is still evolving, shareholders are encouraged to monitor the Company's website and regulatory news for updates in relation to the AGM.

Helen Pitcher OBE
Chairman of the Remuneration Committee

Directors' Remuneration Committee Report
(continued)

Annual report on remuneration for the year ended 29 February 2020

Implementation of the Policy

This section of the report sets out how the Policy, which was approved by shareholders at the 2018 AGM has been applied in the financial year.

Governance

The Committee has defined Terms of Reference which can be found in the Investor Centre section of the Group's website. A copy may be obtained from the Company Secretary.

Remuneration Committee Membership and Meeting Attendance
The following non-executive Directors served on the Committee during the year:

Member	Member since	Number of Meetings Attended	Maximum Possible Meetings	% of Meetings Attended
Helen Pitcher (Chairman)	1 March 2019	7	7	100
Jill Caseberry*	1 March 2019	6	7	86
Vincent Crowley**	21 March 2018	2	2	100
Jim Clerkin	24 October 2019	5	5	100

* Jill Caseberry was unable to attend the meeting on 9 May 2019 due to a prior engagement.
** Vincent Crowley was a member of the Committee until 23 October 2019.

All members of the Committee are and were considered by the Board to be independent.

Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 50 and 51. Their remuneration is set out earlier in this Report. The quorum necessary for the transaction of business is two, each of whom must be a Non-Executive Director. Only members of the Committee have the right to attend committee meetings, however, during the year, Stewart Gilliland (Chairman), Stephen Glancey (CEO) and the Group Director of Human Resources were invited to attend meetings (although never during the discussion of any item affecting their own remuneration or employment).

The Company Secretary is Secretary to the Committee.

Meeting Frequency and Main Activities in the Year

The Committee met seven times during the year ended 29 February 2020 to:

- Approve the 2019 bonus;
- Approve the Report for the financial year ended 28 February 2019;
- Approve the Policy for the financial year ended 28 February 2019;
- Approve the 2019/20 Pay Award Strategy;
- Approve the 2019/20 bonus scheme;
- Review achievement of the target set for the 2020 bonus;
- Review the Report for the 2020 financial year;
- Recommend to the Board revisions to the Committee's Terms of Reference
- Consider the 2020/21 Pay Award Strategy;
- Review Executive Directors' and other executives' remuneration packages;
- Approve salary increases for the Executive Directors;
- Approve the size of LTIP awards to Executive Directors;
- Consider, approve and adopt the performance conditions for 2019/22 and future PSP awards;
- Approve the terms of the CEO, Stephen Glancey's departure
- Approve the terms of Stewart Gilliland's appointment as interim Executive Chairman; and,
- Consider the bonus scheme for 2020/21.

Since 29 February 2020, the Remuneration Committee met on three occasions to:

- Agree the 2020 bonus subject to final approval later in FY2021; and
- Approve the Report for the financial year ended 29 February 2020.

External Advisers

The Committee seeks and considers advice from independent remuneration advisers where appropriate. During the year ended 29 February 2020, the Committee obtained advice from Deloitte LLP. Deloitte's fees for this advice amounted to £6,050 charged on a time or fixed fee basis. Deloitte is one of the founding members of the Remuneration Consultants' Code of Conduct and adheres to this Code in its dealings. The Committee is satisfied that the advice provided by Deloitte is objective and independent. The Committee is comfortable that the Deloitte engagement team that provide remuneration advice to the Committee do not have connections with the Company that may impair their independence.

Statement of Shareholder Voting

The Company is committed to ongoing shareholder dialogue and takes shareholder views into consideration when formulating remuneration policy and practice. To the extent there are substantial numbers of votes against resolutions in relation to directors' remuneration, the Company will seek to understand the reasons for any such vote and will provide details of any actions in response to such a vote.

The following table sets out the votes at our most recent AGMs in respect of the Report and the votes at the 2018 AGM in relation to the Policy.

Directors' Remuneration Report

AGM	For	Against	withheld
2019	212,409,822	1,181,109	4,047

Directors' Remuneration Policy

AGM	FOR	Against	Withheld
2018	230,550,915	46,281	557,974

Directors' Remuneration (Audited)

The following table sets out the total remuneration for directors for the year ended 29 February 2020 and the prior year.

Single Total Figure of Remuneration – Executive Directors (Audited)

The table below reports the total remuneration receivable in respect of qualifying services by each executive Director during the year ended 29 February 2020 and the prior year. Stewart Gilliland was non-executive Chairman from 1 March 2019 until 16 January 2020, at which point he was appointed as interim Executive Chairman; given the proportion of the year for which he was a non-executive, his remuneration for the whole year is included in the Single Total Figure of Remuneration Table for non-executive Directors on page 88.

	Salary/fees (a)		Taxable benefits (b)		Annual Bonus (c)		Long term incentives (d)		Pension related benefits (e)		Termination Payments (f)		Miscellaneous (g)		Total	
Year ended February	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors																
Joris Brams	-	374	-	28	-	338	-	169	-	-	-	474			-	1,383
Stephen Glancey*	698	675	52	51	174	540	1,120	342	175	169	698	-	56		2,973	1,777
Andrea Pozzi	368	340	28	26	46	262	544	-	92	85	-	-	-		1,078	713
Jonathan Solesbury	497	481	37	96	124	385	1,020	-	124	120	-	-	-		1,802	1,082
Total	1,563	1,870	117	201	344	1,525	2,684	511	391	374	698	474	56		5,853	4,955

The remuneration for Stephen Glancey, Jonathan Solesbury and Andrea Pozzi was translated from Sterling using the average exchange rate for the relevant year. For Executive Directors who joined or left in the year, salary, taxable benefits, annual bonus, long term Incentives and pension relates to the period in which they served as an Executive Director

* Stephen Glancey left the Board on 15 January and the Group on 29 February 2020. The remuneration referred to in the table above for 2020 is the remuneration he earned for the full year. Further information in relation to the remuneration arrangements in connection with his leaving the Board and Group is set out below.

Details on the valuation methodologies applied are set out in Notes (a) to (g) below. The valuation methodologies are as required by the Regulations and are different from those applied within the financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Directors' Remuneration Committee Report
(continued)

Notes to Directors' Remuneration Table

(a) Salaries and fees

1. The amounts shown are the amounts earned in respect of the financial year.

(b) Benefits

1. The Executive Directors received a cash allowance of 7.5% of base salary. The Group provided death-in-service cover of four times annual base salary and permanent health insurance (or reimbursement of premiums paid into a personal policy). Stephen Glancey also availed of medical insurance under a Group policy.

(c) Annual Bonus

1. The amounts shown are the total bonus achieved under the annual bonus scheme in respect of the financial year under review (subject to final approval).
2. For the year ended 29 February 2020, the maximum bonus opportunity was 100% of salary.

   Details of how the bonuses achieved relate to performance are provided below.

Measure	Weighting	Performance Targets 'Target' (37.5% outturn)	'Maximum' (100% outturn)	Actual Performance	Bonuses outturn	Bonuses achieved (percentage of salary)
Adjusted Operating Profit	Andrea Pozzi: 37.5% Jonathan Solesbury: 75% Stephen Glancey: 75%	€117-€120 million (excluding impact of IFRS 16 Leases)	10% above target	2% below target	Nil	For FY2020, Adjusted Operating Profit was below the minimum target resulting in no bonus being paid.
Cash Conversion	Andrea Pozzi: 12.5% Jonathan Solesbury: 25% Stephen Glancey: 25%	65% (excluding impact of IFRS 16 Leases)	75%	103.5%	Achieved	For FY2020, cash conversion exceeded the maximum target resulting in bonuses of: 12.5% of salary for Andrea Pozzi 25% of salary for Jonathan Solesbury 25% of salary for Stephen Glancey
Cider Target	Andrea Pozzi: 50%	35.3khl	58.3khl	13% below target	Nil	The Cider target element was below the minimum threshold therefore no bonus will be payable in relation to this element.

Jonathan Solesbury's bonus opportunity was also subject to a personal underpin of restructuring finance and reducing the fixed cost of the finance structure. The Committee considered the underpin was satisfied as the restructuring of account services was delivered on time and to plan.

Accordingly, overall bonuses achieved by the executive Directors were:
- Andrea Pozzi: 12.5% of salary
- Jonathan Solesbury: 25% of salary
- Stephen Glancey: 25% of salary

The Committee considers the level of achievement is reflective of the overall performance of the Group in the year and appropriate.

(d) Long term incentives

1. The amounts shown in respect of long term incentives are the values of awards where final vesting is determined as a result of the achievement of performance measures or targets relating to the financial year and is not subject to achievement of further measures or targets in future financial years.

2. The awards granted in June 2017 in respect of the LTIP and ESOS, the performance conditions for these awards are detailed above on page 79 and in note 4 (Share-Based Payments). Details of the extent to which the performance measures were met are set out below.

LTIP

The performance measures for the measures granted in June 2017 were met and the awards vested between threshold and maximum as set out below:-

- EPS growth achieved – 8.0%
  Award Vested – 100% of target, 33.3% of total award;
- FCF Conversion achieved – 84.9%
  Award Vested – 100% of target, 33.3% of total award;
- ROCE achieved – 11.9%
  Award Vested - 100% of target, 33.3% of total award

Total Award Vested 100%.

ESOS

The performance measures for the awards granted in June 2017 were met in full and the awards vested at maximum as set out below:-

- EPS growth achieved – 100%; Award Vested – 100%;

Executive Director	Award	Shares under award	Vested shares	Value*	Value attributable to share price at grant**	Value attributable to share price growth***	Value attributable to dividends****	Total value for single total figure
Stephen Glancey	LTIP	201,434	201,434	€830,270	€684,876	€145,394	€71,287	€901,557.05
	ESOS	302,152	302,152	€218,092	€1,027,317	€218,092	€0	€218,091.66
Andrea Pozzi	LTIP	97,888	97,888	€403,474	€332,819	€70,655	€34,643	€438,116.79
	ESOS	146,833	146,833	€105,983	€499,232	€105,983	€0	€105,983.25
Jonathan Solesbury	LTIP	164,140	164,140	€676,551	€480,930	€195,621	€49,537	€726,088.80
	ESOS	246,211	246,211	€293,433	€721,398	€293,433	€0	€293,432.92

* Based on a share price at vesting of €4.122 (representing the average closing price between 24 February 2020 and 28 February 2020. Converted to Euro equivalent. Pricing data sourced from Bloomberg.) The LTIP awards are structured as nil cost options however the ESOS awards have an option price of €3.40 (€2.93 in respect of Jonathan Solesbury). Therefore, the value of the ESOS awards have been calculated by the difference between the option price and vesting price.

** Based on a share price at grant of €3.40 (€2.93 in respect of Jonathan Solesbury) for the LTIP awards. ESOS were awarded at grant price so no differential.

*** Based on the increase in the share price from €3.40 (or €2.93 in respect of Jonathan Solesbury) at grant to €4.122 at vesting.

**** No dividends accrue for ESOS awards.

(e) Pensions related benefits

No Executive Director accrued any benefits under a defined benefit pension scheme. Under their service contracts, Executive Directors received a cash payment of 25% of base salary in order to provide their own pension benefits as disclosed in column (e) of the table.

(f) Termination Payments

Stephen Glancey stepped down as Group Chief Executive Officer with effect from 15 January 2020 and left the Company on 29 February 2020. Details of payments made to Stephen Glancey in connection with his leaving the Company are set on page 86.

(g) Miscellaneous

Stephen Glancey received a payment in relation to holiday entitlement that was not taken at the time of stepping down from the Board as Group Chief Executive Officer on 15 January 2020 and leaving the Company on 29 February 2020.

Directors' Remuneration Committee Report
(continued)

Additional Information

Fees from external appointments
None

Payments to Former Directors
Joris Brams stepped down as Managing Director, International Division with effect from 28 February 2019 and both his employment and appointment as a Director of the Company terminated on that date. Pursuant to a contract for services effective as of 1 March 2019 between C&C IP Sàrl ('CCIP') and Joris Brams BVBA ('JBB'), (a company wholly owned by Joris Brams and family), CCIP paid fees in FY2020 of €94,240 to JBB in respect of brand development services provided by JBB to CCIP in relation to Belgian products.

Payments for Loss of Office
Stephen Glancey stepped down as Group Chief Executive Officer with effect from 15 January 2020 and left the Company 29 February 2020.

The arrangements made in respect of Stephen Glancey leaving the Company are in line with the Remuneration Policy approved by shareholders at the 2018 AGM.

Stephen Glancey' remuneration for the whole of 2020 is disclosed in the Single Total Figure of Remuneration table on page 83.

Stephen Glancey received a payment of €698,000 in lieu of his notice period, which is included in the "termination payments" in the Single Total Figure of Remuneration Table on page 77.

As he was employed for the entirety of FY2020, Stephen Glancey was eligible to receive a bonus in respect of the year ending 29 February 2020, calculated by reference to the performance targets that applied to the FY2020 bonus plan. Any bonus will be paid (subject to final approval) in the normal way and is included in the Single Total Figure of Remuneration Table on page 83.

Stephen Glancey retained awards granted to him in June 2017 under the ESOS and LTIP 2015 under the terms of the respective schemes. The targets were met in full over the three year performance period ended 29 February 2020 which led to an overall vesting for both the LTIP and ESOS of 100% of the maximum opportunity. These awards are included in the Single Total Figure of Remuneration Table on page 83. All other unvested share awards under the Company's share plans lapsed in full on Stephen leaving.

Directors' Shareholdings and Share Interests

Shareholding guidelines
Executive Directors are required to build up (and maintain) a minimum holding of shares in the Company. The CEO is expected to maintain a personal shareholding of at least two times' salary. For the other Executive Directors, this has been set at one times' salary. Executive Directors are expected to retain 50% of the after tax value of vested share awards until at least the shareholding guideline has been met.

Executive Directors' Interests in Share Capital of the Company (Audited)
The beneficial interests, including family interests, of the Directors and the Company Secretary in office at 29 February 2020 in the share capital of the Company are detailed below:

	29 February 2020 (or date of retirement from the Board if earlier) Total	1 March 2019 (or date of appointment if later) Total
Directors		
Stephen Glancey	4,223,586	4,223,586
Andrea Pozzi*	66,465	66,460
Jonathan Solesbury	50,000	50,000
Total	4,340,051	4,340,046
Company Secretary		
Mark Chilton **	17,587	-

* Andrea Pozzi continued his participation in the Share Incentive Plan during the period. The SIP scheme is made available to all employees. The SIP allows for the grant of a number of "free" shares which are allocated to employees equally, as permitted by the relevant legislation.

** Mark Chilton elected to participate in the SIP during the year, where he was granted a number of free shares, as permitted by the legislation.

For more details on the SIP, please see page 132.

There were no other changes in the above Directors' or the Company Secretary's interests between 29 February 2020 and 3 June 2020.

The Directors and Company Secretary have no beneficial interests in any Group subsidiary or joint venture undertakings.

Share incentive scheme interests awarded during year (Audited)

LTIP

The table below sets out the scheme interests awarded to Executive Directors' during the year ended 29 February 2020, each of which is subject to performance conditions as set out on page 78 measured over a performance period from 1 March 2019 to 28 February 2022.

Executive Director	Type of award	Maximum opportunity	Number of shares	Face value (at date of grant in Euros)[3]	% of maximum opportunity vesting at threshold
Stephen Glancey[1]	LTIP[2]	150% of base salary	270,033	1,013,974	25%
Andrea Pozzi	LTIP[2]	150% of base salary	142,904	536,605	25%
Jonathan Solesbury	LTIP[2]	150% of base salary	192,312	722,132	25%

1. Stephen Glancey's award lapsed on 29 February 2020 when he left the Group
2. The LTIP awards were granted in the form of nil cost options over €0.01 ordinary shares in the Company.
3. The face value of awards is based on the number of shares under award multiplied by the closing share price on the date of grant being €3.755 for Stephen Glancey, Andrea Pozzi and Jonathan Solesbury.

Directors' Interests in Options (Audited)

Interests in options over ordinary shares of €0.01 each in the Company

Directors	Date of grant	Exercise price	Scheme	Exercise period	Total at 1 March 2019 (or date of appointment if later)	Awarded in year	Exercised in year	Lapsed in year	Total at 29 February 2020
Stephen Glancey	12/5/16	€0.00	LTIP	28/02/20–28/08/20	111,807*				111,807
	12/5/16	€4.18	ESOS	28/02/20–28/08/20	175,492*				175,492
	1/6/17	€0.00	LTIP	1/6/20–1/12/20	201,434				201,434
	1/6/17	€3.40	ESOS	1/6/20–1/12/20	302,152				302,152
	31/5/18	€0.00	LTIP	31/5/21–30/5/28	228,097			228,097	0
	31/5/18	€2.99	ESOS	31/5/21–30/5/28	342,145			342,145	0
	31/1/19	€0.00	LTIP	31/1/24–30/1/29	207,991			207,991	0
	23/5/19	€0.00	LTIP	23/5/22 - 31/5/29		270,033		270,033	0
				Total	**1,569,118**	**270,033**		1,048,266	**790,885**
Andrea Pozzi	21/5/14	€0.00	R&R	21/5/17–20/5/21	4,360				4,360
	29/10/15	€0.00	R&R	17/5/17–28/10/22	7,128				7,128
	1/6/17	€0.00	LTIP	1/6/20–31/5/27	97,888				97,888
	1/6/17	€3.40	ESOS	1/6/20–31/5/27	146,833				146,833
	31/5/18	€0.00	LTIP	31/5/21–30/5/28	110,845				110,845
	31/5/18	€2.99	ESOS	31/5/21–30/5/28	166,268				166,268
	23/5/19	€0.00	LTIP	23/5/22 - 31/5/29		142,904			142,904
				Total	**533,322**	**142,904**			**676,226**
Jonathan Solesbury	13/11/17	€0.00	LTIP	13/6/20–12/6/27	164,140				164,140
	13/11/17	€2.93	ESOS	13/6/20–12/6/27	246,211				246,211
	31/5/18	€2.99	ESOS	31/5/21–30/5/28	243,669				243,669
	31/5/18	€0.00	LTIP	31/5/21–30/5/28	162,446				162,446
	23/5/19	€0.00	LTIP	23/5/22 - 31/5/29		192,312			192,312
				Total	**816,466**	**192,312**			**1,008,778**
Mark Chilton	11/2/19	€0.00	LTIP	11/2/24–10/2/29	86,334				86,334
				Total	**86,334**				**86,334**

Key: ESOS – Executive Share Option Scheme; LTIP – Long Term Incentive Plan approved in 2015
*Stephen Glancey's 2016 LTIP award and 2016 ESOS award vested at 62.4% and 65.4% respectively in May 2019. The rest of the awards lapsed at the point of vesting.

Directors' Remuneration Committee Report
(continued)

Nominal price was paid for any award of options. The price of the Company's ordinary shares as quoted on the London Stock Exchange at the close of business on 28 February 2020 (being the last working day) was £3.28 (28 February 2019 £2.63, which has been converted from its Euro equivalent at year end rate). The price of the Company's ordinary shares ranged between £3.28 and £4.11 during the year.

There was no movement in the interests of the Directors in options over the Company ordinary shares between 29 February 2020 and 3 June 2020.

Single Total Figure of Remuneration – Non - Executive Directors (Audited)

The table below reports the total fees receivable in respect of qualifying services by each non-executive Director during the year ended 29 February 2020 and the prior year. Fees are the only element of the non-executive directors' remuneration. Stewart Gilliland was non-executive Chairman from 1 March 2019 until 15 January 2020, at which point he was appointed as interim Executive Chairman; given the proportion of the year for which he was a non-executive, his remuneration for the whole year is included in the following Single Total Figure of Remuneration Table.

	Salary/fees	
Year ended February	2020 €'000	2019 €'000
Non-Executive Directors		
Jill Caseberry[1]	69	4
Jim Clerkin	65	65
Vincent Crowley[2]	86	78
Emer Finnan	92	90
Stewart Gilliland[3]	278	179
Geoffrey Hemphill[4]	11	65
Richard Holroyd[5]	19	75
Helen Pitcher[6]	85	4
Jim Thompson[7]	69	-
Sir Brian Stewart	-	80
Total	774	640

1. Jill Caseberry and Helen Pitcher were appointed non-executive Directors on 7 February 2019.
2. Vincent Crowley was Chairman of the Remuneration Committee from 5 July 2018 to 28 February 2019 and was appointed as Senior Independent Director from 1 June 2019.
3. The fees paid to Stewart Gilliland for the year ending 28 February 2019 reflect his appointment as Chairman from July 2018 and his retirement as Chairman of the Remuneration Committee from that date. The fees paid to Stewart Gilliland for the year ending 29 February 2020 reflect his appointment as Interim Executive Chairman from 16 January 2020.
4. Geoffrey Hemphill stepped down from the Board on 1 May 2019; the figures reflect his remuneration until his departure.
5. Richard Holroyd stepped down from the Board on 31 May 2019; the figures reflect his remuneration until his departure.
6. Advanced Boardroom Excellence, of which Helen Pitcher is chair, were contracted to provide consultancy services to the Company. These were contracted prior to Helen Pitcher's appointment date and were performed predominantly in FY2019, for which the sum of €170k was received during FY2020. The Company has not contracted, nor would it contract for any such services in the future.
7. Jim Thompson was appointed to the Board on 1 March 2019, the figures reflect his remuneration for the year from appointment.

Fees paid to non-executive Directors are determined and approved by the Board as a whole. The Committee recommends the remuneration of the Chairman to the Board.

Fees are reviewed from time to time and adjusted to reflect market positioning and any change in responsibilities.

Non-executive Directors receive a base fee and an additional fee for further duties as set out on in the following table:

Non-Executive Role / Position	Fees €
Base fee	65,000
Senior Independent Director	15,000
Audit Committee Chair	25,000
Remuneration Committee Chair	20,000
Audit Committee member	5,000
Remuneration Committee member	5,000
Nomination Committee member	3,000
Stakeholder engagement - one segment of business	3,000
Stakeholder engagement - two segments of business	5,000

Non-Executive Directors' Interests in Share Capital of the Company (Audited)

The beneficial interests, including family interests, of the Non-Executive Directors who served during the year in the share capital of the Company are detailed below:

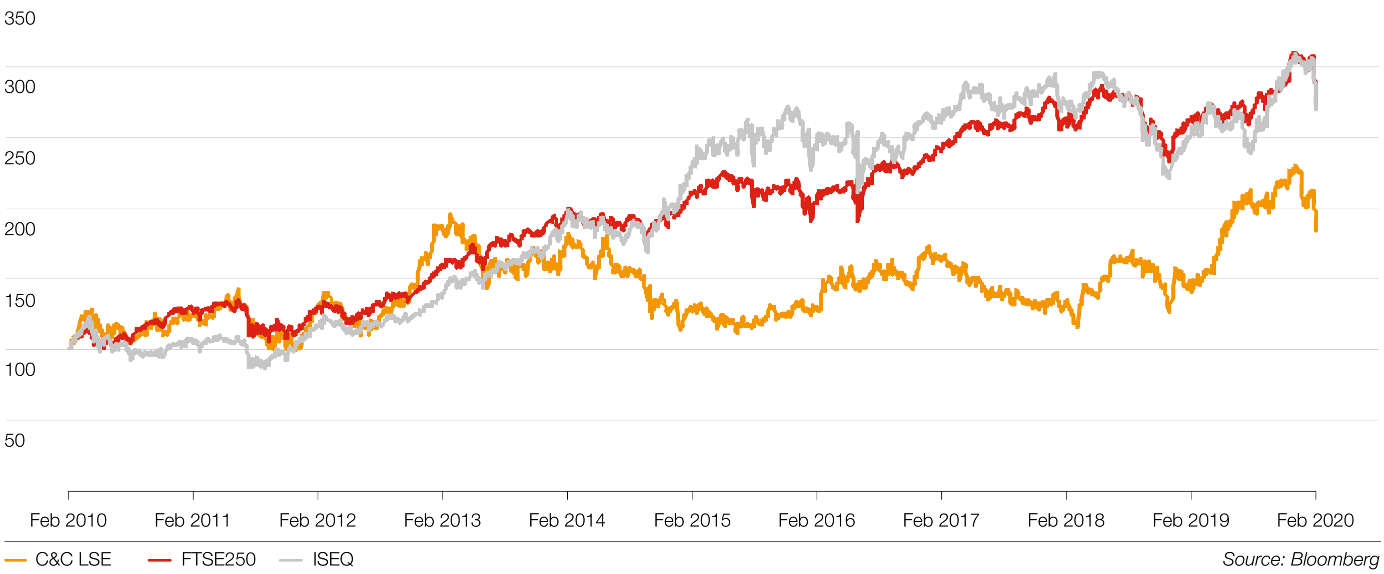
	29 February 2020 (or date of retirement from the board if earlier) Total	1 March 2019 (or date of appointment if later) Total
Directors		
Jill Caseberry	5,000	-
Jim Clerkin	40,000	33,000
Vincent Crowley	20,000	10,000
Emer Finnan	7,954	5,191
Stewart Gilliland	89,165	57,000
Geoffrey Hemphill	-	-
Richard Holroyd	68,241	68,241
Helen Pitcher	-	-
Jim Thompson	157,780	136,780
Total	388,140	310,212

There were no other changes in the above Directors' or the Company Secretary's interests between 29 February 2020 and 3 June 2020.

Performance graph and table

This graph shows the value, at 29 February 2020, of £100 invested in the Company on 28 February 2010 compared to the value of £100 invested in the FTSE 250 Index. The Company became a member of the FTSE 250 Index on the London Stock Exchange on 23 December 2019 and the Committee believes that this is the most appropriate index against which to compare the performance of the Company (prior to this the Company had its primary listing on the Irish Stock Exchange).

Total shareholder return



Source: Bloomberg

Directors' Remuneration Committee Report
(continued)

Chief Executive Officer

The following table sets out information on the remuneration of the Chief Executive Officer for the ten years to 29 February 2020:

		Total Remuneration €'000	Annual Bonus (as % of maximum opportunity)	Long term incentives vesting (as % of maximum number of shares)
FY2012	John Dunsmore (to 31/12/11)	1,126	75%	100%
FY2012	Stephen Glancey (from 1/1/12)	956	75%	100%
FY2013	Stephen Glancey	1,321	Nil	100%
FY2014	Stephen Glancey	1,152	18.75%	7%
FY2015	Stephen Glancey	980	Nil	Nil
FY2016	Stephen Glancey	1,230	25%	Nil
FY2017	Stephen Glancey	1,052	Nil	Nil
FY2018	Stephen Glancey	994	18%	Nil
FY2019	Stephen Glancey	1,777	100%	Nil
FY2020	Stephen Glancey (to 15/01/20)	2,219	25%	100%
FY2020	Stewart Gilliland (from 16/01/20)	71	N/A	N/A

The amounts set out in the above table were translated from Sterling based on the average exchange rate for the relevant year.

John Dunsmore retired as Chief Executive Officer on 31 December 2011 and Stephen Glancey was appointed with effect from 1 January 2012, having previously been Chief Operating Officer. The salary, taxable benefits, annual bonus, long term incentives and pension figures are calculated for the period in office.

Stephen Glancey retired as Group Chief Executive Officer on 15 January 2020 and Stewart Gilliland was appointed with effect from 16 January 2020 as interim Executive Chairman. The salary, taxable benefits, annual bonus, long term incentives and pension figures are calculated for the period in office, and in the case of the annual bonus, is subject to final approval.

Ratio of the pay of the CEO to that of the UK lower quartile, median and upper quartile employees

To reflect the most recent UK regulations in relation to remuneration reporting, this year we are reporting our CEO Pay Ratio. The table below shows the ratio of the pay of the CEO to that of the UK lower quartile, median and upper quartile full-time equivalent employees in FY2020. Stephen Glancey was Chief Executive Officer until 15 January 2020, at which point he stepped down from the Board before leaving the Group on 29 February; given the proportion of the year for which he was Chief Executive Officer, his remuneration for the whole year is used for the purposes of these calculations. As Stephen Glancey's termination payment reflects a payment in lieu of notice otherwise attributable to FY2021 it is excluded for the purposes of these calculations. Also excluded is a payment in respect of annual leave accrued but not taken.

The UK regulations provide three methods for the calculation of the CEO Pay Ratio, A, B and C with Option A (modified) being the preferred method as it is the most statistically accurate one. Remuneration for other employees for the purposes of the calculation is for the financial year FY2020. In calculating the ratio, the Company determined full time equivalent annual remuneration for UK employees, employed in the business as at 29 February 2020. Set out below is the remuneration and salary component of that remuneration for the CEO and for employees in the 25th, 50th (median) and 75th quartiles.

Year	CEO total remuneration* (salary) €	25th percentile employee remuneration (salary) €	Median employee remuneration (salary) €	75th percentile employee remuneration (salary) €
2020	2,218,941 697,964	26,146 24,080	32,257 30,024	45,075 39,232

* As Stephen Glancey's termination payment reflects a payment in lieu of notice otherwise attributable to FY2021 it is excluded for the purposes of these calculations. Also excluded is a payment in respect of annual leave accrued but not taken.

Salary Only Ratios

Year	Method	25th percentile ratio	Median ratio	75th percentile ratio
2020	Option A	29.0:1	23.2:1	17.8:1

Total Remuneration Ratios

Year	Method	25th percentile ratio	Median ratio	75th percentile ratio
2020	Option A	92.3:1	74.9:1	53.6:1

The Company believes that the median pay ratio for 2020 is consistent with the pay, reward and progression policies for the UK employees.

Implementation of Remuneration Policy for FY2021

There will be no material changes to the Policy for FY2021. However, as outlined in the statement of the Committee Chair, all decisions on salary, bonuses and share awards for FY2021 have been deferred until at least September, following the completion of our half year. This decision was made to ensure that the Committee will have a clear line of sight over expected performance and the full impact of COVID-19 on the business prior to implementing any decisions.

We have set out below a summary of our remuneration arrangements for FY2021.

Executive Directors

Salary	Benefits and Pensions	Bonus*
As at the date of this Report, the Committee has not reviewed the salaries for the Executive Directors' for FY2021.	No changes are proposed to the type of benefits provided. No changes will be made to the level of pension provision.	The maximum bonus opportunity will be 100% of salary, with all bonus earned in excess of 80% of salary deferred into shares for a period of up to two years. Bonus payouts will be based on stretching performance conditions based on Adjusted operating profit (75%) and cash conversion (25%).

* The Company is not disclosing the actual Group bonus profit and cash conversion targets prospectively as, in the opinion of the Board, these targets are commercially sensitive. The Board believes that disclosure of this commercially sensitive information could adversely impact the Company's competitive position by providing competitors with insight into the Company's business plans and expectations. However, the Company will disclose how the bonus pay out delivered relates to performance against targets on a retrospective basis if a bonus is earned by reference to the target.

Directors' Remuneration Committee Report
(continued)

Long term incentives

Awards will be granted in the form of LTIP (150% of base salary). The targets relating to the awards will be communicated to shareholders at the time of their grant, following the completion of our half year.

LTIP Performance Conditions

Performance condition	Weighting	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2020, FY2021 and FY2022	33%		
Threshold		3%	25%
Maximum		8%	100%
Free cash flow Conversion – average over the three year period	33%		
Threshold		65%	25%
Maximum		75%	100%
Return on Capital Employed	33%		
Threshold		9.3%	25%
Maximum		10%	100%

Notwithstanding the extent to which the performance targets set out above are satisfied, an award or option will only vest to the extent the Committee is satisfied that the improvement in the underlying financial performance of the Company over the performance period warrants the degree of vesting.

Vesting will be subject to performance measures based on EPS, ROCE and cash conversion, and subject to an additional performance underpin. All awards will be subject to a two-year holding period after vesting.

Targets are set by reference to challenging internal budgets and external forecasts.

Malus and clawback provisions

Malus and clawback provisions apply to all elements of performance-based variable remuneration (i.e. annual bonus, ESOS 2015 and LTIP 2015) for the executive Directors with effect from 1 March 2016. The circumstances in which malus and clawback will be applied are if there has been in the opinion of the Committee a material mis-statement of the Group's published accounts; or the Committee reasonably determines that a participant has been guilty of gross misconduct. The clawback provisions will apply for a period of two years following the end of the performance period; in the case of any deferred bonus award or LTIP 2015 award which is not released until the end of a holding period, clawback may be implemented by cancelling the award before it vests/is released.

Non-Executive Director Fees

The Non-Executive Director's fees will increase in recognition of their increased role and the time commitment required to effectively carry out workforce engagement. The Non-Executive Directors responsible for engaging with one segment of the business will receive an additional fee of €3,000 while those Non-Executive Directors responsible for engaging with two segments will receive an additional fee of €5,000. Having determined the level of fees, the Board considered it appropriate for the fees to be granted in the form of shares in the company. The shares will vest immediately upon grant and will not be subject to any performance or vesting restrictions.

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

Helen Pitcher OBE
Chairman of the Remuneration Committee
3 June 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU, and have elected to prepare the Company financial statements in accordance with Irish Law (Irish Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

Under Irish Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group and parent company as at the end of the financial year, and the profit or loss for the Group for the financial year, and otherwise comply with Companies Act 2014.

In preparing each of the Group and Company financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Group financial statements comply with IFRS as adopted by the EU and as regards the Company, comply with FRS 101 together with the requirements of Irish Company Law; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also required by the Transparency (Directive 2004/109/EC0) Regulations 2007 and the Transparency rules of the Central Bank of Ireland to include a management report containing a fair review of the business and the position of the Group and the parent Company and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company, and which will enable them to ensure that the financial statements of the Group are prepared in accordance with applicable IFRS as adopted by the European Union and comply with the provisions of Irish Company Law, and, as regards to the Group financial statements, Article 4 of the European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005 (the 'IAS Regulation'). They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have appointed appropriate accounting personnel, including a professionally qualified Finance Director, in order to ensure that those requirements are met.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.candcgroupplc.com). Legislation in Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement As Required By The Transparency Directive And UK Corporate Governance Code

Each of the Directors, whose names and functions are listed on pages 50 and 51 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- So far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware;
- They have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.
- The Group Financial Statements, prepared in accordance with IFRS as adopted by the European Union and the Company financial statements prepared in accordance with FRS 101 give a true and fair view of the assets, liabilities, financial position of the Group and Company at 29 February 2020 and of the profit or loss of the Group for the year then ended;
- The Directors' report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face; and
- The annual report and financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Signed
On behalf of the Board

Stewart Gilliland
Interim Executive Chairman
3 June 2020

Jonathan Solesbury
Group Chief Financial Officer

Independent Auditor's Report
to the Members of C&C Group Plc

Opinion

We have audited the financial statements of C&C Group plc ('the Company') and its subsidiaries ('the Group') for the year ended 29 February 2020, which comprise

- the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Balance Sheet and the Company Balance Sheet as at 29 February 2020;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity and the Company Statement of Changes in Equity for the year then ended; and
- the notes forming part of the financial statements, including the Statement of Accounting Policies set out on pages 111 to 125.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements as applied in accordance with the provisions of the Companies Act 2014 and Accounting Standards including FRS 101 Reduced Disclosure Framework (Irish Generally Accepted Accounting Practice).

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 29 February 2020 and of the Group's profit for the year then ended;
- the Company Balance Sheet gives a true and fair view of the assets, liabilities and financial position of the company as at 29 February 2020;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Overview of our audit approach

Key audit matters	• Going concern • Recoverability of on-trade receivable balances and advances to customers • Impairment assessment of goodwill and intangible brand assets • IFRS 16 Implementation • Assessment of the valuation of property, plant and equipment (PP&E) • Revenue recognition
Audit scope	• We performed an audit of the complete financial information of 10 components and performed audit procedures on specific balances for a further 10 components • We performed specified procedures at a further 6 components that were determined by the Group audit team in response to specific risk factors • The components where we performed either full or specific audit procedures accounted for 99.6% of the Group's profit before tax from continuing operations, 98.6% of the Group's Revenue and 99.4% of the Group's Total Assets • 'Components' represent business units across the Group considered for audit scoping purposes
Materiality	• Overall Group materiality was assessed to be €4.75m million which represents approximately 5% of the Group's profit before tax before non-recurring exceptional items. In our prior year audit, we adopted a materiality of €4.5m based on 5% of the Group's profit before tax.

What has changed?	• In the current year, our auditor's report includes new key audit matters in relation to:
	  • Going concern
	  • Recoverability of on-trade receivable balances and advances to customers
	  • IFRS 16 Implementation
	• In the prior year, our auditor's report included key audit matters in relation to
	  • the purchase price allocation in connection with the current year MCB acquisition and the prior year acquisition of the interest in Admiral Taverns; and
	  • MCB's internal controls over supplier statement reconciliations, principally at the date of acquisition
	both of which are no longer applicable in the current year.

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, including 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.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
New in 2020 **Going concern basis used in preparation of the Annual Report & Financial Statements** The Company's Annual Report and financial statements are prepared on the assumption that the going concern basis of accounting is appropriate. This basis is dependent on a number of factors, including the Group's financial performance and the Group's ability to continue to operate within its financial covenants. The outbreak of COVID-19 has resulted in the closure of pubs, bars, restaurants and clubs, which negatively impacts C&C's revenues from its on-trade operations. This has significantly increased the uncertainties inherent in the going concern assessment. Management have updated their base case forecast to reflect the impact of COVID-19, in particular the delayed reopening of on-trade business until Summer 2020. Management have then considered the impact of an assumption of no on-trade operations until the end of the going concern assessment period in 2021. In this case, management have assumed the related reductions in revenue derived costs, such as excise duties and rebates as well as reductions in marketing costs and overheads. C&C's forecast liquidity and covenant compliance are key considerations when considering the appropriateness of adopting the going concern basis of accounting. The Directors have concluded that no material uncertainty over Going Concern exists covering a period of at least 12 months from the date of approval of the Annual Report, as even under the situation where on-trade business does not resume during the going assessment period, the Group has sufficient liquidity and there is no projected breach of covenants. Refer to the Audit Committee Report (page 69); Going Concern statement (page 20); and Statement of Accounting Policies (page 113).	As part of assessment of the appropriateness of adopting the going concern basis of accounting we have: • Confirmed our understanding of C&C's going concern assessment process as well as review controls in place on the going concern model and management's Board memoranda and compared cash available and expected cash generation to forecast liability settlement in order to assess liquidity risk; • In light of Government announcements in all locations that the Group operates in, we assessed how management have considered these in their base case model and the flexibility of the business model to respond to reduced revenues; • Challenged the reasonableness of all key assumptions, for each revenue stream, and related expenses and overheads through reconciliation to the budget approved by the Board and comparison with recent actuals, as well as their consistency with other areas of the audit including impairment assessment; • Recalculated management's forecast covenant ratio compliance calculations to check for potential breaches for the period out to 12 months from the date of approval of these financial statements under management's base case and adjustments to the base case, including management's ability to execute required mitigating actions to implement any required cost savings and obtained evidence of the agreements with lenders confirming the waivers granted and the covenant resets for the period subsequent to 29 February 2020; • Exercise professional skeptisim through performing independent stress testing of management's models; • Reviewed the appropriateness and adequacy of management's going concern disclosures in describing the risks associated with its ability to continue to operate as a going concern for a period of at least 12 months from the date of our Auditor's Report which make it clear to readers that the going concern assumption used by management is subject to certain uncertainties.	We completed our planned audit procedures with no exceptions noted. We reported to the Audit Committee that, based on our testing performed, we agreed that the going concern assumption adopted in the 2020 financial statements remains appropriate after considering management's base case reflecting COVID-19 and adjustments made to the base case to reflect, in particular, the potential for delay in respect of the extent and timing of the recovery in the on-trade business from the impact of the COVID-19 pandemic. We agreed that management's disclosure appropriately describes the risks associated with the Group's ability to continue as a going concern.

Independent Auditor's Report
to the Members of C&C Group plc (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
New in 2020 **Recoverability of on-trade receivable balances and advances to customers (Trade receivables 2020: €93.1m, 2019: €90.0m, advances to customers 2020: €44.7m, 2019: €51.4m)** The Group has a risk through exposure to on-trade receivable balances and advances to customers who may experience financial difficulty given the outbreak of COVID-19 which has resulted in the closure of pubs, bars, clubs and restaurants across Ireland and the UK. . Refer to the Audit Committee Report (page 69); and Statement of Accounting Policies (page 122); and Note 15 of the Consolidated Financial Statements (pages 157 to 158).	We have performed a thorough review of the Expected Credit Loss (ECL) model in relation to on-trade receivables and advances with customers considering C&C's use of top-down 'management overlays' to account for current macro-economic scenarios. As part of this review we have challenged management's assumptions and estimates for accuracy and robustness. We have also benchmarked assumptions used within the model to third party data where possible. Given the level of uncertainty and the sensitivity of judgements and estimates used, we reviewed all key assumptions used and judgements made in estimating ECL.	We completed our planned audit procedures with no exceptions noted. Our observations included our assessment of management's methodology for calculating expected credit losses in accordance with IFRS 9. We focused on the significant judgements made by management, benchmarked key assumptions and the appropriate disclosure of these in the financial statements.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment assessment of goodwill & intangible brand assets (2020: €652.9m, 2019: €683.7m) The Group holds significant amounts of goodwill & intangible brand assets on the balance sheet. In line with the requirements of IAS 36: 'Impairment of Assets' IAS 36), management tests goodwill balances annually for impairment, and also tests intangible assets where there are indicators of impairment. The annual impairment testing was significant to our audit because of the financial quantum of the assets it supports as well as the fact that the testing relies on a number of critical judgements, estimates and assumptions by management. Judgemental aspects include CGU determination for goodwill purposes, assumptions of future profitability, revenue growth, margins and forecast cash flows, and the selection of appropriate discount rates, all of which may be subject to management override. Management has recorded an impairment of €34m in the Group's North America operating segment in respect of intangible asset – brands. Given the level of impairment recorded through the year and the judgement inherent therein coupled with management's ability to override controls in this area, we consider this to be a fraud risk. Refer to the Audit Committee Report (page 69); Statement of Accounting Policies (pages 116 to 117); and Note 12 of the Consolidated Financial Statements (pages 148 to 154).	Valuations specialists within our team performed an independent assessment against external market data of key inputs used by management in calculating appropriate discount rates, principally risk-free rates, country risk premia and inflation rates. We challenged the determination of the Group's 6 cash-generating units ('CGUs'), and flexed our audit approach relative to our risk assessment and the level of excess of value-in-use over carrying amount in each CGU for goodwill purposes and in each model for the impairment assessment for intangible brand assets. For all models, we assessed the historical accuracy of management's estimates, corroborated key assumptions and benchmarked growth assumptions to external economic forecasts. We challenged management's sensitivity analyses and performed our own sensitivity calculations to assess the level of excess of value-in-use over the goodwill and intangible brand carrying amount and whether a reasonable possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We considered the adequacy of management's disclosures in respect of impairment testing and whether the disclosures appropriately communicate the underlying sensitivities, in particular the requirement to disclose further sensitivities for CGUs and intangible brands where a reasonably possible change in a key assumption would cause an impairment. The above procedures were performed by the Group audit team.	We completed our planned audit procedures with no exceptions noted. Our observations included our assessment of management's impairment model methodology and then for each CGU and intangible brand model: • where the discount rates lay within an acceptable range • the headroom level • analysis of the 5-year forecast EBIT growth rate when viewed against the prior year and current year actual growth • the results of our sensitivity analysis • the amount recorded as an impairment charge for the period • all disclosures materially comply with the applicable requirements of IAS 36

Independent Auditor's Report
to the Members of C&C Group plc (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
New in 2020 **IFRS 16 Implementation (Right of use asset: €76.7m, lease liability 2020: €93.3m)** The Group transitioned to IFRS 16 '*Leases*' on 1 March 2019. Consequently, there was an impact on both measurement and disclosures in the current year financial statements. Misstatements could occur in relation to recognition of the right of use asset and lease liability. A right of use asset and lease liability were recognised as a result of the implementation of IFRS 16. There is a risk these balances may be incorrect as a result of an incomplete lease population or inaccuracies in the IFRS 16 lease model. Refer to the Audit Committee Report (page 70); Statement of Accounting Policies (pages 115 to 116); and Note 18 of the Consolidated Financial Statements (pages 160 to 161).	We have tested lease samples to the input sheets used for populating the lease model. We considered the appropriateness of the Group's lease policy and assessed management's documentation for the effect of implementing IFRS 16 Leases. We assessed the completeness and accuracy of the Group's population of leases assessed under IFRS 16 through testing lease agreements and expenses. We tested the model used by management to calculate the right of use asset and lease liability. Valuation specialists within our team performed an independent assessment against external market data of the incremental borrowing rate used to calculate the lease liability and right of use asset. We considered the adequacy of management's disclosures in respect of IFRS 16 and whether the disclosures appropriately communicate the underlying data.	We completed our planned audit procedures with no ex-ceptions noted. Our observations included our assessment of the incremental borrowing rate used by the Group, results of our testing of the lease agreements and model used to calculate right of use assets and lease liabilities and all applicable disclosures.
Assessment of the valuation of property, plant and equipment (PP&E) (2020: €146.7m, 2019: €144.5m) The Group carries its land and buildings at estimated fair value, its plant and machinery using a depreciated replacement cost approach and motor vehicles and other equipment at cost less accumulated depreciation and impairment losses. During the year, all land and buildings and plant and machinery were subject to independent expert valuations. We considered the valuation of these assets to be a risk area due to the size of the balances and the lack of comparable market data and observable inputs such as market-based assumptions, plant replacement costs and plant utilisation levels due to the specialised nature of the Group's assets. The valuation of PP&E involves significant judgement and therefore is susceptible to management override. Refer to the Audit Committee Report (page 69); Statement of Accounting Policies (pages 114 to 115); and note 11 of the Consolidated Financial Statements (pages 143 to 147).	We inspected the independent expert valuation reports in order to assess the integrity of the data and key assumptions underpinning the valuations. Our specialist valuation team performed an independent assessment on the reasonableness of the key assumptions and judgements underlying the valuations. We corroborated the key assumptions and considered consistency to market data and observable inputs. We considered the adequacy of management's disclosures in respect of the valuation and whether the disclosures appropriately communicate the underlying sensitivities. The above procedures were performed predominantly by the Group audit team.	We completed our planned audit procedures with no exceptions noted. Our observations included an overview of the risk, outline of the procedures performed, the judgements we focused on, the results of our testing and all related disclosures.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition (2020: €1,719.3m, 2019: €1,574.9m) The Group generates revenue from a variety of geographies and across a large number of separate legal entities spread across the Group's four business segments. The Group's revenue particularly on supply, complex and non-standard customer contracts agreements may not have been accounted for correctly. In this regard we focused our risk on revenue generated in connection with certain of the Group's arrangements with third parties entered into in order to utilise excess capacity and other material complex arrangements with customers Revenue is an important element of how the Group measures its performance, and revenue recognition is therefore inherently susceptible to the risk of management override. Refer to the Audit Committee Report (page 70); Statement of Accounting Policies (page 119); and note 1 of the Consolidated Financial Statements (pages 126 to 129).	We considered the appropriateness of the Group's revenue recognition accounting policies; in particular, those related to supply, complex and non-standard customer contracts. For the purpose of our audit, the procedures we carried out included the following: • We have evaluated the systems and key controls, designed and implemented by management, related to revenue recognition • We considered the appropriateness of the Group's revenue recognition policy • We discussed with management the key assumptions, estimates and judgements related to recognition, measurement and classification of revenue in accordance with IFRS 15: Revenue • In addition, we performed substantive procedures. We have discussed significant and complex customer contracts, discounts and the treatment of marketing contribution to ensure that accounting policies are applied correctly • We performed journal entry testing and verification of proper cut-off at year-end	We completed our planned audit procedures with no exceptions noted. Our observations included an overview of the risk, outline of the procedures performed, the judgements we focused on and the results of our testing.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group and Company to be €4.8 million, which is approximately 5% of the Group's profit before tax before non-recurring exceptional items. We believe that profit before tax before non-recurring exceptional items provides us with the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance measure to the stakeholders of the Group.

During the course of our audit, we reassessed initial materiality and considered that no further changes to materiality were necessary.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely €2.38 million. We have set performance materiality at this percentage based on our assessment of the risk of misstatements, both corrected and uncorrected, consistent with the prior year.

Independent Auditor's Report
to the Members of C&C Group plc (continued)

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €0.24 million, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit report

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the Consolidated Financial Statements.

In determining those components in the Group to which we perform audit procedures, we utilised size and risk criteria when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected 20 (2019: 20) components covering entities across Ireland, UK, Luxembourg and the US, which represent the principal business units within the Group.

Of the 20 (2019: 20) components selected, we performed an audit of the complete financial information of 10 (2019: 9) components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 10 (2019: 11) components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

In addition to the 20 components discussed above, we selected a further 6 (2019: 2) components where we performed procedures at the component level that were specified by the Group audit team in response to specific risk factors.

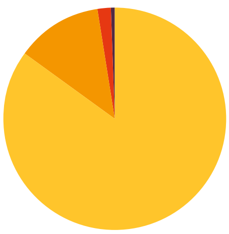
The reporting components where we performed audit procedures accounted for 99.6% (2019: 98.5%) of the Group's profit before tax, 98.6% (2019: 97.7%) of the Group's revenue and 99.4% (2019: 98.9%) of the Group's total assets.

For the current year, the full scope components contributed 85.0% (2019: 81.3%) of the Group's profit before tax before non-recurring exceptional items, 97.1% (2019: 90.7%) of the Group's revenue and 93.3% (2019: 89.6%) of the Group's total assets. The specific scope component contributed 12.6% (2019: 15.3%) of the Group's profit before tax before non-recurring exceptional items, 0.0% (2019: 5.6%) of the Group's revenue and 0.4% (2019: 3.1%) of the Group's total assets. The components where we performed specified procedures that were determined by the Group audit team in response to specific risk factors contributed 1.9% (2019: 1.9%) of the Group's profit before tax before non-recurring exceptional items, 1.5% (2019: 1.4%) of the Group's revenue and 5.7% (2019: 6.2%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant tested for the Group.

Of the remaining components that together represent 0.4% (2019: 1.5%) of the Group's profit before tax before non-recurring exceptional items, none are individually greater than 5% (2019: 5%) of the Group's profit before tax before non-recurring exceptional items. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

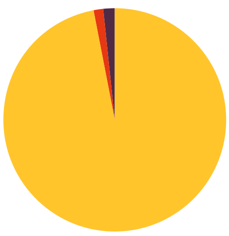
The charts below illustrate the coverage obtained from the work performed by our audit teams.

PBT before exceptional items



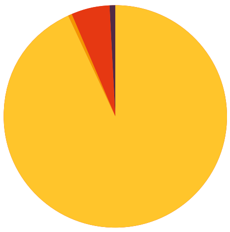
85.0%	Full scope components
12.6%	Specific scope components
1.9%	Specified procedures
0.5%	Other procedures

Revenue



97.1%	Full scope components
0.0%	Specific scope components
1.5%	Specified procedures
1.4%	Other procedures

Total Assets



93.3%	Full scope components
0.4%	Specific scope components
5.7%	Specified procedures
0.6%	Other procedures

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY network firms operating under our instruction. Where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

We issued detailed instructions to each component auditor in scope for the Group audit, with specific audit requirements and requests across key areas. The Group audit team continued to perform a review of all key component files across the Group, reviewing 10 component files during 2020. The file reviews conducted during the year involved discussing with the component team the audit approach and any issues arising from their work, discussions held with local management, attending planning and closing meetings and reviewing key audit working papers on risk areas. The Group audit team interacted regularly with all component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Consolidated Financial Statements.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (Ireland) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report (set out on pages 13 to 21) that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation (set out on page 13) in the annual report that they have carried out a robust assessment of the principal risks facing the group and the parent company, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement (set out on page 20) in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group's and the parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 6.8.3(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation (set out on page 20) in the annual report as to how they have assessed the prospects of the group and the parent company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group and the parent company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

Independent Auditor's Report
to the Members of C&C Group plc (continued)

- *Fair, balanced and understandable* (set out on page 70) – the statement given by the Directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and the parent company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- *Audit Committee reporting* (set out on pages 67 to 72) – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee is materially inconsistent with our knowledge obtained in the audit; or
- *Directors' statement of compliance with the UK Corporate Governance Code* (set out on page 60) – the parts of the Directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 6.8.6 do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:
- in our opinion, the information given in the Directors' Report, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, is consistent with the financial statements; and
- in our opinion, the Directors' Report, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, has been prepared in accordance with the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company statement of financial position is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

We have nothing to report in respect of section 13 of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended), which require us to report to you if, in our opinion, the Company has not provided in the non-financial statement the information required by Section 5(2) to (7) of those Regulations, in respect of year ended 29 February 2020.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 93, 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 they 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 and Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

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 (Ireland) 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.

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group across the various jurisdictions globally in which the Group operates. We determined that the most significant are those that relate to the form and content of external financial and corporate governance reporting including company law, tax legislation, employment law and regulatory compliance.
- We understood how the Group is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of the Group's Compliance Policy, board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management, including within various parts of the business, to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential for management to influence earnings or the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included a review of board minutes to identify any noncompliance with laws and regulations, a review of the reporting to the Audit Committee on compliance with regulations, enquiries of internal general counsel and management.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Audit Committee following an AGM held on 6 July 2017 to audit the financial statements for the year ending 28 February 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit.
Our audit opinion is consistent with the additional report to the audit committee.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

Pat O'Neill
for and on behalf of
Ernst & Young
Chartered Accountants and Statutory Audit Firm
Dublin

3 June 2020

Consolidated Income Statement
For the financial year ended 29 February 2020

	Notes	Year ended 29 February 2020 Before exceptional items €m	Year ended 29 February 2020 Exceptional items (note 5) €m	Year ended 29 February 2020 Total €m	Year ended 28 February 2019 Before exceptional items €m	Year ended 28 February 2019 Exceptional items (note 5) €m	Year ended 28 February 2019 Total €m
Revenue	1	**2,145.5**	**-**	**2,145.5**	1,997.3	-	1,997.3
Excise duties		**(426.2)**	**-**	**(426.2)**	(422.4)	-	(422.4)
Net revenue	1	**1,719.3**	**-**	**1,719.3**	1,574.9	-	1,574.9
Operating costs	2	**(1,598.5)**	**(91.0)**	**(1,689.5)**	(1,470.4)	(7.8)	(1,478.2)
Group operating profit/(loss)	1	**120.8**	**(91.0)**	**29.8**	104.5	(7.8)	96.7
Profit on disposal	5	**-**	**0.9**	**0.9**	-	-	-
Finance income	6	**0.5**	**-**	**0.5**	0.1	-	0.1
Finance expense	6	**(20.3)**	**-**	**(20.3)**	(15.7)	-	(15.7)
Share of equity accounted investments' profit/(loss) after tax	13	**3.1**	**(2.4)**	**0.7**	4.0	(3.3)	0.7
Profit/(loss) before tax		**104.1**	**(92.5)**	**11.6**	92.9	(11.1)	81.8
Income tax (expense)/credit	7	**(12.3)**	**9.8**	**(2.5)**	(10.8)	1.1	(9.7)
Group profit/(loss) for the financial year		**91.8**	**(82.7)**	**9.1**	82.1	(10.0)	72.1
Attributable to:							
Equity holders of the parent		**91.8**	**(82.7)**	**9.1**	82.3	(10.0)	72.3
Non-controlling interests		**-**	**-**	**-**	(0.2)	-	(0.2)
Group profit/(loss) for the financial year		**91.8**	**(82.7)**	**9.1**	82.1	(10.0)	72.1
Basic earnings per share (cent)	9			**2.9**			23.4
Diluted earnings per share (cent)	9			**2.9**			23.4

All of the results are related to continuing operations.

Consolidated Statement of Comprehensive Income
For the financial year ended 29 February 2020

	Notes	2020 €m	2019 €m
Other Comprehensive Income:			
Items that may be reclassified to Income Statement in subsequent years:			
Foreign currency translation differences arising on the net investment in foreign operations	6	**1.4**	13.2
Gain/(loss) relating to cash flow hedges	23	**1.7**	(1.8)
Deferred tax relating to cash flow hedges	21	**(0.3)**	0.3
Revaluation of property, plant & equipment	11	**1.1**	-
Deferred tax on revaluation of property, plant and equipment	21	**(0.1)**	-
Share of equity accounted investments' Other Comprehensive Income	13	**3.7**	7.1
Items that will not be reclassified to Income Statement in subsequent years:			
Actuarial loss on retirement benefits	22	**(4.4)**	(3.6)
Deferred tax credit on actuarial loss on retirement benefits	21	**0.7**	0.3
Gains transferred to inventory purchased during the year	23	**-**	0.4
Net profit recognised directly within Other Comprehensive Income		**3.8**	15.9
Group profit for the financial year		**9.1**	72.1
Comprehensive income for the financial year		**12.9**	88.0
Attributable to:			
Equity holders of the parent		**12.9**	88.2
Non-controlling interests		**-**	(0.2)
Comprehensive income for the financial year		**12.9**	88.0

Consolidated Balance Sheet
As at 29 February 2020

	Notes	2020 €m	2019 €m
ASSETS			
Non-current assets			
Property, plant & equipment*	11	**223.4**	144.5
Goodwill & intangible assets	12	**652.9**	683.7
Equity accounted investments	13	**83.9**	71.4
Retirement benefits	22	**8.8**	9.0
Deferred tax assets	21	**11.9**	4.0
Trade & other receivables	15	**25.8**	25.7
		1,006.7	938.3
Current assets			
Inventories	14	**145.8**	184.1
Trade & other receivables	15	**166.0**	162.6
Cash		**123.4**	144.4
		435.2	491.1
TOTAL ASSETS		**1,441.9**	1,429.4
EQUITY			
Capital and reserves			
Equity share capital	24	**3.2**	3.2
Share premium	24	**171.0**	152.6
Treasury shares	24	**(36.6)**	(37.1)
Other reserves	24	**102.4**	96.4
Retained income		**315.4**	383.7
Equity attributable to equity holders of the parent		**555.4**	598.8
Non-controlling interests		**-**	(0.8)
Total Equity		**555.4**	598.0
LIABILITIES			
Non-current liabilities			
Lease liabilities	18	**74.4**	-
Interest bearing loans & borrowings	19	**323.8**	390.8
Retirement benefits	22	**16.7**	12.2
Provisions	17	**5.1**	11.1
Deferred tax liabilities	21	**16.5**	16.9
		436.5	431.0
Current liabilities			
Lease liabilities	18	**18.9**	-
Derivative financial liabilities	23	**0.3**	2.0
Trade & other payables	16	**390.7**	336.3
Interest bearing loans & borrowings	19	**33.2**	55.2
Provisions	17	**4.1**	4.6
Current income tax liabilities		**2.8**	2.3
		450.0	400.4
Total liabilities		**886.5**	831.4
TOTAL EQUITY & LIABILITIES		**1,441.9**	1,429.4

* Includes leased right-of-use assets with net carrying amount of €76.7m (see note 18).

On behalf of the Board

S Gilliland
Interim Executive Chairman

J Solesbury
Chief Financial Officer

3 June 2020

Consolidated Cash Flow Statement
For the financial year ended 29 February 2020

	Notes	2020 €m	2019 €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Group profit for the year		**9.1**	72.1
Finance income	6	**(0.5)**	(0.1)
Finance expense	6	**20.3**	15.7
Income tax expense	7	**2.5**	9.7
Profit on share of equity accounted investments	13	**(0.7)**	(0.7)
Impairment of intangible asset	12	**36.6**	-
Impairment of property, plant & equipment	5	**1.0**	0.4
Depreciation of property, plant & equipment	11,18	**30.3**	13.1
Amortisation of intangible assets	12	**2.5**	2.4
Profit on disposal	5	**(0.9)**	-
Net profit on disposal of property, plant & equipment		**(0.2)**	(0.1)
Charge for equity settled share-based payments	4	**2.5**	1.9
Pension contributions paid plus amount charged to Income Statement	22	**0.3**	0.7
		102.8	115.1
Decrease/(increase) in inventories		**38.6**	(34.2)
(Increase)/decrease in trade & other receivables		**(4.8)**	137.2
Increase/(decrease) in trade & other payables		**51.9**	(81.8)
Increase/(decrease) in provisions		**1.9**	(2.2)
		190.4	134.1
Interest received		**0.5**	0.1
Interest and similar costs paid		**(17.9)**	(12.6)
Income taxes paid		**(8.0)**	(8.6)
Net cash inflow from operating activities		**165.0**	113.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment	11	**(15.3)**	(19.0)
Purchase of intangible assets	12	**(4.5)**	(3.1)
Net proceeds on disposal of property, plant & equipment		**0.4**	0.1
Proceeds from sale of equity accounted investment	5	**6.1**	-
Sale of business		**(1.0)**	-
Cash outflow re acquisition of equity accounted investments	13	**(11.2)**	-
Net cash outflow from investing activities		**(25.5)**	(22.0)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options/equity Interests		**0.9**	0.2
Drawdown of debt		**192.6**	736.0
Repayment of debt		**(280.7)**	(786.2)
Payment of lease liabilities	18	**(18.6)**	-
Payment of issue costs		**(0.5)**	(5.0)
Shares purchased to satisfy share option entitlements		**(0.5)**	(0.2)
Shares purchased under share buyback programme	24	**(23.0)**	(1.9)
Dividends paid	8	**(29.7)**	(36.0)
Net cash outflow from financing activities		**(159.5)**	(93.1)
Decrease in cash		**(20.0)**	(2.1)
Reconciliation of opening to closing cash			
Cash at beginning of year		**144.4**	145.5
Translation adjustment		**(1.0)**	1.0
Net decrease in cash		**(20.0)**	(2.1)
Cash at end of financial year		**123.4**	144.4

A reconciliation of cash to net debt is presented in note 20 to the financial statements.

Consolidated Statement of Changes in Equity
For the financial year ended 29 February 2020

	Equity share capital €m	Share premium €m	Other capital reserves* €m	Cash flow hedge reserve €m	Share-based payments reserve €m	Currency translation reserve €m	Revaluation reserve €m	Treasury shares €m	Retained income €m	Total €m	Non-controlling interest €m	Total €m
At 28 February 2018	3.2	143.4	25.7	-	2.1	44.4	10.4	(37.3)	355.0	546.9	-	546.9
Profit/(loss) for the financial year	-	-	-	-	-	-	-	-	72.3	72.3	(0.2)	72.1
Other comprehensive (expense)/income	-	-	-	(1.1)	-	13.2	-	-	3.8	15.9	-	15.9
Total comprehensive (expense)/income	-	-	-	(1.1)	-	13.2	-	-	76.1	88.2	(0.2)	88.0
Dividends on ordinary shares (note 8)	-	9.2	-	-	-	-	-	-	(45.5)	(36.3)	-	(36.3)
Reclassification of share-based payments reserve	-	-	-	-	(0.2)	-	-	-	0.2	-	-	-
Sale of treasury shares/purchase of shares to satisfy employee share entitlements	-	-	-	-	-	-	-	0.2	(0.2)	-	-	-
Shares purchased under share buyback programme and subsequently cancelled (note 24)	-	-	-	-	-	-	-	-	(1.9)	(1.9)	-	(1.9)
Non-controlling interests arising on acquisition (note 10)	-	-	-	-	-	-	-	-	-	-	(0.6)	(0.6)
Equity settled share-based payments (note 4)	-	-	-	-	1.9	-	-	-	-	1.9	-	1.9
Total transactions with owners	-	9.2	-	-	1.7	-	-	0.2	(47.4)	(36.3)	(0.6)	(36.9)
At 28 February 2019	3.2	152.6	25.7	(1.1)	3.8	57.6	10.4	(37.1)	383.7	598.8	(0.8)	598.0
Adjustment on initial application of IFRS 16	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6.2)**	**(6.2)**	**-**	**(6.2)**
At 1 March 2019 (adjusted)	**3.2**	**152.6**	**25.7**	**(1.1)**	**3.8**	**57.6**	**10.4**	**(37.1)**	**377.5**	**592.6**	**(0.8)**	**591.8**
Profit for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9.1**	**9.1**	**-**	**9.1**
Other comprehensive income/(expense)	**-**	**-**	**-**	**1.4**	**-**	**1.4**	**1.1**	**-**	**(0.1)**	**3.8**	**-**	**3.8**
Total comprehensive income/(expense)	**-**	**-**	**-**	**1.4**	**-**	**1.4**	**1.1**	**-**	**9.0**	**12.9**	**-**	**12.9**
Dividends on ordinary shares (note 8)	**0.1**	**18.0**	**-**	**-**	**-**	**-**	**-**	**-**	**(48.1)**	**(30.0)**	**-**	**(30.0)**
Exercised share options (note 24)	**-**	**0.4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.4**	**-**	**0.4**
Reclassification of share-based payments reserve	**-**	**-**	**-**	**-**	**(0.5)**	**-**	**-**	**-**	**0.5**	**-**	**-**	**-**
Sale of treasury shares/purchase of shares to satisfy employee share entitlements (note 24)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.5**	**(0.5)**	**-**	**-**	**-**
Shares purchased under share buyback programme and subsequently cancelled (note 24)	**(0.1)**	**-**	**0.1**	**-**	**-**	**-**	**-**	**-**	**(23.0)**	**(23.0)**	**-**	**(23.0)**
Disposal of Non-controlling interests (note 10)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.8**	**0.8**
Equity settled share-based payments (note 4)	**-**	**-**	**-**	**-**	**2.5**	**-**	**-**	**-**	**-**	**2.5**	**-**	**2.5**
Total transactions with owners	**-**	**18.4**	**0.1**	**-**	**2.0**	**-**	**-**	**0.5**	**(71.1)**	**(50.1)**	**0.8**	**(49.3)**
At 29 February 2020	**3.2**	**171.0**	**25.8**	**0.3**	**5.8**	**59.0**	**11.5**	**(36.6)**	**315.4**	**555.4**	**-**	**555.4**

* Other capital reserves includes Other undenominated reserve of €0.9m and the capital reserve of €24.9m.

Company Balance Sheet
As at 29 February 2020

	Notes	2020 €m	2019 €m
ASSETS			
Non-current assets			
Financial assets	13	**984.6**	982.1
		984.6	982.1
Current assets			
Trade & other receivables	15	**263.6**	346.2
		263.6	346.2
TOTAL ASSETS		**1,248.2**	1,328.3
EQUITY			
Equity share capital	24	**3.2**	3.2
Share premium	24	**872.0**	853.6
Other reserves	24	**5.6**	3.5
Retained income		**50.0**	116.6
Total equity		**930.8**	976.9
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	19	**3.2**	14.3
		3.2	14.3
Current liabilities			
Interest bearing loans & borrowings	19	**10.7**	10.2
Trade & other payables	16	**303.5**	326.9
		314.2	337.1
Total liabilities		**317.4**	351.4
TOTAL EQUITY & LIABILITIES		**1,248.2**	1,328.3

As permitted by section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its separate Income Statement in the Financial Statements and from filing it with the Registrar of Companies. The Company's profit for the financial year is €4.0m (2019: loss €5.7m). This includes dividends received from subsidiaries of €10.0m (2019: €nil).

On behalf of the Board

S Gilliland	J Solesbury	3 June 2020
Interim Executive Chairman	Chief Financial Officer	

Company Statement of Changes in Equity
For the financial year ended 29 February 2020

	Equity share capital €m	Share premium €m	Other undenominated reserve €m	Share-based payments reserve €m	Retained income €m	Total €m
Company						
At 28 February 2018	3.2	844.4	0.8	1.0	169.5	1,018.9
Loss for the year attributable to equity shareholders	-	-	-	-	(5.7)	(5.7)
Total	-	-	-	-	(5.7)	(5.7)
Dividend on ordinary shares (note 8)	-	9.2	-	-	(45.5)	(36.3)
Shares purchased under share buyback programme and subsequently cancelled (note 24)	-	-	-	-	(1.9)	(1.9)
Reclassification of share-based payments reserve	-	-	-	(0.2)	0.2	-
Equity settled share-based payments (note 4)	-	-	-	1.9	-	1.9
Total	-	9.2	-	1.7	(47.2)	(36.3)
At 28 February 2019	3.2	853.6	0.8	2.7	116.6	976.9
Profit for the year attributable to equity shareholders	**-**	**-**	**-**	**-**	**4.0**	**4.0**
Total	**-**	**-**	**-**	**-**	**4.0**	**4.0**
Dividend on ordinary shares (note 8)	**0.1**	**18.0**	**-**	**-**	**(48.1)**	**(30.0)**
Exercised share options	**-**	**0.4**	**-**	**-**	**-**	**0.4**
Shares purchased under share buyback programme and subsequently cancelled (note 24)	**(0.1)**	**-**	**0.1**	**-**	**(23.0)**	**(23.0)**
Reclassification of share-based payments reserve	**-**	**-**	**-**	**(0.5)**	**0.5**	**-**
Equity settled share-based payments (note 4)	**-**	**-**	**-**	**2.5**	**-**	**2.5**
Total	**-**	**18.4**	**0.1**	**2.0**	**(70.6)**	**(50.1)**
At 29 February 2020	**3.2**	**872.0**	**0.9**	**4.7**	**50.0**	**930.8**

Statement of Accounting Policies
For the year ended 29 February 2020

Significant accounting policies

C&C Group plc (the 'Company') is a company incorporated and tax resident in Ireland. The Group's financial statements for the year ended 29 February 2020 consolidate the individual financial statements of the Company and all subsidiary undertakings (together referred to as "the Group") together with the Group's share of the results and net assets of equity accounted investments for the year ended 29 February 2020.

The Company and Group financial statements, together the "financial statements", were authorised for issue by the Directors on 3 June 2020.

The accounting policies applied in the preparation of the financial statements for the year ended 29 February 2020 are set out below. Except if mentioned otherwise these have been applied consistently for all periods presented in these financial statements and by all Group entities with the exception of IFRS 16, which was not applied in the prior year, as discussed below.

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU and as applied in accordance with Companies Acts 2014. The individual financial statements of the Company have been prepared in accordance with FRS 101 Reduced Disclosure Framework ("FRS 101"). In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the financial statements of the Company include the equivalent disclosures, the Company has also taken exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 'Share-Based Payments' in respect of Group settled share-based payments.

Changes in accounting policies and disclosures

IFRSs as adopted by the EU applied by the Company and Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 29 February 2020. The IASB have issued the following standards, policies, interpretations and amendments which were effective for the Group for the first time in the year ended 29 February 2020:

- IFRS 16 *Leases.*
- IFRIC 23 *Uncertainty over Income Tax Treatments.*
- Amendments to IFRS 9 – *Financial Instruments – amended for prepayment features with negative compensation.*
- Amendments to IFRS 11 – *Joint Arrangements – amended for previously held interests in a joint operation.*
- Amendments to IAS 12 – *Income Taxes – amended for tax consequences of payments on financial instruments as equity.*
- Amendments to IAS 19 *Employee Benefits – amended for plan amendments, curtailments and settlements.*
- Amendments to IAS 23 *Borrowing Costs – amended for borrowing costs eligible for capitalisation.*
- Amendments to IAS 28 – Investments in associates and joint ventures – *amended for long-term interests in associates and joint ventures.*
- Annual Improvements to IFRSs: 2015 – 2017 Cycle – Amendments to IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes and IAS 23 Borrowing Costs*.

The new standards, interpretations and standard amendments did not result in a material impact on the Group's results, with the exception of IFRS 16 Leases which is detailed below.

IFRS 16, Leases

IFRS 16 Leases replaces IAS 17 Leases. The Group adopted IFRS 16 from 1 March 2019 by applying the modified retrospective approach. Under this method, the impact of the standard is calculated retrospectively, however, the cumulative effect arising from the new leasing rules is recognised in the opening balance sheet at the date of initial application. Accordingly, the comparative information presented for FY2019 has not been restated. As part of the initial application of IFRS 16, the Group chooses to apply the relief option, which allows it to adjust the right-of-use asset by the amount of any provision for onerous leases recognised in the Consolidated Balance Sheet immediately before the date of initial application. The Group recognises the right-of-use asset at the date of initial application at its carrying amount as if the Standard has been applied since the lease commencement date, but discounted using the incremental borrowing rate at the date of initial application, for the top twenty-five largest leases by lease liability value. The remaining leases recognise the right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Consolidated Balance Sheet

Statement of Accounting Policies
For the year ended 29 February 2020 (continued)

immediately before the date of initial application. The Group applied the recognition exemption for both short-term leases and leases of low value assets.

The adoption of IFRS 16 Leases had a material impact on the Consolidated Financial Statements and certain key financial metrics, which is quantified in the table below:

Primary statement line item / financial metric / alternative performance measure

	12 months ended 29 February 2020 €m
Consolidated Income Statement	
EBITDA*	+21.7
Depreciation	+17.3
Operating profit	+4.4
Finance costs	+3.5
Profit before tax	+0.9
Income tax expense	+0.3
Basic EPS (cent)	+0.1c
Adjusted diluted EPS (cent)	+0.2c

	As at 1 March 2019 €m
Consolidated Balance Sheet	
Property, plant & equipment	+81.9
Lease liabilities; net debt	+99.6
Provisions (onerous leases)	-8.5
Retained earnings	-6.2
Deferred tax asset	+1.5
Accruals	-2.1
Prepayments	-0.6

	12 months ended 29 February 2020 €m
Consolidated Statement of Cash Flows	
Operating cash flow	+18.6
Cash flows from financing activities	-18.6
Free cash flow*	+18.6
Free cash flow* conversion ratio	-1.5%
Free cash flow* conversion ratio excluding exceptional cash outflow	-2.5%

* Alternative performance measures are defined on page 196.

Income Statement
Operating costs (excluding depreciation) have decreased by €21.7m, as the Group previously recognised operating lease expenses in operating costs. Depreciation has increased due to the capitalisation of a right-of-use asset which is depreciated over the term of the lease and finance costs have increased due to associated finance costs applied annually to the lease liability.

Certain lease payments which do not meet the criteria for capitalisation continue to be recorded as an expense within operating costs. The amount recognised within operating costs relating to short term leases was €2.1m for the year ended 29 February 2020.

Adopting IFRS 16 does not change the overall cash flows. Where the life of the right-of-use asset is deemed to be equal to the lease term, the total effect of IFRS 16 on the Income Statement will be neutral over the life of the lease.

Balance Sheet
The Group has identified the lease payments outstanding and has applied the appropriate discount rate to calculate the present value of the lease liability and right-of-use asset recognised on the Consolidated Balance Sheet. The discount rates applied were arrived at using a methodology to calculate the incremental borrowing rates across the Group. The weighted average incremental borrowing rate applied to lease liabilities on the Consolidated Balance Sheet was 4.07% at 1 March 2019.

There is no effect on the Group's existing banking covenants as a result of implementing IFRS 16 which are calculated on a pre-adoption basis.

A reconciliation of the operating lease commitment previously reported under IAS 17 to the discounted liability as at 1 March 2019 under IFRS 16 Leases is as follows:

	As at 1 March 2019 €m
Operating lease commitment under IAS 17	116.0
Other lease payments not included in discounted lease liability under IFRS 16*	(2.1)
Undiscounted lease liability under IFRS 16	113.9
Less impact of discounting	(14.3)
Discounted lease liability under IFRS 16	99.6

* Other lease payments not included in discounted lease liability under IFRS 16 include payments related to short-term leases which were included in operating lease commitment under IAS 17 but are exempt from capitalisation under IFRS 16.

IFRS and IFRIC interpretations being adopted in subsequent years

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 29 February 2020, and have not been applied in preparing these Consolidated Financial Statements.

These following new standards, amendments and interpretations are either not expected to have a material impact on the Consolidated Financial Statements once applied or are still under assessment by the Group.

Accounting standard/interpretation (Effective date)

Amendments to IFRS 3 Business Combinations (1 January 2020)

- In October 2018, the IASB issued amendments to IFRS 3, regarding the definition of a business. The amendments clarify that the process required to meet the definition of a business (together with inputs to create outputs) must be substantive; and, that the inputs and process must together significantly contribute to creating outputs. Any business combinations enacted in subsequent financial years will be assessed against the new criteria.

Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (1 January 2020)

- In September 2019, the IASB issued amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Amendments have been introduced on the effect of the IBOR reform on hedge accounting, however given the Group has no hedges in place linked to IBOR, there is no effect.

Disclosure initiative – Definition of Material (Amendments to IAS 1 and IAS 8) (1 January 2020)

- In October 2018, the IASB issued Definition of Material (Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors), which will be applied prospectively from 1 January 2020. The amendments clarify and align the definition of "material" to the definition used in the Conceptual Framework and other IFRS standards. Information is now considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Group financial reporting in subsequent years will be prepared in accordance with the new definition, however this is not expected to result in significant changes.

IFRS 17 Insurance Contracts (1 January 2021)

- In May 2017, the IASB issued IFRS 17. It is expected to be effective for reporting periods beginning on or after 1 January 2022, with presentation of comparative figures required. The Group will be unaffected by this standard given it does not issue insurance contracts.

Basis of preparation

The Group and the individual financial statements of the Company are prepared on the going concern and historical cost basis, except for, retirement benefits, the revaluation of certain items of property, plant & equipment, share based payments at date of grant and derivative financial instruments. The accounting policies have been applied consistently by Group entities and for all periods presented.

The financial statements are presented in Euro millions to one decimal place.

Significant accounting policies

The significant accounting policies applied by the Group in the preparation these financial statements are as follows:

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and all subsidiary undertakings together with the Group's share of the results of equity accounted investments for the year ended 29 February 2020.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, 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 on which control commences until the date on which control ceases.

On 30 April 2004, the Group, previously headed by C&C Group International Holdings Limited, underwent a re-organisation by virtue of which C&C Group International Holdings Limited's shareholders in their entirety exchanged their shares for shares in C&C Group plc, a newly formed company, which then became the ultimate parent company of the Group. Notwithstanding the change in the legal parent of the Group, this transaction has been accounted for as a reverse acquisition and the consolidated financial statements are prepared on the basis of the new legal parent having been acquired by the existing Group except that the capital structure shown is that of the legal parent.

Statement of Accounting Policies
For the year ended 29 February 2020 (continued)

Non-controlling interests represents the portion of the equity of a subsidiary not attributable either directly or indirectly to the Parent Company and are presented separately in the Consolidated Income Statement and within equity in the Consolidated Balance Sheet distinguished from Parent Company shareholders' equity.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. If the Group loses control over a subsidiary, it derecognises the related assets (including Goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the Income Statement. Any investment retained is recognised at fair value.

(ii) Investments in associates and jointly controlled entities (equity accounted investments)

The Group's interests in equity accounted investments comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of the arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group's investments in its joint ventures are accounted for using the equity method from the date joint control is deemed to arise until the date on which joint control ceases to exist or when the interest becomes classified as an asset held for sale. The Consolidated Income Statement reflects the Group's share of profit after tax of the related joint ventures. Investments in joint ventures are carried in the Consolidated Balance Sheet at cost, adjusted in respect of post-acquisition changes in the Group's share of net assets, less any impairment in value. If necessary, impairment losses on the carrying amount of an investment are reported within the Group's share of equity accounted investments results in the Consolidated Income Statement.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other Comprehensive Income of associates, until the date on which significant influence ceases. Dividends from equity accounted investments are recognised as revenue in the Consolidated Income Statement when the right of payment has been established.

(iii) Transactions eliminated on consolidation

All intercompany balances and transactions, including unrealised gains arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains except to the extent that they provide evidence of impairment.

Unrealised gains arising from transactions with equity accounted investments are eliminated against the investment to the extent of the Group's interest in the investment.

(iv) Company Financial Statements

Investments in subsidiaries are carried at cost less provision for impairment. Dividend income is recognised when the right to receive payment is established.

Property, plant and equipment (note 11)

Property (comprising land and buildings) is recognised at estimated fair value with the changes in the value of the property reflected in Other Comprehensive Income, to the extent it does not reverse previously recognised losses, or as an impairment loss in the Income Statement to the extent it does not reverse previously recognised revaluation gains. The fair value is based on estimated market value at the valuation date, being the estimated amount for which a property could be exchanged in an arm's length transaction, to the extent that an active market exists. Such valuations are determined based on benchmarking against comparable transactions for similar properties in similar locations as those of the Group or on the use of valuation techniques including the use of market yields on comparable properties. If no active market exists or there are no other observable comparative transactions, the fair value may be determined using a valuation technique known as a Depreciated Replacement Cost approach.

Plant & machinery is carried at its revalued amount. In view of the specialised nature of the Group's plant & machinery and the lack of comparable market-based evidence of similar plant sold, upon which to base a market approach of fair value, the Group uses a Depreciated Replacement Cost approach to determine a fair value for such assets.

Depreciated Replacement Cost is assessed, firstly, by the identification of the gross replacement cost for each class of plant & machinery. A depreciation factor derived from both the physical and functional obsolescence of each class of asset, taking into account estimated residual values at the end of the life of each class of asset, is then applied to the gross replacement cost to determine the net replacement cost. An economic obsolescence factor, which is derived based on current and anticipated capacity or utilisation of each class of plant & machinery as a function of total available production capacity, is applied to determine the Depreciated Replacement Cost.

Motor vehicles & other equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant & equipment have different useful lives, they are accounted for as separate items (major components) of property, plant & equipment. Subsequent costs are included in an 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.

Property, plant & equipment, other than freehold land and assets under construction, which are not depreciated, were depreciated using the following rates which are calculated to write-off the value of the asset, less the estimated residual value of 5%, over its expected useful life:

Land and Buildings	
Land	n/a
Buildings – ROI, US, Portugal, Wallaces Express	2% straight-line
Buildings – UK (excluding Wallaces Express)	2% straight-line

Plant and Machinery	
Storage tanks	10% reducing balance
Other plant & machinery	15-30% reducing balance

Motor vehicles and other equipment	
Motor vehicles	15% straight-line
Other equipment incl returnable bottles, cases and kegs	5-25% straight-line

Judgement is involved in the depreciation policy applied to certain fixed assets where there is considered to be a residual value. The Group considers that such assets have a residual value equal to 5% of cost, based on the expected scrap value of the associated assets. The residual value and useful lives of property, plant & equipment are reviewed and adjusted if appropriate at each reporting date to take account of any changes that could affect prospective depreciation charges and asset carrying values. When determining useful economic lives, the principal factors the Group takes into account are the intensity at which the assets are expected to be used, expected requirements for the equipment and technological developments.

On disposal of property, plant & equipment the cost or valuation and related accumulated depreciation and impairments are removed from the Balance Sheet and the net amount, less any proceeds, is taken to the Income Statement and any amounts included within the revaluation reserve transferred to the retained income reserve.

The carrying amounts of the Group's property, plant & equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying amount of an asset or its cash generation unit exceeds its recoverable amount (being the greater of fair value less costs to sell and value in use). Impairment losses are debited directly to equity under the heading of revaluation reserve to the extent of any credit balance existing in the revaluation reserve account in respect of that asset with the remaining balance recognised in the Income Statement.

Certain property, plant & equipment is remeasured to fair value at regular intervals. In these cases, the revaluation surplus is credited directly to Other Comprehensive Income and accumulated in equity under the heading of revaluation reserve, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, where it is first credited to the Income Statement to the extent of the previous write down.

Leases (note 11 and note 18)

The Group enters into leases for a range of assets, principally relating to freehold land & buildings, plant & machinery and motor vehicles & other equipment. These leases have varying terms, renewal rights and escalation clauses.

A contract contains a lease if it is enforceable and conveys the right to control the use of a specified asset for a period of time in exchange for consideration, which is assessed at inception. A right-of-use asset and lease liability are recognised at the commencement date for contracts containing a lease, with the exception of leases with a term of 12 months or less and leases where the underlying asset is of low value. The commencement date is the date at which the asset is made available for use by the Group.

In accordance with IFRS 16 the Group has applied the carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application, the Group applied this approach to the top 25 leases. The difference between the lease liability and the lower right-of-use assets is posted as a reserves adjustment on transition. For the remaining leases an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of initial application has been applied. The lease liability is initially measured at the present value

Statement of Accounting Policies
For the year ended 29 February 2020 (continued)

of the future lease payments, discounted using the incremental borrowing rate or the interest rate implicit in the lease, if this is readily determinable, over the remaining lease term. Lease payments include fixed payments, variable payments that are dependent on a rate or index known at the commencement date, payments for an optional renewal period and purchase and termination option payments, if the Group is reasonable certain to exercise those options. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applies judgement in determining whether it is reasonably certain that a renewal, termination or purchase option will be exercised.

Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease and the term and currency of the lease.

After initial recognition, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or when the Group changes its assessment of whether it is reasonably certain to exercise an option within the contract. A corresponding adjustment is made to the carrying amount of the right-of-use asset.

The right-of-use asset is initially measured at cost, which comprises the lease liability adjusted for any payments made at or before the commencement date, initial direct costs incurred, lease incentives received and an estimate of the cost to dismantle or restore the underlying asset or the site on which it is located at the end of the lease term. The right-of-use asset is depreciated over the lease term or, where a purchase option is reasonably certain to be exercised, over the useful economic life of the asset in line with depreciation rates for owned property, plant and equipment. The right-of-use asset is tested periodically for impairment if any impairment indicator is considered to exist.

The Group chooses whether or not to include certain non-lease components, such as maintenance costs, in the measurement of the right of use asset and lease liability on a underlying asset class as afforded by the practical expedients in the standard. Where the non-lease components are not included, the costs are separated from lease payments and are expensed as incurred.

Leases pre 1 March 2019

Where the Group has entered into lease arrangements on land & buildings the lease payments are allocated between land & buildings and each component is assessed separately to determine whether it is a finance or operating lease. Finance leases, which transfer to the Group substantially all the risks and rewards of ownership of the leased asset, are recognised in property, plant & equipment at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Income Statement as part of finance expense. Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term.

Business combinations (note 10)

Where an investment is made to the extent that the Group is deemed to have control over the investee, the investment is accounted for as a business combination using the acquisition method. In applying this method the Group determines the cost of acquisition, being the fair value of consideration transferred, and also determines the fair value of identifiable assets and liabilities acquired.

Where the consideration to be transferred is contingent on future events the consideration is initially recorded at fair value with any changes recognised in the Income Statement. The only exception to this is where the consideration transferred meets the definition of an equity instrument, in which case the consideration is not remeasured and the settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the cost of acquisition, non-controlling interests and any previous interest held over the fair value of the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Income Statement immediately.

Goodwill (note 12)

As at the date of acquisition any goodwill acquired is allocated to each cash generating unit (CGU) (which may comprise more than one cash generating unit) expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. These CGU's represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the business segment retained.

Goodwill relating to associates and joint ventures is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Where indicators of impairment of an investment arise in accordance with the requirements of IAS 36, the carrying amount is tested for impairment by comparing its recoverable amount with its carrying amount.

Intangible assets (other than goodwill) (note 12)

An intangible asset, which is a non-monetary asset without a physical substance, is capitalised separately from goodwill as part of a business combination at cost (fair value at date of acquisition) to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its fair value can be reliably measured. Acquired brands and other intangible assets are deemed to be identifiable and recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets considered to have an indefinite useful economic life are reviewed for indicators of impairment regularly and are subject to impairment testing on an annual basis unless events or changes in circumstances indicate that the carrying values may not be recoverable and impairment testing is required earlier.

Software costs incurred with respect to new systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the development side of the project.

The amortisation charge on intangible assets considered to have finite lives is calculated to write-off the book value of the asset over its useful life on a straight-line basis on the assumption of zero residual value. The useful lives of the Group's intangible assets are as follows:

ABI Distribution rights	20 years
Trade relationship re Wallaces acquisition	10 years
Trade relationship re Gleeson acquisition	15 years
Trade relationship re Matthew Clark and Bibendum acquisition	15 years
Software and licence costs	5 - 8 years

Impairment of goodwill and intangible assets (note 12)

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. In the year in which a business combination is effected and where some or all of the goodwill allocated to a particular cash-generating unit arose in respect of that combination, the cash-generating unit is tested for impairment prior to the end of the relevant annual period. Where the carrying value exceeds the estimated recoverable amount (being the greater of the fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down goodwill to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount of goodwill is determined by reference to the cash-generating unit to which the goodwill has been allocated. Impairment losses arising in respect of goodwill are not reversed once recognised.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets considered to have an indefinite useful economic life are reviewed for indicators of impairment regularly and are subject to impairment testing on an annual basis unless events or changes in circumstances indicate that the carrying values may not be recoverable and impairment testing is required earlier.

Retirement benefit obligations (note 22)

The Group operates a number of defined contribution and defined benefit pension schemes.

Obligations to the defined contribution pension schemes are recognised as an expense in the Income Statement as the related employee service is received. Under these schemes, the Group has no obligation, either legal or constructive, to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

Statement of Accounting Policies
For the year ended 29 February 2020 (continued)

The liabilities and costs associated with the Group's defined benefit pension schemes, all of which are funded and administered under trusts which are separate from the Group, are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the reporting date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields, at the reporting date, on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. The fair value of scheme assets is based on market price information, measured at bid value for publicly quoted securities.

The resultant defined benefit pension net surplus or deficit is shown within either non-current assets or non-current liabilities on the face of the Consolidated Balance Sheet and comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. The assumptions (disclosed in note 22) underlying these valuations are updated at each reporting period date based on current economic conditions and expectations (discount rates, salary inflation and mortality rates) and reflect any changes to the terms and conditions of the post retirement pension plans. The deferred tax liabilities and assets arising on pension scheme surpluses and deficits are disclosed separately within deferred tax assets or liabilities, as appropriate.

When the benefits of a defined benefit scheme are improved, the portion of the increased benefit relating to the past service of employees is recognised as an expense immediately in the Income Statement.

The expected increase in the present value of scheme liabilities arising from employee service in the current period is recognised in arriving at operating profit or loss together with the net interest expense/(income) on the net defined benefit liability/(asset). Differences between the actual return on plan assets and the interest income, experience gains and losses on scheme liabilities, together with the effect of changes in the current or prior assumptions underlying the liabilities are recognised in Other Comprehensive Income. The amounts recognised in the Income Statement and Statement of Other Comprehensive Income and the valuation of the defined benefit pension net surplus or deficit are sensitive to the assumptions used.

Company
The Company has no direct employees and is not the sponsoring employer for any of the Group's defined benefit pension schemes. There is no stated policy within the Group in relation to the obligations of Group companies to contribute to scheme deficits. Group companies make contributions to the schemes as requested by the sponsoring employers.

Income tax (note 7 and note 21)

Current tax expense represents the expected tax amount to be paid in respect of taxable income for the current year and is based on reported profit and the expected statutory tax rates, reliefs and allowances applicable in the jurisdictions in which the Group operates. Current tax for the current and prior years, to the extent that it is unpaid, is recognised as a liability in the Balance Sheet.

Deferred tax is provided on the basis of the Balance Sheet liability method on all temporary differences at the reporting date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised for all temporary differences except where they arise from:-

- the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit or loss nor the taxable profit or loss at the time of the transaction, or,
- temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference is subject to the Group's control and it is probable that a reversal will not be recognised in the foreseeable future.

Deferred tax assets in respect of deductible temporary differences are recognised only to the extent that it is probable that taxable profits or taxable temporary differences will be available against which to offset these items. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. The recognition of deferred tax assets is based on management's judgement and estimate of the most probable amount of future taxable profits and taking into consideration applicable tax legislation in the relevant jurisdiction. The carrying amounts of deferred tax assets are subject to review at each reporting date and are reduced to the extent that future taxable profits are considered to be insufficient to allow all or part of the deferred tax asset to be utilised.

Deferred tax and current tax are recognised as a component of the tax expense in the Income Statement except to the extent that they relate to items recognised directly in Other Comprehensive Income or equity (for example, certain derivative financial instruments and actuarial gains and losses on defined benefit pension schemes), in which case the related tax is also recognised in Other Comprehensive Income or equity.

Company financial assets

The change in legal parent of the Group on 30 April 2004, as disclosed in detail in that year's annual report, was accounted for as a reverse acquisition. This transaction gave rise to a financial asset in the Company's accounts, which relates to the fair value at that date of its investment in subsidiaries. Financial assets are reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Share options granted to employees of subsidiary companies are accounted for as an increase in the carrying value of the investment in subsidiaries and the share-based payment reserve.

Revenue recognition

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue comprises an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer, these are exclusive of value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives. Provision is made for returns where appropriate. The Group recognises revenue in the amount of the price expected to be received for goods and services supplied at a point in time or over time, as contractual performance obligations are fulfilled and control of goods and services passes to the customer. Where revenue is earned over time as contractual performance obligations are satisfied, the percentage-of-completion method remains the primary method by which revenue recognition is measured.

The Group manufactures and distributes branded cider, beer, wine, spirits and soft drinks in which revenue is recognised at a point in time when control is deemed to pass to the customer upon leaving the Group's premises or upon delivery to a customer depending on the terms of sale. Contracts do not contain multiple performance obligations (as defined by IFRS 15).

Across the Group, goods are often sold with discounts or rebates based on cumulative sales over a period. The variable consideration is only recognised when it is highly probable that it will not be subsequently reversed and is recognised using the most likely amount or expected value methods, depending on the individual contract terms. In the application of appropriate revenue recognition, judgement is exercised by management in the determination of the likelihood and quantum of such items based on experience and historical trading patterns.

The Group is deemed to be a principal to an arrangement when it controls a promised good or service before transferring them to a customer; and accordingly recognises the revenue on a gross basis. The Group is determined to be an agent to a transaction, in circumstances where the Group arranges for the provision of goods or services by another third party, based on principal of control; the net amount retained after the deduction of any costs to the principal is recognised as revenue.

Excise duty

Excise duty is levied at the point of production in the case of the Group's manufactured products and at the point of importation in the case of imported products in the relevant jurisdictions in which the Group operates. As the Group's manufacturing and warehousing facilities are revenue approved and registered excise facilities, the excise duty liability generally crystallises on transfer of product from duty in suspense to duty paid status which normally coincides with the point of sale. The duty number disclosed represents the cash cost of duty paid on the Group's products. Where goods are bought duty paid, and subsequently sold, the duty element is not included in the duty line within Net revenue but is included within the cost of goods sold.

Net revenue

Net revenue is defined by the Group as revenue less excise duty paid by the Group.

Exceptional items

The Group has adopted an accounting policy and Income Statement format that seeks to highlight significant items of income and expense within the Group results for the year. The Directors believe that this presentation provides a more useful analysis. Such items may include significant restructuring and integration costs, profits or losses on disposal or termination of operations or significant contracts, litigation costs and settlements, profit or loss on disposal of investments, significant impairment of assets, acquisition related costs and unforeseen gains/losses arising on derivative financial instruments. The Directors use judgement in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Income Statement and related notes as exceptional items.

Finance income and expenses

Finance income comprises interest income on funds invested and any gains on hedging instruments that are recognised in the Income Statement. Interest income is recognised as it accrues in the Income Statement, using the effective interest method.

Finance expenses comprise interest expense on borrowings, interest expense on sale of trade receivables, bank guarantee fees, amortisation of borrowing issue costs, losses on hedging instruments that are recognised in the Income Statement, ineffective portion of changes in the fair value of cash flow hedges and unwinding the discount on provisions and leases. All borrowing costs are recognised in the Income Statement using the effective interest method.

Statement of Accounting Policies
For the year ended 29 February 2020 (continued)

Research and development

Expenditure on research that is not related to specific product development is recognised in the Income Statement as incurred.

Expenditure on the development of new or substantially improved products or processes is capitalised if the product or process is technically feasible and commercially viable.

Government grants

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Capital grants received and receivable by the Group are credited to government grants and are amortised to the Income Statement on a straight-line basis over the expected useful lives of the assets to which they relate.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which; represents a separate major line of business or geographic area of operations; is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative Income Statement and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

Segmental reporting

Operating segments are reported in a manner consistent with the internal organisational and management structure of the Group and the internal financial information provided to the Chief Operating Decision-Maker, the executive Directors, who are responsible for the allocation of resources and the monitoring and assessment of performance of each of the operating segments. The Group has four reportable operating segments consistent with prior year.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads that are allocated on a reasonable basis to those segments in internal financial reporting packages.

Foreign currency translation

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 Euro, which is the presentation currency of the Group and both the presentation and functional currency of the Company.

Transactions in foreign currencies are translated into the functional currency of each entity at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets carried at historic cost are not subsequently retranslated. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currencies at the foreign exchange rate ruling at that date. Foreign exchange movements arising on translation are recognised in the Income Statement with the exception of all monetary items designated as a hedge of a net investment in a foreign operation, which are recognised in the consolidated financial statements in Other Comprehensive Income until the disposal of the net investment, at which time they are recognised in the Income Statement for the year.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Euro at the foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to Euro at the average exchange rate for the financial period where that represents a reasonable approximation of actual rates. Foreign exchange movements arising on translation of the net investment in a foreign operation, including those arising on long-term intra-group loans for which settlement is neither planned nor likely to happen in the foreseeable future and as a consequence are deemed quasi equity in nature, are recognised directly in Other Comprehensive Income in the consolidated financial statements in the foreign currency translation reserve. The portion of exchange gains or losses on foreign currency borrowings or derivatives used to provide a hedge against a net investment in a foreign operation that is designated as a hedge of those investments, is recognised directly in Other Comprehensive Income to the extent that they are determined to be effective. The ineffective portion is recognised immediately in the Income Statement for the year.

Any movements that have arisen since 1 March 2004, the date of transition to IFRS, are recognised in the currency translation reserve and are recycled through the Income Statement on disposal of the related business. Translation differences that arose before the date of transition to IFRS as adopted by the EU in respect of all non-Euro denominated operations are not presented separately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition and is based on the first-in first-out principle.

In the case of finished goods and work in progress, cost includes direct production costs and the appropriate share of production overheads plus excise duties, where appropriate. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the sale.

Provision is made for slow-moving or obsolete stock where appropriate.

Provisions

A provision is recognised in the Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value at an appropriate rate if the effect of the time value of money is deemed material. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount. The increase in the provision due to the passage of time is recognised in the Income Statement within finance expense.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable. Provisions are not recognised for future operating losses, however, provisions are recognised for onerous contracts where the unavoidable cost exceeds the expected benefit.

Due to the inherent uncertainty with respect to such matters, the value of each provision is based on the best information available at the time, including advice obtained from third party experts, and is reviewed by the Directors on a periodic basis with the potential financial exposure reassessed. Revisions to the valuation of a provision are recognised in the period in which such a determination is made and such revisions could have a material impact on the financial performance of the Group.

Share-based payments

The Group operates a number of Share Option Schemes, Performance Share Plans and cash settled award schemes, listed below:-

- Executive Share Option Scheme 2015 (the 'ESOS 2015'),
- Long-Term Incentive Plan 2015 (Part I) (the 'LTIP 2015 (Part I)'),
- Recruitment and Retention Plan,
- Partnership and Matching Share Schemes.

Equity settled share-based payment transactions

Group share schemes allow certain employees to acquire shares in the Company. The fair value of share entitlements granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity, while the cost of acquiring shares on the open market to satisfy the Group's obligations under the Partnership and Matching Share Schemes is recognised in the Income Statement as incurred.

All awards are subject to non-market vesting conditions only, the details of which are set out in note 4.

The expense for the share entitlements shown in the Income Statement is based on the fair value of the total number of entitlements expected to vest and is allocated to accounting periods on a straight-line basis over the vesting period. The cumulative charge to the Income Statement at each reporting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. It is reversed only where entitlements do not vest because all non-market performance conditions have not been met or where an employee in receipt of share entitlements leaves the Group before the end of the vesting period and forfeits those options in consequence.

The proceeds received by the Company net of any directly attributable transaction costs on the vesting of share entitlements met by the issue of new shares are credited to share capital and share premium when the share entitlements are exercised. Amounts included in the share-based payments reserve are transferred to retained income when vested options are exercised, forfeited post vesting or lapse.

The dilutive effect of outstanding options, to the extent that they are to be settled by the issue of new shares and to the extent that the vesting conditions would have been satisfied if the end of the reporting period was the end of the contingency period, is reflected as additional share dilution in the determination of diluted earnings per share.

Statement of Accounting Policies
For the year ended 29 February 2020 (continued)

Financial instruments

Trade & other receivables
Trade receivables are initially recognised at fair value (which usually equals the original invoice value) and are subsequently measured at amortised cost less loss allowance or impairment losses. The Group applies the simplified approach permitted by IFRS 9 'Financial Instruments' to measure expected credit losses for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The carrying amount of these receivables approximates their fair value as these are short term in nature; hence, the maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

Cash
Cash in the Balance Sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash for the purpose of the statement of cash flows.

Advances to customers
Advances to customers, which can be categorised as either an advance of discount or a repayment/annuity loan conditional on the achievement of contractual sales targets, are initially recognised at fair value, amortised to the Income Statement (and classified within sales discounts as a reduction in revenue) over the relevant period to which the customer commitment is made, and subsequently carried at amortised cost less an impairment allowance. Where there is a volume target the amortisation of the advance is included in sales discounts as a reduction to revenue. Regarding advances to customers, the Group applies the general approach to measure expected credit losses which requires a loss provision to be recognised based on twelve month or lifetime expected credit losses, provided a significant increase in credit risk has occurred since initial recognition.

Trade & other payables
Trade & other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Interest-bearing loans & borrowings
Interest-bearing loans & borrowings are recognised initially at fair value less attributable transaction costs and are subsequently measured at amortised cost with any difference between the amount originally recognised and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest rate basis. Where the early refinancing of a loan results in a significant change in the present value of the expected cash flows, the original loan is de-recognised and the replacement loan is recognised at fair value. The difference between the original loan and the fair value of the replacement loan is recognised in finance costs in the year.

Derivative financial instruments
Derivatives are initially recognised at fair value on the date that a derivative contract is entered into, and they are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges). The gains or losses related to derivatives not used as effective hedging instruments are recognised in the Income Statement.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 23. Movements in the hedging reserve in shareholders' equity are shown in note 23. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. The Group only trades derivatives for hedging activities. The Company documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement as finance expenses.

The Group uses forward contracts to hedge forecast transactions, the Group generally designates the full change in fair value of the forward contract, i.e. the forward rate including forward points, as the hedging instrument. Gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss, since the hedged item affects profit or loss (for example, through operating costs).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss in equity at that time remains in equity until the forecast transaction is no longer expected to occur, the cumulative gain or loss that were reported in equity are immediately reclassified to profit or loss.

Cash flow hedge reserve

The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 23. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate.

Net investment hedging

Any gain or loss on the effective portion of a hedge of a net investment in a foreign operation using a foreign currency denominated monetary liability is recognised in Other Comprehensive Income while the gain or loss on the ineffective portion is recognised immediately in the Income Statement. Cumulative gains and losses remain in Other Comprehensive Income until disposal of the net investment in the foreign operation at which point the related differences are transferred to the Income Statement as part of the overall gain or loss on disposal.

Share capital/premium

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the gross proceeds.

Treasury shares

Equity share capital issued under its Joint Share Ownership Plan, which is held in trust by an Employee Trust is classified as treasury shares on consolidation until such time as the Interests vest and the participants acquire the shares from the Trust or the Interests lapse and the shares are cancelled or disposed of by the Trust.

Own shares acquired under share buyback programme

The cost of ordinary shares purchased by a subsidiary of the Group on the open market is recorded as a deduction from equity on the face of the Group Balance Sheet. When these shares are cancelled, an amount equal to the nominal value of any shares cancelled is included within other undenominated capital fund and the cost is deducted from retained earnings.

Dividends

Final dividends on ordinary shares are recognised as a liability in the financial statements only after they have been approved at an Annual General Meeting of the Company. Interim dividends on ordinary shares are recognised when they are paid.

Significant Judgements and Estimates

The preparation of the Consolidated Financial Statements in conformity with IFRSs as adopted by the EU requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The significant judgements, estimates and assumptions used by management may differ from the actual outcome of the transaction and consequently the realised value of the associated assets and liabilities may vary. The significant judgements and estimates which have been applied, and which are expected to have a material impact, are as follows:

Significant judgements

Business combinations

Upon making any investment, the Group is required to determine whether any control exists and hence whether the business acquired is accounted for as a subsidiary. If control is not deemed to exist then the investment is accounted for as either a joint venture, associate or financial asset depending on the relevant agreement. Consequently the determination of control materially affects how the investment is presented in the financial statements. This determination is made based on an assessment of the Group's power to affect the activities of the investment and extent to which it has exposure to variable returns and the ability to affect such returns. This assessment is based principally on shareholder agreements and representation of the Group on the investment's management committee as well as any relevant other side agreements.

The Group did not make any acquisitions in the current year. In the prior year the Group acquired the entire share capital of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited. Consequently, there were no significant judgements in whether control was deemed to exist.

Income Taxes

The Group is subject to income tax in a number of jurisdictions, and judgement is required in determining the worldwide provision for taxes. There are many transactions and calculations during the ordinary course of business, for which the ultimate tax determination is uncertain and the complexity of the tax treatment may be such that the final tax charge may not be determined until a formal resolution has been reached with the relevant tax authority which may take extended time periods to conclude. The ultimate tax charge may, therefore be different from that which initially is

Statement of Accounting Policies
For the year ended 29 February 2020 (continued)

reflected in the Group's consolidated tax charge and provision and any such differences could have a material impact on the Group's income tax charge and consequently financial performance. The determination of the provision for income tax is based on management's understanding of the relevant tax law and judgement as to the appropriate tax charge, and management believe that all assumptions and estimates used are reasonable and reflective of the tax legislation in jurisdictions in which the Group operates. Where the final tax charge is different from the amounts that were initially recorded, such differences are recognised in the income tax provision in the period in which such determination is made.

Deferred tax assets in respect of deductible temporary differences are recognised only to the extent that it is probable that taxable profits or taxable temporary differences will be available against which to offset these items. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. The recognition of deferred tax assets is based on management's judgement and estimate of the most probable amount of future taxable profits and taking into consideration applicable tax legislation in the relevant jurisdiction.

Impact of COVID-19
There is a significant judgement in whether the impact of COVID-19 should be considered in the measurement of assets and liabilities at year end. This judgement is based on whether COVID-19 is considered an adjusting or non-adjusting event, which is based on the facts and circumstances at the balance sheet date. The global spread of COVID-19 began before the balance sheet date and the Group concluded that the impact of COVID-19 should be reflected in the measurement of assets and liabilities in the Consolidated Balance Sheet.

Sources of estimation uncertainty
Business combinations
Upon acquisition, the Group makes estimates to determine the purchase price of businesses acquired, taking into account contingent consideration, as well as its allocation to acquired assets and liabilities. The Group is required to determine the acquisition date and fair value of the identifiable assets acquired, including intangible assets such as brands, customer relationships and liabilities assumed. The estimated useful lives of the acquired amortisable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Group's future profit or loss.

The Group did not make any acquisitions in the current year. In the prior year the Group acquired the entire share capital of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited. Significant estimates were made in the prior year as to the fair value of acquired assets and liabilities on acquisition as discussed in the Group's Annual Report for the financial year ended 28 February 2019.

Recoverable amount of goodwill
The impairment testing process requires management to make significant estimates regarding the future cash flows expected to be generated by cash-generating units to which goodwill has been allocated. Future cash flows relating to the eventual disposal of these cash-generating units and other factors may also be relevant to determine the fair value of goodwill. Management periodically evaluates and updates the estimates based on the conditions which influence these variables. The assumptions and conditions for determining impairments of goodwill reflect management's best assumptions and estimates (discount rates, terminal growth rates, forecasted volume, net revenue, operating profit) but these items involve inherent uncertainties described above, many of which are not under management's control. As a result, the accounting for such items could result in different estimates or amounts if management used different assumptions or if different conditions occur in future accounting periods.

The inputs to the value-in-use calculations are disclosed in note 12.

Incremental borrowing rates on leases
Management use estimation in determining the incremental borrowing rates for leases which has a significant impact on the lease liabilities and right-of-use assets recognised. The incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease and the term and currency of the lease. The weighted average incremental borrowing rate applied to lease liabilities on the Consolidated Balance Sheet on transition was 4.07% at 1 March 2019.

Pension valuation

Significant estimates are used in the determination of the pension obligation, the amounts recognised in the Income Statement and Statement of Other Comprehensive Income and the valuation of the defined benefit pension net surplus or deficit are sensitive to the assumptions used. The assumptions underlying the actuarial valuations (including discount rates, rates of increase in future compensation levels, mortality rates, salary and pension increases, future inflation rates and healthcare cost trends), from which the amounts recognised in the Consolidated Financial Statements are determined, are updated annually based on current economic conditions and for any relevant changes to the terms and conditions of the pension and post-retirement plans. These assumptions can be affected by (i) for the discount rate, changes in the rates of return on high-quality corporate bonds; (ii) for future compensation levels, future labour market conditions and (iii) for healthcare cost trend rates, the rate of medical cost inflation in the relevant regions. The weighted average actuarial assumptions used and sensitivity analysis in relation to the significant assumptions employed in the determination of pension and other post-retirement liabilities are contained in note 22 to the Consolidated Financial Statements.

Whilst management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the obligations and expenses recognised in future accounting periods. The assets and liabilities of defined benefit pension schemes may exhibit significant period-on-period volatility attributable primarily to changes in bond yields and longevity. In addition to future service contributions, cash contributions may be required to remediate past service deficits. A sensitivity analysis of the change in these assumptions is provided in note 22.

Expected credit losses

Further to the impact of COVID-19 on the Group, estimates have been made around the credit losses expected to be incurred on the Group's financial assets – principally being trade receivables and trade loans. In determining the expected credit losses, the Group has considered different sources of financial information, including comparisons to the financial crash and current market data, and concluded a suitable benchmark as being credit default swaps on industry-appropriate companies. Market data for credit default swaps on listed entities in the on-trade has been adjusted for yield-curves and Group customer risk weightings in determining an appropriate proxy for expected credit losses.

For international, listed customers, without evidence to the contrary, (known as "low risk") the expected credit loss is considered to be similar to the credit risk implied from credit default swaps of similar entities. However, for smaller, regional customers with less access to finance, the expected credit loss applied is leveraged by reference to historical Group losses for these customers as a ratio to Group losses for "low risk" customers.

Provision for obsolete stock

As a result of COVID-19, the Group has been required to consider its provision for obsolete inventory. For inventory which has no alternate use or right of return to the supplier, and is not expected to be sold during lockdown, the provision for obsolescence has been calculated by reference to the shelf life of products compared with the expected period of lockdown. The Group has made an estimate of the period of lockdown based on the Geography of its operations on a case-by-case basis. The period of lockdown estimated for any region is not in excess of six months from year end.

Notes forming part of the financial statements

1. SEGMENTAL REPORTING

The Group's business activity is the manufacturing, marketing and distribution of branded beer, cider, wine, spirits, soft drinks and bottled water. Four operating segments have been identified in the current and prior financial year; Ireland, Great Britain, International and Matthew Clark and Bibendum ("MCB").

The Group continually reviews and updates the manner in which it monitors and controls its financial operations resulting in changes in which information is classified and reported to the Chief Operating Decision Maker ("CODM"). The CODM, identified as the executive Directors, assesses and monitors the operating results of segments separately via internal management reports in order to effectively manage the business and allocate resources. Due to the acquisition of MCB on the 4 April 2018, an additional operating segment was identified in the prior financial year. MCB is run independently with its own Management team and its results are reviewed by the CODM independently of any other element of the Group's business.

The identified business segments are as follows:-

(i) Ireland
This segment includes the financial results from sale of own branded products on the Island of Ireland, principally Bulmers, Outcider, Tennent's, Magners, Clonmel 1650, Five Lamps, Heverlee, Roundstone Irish Ale, Linden Village, Dowd's Lane traditional craft ales, Finches and Tipperary Water. It also includes the financial results from beer, wines and spirits distribution, wholesaling, the results from sale of third party brands as permitted under the terms of a distribution agreement with AB InBev and production and distribution of some private label and third party brands.

(ii) Great Britain
This segment includes the results from sale of the Group's own branded products in Scotland, England and Wales, with Tennent's, Magners, Heverlee, Caledonia Best, Blackthorn, Olde English, Chaplin & Cork's, Orchard Pig and K Cider being the principal brands. It also includes the financial results from AB InBev beer distribution in Scotland, third party brand distribution and wholesaling in Scotland, the distribution of the Italian lager Menabrea, the American lager Pabst, the Chinese beer Tsingtao and the production and distribution of some private label and third party brands.

(iii) International
This segment includes the results from sale of the Group's cider and beer products, principally Magners, Gaymers, Woodchuck, Wyders, Blackthorn, Hornsby's and Tennent's in all territories outside of Ireland and Great Britain. It also includes the production, sale and distribution of some private label and third party brands.

(iv) Matthew Clark and Bibendum (MCB)
This segment includes the results from the Matthew Clark and Bibendum businesses. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 13,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark also has a number of exclusive distribution agreements for third party products (mainly wines) into the UK market and also has a limited range of own brand wines. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads, which are allocated on a reasonable basis in presenting information to the CODM.

Inter-segmental revenue is not material and thus not subject to separate disclosure.

1. SEGMENTAL REPORTING (continued)

(a) Analysis by reporting segment

	2020 Revenue €m	2020 Net revenue €m	2020 Operating profit €m	2019 Revenue €m	2019 Net revenue €m	2019 Operating profit €m
Ireland	**327.1**	**227.7**	**40.5**	318.3	219.2	40.3
Great Britain	**516.9**	**334.1**	**44.9**	482.7	306.3	42.1
International	**38.8**	**37.9**	**6.4**	39.7	38.9	6.4
Matthew Clark and Bibendum (MCB)	**1,262.7**	**1,119.6**	**29.0**	1,156.6	1,010.5	15.7
Total before exceptional items	**2,145.5**	**1,719.3**	**120.8**	1,997.3	1,574.9	104.5
Exceptional items (note 5)	**-**	**-**	**(91.0)**	-	-	(7.8)
Group operating profit	**-**	**-**	**29.8**	-	-	96.7
Profit on disposal	**-**	**-**	**0.9**	-	-	-
Finance income (note 6)	**-**	**-**	**0.5**	-	-	0.1
Finance expense (note 6)	**-**	**-**	**(20.3)**	-	-	(15.7)
Share of equity accounted investments' profit after tax before exceptional items (note 13)	**-**	**-**	**3.1**	-	-	4.0
Share of equity accounted investments' exceptional items (note 5)	**-**	**-**	**(2.4)**	-	-	(3.3)
Total	**2,145.5**	**1,719.3**	**11.6**	1,997.3	1,574.9	81.8

Of the exceptional items in the current financial year of €91.0m, €7.2m relates to Ireland, €27.7m relates to Great Britain, €39.8m relates to International, €16.2m relates to MCB and €0.1m is unallocated as it does not relate to any particular segment. Of the exceptional items in the prior year of €7.8m, €0.8m related to Ireland, €1.1m related to Great Britain, €5.2m related to MCB, €0.2m related to International and €0.5m is unallocated as it does not relate to any particular segment.

Profit on disposal of €0.9m in the current financial year, €2.6m relates to the profit on disposal included within International offset by a loss with respect to the sale of Peppermint within MCB of €1.7m.

The share of equity accounted investments' profit after tax before exceptional items of €3.1m relates to Great Britain. In the prior financial year, the share of equity accounted investments' profit after tax of €4.0m related to Great Britain €3.9m and International €0.1m. The share of equity accounted investments' exceptional items of €2.4m relates to Great Britain (2019: €3.3m related to Great Britain).

Total assets for the year ended 29 February 2020 amounted to €1,441.9m (2019: €1,429.4m).

(b) Other operating segment information

	2020 Tangible and intangible expenditure €m	2020 Depreciation /amortisation / impairment €m	2019 Tangible and intangible expenditure €m	2019 Depreciation / amortisation / impairment €m
Ireland	**8.5**	**5.4**	6.0	7.6
Great Britain	**6.7**	**12.2**	10.2	4.4
International	**1.2**	**39.5**	1.8	1.3
Matthew Clark and Bibendum	**3.4**	**13.3**	4.1	2.6
Total	**19.8**	**70.4**	22.1	15.9

Notes forming part of the financial statements
(continued)

1. SEGMENTAL REPORTING (continued)

(c) Geographical analysis of revenue and net revenue

	Revenue 2020 €m	2019 €m	Net revenue 2020 €m	2019 €m
Ireland	**327.1**	318.3	**227.7**	219.2
Great Britain	**1,779.6**	1,639.3	**1,453.7**	1,316.8
International	**38.8**	39.7	**37.9**	38.9
Total	**2,145.5**	1,997.3	**1,719.3**	1,574.9

The geographical analysis of revenue and net revenue is based on the location of the third party customers.

(d) Geographical analysis of non-current assets

	Ireland €m	Great Britain €m	International €m	Total €m
29 February 2020				
Property, plant & equipment*	**73.6**	**136.5**	**13.3**	**223.4**
Goodwill & intangible assets	**158.5**	**469.2**	**25.2**	**652.9**
Equity accounted investments	**0.4**	**83.3**	**0.2**	**83.9**
Total	**232.5**	**689.0**	**38.7**	**960.2**

* Includes IFRS 16 Leases in the current financial year of €76.7m (note 18).

	Ireland €m	Great Britain €m	International €m	Total €m
28 February 2019				
Property, plant & equipment	64.2	65.5	14.8	144.5
Goodwill & intangible assets	159.2	466.4	58.1	683.7
Equity accounted investments	0.3	67.6	3.5	71.4
Total	223.7	599.5	76.4	899.6

The geographical analysis of non-current assets, with the exception of goodwill & intangible assets, is based on the geographical location of the assets. The geographical analysis of goodwill & intangible assets is allocated based on the country of destination of sales at the date of acquisition.

(e) Disaggregated net revenue

In the following table, net revenue is disaggregated by primary geographic market and by principal activities and products. Geography is the primary basis on which management reviews its businesses across the Group.

Principal activities and products Net revenue	2020 Ireland €m	Great Britain €m	International €m	Total €m
Own brand alcohol	**85.1**	**161.9**	**34.5**	**281.5**
Matthew Clark and Bibendum	**-**	**1,119.6**	**-**	**1,119.6**
Other sources*	**142.6**	**172.2**	**3.4**	**318.2**
Total Group from continuing operations	227.7	1,453.7	37.9	1,719.3

* Other sources include wholesale (excluding MCB), own label, contracts and non-alcoholic beverages (NABs) revenues.

1. SEGMENTAL REPORTING (continued)

Principal activities and products

Net revenue	Ireland €m	2019 Great Britain €m	International €m	Total €m
Own brand alcohol	90.6	155.5	35.7	281.8
Matthew Clark and Bibendum	-	1,010.5	-	1,010.5
Other sources*	128.6	150.8	3.2	282.6
Total Group from continuing operations	219.2	1,316.8	38.9	1,574.9

* Other sources include wholesale (excluding MCB), own label, contracts and non-alcoholic beverages (NABs) revenues.

2. OPERATING COSTS

	2020 Before exceptional items €m	2020 Exceptional items (note 5) €m	2020 Total €m	2019 Before exceptional items €m	2019 Exceptional items (note 5) €m	2019 Total €m
Raw material cost of goods sold/bought in finished goods	**1,280.5**	**-**	**1,280.5**	1,065.0	-	1,065.0
Inventory write-down (note 14)	**2.2**	**-**	**2.2**	3.2	-	3.2
Employee remuneration (note 3)	**144.4**	**3.0**	**147.4**	143.4	5.3	148.7
Direct brand marketing	**18.2**	**-**	**18.2**	18.0	-	18.0
Other operating, selling and administration costs	**119.6**	**50.4**	**170.0**	201.9	2.1	204.0
Foreign exchange	**0.1**	**-**	**0.1**	(0.9)	-	(0.9)
Depreciation (note 11) (note 18)	**30.3**	**-**	**30.3**	13.1	-	13.1
Amortisation (note 12)	**2.5**	**-**	**2.5**	2.4	-	2.4
Net profit on disposal of property, plant & equipment	**(0.2)**	**-**	**(0.2)**	(0.1)	-	(0.1)
Auditors remuneration	**0.9**	**-**	**0.9**	1.2	-	1.2
Impairment of intangible assets (note 12)	**-**	**36.6**	**36.6**	-	-	-
Revaluation/impairment of property, plant & machinery (note 11)	**-**	**1.0**	**1.0**	-	0.4	0.4
Operating lease rentals:						
– land & buildings	**-**	**-**	**-**	8.5	-	8.5
– plant & machinery	**-**	**-**	**-**	1.0	-	1.0
– other	**-**	**-**	**-**	13.7	-	13.7
Total operating expenses	**1,598.5**	**91.0**	**1,689.5**	1,470.4	7.8	1,478.2

(a) Auditor remuneration: In the current year, the remuneration of the Group's statutory auditor, being the Irish firm of the principal auditor of the Group, Ernst & Young, Chartered Accountants is as follows:-

	2020 €m	2019 €m
Audit of the Group financial statements	**0.9**	1.2
Total	**0.9**	1.2

The audit fee for the audit of the financial statements of the Company was less than €0.1m in the current and prior financial year. There were no non-audit fees paid to Ernst & Young during the current or prior financial year. Included in the amount above are amounts paid to other Ernst & Young offices in relation to subsidiary undertakings of €nil (2019: €0.6m).

Notes forming part of the financial statements
(continued)

3. EMPLOYEE NUMBERS & REMUNERATION COSTS

The average number of persons employed by the Group (including executive Directors) during the year, analysed by category, was as follows:-

	2020 Number	2019 Number
Sales & marketing	**599**	800
Production & distribution	**1,614**	1,867
Administration	**940**	577
Total	**3,153**	3,244

The actual number of persons employed by the Group as at 29 February 2020 was 3,061 (28 February 2019: 3,153).

The aggregate remuneration costs of these employees can be analysed as follows:-

	2020 €m	2019 €m
Wages, salaries and other short-term employee benefits	**121.5**	123.1
Restructuring costs (note 5)	**3.0**	5.3
Social welfare costs	**13.0**	12.6
Retirement benefits – defined benefit schemes (note 22)	**0.7**	0.9
Retirement benefits – defined contribution schemes, including pension related expenses	**5.6**	4.7
Equity settled share-based payments (note 4)	**2.5**	1.9
Other non-equity settled share-based payments and PRSI accrued with respect to share-based payments	**1.1**	0.2
Charged to the Income Statement	**147.4**	148.7
Actuarial loss on retirement benefits recognised in Other Comprehensive Income (note 22)	**4.4**	3.6
Total employee benefits	**151.8**	152.3

Directors' remuneration

	2020 €'m	2019 €'m
Directors' remuneration (note 27)	**5.1**	6.4

In addition to the amounts disclosed above, during the prior financial year, a Group subsidiary paid fees for services to Joris Brams BVBA (a company wholly owned by Joris Brams and family) see further details disclosed in note 27 Related Party Transactions.

4. SHARE-BASED PAYMENTS

Equity settled awards

In July 2015, the Group established an equity settled **Executive Share Option Scheme (ESOS 2015)** under which options to purchase shares in C&C Group plc are granted to certain executive Directors and members of management. Under the terms of the scheme, the options are exercisable at the market price prevailing at the date of the grant of the option.

Options were granted in May 2016, June 2017, November 2017 and May 2018 under this scheme. The vesting of these awards is based on compound annual growth in underlying EPS over a three year performance period, commencing in the financial year when an award is granted. If compound annual growth in underlying EPS over the performance period is 3% per annum with respect to the May 2016 awards or 2% per annum for all awards thereafter, then 25% of the awards vest. If the compound annual growth in underlying EPS over the performance period is 6% per annum then 100% of the awards vest. There is straight-line vesting between both points and no reward for below threshold performance. Options granted in May 2016 were deemed to have partially achieved their performance conditions and consequently 65.4% vested. Options granted in 2017 have achieved their performance conditions and therefore vest in full.

In July 2015, the Group established a **Long-Term Incentive Plan (Part I) (LTIP 2015 (Part I))** under the terms of which options to purchase shares in C&C Group plc are granted at nominal cost to certain executive Directors and members of management. Options have been granted under this scheme since May 2016. All such awards granted are subject to the following three performance conditions:

- 33% of the award is subject to compound annual growth in underlying EPS over the three year performance period. If compound annual growth in underlying EPS over the performance period is 3% per annum then 25% of the awards vest. If the compound annual growth in underlying EPS over the performance period is 8% per annum then 100% of the awards vest.
- 33% of the award is subject to the performance condition that the Free Cash Flow Conversion ratio ('FCF') of the Group (excluding the impact of exceptional items) would be 65% conversion, over the three year performance period, at which case 25% of this element of the award would vest. If the FCF was 75% then 100% of this element of the award would vest.
- 33% of the award is subject to a Return on Capital Employed ('ROCE') target. If the ROCE is 9.3% then 25% of this element of the award would vest. If the ROCE was 10% then 100% of this element of the award would vest.

In all three components of the performance conditions of the LTIP 2015 (Part I) there is straight-line vesting between both points and no reward for below threshold performance. Options granted in May 2016 were deemed to have partially achieved their performance conditions and consequently 62.4% vested. Options granted in 2017 have achieved their performance conditions and therefore vest in full.

If awards are made to an individual under both the ESOS 2015 and the LTIP 2015 (Part I) in respect of the same financial year the overall maximum award, other than in exceptional circumstances, will be capped at 250% of salary. In exceptional circumstances the maximum combined ESOS 2015 and LTIP 2015 (Part I) award in respect of any financial year is 500% of salary.

In June 2010, the Group established a **Recruitment and Retention Plan ("R&R")** under the terms of which options to purchase shares in C&C Group plc at nominal cost are granted to certain members of management, excluding executive Directors.

The performance conditions and/or other terms and conditions for awards granted under this plan are specifically approved by the Board of Directors at the time of each individual award, following a recommendation by the Remuneration Committee. Performance conditions vary per award but include, some or all, of the following conditions; continuous employment, performance targets linked to the business unit to which the recipient is aligned or a requirement to have a personal shareholding of the Company stock at the end of the performance period.

Obligations arising under the Recruitment and Retention Plan will be satisfied by the purchase of existing shares on the open market. On settlement, any difference between the amount included in the Share-based payment reserve account and the cash paid to purchase the shares is recognised in retained income via the Statement of Changes in Equity.

In February 2019, the Group established a **Deferred Bonus Plan ("DFP")** under the terms of which options to purchase shares in C&C Group plc at nominal cost are granted to certain members of management.

In the prior year, 13,513 awards were granted in February 2019 under the DFP. Awards are subject to a continuous employment performance condition only, and if achieved, will vest in February 2021.

Notes forming part of the financial statements
(continued)

4. SHARE-BASED PAYMENTS (continued)

In November 2011, the Group set up **Partnership and Matching Share Schemes** for all ROI and UK based employees of the Group under the approved profit sharing schemes referred to below. Under these schemes, employees can invest in shares in C&C Group plc (partnership shares) that will be matched on a 1:1 basis by the Company ("matching shares") subject to Revenue approved limits. Both the partnership and matching shares are held on behalf of the employee by the Scheme trustee, Link Group Limited (previously Capita Corporate Trustees Limited). The shares are purchased on the open market on a monthly basis at the market price prevailing at the date of purchase with any remaining cash amounts carried forward and used in the next share purchase. The shares are held in trust for the participating employee, who has full voting rights and dividend entitlements on both partnership and matching shares. Matching shares may be forfeited and/or tax penalties may apply if the employee leaves the Group or removes their partnership shares within the Revenue-stipulated vesting period. The Revenue stipulated vesting period for matching shares awarded under the ROI scheme is three years and under the UK scheme is five years.

The Group held 298,016 matching shares (596,032 partnership and matching) in trust at 29 February 2020 (2019: 266,632 matching shares (533,264 partnership and matching shares held)).

In the current financial year the Group, recognising that some employees of Matthew Clark and Bibendum ("MCB"), which the Group acquired in the prior financial year, had previously lost money in a share scheme operated by the previous owners of MCB and prior to MCB being acquired by the Group, committed to allocating to those employees, C&C Group plc shares in May 2021, equivalent in value to the amount they had lost in the share scheme of the previous owners of MCB. The employees must also be investing in the Group's partnership and matching share scheme to qualify for the award.

Award valuation

The fair values assigned to the equity settled awards granted were computed in accordance with a Black Scholes valuation methodology.

As per IFRS 2 *Share-based Payment*, non-market or performance related conditions were not taken into account in establishing the fair value of equity instruments granted, instead these non-market vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately the amount recognised for time and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest, unless the failure to vest is due to failure to meet a market condition.

The main assumptions used in the valuations for equity settled share-based payment awards granted in the current and prior financial years were as follows:-

	LTIP options granted Dec 19	LTIP options granted May 19	R&R options granted Dec 19	R&R options granted Feb 20	DBP options granted Feb 19	R&R options granted Feb 19	R&R options granted Feb 19	R&R options granted Jun 18	LTIP options granted Feb 19	LTIP options granted Jan19	LTIP options granted May 18	ESOS options granted May 18
Fair value at date of grant	€4.66	€3.71	€4.27	€4.17	€3.05	€2.64	€2.77	€2.908	€3.05	€3.30	€2.99	€0.255
Exercise price	-	-	-	-	-	-	-	-	-	-	-	€2.99
Risk free interest rate	0.63%	0.63%	0.63%	0.55%	0.76%	0.78%	0.76%	0.51%	-	-	-	0.65%
Expected volatility	24.9%	24.5%	24.9%	25.3%	25.0%	23.15%	22.89%	21.77%	-	-	-	21.44%
Expected term until exercise –years	2.5	5	2.5	2.3	2	3	2	1	3	5	3	3
Dividend yield	-	-	3.40%	3.57%	-	4.82%	4.82%	4.78%	-	-	-	4.88%

Expected volatility is calculated by reference to historic share price movements prior to the date of grant over a period of time commensurate with the expected term until exercise. The dividends which would be paid on a share reduces the fair value of an award since, in not owning the underlying shares, a recipient does not receive the dividend income on these shares. For LTIP 2015 (Part I) awards, the participants are entitled to receive dividends, and therefore the dividend yield has been set to zero to reflect this.

4. SHARE-BASED PAYMENTS (continued)

Details of the share entitlements and share options granted under these schemes together with the share option expense are as follows:-

Grant date	Vesting period	Number of options/ equity Interests granted	Number outstanding at 29 February 2020	Grant price €	Market value at date of grant €	Fair value at date of grant €	Expense / (income) in Income Statement 2020 €m	2019 €m
Executive Share Option Scheme (ESOS 2015)								
12 May 2016	3 years	593,700	175,492	4.18	4.041	0.4245	**-**	-
1 June 2017	3 years	830,702	558,844	3.40	3.364	0.328	**0.1**	0.1
13 November 2017	3 years	246,211	246,211	2.93	2.880	0.219	**-**	-
31 May 2018	3 years	939,466	472,398	2.99	2.99	0.255	**-**	0.1
Long-Term Incentive Plan 2015 (Part I)								
12 May 2016	3 years	395,800	111,806	-	4.041	4.041	**-**	0.1
1 June 2017	3 years	553,799	372,561	-	3.364	3.364	**0.4**	0.4
1 August 2017	3 years	494,646	324,182	-	3.069	3.069	**0.1**	0.5
13 November 2017	3 years	164,140	164,140	-	2.880	2.880	**0.2**	0.2
31 May 2018	3 years	626,311	314,932	-	2.990	2.990	**0.1**	0.5
11 February 2019	3 years	478,343	395,763	-	3.05	3.05	**0.4**	-
23 May 2019	3 years	605,249	335,216	-	3.71	3.71	**0.3**	-
12 December 2019	3 years	293,961	293,961	-	4.66	4.66	**0.1**	-
Recruitment & Retention Plan								
21 May 2014	1–3 years	823,233	15,391	-	4.34	1.91–4.19	**-**	-
30 October 2015	2 years	490,387	22,915	-	3.60	3.27–3.53	**-**	-
12 May 2016	1.5–2.5 years	193,817	2,775	-	4.041	3.71–3.84	**-**	-
1 August 2017	1.8 years	64,469	16,636	-	2.8172	2.8172	**-**	-
11 February 2019	2 – 3 years	448,936	448,936	-	3.05	2.64 – 2.77	**0.4**	-
12 December 2019	2.5 years	446,081	446,081	-	4.66	4.27	**0.2**	-
18 February 2020	2 years	56,383	56,383	-	4.52	4.17	**-**	-
Deferred Bonus Plan								
11 February 2019	2 years	13,513	13,513	-	3.05	3.05	**-**	-
		8,759,147	**4,788,136**				**2.3**	1.9
MCB compensation awards							**0.2**	-
							2.5	1.9
Partnership and Matching Share Schemes		596,032*					**0.3**	0.2

* Includes both partnership and matching shares.

The amount charged to the Income Statement includes a credit of €0.5m (2019: €nil), being the reversal of previously expensed charges on equity settled option schemes where the non-market performance conditions were deemed no longer likely to be achieved or the employee has left the Company.

Notes forming part of the financial statements
(continued)

4. SHARE-BASED PAYMENTS (continued)

A summary of activity under the Group's equity settled share option schemes with the weighted average exercise price of the share options is as follows:-

	2020 Number of options/ equity Interests	2020 Weighted average exercise price €	2019 Number of options/ equity Interests	2019 Weighted average exercise price €
Outstanding at beginning of year	**5,491,198**	**1.33**	3,250,587	1.39
Granted/correction to opening balance	**1,415,187**	**-**	2,708,599	1.04
Exercised	**(259,166)**	**1.40**	(64,445)	-
Forfeited/lapsed	**(1,859,083)**	**1.16**	(403,543)	-
Outstanding at end of year	**4,788,136**	**1.00**	5,491,198	1.33

The aggregate number of share options/equity Interests exercisable at 29 February 2020 was 345,015 (2019: 113,045).

The unvested share options/equity Interests outstanding at 29 February 2020 have a weighted average vesting period outstanding of 1.3 years (2019: 1.8 years). The weighted average contractual life outstanding of vested and unvested share options/equity Interests is 7.1 years (2019: 7.5 years).

The weighted average market share price at date of exercise of all share options/equity Interests exercised during the year was €4.39 (2019: €3.11); the average share price for the year was €4.03 (2019: €3.17); and the market share price as at 29 February 2020 was £3.28 or €3.84 euro equivalent (28 February 2019: €3.06 or £2.63 sterling equivalent).

5. EXCEPTIONAL ITEMS

	2020 €m	2019 €m
Operating costs		
COVID-19 (a)	**(47.6)**	-
Impairment of intangible assets (b)	**(34.2)**	-
Contract termination (c)	**(4.4)**	-
Restructuring costs (d)	**(3.0)**	(5.3)
Impairment of property, plant & equipment (e)	**(1.0)**	(0.4)
Acquisition related expenditure (f)	**(0.2)**	(2.1)
Other (g)	**(0.6)**	-
Operating profit exceptional items	**(91.0)**	(7.8)
Profit on disposal (h)	**0.9**	-
Share of equity accounted investments' exceptional items (i)	**(2.4)**	(3.3)
Total loss before tax	**(92.5)**	(11.1)
Income tax credit (j)	**9.8**	1.1
Total loss after tax	**(82.7)**	(10.0)

(a) COVID-19

The Group has accounted for the COVID-19 pandemic as an adjusting event in the current financial year and has incurred an exceptional charge of €47.6m at 29 February 2020 in this regard. In light of the closure of on-trade premises in both Ireland and the UK, the Group reviewed the recoverability of its debtor book and advances to customers and booked an expected credit loss provision directly associated with COVID-19 of €19.4m and €5.8m respectively. The Group also reviewed the stock balances and in particular stock that was due to expire in the short to medium term and booked a provision of €10.6m. The balance of €11.8m relates to trade and marketing contracts now deemed to be onerous of €9.4m and the write off of an IT intangible asset where the project will now not be completed, as a direct consequence of COVID-19, of €2.4m.

5. EXCEPTIONAL ITEMS (continued)

(b) Impairment of intangible assets
To ensure that goodwill and brands considered to have an indefinite useful economic life are not carried at above their recoverable amount, impairment reviews are performed annually or more frequently if there is an indication that their carrying amount(s) may not be recoverable, comparing the carrying value of the assets with their recoverable amount using value-in-use computations.

With regard to the Group's North America segment and in particular the Woodchuck suite of brands, the projected cash flows no longer supported the carrying value of the brand and an impairment of €34.1m was taken at 29 February 2020. Despite some signs of volume growth last summer on the back of innovation launches, the Woodchuck brands continue to struggle in an ever more crowded market place. The overall Cider category remains under pressure and is declining in value terms. The success of the relatively new Hard Seltzers' category in particular has squeezed other categories and resulted in less space being made available for our brands. In the short and medium term the outlook is not positive for growth in Cider in the US and the COVID-19 crisis and linked restrictions has further restricted our ability to innovate and trade our way back to sustainable profit growth.

An impairment of €0.1m was taken with respect to the Group's Matthew Clark Bibendum cash generating unit directly attributable to a discontinued brand.

(c) Contract termination
During the current financial year, the Group terminated a number of its long term apple contracts incurring a cost of €4.4m. These apple contracts were deemed surplus to requirements.

(d) Restructuring costs
Restructuring costs of €3.0m were incurred in the current financial year. These costs were primarily relating to severance costs arising from the acquisition and subsequent integration of Matthew Clark and Bibendum of €2.3m. Restructuring costs of €0.5m related to the centralisation of accounting services. Other restructuring initiatives across the Group in the current financial year resulted in a further charge of €0.2m.

In the prior financial year, restructuring costs of €5.3m were incurred primarily relating to severance costs arising from the acquisition and subsequent integration of Matthew Clark and Bibendum and the previously acquired Orchard Pig into the Group, of €3.4m and €0.5m respectively. Other restructuring initiatives across the Group in the prior financial year resulted in a further charge of €1.4m.

(e) Impairment of property, plant & equipment
Property (comprising land and buildings) and plant & machinery are valued at fair value on the Balance Sheet and reviewed for impairment on an annual basis. During the current financial year, as outlined in detail in note 11, the Group engaged external valuers to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow), Vermont (USA) and Portugal sites, along with the Group's various Depots. Using the valuation methodologies, this resulted in a net revaluation loss of €1.0m accounted for in the Income Statement and a gain of €1.1m accounted for within Other Comprehensive Income.

In the prior financial year, the Group took the decision to impair an element of its IT system at a cost of €0.4m which had become redundant following a system upgrade.

(f) Acquisition related expenditure
During the current financial year, the Group incurred €0.2m of costs associated with a previous acquisition.

During the prior financial year, the Group incurred €2.1m of acquisition and integration related costs, primarily with respect to professional fees associated with the acquisition and subsequent integration of Matthew Clark and Bibendum into the Group.

(g) Other
Other costs of €0.6m were incurred during the current financial year with respect to incremental costs related to the dual running of warehouse management systems in Scotland due to system implementation delays.

Notes forming part of the financial statements
(continued)

5. EXCEPTIONAL ITEMS (continued)

(h) Profit on disposal
During the current financial year, the Group disposed of its equity accounted investment in a Canadian company for cash proceeds of €6.1m, realising a profit of €2.6m on disposal. Also during the current financial year, the Group disposed of its investment and non-controlling interest in Peppermint Events Limited at a loss of €1.7m.

(i) Share of equity accounted investments' exceptional items
Property within Admiral Taverns are valued at fair value on the Balance Sheet, the result of the fair value exercise at 29 February 2020 resulted in a revaluation loss (the Group's share of this loss equated to €2.7m) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €3.7m) accounted for within Other Comprehensive Income. Also, during the current financial year, the Group invested a further €10.7m which gave rise to capital duties to be expensed in relation to the acquisition (the Group's share of this expense was €2.9m). This was offset by recognition of the Group's share of an adjustment made by the investee to recognise a higher deferred tax asset in respect of timing differences on fixed assets in respect of prior years (the Group's share of this gain was €3.2m). See note 13 for further details.

In the prior financial year, the result of the fair value exercise at 28 February 2019 resulted in a revaluation loss (the Group's share of this loss equated to €3.3m) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €7.1m) accounted for within Other Comprehensive Income.

(i) Income tax credit
The tax credit in the current financial year with respect to exceptional items amounted to €9.8m (2019: €1.1m).

6. FINANCE INCOME AND EXPENSE

	2020 €m	2019 €m
Recognised in Income Statement		
Finance income:		
Interest income	**0.5**	0.1
Total finance income	**0.5**	0.1
Finance expense:		
Interest expense	**(12.8)**	(12.4)
Other finance expense	**(3.9)**	(2.7)
Interest on lease liabilities	**(3.6)**	-
Ineffective proportion of cash flow hedge	**-**	(0.3)
Unwinding of discount on provisions	**-**	(0.3)
Total finance expense	**(20.3)**	(15.7)
Net finance expense	**(19.8)**	(15.6)

	2020 €m	2019 €m
Recognised directly in Other Comprehensive Income		
Foreign currency translation differences arising on the net investment in foreign operations	**1.4**	13.2
Net income recognised directly in Other Comprehensive Income	**1.4**	13.2

7. INCOME TAX

(a) Analysis of charge in year recognised in the Income Statement

	2020 €m	2019 €m
Current tax:		
Irish corporation tax	**2.2**	3.7
Foreign corporation tax	**9.6**	5.5
Adjustment in respect of previous years	**(2.7)**	(1.1)
	9.1	8.1
Deferred tax:		
Irish	**0.6**	0.3
Foreign	**(7.2)**	1.4
Adjustment in respect of previous years	**-**	(0.1)
	(6.6)	1.6
Total income tax expense recognised in Income Statement	**2.5**	9.7
Relating to continuing operations		
– continuing operations before exceptional items	**12.3**	10.8
– continuing operations exceptional items	**(9.8)**	(1.1)
Total	**2.5**	9.7

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the Republic of Ireland, as explained below.

	2020 €m	2019 €m
Profit before tax	**11.6**	81.8
Less: Group's share of equity accounted investments' profit after tax	**(0.7)**	(0.7)
Adjusted profit before tax	**10.9**	81.1
Tax at standard rate of corporation tax in the Republic of Ireland of 12.5%	**1.4**	10.1
Actual tax charge is affected by the following:		
Expenses not deductible for tax purposes	**10.8**	1.6
Adjustments in respect of prior years	**(2.7)**	(1.2)
Income taxed at rates other than the standard rate of tax	**(3.1)**	0.1
Other differences	**(4.1)**	(2.7)
Non-recognition of deferred tax assets	**0.2**	1.8
Total income tax	**2.5**	9.7

Notes forming part of the financial statements
(continued)

7. INCOME TAX (continued)

(b) Deferred tax recognised directly in Other Comprehensive Income

	2020 €m	2019 €m
Deferred tax arising on movement of derivatives designated as cash flow hedges	**0.3**	(0.3)
Deferred tax arising on revaluation of fixed assets reflected in revaluation reserve	**0.1**	-
Deferred tax arising on movement in retirement benefits	**(0.7)**	(0.3)
Total	**(0.3)**	(0.6)

(c) Factors that may affect future charges

Future income tax charges may be impacted by changes to the corporation tax rates and/or changes to corporation tax legislation in force in the jurisdictions in which the Group operates.

8. DIVIDENDS

	2020 €m	2019 €m
Dividends charged to Consolidated Income Statement:		
Final: paid 9.98c per ordinary share in July 2019 (2019: 9.37c paid in July 2018)	**30.8**	28.8
Interim: paid 5.50c per ordinary share in December 2019 (2019: 5.33c paid in December 2018)	**17.3**	16.7
Total equity dividends	**48.1**	45.5
Settled as follows:		
Paid in cash	**29.7**	36.0
Scrip dividend	**18.1**	9.2
Accrued with respect to LTIP 2015 (Part 1) dividend entitlements	**0.3**	0.3
	48.1	45.5

In order to achieve better alignment of the interest of share based remuneration award recipients with the interests of shareholders, shareholder approval was given at the 2012 AGM to a proposal that awards made and that vest under the LTIP 2015 (Part I) incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends during the vesting period. An amount of €0.3m (2019: €0.3m) was accrued during the current financial year in this regard.

As outlined in note 29, the Directors have decided that due to the Group's focus on cash conservation in the current environment of COVID-19, no final dividend has been proposed (2019: 9.98 cent). Total dividend for the year is therefore 5.50 cent per share (2019: 15.31 cent).

Total dividends of 15.48 cent per ordinary share were recognised as a deduction from the retained income reserve in the year ended 29 February 2020 (2019: 14.70 cent).

Final dividends on ordinary shares are recognised as a liability in the financial statements only after they have been approved at an Annual General Meeting of the Company. Interim dividends on ordinary shares are recognised when they are paid.

9. EARNINGS PER ORDINARY SHARE

Denominator computations

	2020 Number '000	2019 Number '000
Number of shares at beginning of year	**320,354**	317,876
Shares issued in lieu of dividend	**4,624**	3,055
Shares issued in respect of options exercised	**142**	-
Share repurchased and subsequently cancelled	**(5,625)**	(577)
Number of shares at end of year	**319,495**	320,354
Weighted average number of ordinary shares (basic)*	**308,906**	308,460
Adjustment for the effect of conversion of options	**1,690**	1,075
Weighted average number of ordinary shares, including options (diluted)	**310,596**	309,535

* Excludes 10.8m treasury shares (2019: 10.9m).

Profit attributable to ordinary shareholders

	2020 €m	2019 €m
Group profit for the financial year	**9.1**	72.1
Loss attributable to non-controlling interest	**-**	0.2
Profit attributable to equity holders of the parent	**9.1**	72.3
Adjustment for exceptional items, net of tax (note 5)	**82.7**	10.0
Earnings as adjusted for exceptional items, net of tax and non-controlling interest	**91.8**	82.3

	Cent	Cent
Basic earnings per share		
Basic earnings per share	**2.9**	23.4
Adjusted basic earnings per share	**29.7**	26.7
Diluted earnings per share		
Diluted earnings per share	**2.9**	23.4
Adjusted diluted earnings per share	**29.6**	26.6

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and accounted for as treasury shares (at 29 February 2020: 10.8m shares; at 28 February 2019: 10.9m shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period of the year that the options were outstanding.

Notes forming part of the financial statements
(continued)

9. EARNINGS PER ORDINARY SHARE (continued)

Employee share awards (excluding awards which were granted under plans where the rules stipulate that obligations must be satisfied by the purchase of existing shares (note 4)), which are performance-based are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. In accordance with IAS 33 *Earnings per Share*, these contingently issuable shares are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the reporting period (175,492 at 29 February 2020 and 1,222,812 at 28 February 2019). If dilutive other contingently issuable ordinary shares are included in diluted EPS based on the number of shares that would be issuable if the end of the reporting period was the end of the contingency period.

10. BUSINESS COMBINATIONS AND NON-CONTROLLING INTERESTS

Year ended 29 February 2020

In the current financial year, the Group disposed of its investment and non-controlling interest in Peppermint Events Limited which it acquired in the prior financial year as part of the acquisition of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiaries as outlined in further detail below (together "Matthew Clark and Bibendum"). A loss of €1.7m was incurred on disposal (note 5).

On disposal of Peppermint Events Limited the Group reversed the adjustment to Goodwill amounting to €0.6m for non-controlling interest.

Year ended 28 February 2019

On 4 April 2018, the Group acquired the entire share capital of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiary businesses, Catalyst, Peppermint (61% holding), Elastic and Walker & Wodehouse (together "Matthew Clark and Bibendum") for cash consideration of £1. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 13,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark also has a number of exclusive distribution agreements for third party products (mainly wines) into the UK market and also has a limited range of own brand wines. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

The Group had a non-controlling interest with respect to Peppermint, in which it had a 61% holding.

As outlined in the table below, the Group has recognised the non-controlling interest's proportionate share of net assets acquired, in which the carrying value approximates fair value.

Matthew Clark and Bibendum

The identifiable net assets acquired, including adjustments to final fair values were as follows:

10. BUSINESS COMBINATIONS AND NON-CONTROLLING INTERESTS (continued)

	Initial value assigned €m	Adjustment to initial fair value €m	Revised final fair value €m
ASSETS			
Non-current assets			
Goodwill (note 12)	-	103.5*	103.5
Property, plant & equipment (note 11)	4.3	-	4.3
Brands (note 12)	-	16.9	16.9
Intangible assets (note 12)	2.2	8.1	10.3
Deferred tax assets (note 21)	2.3	-	2.3
Total non-current assets	**8.8**	**128.5**	**137.3**
Current assets			
Cash	-	-	-
Inventories	61.2	-	61.2
Trade & other receivables	196.2	-	196.2
Current income tax asset	6.3	-	6.3
Current assets	**263.7**	**-**	**263.7**
LIABILITIES			
Trade & other payables	(274.3)	-	(274.3)
Borrowings	(116.5)	-	(116.5)
Provisions	(5.9)	-	(5.9)
Deferred tax liabilities (note 21)	-	(4.3)	(4.3)
Total liabilities	**(396.7)**	**(4.3)**	**(401.0)**
Net identifiable (liabilities)/assets acquired	(124.2)	124.2	-
Non-controlling interest/adjustment to goodwill	0.6	(0.6)*	-
Equity holder of the parent (liabilities)/assets acquired	(124.8)	124.8	-
Total	**(124.2)**	**124.2**	**-**
Satisfied by:			
Cash consideration	**-**	**-**	**-**
Analysis of cash flows on acquisition			
Transaction costs of the acquisition (included in cash flows from operating activities in the prior year)			**0.8**

*Total goodwill attributable to the equity holders of the parent on acquisition was €102.9m (€103.5m gross less non-controlling interest €0.6m).

The principle factor contributing to the recognition of goodwill on acquisition entered into by the Group is the realisation of cost savings and other synergies with existing entities in the Group, which do not qualify for separate recognition as intangible assets. The acquired brands, were valued at fair value on the date of acquisition in accordance with IFRS 3 *Business Combinations* by independent professional valuers. The brands identified as part of the acquisition were predominately the Matthew Clark and Bibendum brands. The deferred tax adjustment is recognised with respect to these intangible assets.

Notes forming part of the financial statements
(continued)

10. BUSINESS COMBINATIONS AND NON-CONTROLLING INTERESTS (continued)

Post-acquisition impact

The post-acquisition impact of acquisitions completed during the prior financial year on Group's prior year results was as follows:

	2019 €m
Revenue	**1,156.6**
Operating profit	**15.7**

The acquisition was completed on 4 April 2018, Operating profit of the Group for the financial year ended 28 February 2019 determined in accordance with IFRS as though the acquisition effected during the period had been at the beginning of the period would not have been materially different. The revenue of the Group for the financial year ended 28 February 2019 determined in accordance with IFRS as though the acquisition effected during the period had been at the beginning of the period would have been as follows:

	FY2019 acquisitions €m	C&C Group excluding FY2019 acquisitions €m	Pro-forma consolidated Group €m
Revenue	**1,287.2**	**840.7**	**2,127.9**

The gross contractual value of trade and other receivables as at the date of acquisition amounted to €196.2m. The fair value of these receivables is €196.2m, all of which is expected to be recoverable.

Acquisition of equity accounted investments

Details of the Group's equity accounted investments in the current and prior financial year are outlined in note 13.

11. PROPERTY, PLANT & EQUIPMENT

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Group				
Cost or valuation				
At 1 March 2018	86.5	179.2	72.7	338.4
Translation adjustment	1.5	1.9	1.4	4.8
Additions	1.4	12.5	5.1	19.0
Impairment of property, plant and equipment	-	-	(0.4)	(0.4)
Disposals	(0.5)	-	(0.1)	(0.6)
Reclassification to intangible assets (note 12)	-	(2.9)	(13.7)	(16.6)
Acquisition of Matthew Clark and Bibendum (note 10)	1.4	0.7	2.2	4.3
At 28 February 2019	90.3	191.4	67.2	348.9
Translation adjustment	**0.6**	**0.6**	**0.3**	**1.5**
Additions	**3.9**	**7.8**	**3.6**	**15.3**
Revaluation of property, plant & machinery	**2.2**	**(2.1)**	**-**	**0.1**
Group transfer reclassification	**1.5**	**(1.8)**	**0.3**	**-**
Disposals	**-**	**(0.6)**	**(4.2)**	**(4.8)**
At 29 February 2020	**98.5**	**195.3**	**67.2**	**361.0**
Depreciation				
At 1 March 2018	13.8	132.1	57.3	203.2
Translation adjustment	0.1	1.0	1.2	2.3
Disposals	(0.5)	-	(0.1)	(0.6)
Reclassification to intangible assets (note 12)	-	(1.1)	(12.5)	(13.6)
Charge for the year	1.6	6.4	5.1	13.1
At 28 February 2019	15.0	138.4	51.0	204.4
Translation adjustment	**0.1**	**0.2**	**0.2**	**0.5**
Disposals	**-**	**(0.5)**	**(3.1)**	**(3.6)**
Group transfer reclassification	**(0.1)**	**0.2**	**(0.1)**	**-**
Charge for the year	**1.8**	**4.9**	**6.3**	**13.0**
At 29 February 2020	**16.8**	**143.2**	**54.3**	**214.3**
Net book value				
At 29 February 2020	**81.7**	**52.1**	**12.9**	**146.7**
At 28 February 2019	75.3	53.0	16.2	144.5

Notes forming part of the financial statements
(continued)

11. PROPERTY, PLANT & EQUIPMENT (continued)

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Leased right-of-use assets				
At 29 February 2020, net carrying amount (note 18)	35.2	1.3	40.2	76.7
Total property, plant and equipment	**116.9**	**53.4**	**53.1**	**223.4**

No depreciation is charged on freehold land which had a book value of €14.0m at 29 February 2020 (28 February 2019: €13.0m).

Valuation of freehold land, buildings and plant & machinery - 29 February 2020

In the current financial year, the Group engaged the Real Estate & Capital Equipment Valuation team of PricewaterhouseCoopers LLP to value the Group's freehold land & buildings and plant & machinery at the Group's manufacturing facilities in Clonmel (Tipperary), Wellpark (Glasgow), and Vermont (USA) along with the Group's depots in Ireland and the Group's facility in Castel Branco in Portugal. The valuers are members of the Royal Institution of Chartered Surveyors with experience of undertaking property, plant and equipment valuations on a global basis.

Two methodologies were applied to value the land & buildings depending upon the type of asset. For specialised assets, such as the production facilities at Clonmel, Wellpark Brewery, Vermont and Portugal the Depreciated Replacement Cost approach has been applied. The distribution warehouses comprise standard distribution facilities with an active market and therefore they are valued using a market approach. The Depreciated Replacement Cost approach was also used to derive fair value for the plant & equipment at the Group's manufacturing facilities given their specialised nature.

The result of these external valuations, as at 29 February 2020, was an increase in the value of freehold land & buildings of €2.2m which €1.1m was credited to the P&L and €1.1m was credited to the revaluation reserve. The value of plant & machinery decreased by €2.1m which was expensed to the Income Statement as there was no previously recognised gain in the revaluation reserve against which to offset.

Valuation of freehold land, buildings and plant & machinery - 28 February 2019

In the prior financial year, for all freehold land & buildings and plant & machinery, an internal valuation was completed by the Directors as at 28 February 2019. As part of their valuation assessment, the Directors considered the following factors and their impact in determining year end valuation of the Group's property, plant & equipment:-

- market fluctuations of land and industrial property prices since the date of the last external valuation,
- fluctuations driven by market commodity prices, of the gross replacement cost of property, plant & machinery,
- projected asset utilisation rates based on FY2020 budgeted/forecasted production volumes,
- changes to functional and physical obsolescence of plant & machinery beyond that which would normally be expected, and continued appropriateness of the assumed useful lives of property, plant & machinery.

Having considered the above variables, the Directors estimated that the changes arising from market fluctuations and anticipated utilisation rates would not result in a material change to the valuation of the carrying value of these items of property, plant & equipment and hence no adjustment to their carrying value was deemed necessary in the prior financial year.

11. PROPERTY, PLANT & EQUIPMENT (continued)

Useful Lives

The following useful lives were attributed to the assets:

Asset category	Useful life
Tanks	30–35 years
Process equipment	20 -25 years
Bottling & packaging equipment	15–20 years
Process automation	10 years
Buildings	50 years

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Net book value (pre Leases)				
Carrying value at 29 February 2020 post revaluation	**81.7**	**52.1**	**12.9**	**146.7**
Carrying value at 29 February 2020 pre revaluation	**79.5**	**54.2**	**12.9**	**146.6**
Gain/(loss) on revaluation	**2.2**	**(2.1)**	**-**	**0.1**

29 February 2020 classified within:	
Income Statement	**(1.0)**
Other Comprehensive Income	**1.1**

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Net book value				
Carrying value at 28 February 2019 post revaluation	75.3	53.0	16.2	144.5
Carrying value at 28 February 2019 pre revaluation	75.3	53.0	16.2	144.5
Gain/(loss) on revaluation	-	-	-	-

Notes forming part of the financial statements
(continued)

11. PROPERTY, PLANT & EQUIPMENT (continued)

Fair value hierarchy

The valuations of freehold land & buildings and plant & machinery, excluding leases capitalised under IFRS 16 Leases, are derived using data from sources which are not widely available to the public and involve a degree of judgement. For these reasons, the valuations of the Group's freehold land & buildings and plant & machinery are classified as 'Level 3' as defined by IFRS 13 Fair Value Measurement, and as illustrated below:

	Carrying amount €m	Quoted prices Level 1 €m	Significant observable Level 2 €m	Significant unobservable Level 3 €m
Recurring measurements				
Freehold land & buildings measured at market value	**21.8**	**-**	**-**	**21.8**
Freehold land & buildings measured at depreciated replacement cost	**59.9**	**-**	**-**	**59.9**
Plant & machinery measured at depreciated replacement cost	**52.1**	**-**	**-**	**52.1**
At 29 February 2020	**133.8**	**-**	**-**	**133.8**

	Carrying amount €m	Quoted prices Level 1 €m	Significant observable Level 2 €m	Significant unobservable Level 3 €m
Recurring measurements				
Freehold land & buildings measured at market value	45.5	-	-	45.5
Freehold land & buildings measured at depreciated replacement cost	29.8	-	-	29.8
Plant & machinery measured at depreciated replacement cost	53.0	-	-	53.0
At 28 February 2019	128.3	-	-	128.3

Measurement techniques

The Group used the following techniques to determine the fair value measurements categorised in Level 3:

- The Group's depots are valued using a market value approach. The market value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- The Group's specialised assets such as the production facilities at Clonmel, Wellpark, Vermont and Portugal are valued using the depreciated replacement cost approach. Depreciated replacement cost is assessed, firstly, by the identification of the gross replacement cost for each class of asset at each of the Group's plants. A depreciation factor derived from both the physical and functional obsolescence of each class of asset, taking into account estimated residual values at the end of the life of each class of asset, is then applied to the gross replacement cost to determine the net replacement cost. An economic obsolescence factor, which is derived based on current and anticipated capacity or utilisation of each plant and machinery asset, at each of the Group's plants, as a function of total available production capacity, is applied to determine the depreciated replacement cost.

11. PROPERTY, PLANT & EQUIPMENT (continued)

Unobservable inputs

The significant unobservable inputs used in the market value measurement of land and buildings is as follows:

Valuation technique	Significant unobservable inputs	Range of unobservable inputs – Land ('000)	Range of unobservable inputs – Buildings	Relationship of unobservable inputs to fair value
Comparable market transactions	Price per square foot/ acre			The higher the price per square foot/acre, the higher the fair value.
	Republic of Ireland	€33–€477 per hectare	€17–€44 per square meter	
	United States	$39 per acre	$48 per square foot	
	United Kingdom	£175-£225 per acre	£14 to £46 per square foot	

The significant unobservable inputs used in the depreciated cost measurement of freehold land & buildings and plant & machinery are as follows:-

Gross replacement cost adjustment	Increase in gross replacement cost of 0% (2019: 0%), based on management's judgment supported by discussions with valuers
Economic obsolescence adjustment factor	Economic obsolescence, considered on an asset by asset basis, for each plant, ranging from 0% to 100% (2019: 0% to 100%). The weighted average obsolescence factor by site is as follows: Cidery, Ireland – 24%; Brewery Scotland – 4% and Cidery, United States – 41%
Physical and functional obsolescence adjustment factor	Adjustment for changes to physical and functional obsolescence ranging from 49% to 76% (2019: nil)

The carrying value of depot freehold land & buildings located would increase/(decrease) by €1.1m if the comparable open market value increased/(decreased) by 5%.

The carrying value of freehold land & buildings which is valued on the depreciated replacement cost basis, would increase/(decrease) by €1.3m if the economic obsolescence adjustment factor was increased/(decreased) by 5%. The estimated carrying value of the same land & buildings would increase/(decrease) by €0.9m if the gross replacement cost was increased/(decreased) by 2%.

The carrying value of plant & machinery in the Group which is valued on the depreciated replacement cost basis, would increase/(decrease) by €3.7m if the economic obsolescence adjustment factor was increased/(decreased) by 5%. If the gross replacement cost was increased/(decreased) by 2% the carrying value of the Group's plant & machinery would increase/(decrease) by €0.8m.

Company

The Company has no property, plant & equipment.

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS

	Goodwill €m	Brands €m	Other intangible assets €m	Total €m
Cost				
At 1 March 2018	494.7	300.2	4.5	799.4
Acquisition of Matthew Clark and Bibendum (note 10)	102.9	16.9	10.3	130.1
Additions	-	-	3.1	3.1
Reclassification from property, plant & equipment (note 11)	-	-	16.6	16.6
Translation adjustment	3.6	5.0	0.2	8.8
At 28 February 2019	601.2	322.1	34.7	958.0
Additions	**-**	**-**	**4.5**	**4.5**
Write-back relating to non-controlling interest	**0.6**	**-**	**-**	**0.6**
Disposals	**-**	**-**	**(0.1)**	**(0.1)**
Translation adjustment	**1.1**	**2.0**	**0.1**	**3.2**
At 29 February 2020	**602.9**	**324.1**	**39.2**	**966.2**
Amortisation and impairment				
At 1 March 2018	76.2	180.4	1.7	258.3
Reclassification from property, plant & equipment (note 11)	-	-	13.6	13.6
Amortisation charge for the year	-	-	2.4	2.4
At 28 February 2019	76.2	180.4	17.7	274.3
Disposals	**-**	**-**	**(0.1)**	**(0.1)**
Impairment charge for the year	**-**	**34.2**	**2.4**	**36.6**
Amortisation charge for the year	**-**	**-**	**2.5**	**2.5**
At 29 February 2020	**76.2**	**214.6**	**22.5**	**313.3**
Net book value				
At 29 February 2020	**526.7**	**109.5**	**16.7**	**652.9**
At 28 February 2019	525.0	141.7	17.0	683.7

12. GOODWILL & INTANGIBLE ASSETS (continued)

Goodwill

Goodwill has been attributed to cash generating units (as identified under IAS 36 Impairment of Assets) as follows:

	Ireland €m	Scotland €m	C&C Brands €m	North America €m	Export €m	MCB €m	Total €m
At 1 March 2018	154.5	58.5	180.3	9.2	16.0	-	418.5
Acquisition of Matthew Clark and Bibendum (note 10)	-	-	-	-	-	102.9	102.9
Translation adjustment	-	1.0	0.5	-	-	2.1	3.6
At 28 February 2019	154.5	59.5	180.8	9.2	16.0	105.0	525.0
Write-back relating to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**0.6**	**0.6**
Translation adjustment	**-**	**0.3**	**0.1**	**-**	**-**	**0.7**	**1.1**
At 29 February 2020	**154.5**	**59.8**	**180.9**	**9.2**	**16.0**	**106.3**	**526.7**

Goodwill consists both of goodwill capitalised under Irish GAAP which at the transition date to IFRS was treated as deemed cost and goodwill that arose on the acquisition of businesses since that date which was capitalised at cost and subsequently at fair value and represents the synergies arising from cost savings and the opportunity to utilise the extended distribution network of the Group to leverage the marketing of acquired products.

In line with IAS 36 *Impairment of Asset*s goodwill is allocated to each cash generating unit which is expected to benefit from the combination synergies. These CGU's represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

All goodwill is regarded as having an indefinite life and is not subject to amortisation under IFRS but is subject to annual impairment testing.

On disposal of Peppermint Events Limited the Group reversed the adjustment to Goodwill amounting to €0.6m for non-controlling interest.

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

Brands

Brands are expected to generate positive cash flows for as long as the Group owns the brands and have been assigned indefinite lives.

Capitalised brands include the Tennent's beer brands and the Gaymers cider brands acquired during the financial year ended 28 February 2010, Vermont Hard Cider Company cider brands and Waverley wine brands acquired during the financial year ended 28 February 2013.

The Tennent's, Gaymers and Vermont Hard Cider Company brands were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 (2008) *Business Combinations* by independent professional valuers. The Waverley wine brands were valued at cost.

The carrying value of the Tennent's beer brand as at 29 February 2020 amounted to €75.0m (2019: €74.6m) and has an indefinite life which is subject to annual impairment testing. The movement in the current financial year is due to currency exchange.

In the prior financial year, as a result of the acquisition of Matthew Clark and Bibendum the Group acquired brands which were valued at fair value on the date of acquisition in accordance with IFRS 3 *Business Combinations* by independent professional valuers. The brands identified as part of the acquisition were predominantly the Matthew Clark and Bibendum brand. The brands have an indefinite life and are subject to annual impairment testing.

The carrying amount of brands with indefinite lives are allocated to operating segments as follows:-

	Great Britain €m	International €m	MCB €m	Total €m
At 28 February 2018	89.1	30.7	-	119.8
Acquisition of Matthew Clark and Bibendum (note 10)	-	-	16.9	16.9
Translation adjustment	2.6	2.1	0.3	5.0
At 28 February 2019	91.7	32.8	17.2	141.7
Impairment charge for the year	**-**	**(34.1)**	**(0.1)**	**(34.2)**
Translation adjustment	**0.6**	**1.3**	**0.1**	**2.0**
At 29 February 2020	**92.3**	**-**	**17.2**	**109.5**

The brands are protected by trademarks, which are renewable indefinitely in all major markets where they are sold and it is the Group's policy to support them with the appropriate level of brand advertising. In addition, there are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands. Accordingly, the Directors believe that it is appropriate that the brands be treated as having indefinite lives for accounting purposes.

No intangible assets were acquired by way of government grant, there is no title restriction on any of the capitalised intangible assets and no intangible assets are pledged as security. There are no contractual commitments in relation to the acquisition of intangible assets at year end.

In the current financial year, the Group recognised an impairment charge of €34.1m relating to the North America cash generating unit and €0.1m relating to Matthew Clarke Bibendum cash generating unit as outlined in further detail below.

12. GOODWILL & INTANGIBLE ASSETS (continued)

Other intangible assets

Other intangible assets have been attributed to operating segments (as identified under IFRS 8 *Operating Segments*) as follows:

	Ireland €m	Great Britain €m	International €m	MCB €m	Total €m
Cost					
At 1 March 2018	2.0	2.5	-	-	4.5
Additions	1.7	-	-	1.4	3.1
Arising on acquisition of Matthew Clark and Bibendum (note 10)	-	-	-	10.3	10.3
Reclassification from property, plant & equipment (note 11)	3.1	13.2	0.3	-	16.6
Translation adjustment	-	0.1	-	0.1	0.2
At 28 February 2019	6.8	15.8	0.3	11.8	34.7
Additions	**-**	**2.1**	**-**	**2.4**	**4.5**
Disposals	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Translation adjustment	**-**	**-**	**-**	**0.1**	**0.1**
At 29 February 2020	**6.8**	**17.9**	**0.3**	**14.2**	**39.2**
Amortisation and impairment					
At 1 March 2018	0.5	1.2	-	-	1.7
Reclassification from property, plant & equipment (note 11)	1.1	12.3	0.2	-	13.6
Amortisation charge for the year	0.5	0.7	-	1.2	2.4
At 28 February 2019	2.1	14.2	0.2	1.2	17.7
Disposals	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Impairment charge for the year	**-**	**-**	**-**	**2.4**	**2.4**
Amortisation charge for the year	**0.7**	**0.2**	**0.1**	**1.5**	**2.5**
At 29 February 2020	**2.8**	**14.4**	**0.3**	**5.0**	**22.5**
Net book value					
At 29 February 2020	**4.0**	**3.5**	**-**	**9.2**	**16.7**
At 28 February 2019	4.7	1.6	0.1	10.6	17.0

At year end, the Group wrote off an IT intangible asset where the project will now not be completed, as a direct consequence of COVID-19 of €2.4m.

In the prior year, due to the acquisition of Matthew Clark and Bibendum, the Group acquired trade relationships which were valued at fair value at the date of acquisition in accordance with the requirements of IFRS 3 *Business Combinations* by independent professional valuers. These trade relationships have a finite life and are subject to amortisation on a straight-line basis.

Other intangible assets also comprise the fair value of trade relationships acquired as part of the acquisition of TCB Wholesale during FY2015, the Gleeson trade relationships acquired during FY2014 and 20 year distribution rights for third party beer products acquired as part of the acquisition of the Tennent's business during FY2010. These were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 (2008) Business Combinations by independent professional valuers. The intangible assets have a finite life and are subject to amortisation on a straight-line basis.

During the prior financial year, the Group reclassified assets from property, plant & equipment which were deemed to be more appropriately classified as intangible assets. This assets primarily related to software and licences.

The amortisation charge for the year ended 29 February 2020 with respect to intangible assets was €2.5m (2019: €2.4m).

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

Impairment testing

To ensure that goodwill and brands that are considered to have an indefinite useful economic life are not carried at above their recoverable amount, impairment testing is performed comparing the carrying value of the assets with their recoverable amount using value-in-use computations. Impairment testing is performed annually or more frequently if there is an indication that the carrying amount may not be recoverable. Where the value-in-use exceeds the carrying value of the asset, the asset is not impaired.

As permitted by IAS 36 *Impairment of Assets*, the value of the Group's goodwill has been allocated to groups of cash generating units, which are not larger than an operating segment determined in accordance with IFRS 8 *Operating Segments*. These business segments represent the lowest levels within the Group at which the associated goodwill is monitored for management purposes.

The recoverable amount is calculated using value-in-use computations based on estimated future cash flows discounted to present value using a discount rate appropriate to each cash generating unit and brand. Terminal values are calculated on the assumption that cash flows continue in perpetuity.

The key assumptions used in the value-in-use computations using level 3 inputs in accordance with fair value hierarchy are:-
- Expected volume, net revenue and operating profit growth rates – cash flows for each CGU and brand are based on detailed financial budgets and plans. These plans were recalculated post year end in light of COVID-19 and reflect the best estimate of the Group's projected cash flows over the next five years;
- Long-term growth rate – cash flows after the first five years were extrapolated using a long-term growth rate, on the assumption that cash flows for the first five years will increase at a nominal growth rate in perpetuity;
- Discount rate.

The key assumptions were based on management assessment of anticipated market conditions for each CGU both in the current financial year and over the next five years in light of COVID-19. A terminal growth rate of 1.75%-2.00% (2019: 1.75%-2.00%) in perpetuity was assumed based on an assessment of the likely long-term growth prospects for the sectors and geographies in which the Group operates. The resulting cash flows were discounted to present value using a range of discount rates between 5.6%-8.3% (2019: 6.0%-8.3%); these rates are in line with the Group's estimated pre-tax weighted average cost of capital for the three main geographies in which the Group operates (Ireland, Great Britain and North America), arrived at using the Capital Asset Pricing Model as adjusted for asset and country specific factors.

In formulating the budget the Group takes into account historical experience, an appreciation of its core strengths and weaknesses in the markets in which it operates and external factors such as macro-economic factors, inflation expectations by geography, regulation and expected changes in regulation (such as expected changes to duty rates and minimum pricing), market growth rates, sales price trend, competitor activity, market share targets and strategic plans and initiatives. The key macro-economic factor that influenced the cash flows was undoubtedly COVID-19 and the Group's assessment of how a recovery takes place.

With regard to the Group's North America segment and particular the Woodchuck suite of brands, the projected cash flows no longer supported the carrying value of the brand and an impairment of €34.1m was taken at 29 February 2020. Despite some signs of volume growth last summer on the back of innovation launches, the Woodchuck brands continue to struggle in an ever more crowded market place. The overall Cider category remains under pressure and is declining in value terms. The success of the relatively new Hard Seltzers' category in particular has squeezed other categories and resulted in less space being made available for our brands. In the short and medium term the outlook is not positive for growth in Cider in the US and the COVID-19 crisis and linked restrictions has further restricted our ability to innovate and trade our way back to sustainable profit growth.

12. GOODWILL & INTANGIBLE ASSETS (continued)

The Group also booked an impairment of €0.1m with respect to the Group's Matthew Clark Bibendum cash generating unit directly related to a discontinued brand.

The Group has performed the detailed impairment testing calculations by cash generating unit's with the following discount rates being applied:

Market	Discount rate 2020	Discount rate 2019	Terminal growth rate 2020	Terminal growth rate 2019
Ireland	**7.25%**	8.3%	**2.00%**	2.00%
Scotland	**7.25%**	6.2%	**2.00%**	2.00%
C&C Brands	**7.25%**	6.2%	**2.00%**	2.00%
North America	**8.25%**	6.0%	**1.75%**	1.75%
Export	**5.6%**	6.2%	**2.00%**	2.00%
Matthew Clark Bibendum	**7.25%**	6.2%	**2.00%**	2.00%

The impairment testing carried out during the year led to an impairment charge of €34.1m (2019: €nil) to the North America cash generating unit as outlined above. All other segments had sufficient headroom.

Significant goodwill amounts

The goodwill allocated to Ireland, C&C Brands and MCB CGU's amount to 29% (2019: 29%), 34% (2019: 34%) and 20% (2019: 20%) of the total carrying amount of goodwill respectively.

	Ireland 2020	2019	C&C Brands 2020	2019	MCB 2020	2019
Goodwill allocated to the cash-generating unit at balance sheet date	**154.5**	154.5	**180.9**	180.8	**106.3**	105.0
Discount rate applied to the cash flow projections (real pre-tax)	**7.25%**	8.3%	**7.25%**	6.2%	**7.25%**	6.2%

Sensitivity analysis

In the current financial year, the impairment testing carried out as at 29 February 2020 identified headroom in the recoverable amount of the brands and goodwill compared to their carrying values with the exception of the Woodchuck suite of brands within the Group's North America cash generating unit.

The key sensitivities for the impairment testing are net revenue and operating profit assumptions, discount rates applied to the resulting cash flows and the expected long-term growth rates.

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

The value-in-use calculations indicate significant headroom in respect of all other cash generating units. The cash generating unit with the least headroom, is the C&C Brands cash generating unit although the headroom is in excess of €50m. The table below identifies the impact of a movement in the key inputs with respect to C&C Brands.

	2020 Movement %	2020 Increase/ (decrease on headroom €m
Increase/decrease in operating profit	2.5/(2.5)	7.0/(7.0)
Increase in discount rate	0.25	(10.2)
Decrease in discount rate	(0.25)	11.2
Increase in terminal growth rate	0.25	11.7
Decrease in terminal growth rate	(0.25)	(10.7)

The Group concludes that no reasonable movement in any of the underlying assumptions would result in a material impairment in any of the Group's cash generating units or brands.

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS

(a) Equity accounted investments – Group

	Joint ventures		Associates			
	Admiral Taverns €m	Drygate Brewing Company Limited €m	Canadian Investment €m	Whitewater Brewing Company Limited €m	Other €m	Total €m
Investment in equity accounted investments						
Carrying amount at 1 March 2018	57.9	0.2	3.3	0.3	-	61.7
Share of profit after tax	3.8	0.1	0.1	-	-	4.0
Share of exceptional loss after tax (note 5)	(3.3)	-	-	-	-	(3.3)
Share of Other Comprehensive Income	7.1	-	-	-	-	7.1
Translation adjustment	1.8	-	0.1	-	-	1.9
Carrying amount at 28 February 2019	67.3	0.3	3.5	0.3	-	71.4
Purchase price paid	10.7	-	-	-	0.5	11.2
Disposal	-	-	(3.5)	-	-	(3.5)
Share of profit after tax	3.1	-	-	0.1	(0.1)	3.1
Share of exceptional loss after tax (note 5)	(2.4)	-	-	-	-	(2.4)
Share of Other Comprehensive Income	3.7	-	-	-	-	3.7
Translation adjustment	0.4	-	-	-	-	0.4
Carrying amount at 29 February 2020	82.8	0.3	-	0.4	0.4	83.9

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (continued)

Summarised financial information for the Group's investment in joint ventures and associates which are accounted for using the equity method is as follows:

	Admiral Taverns* 2020 €m	Joint ventures 2020 €m	Associates 2020 €m	Admiral Taverns* 2019 €m	Joint ventures 2019 €m	Associates 2019 €m
Non-current assets	**417.7**	**2.6**	**3.3**	303.2	2.8	7.7
Current assets	**30.9**	**1.0**	**1.8**	37.0	1.0	4.5
Non-current liabilities	**(242.6)**	**(1.9)**	**(2.2)**	(168.5)	(2.0)	(6.5)
Current liabilities	**(32.5)**	**(1.3)**	**(1.0)**	(27.4)	(1.2)	(3.8)
Net assets	**173.5****	**0.4**	**1.9**	144.3	0.6	1.9
Revenue	**86.6**	**4.3**	**3.1**	77.4	4.8	17.4
Profit/(loss) before tax	**3.8**	**(0.2)**	**(0.2)**	8.5	0.1	1.0
Other Comprehensive Income	**7.7**	**-**	**-**	7.1	-	-

* Included in current assets for Admiral Taverns is cash and cash equivalents of €12.9m (2019: €22.2m). Admiral Taverns also had depreciation and amortisation of €8.6m (2019: €6.7m), net interest costs of €11.2m (2019: €10.9m) and tax charge of €2.3m (2019: €1.3m)

** Net assets of €173.5m by the Group's share in equity of 47.7% amounts to €82.8m which equates to the carrying amount in Admiral Taverns.

A listing of the Group's equity accounted investments is contained in note 28.

Admiral Taverns

On 6 December 2017, the Group entered into a joint venture arrangement for a 49.9% share in Brady P&C Limited ("Admiral Taverns"), a UK incorporate entity with Proprium Capital Partners (50.1%). Brady P&C Limited subsequently incorporated a UK company, Brady Midco Limited where Admiral management acquired 6.5% of the shares. Brady Midco Limited incorporated Brady Bidco Limited which acted as the acquisition vehicle to acquire the entire share capital of AT Brit Holdings Limited (trading as Admiral Taverns) on the 6 December 2017. The equity investment by the Group was £37.4m (€42.4 euro equivalent on date of investment) representing 46.65% of the issued share capital of Admiral Taverns. The Group has 50% representation on the board and no decision can be made without 100% agreement by all Directors. The Group determined that Admiral Taverns was to be accounted for as a Joint Venture. In FY2018, the Group recognised its provisional estimate of assets acquired. In the prior financial year the Group completed its final determination and the Group's share of assets acquired was calculated at £50.1m (€56.8m euro equivalent on date of investment). The most significant asset acquired was property and detailed fair value calculations were performed to determine the value of the property assets on acquisition; consideration was also given to the value of all other assets and liabilities on acquisition including deferred tax balances.

In the current financial year, Admiral management disposed of 2% of their shareholding which in turn increased C&C's shareholding from 46.65% to 47.7%.

In the current financial year, the share of profit before exceptional items of Admiral Taverns attributable to the Group was €3.1m. Property within Admiral Taverns are valued at fair value on the Balance Sheet, the result of the fair value exercise at 29 February 2020 resulted in a revaluation loss (the Group's share of this loss equated to €2.7m) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €3.7m) accounted for within Other Comprehensive Income. Also, during the current financial year, the Group invested a further €10.7m which gave rise to capital duties to be expensed in relation to the acquisition (the Group's share of this expense was €2.9m). This was offset by recognition of the Group's share of an adjustment made by the investee to recognise a higher deferred tax asset in respect of timing differences on fixed assets in respect of prior years (the Group's share of this gain was €3.2m).

In the prior financial year, the financial result of Admiral Taverns attributable to the Group included a share of profit before exceptional items of €3.8m, €3.3m exceptional loss in the Income Statement and a €7.1m revaluation gain recognised in Other Comprehensive Income.

Drygate Brewing Company Limited

In 2015, the Group entered into a joint venture arrangement with Heather Ale Limited, run by the Williams brothers who are recognised as leading family craft brewers in Scotland, to form a new entity Drygate Brewing Company Limited. The joint venture, which is run independently of the joint venture partners existing businesses, operates a craft brewing and retail facility adjacent to Wellpark brewery.

Notes forming part of the financial statements
(continued)

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (continued)

Canadian Investment

During the current financial year, the Group disposed of its equity accounted investment in a Canadian company for cash proceeds of €6.1m, realising a profit of €2.6m on disposal.

Whitewater Brewing Company Limited

On 20 December 2016, the Group acquired 25% of the equity share capital of Whitewater Brewing Company Limited, an Irish Craft brewer for £0.3m (€0.3m).

Other

During the current financial year, on 5 March 2019, the Group made a 10% investment in an English registered entity Jubel Limited, a craft beer producer for €0.3m (£0.3m).

In the current financial year, the Group made an additional investment in CVBA Braxatorium Parcensis of €0.2m following on from a less than €0.1m investment in the prior year. The Group has a 33% investment in the Belgium entity.

The Group also has an equity investment in Shanter Inns Limited, Beck & Scott (Services) Limited (Northern Ireland) and The Irish Brewing Company Limited (Ireland). The value of each of these investments is less than €0.1m in the current and prior financial year.

(b) Financial Assets – Company

	2020 €m	2019 €m
Equity investment in subsidiary undertakings at cost		
At beginning of year	**982.1**	980.2
Capital contribution in respect of share options granted to employees of subsidiary undertakings	**2.5**	1.9
At end of year	**984.6**	982.1

The total expense of €2.5m (2019: €1.9m) attributable to equity settled awards granted to employees of subsidiary undertakings has been included as a capital contribution in financial assets.

In the opinion of the Directors, the shares in the subsidiary undertakings are worth at least the amounts at which they are stated in the Balance Sheet. Details of subsidiary undertakings are set out in note 28.

14. INVENTORIES

	2020 €m	2019 €m
Group		
Raw materials & consumables	**46.2**	47.2
Finished goods & goods for resale	**99.6**	136.9
Total inventories at lower of cost and net realisable value	**145.8**	184.1

An analysis of the Group's cost of sale expense is provided in Note 2 to the financial statements.

Inventory write-down recognised within operating costs amounted to €2.2m (2019: €3.2m). The inventory write-down in the current financial year was with respect to breakages and write off of damaged and obsolete stock. The inventory write-down in the prior financial year of €3.2m was primarily due to the write-down of obsolete stock of €1.7m as a result of a change in a distribution company and the write-down of obsolete stock in our newly acquired distribution business of €1.5m due to a discontinued product. During the current financial year, the Group has reviewed the stock balances and in particular stock that was due to expire in the short to medium term and booked a provision of €10.6m as a result of COVID-19 (note 5).

15. TRADE & OTHER RECEIVABLES

	Group 2020 €m	2019 €m	Company 2020 €m	2019 €m
Amounts falling due within one year:				
Trade receivables	**93.1**	90.0	**-**	-
Amounts due from Group undertakings	**-**	-	**263.4**	346.0
Advances to customers	**21.6**	27.7	**-**	-
Prepayments and other receivables	**51.3**	44.9	**0.2**	0.2
	166.0	162.6	**263.6**	346.2
Amounts falling due after one year:				
Advances to customers	**23.1**	23.7	**-**	-
Prepayments and other receivables	**2.7**	2.0	**-**	-
	25.8	25.7	**-**	-
Total	**191.8**	188.3	**263.6**	346.2

Amounts due from Group undertakings are interest free and are all repayable on demand.

The Group manages credit risk through the use of a receivables purchase arrangement, for an element of its trade receivables. Under the terms of this arrangement, the Group transfers the credit risk, late payment risk and control of the receivables sold. This arrangement contributed €131.4m to Group cash (2019: €152.6m) at 29 February 2020. The Group's debtors would therefore have been €131.4m higher (2019: €152.6m) had the programme not being in place. The Group's trade receivables programme is not recognised on the balance sheet as it meets the de-recognition criteria under IFRS 9.

The aged analysis of trade receivables and advances to customers analysed between amounts that were neither past due nor impaired and amounts past due at 29 February 2020 and 28 February 2019 were as follows:-

	Trade receivables Gross 2020 €m	Impairment 2020 €m	Advance to customers Gross 2020 €m	Impairment 2020 €m	Total Gross 2020 €m	Impairment 2020 €m	Total Gross 2019 €m	Impairment 2019 €m
Group								
Neither past due nor impaired	**79.0**	**(17.2)**	**52.6**	**(8.4)**	**131.6**	**(25.6)**	112.7	(1.4)
Past due:-								
Past due 0-30 days	**15.9**	**(1.2)**	**-**	**-**	**15.9**	**(1.2)**	7.8	-
Past due 31-120 days	**10.3**	**(3.6)**	**0.1**	**(0.1)**	**10.4**	**(3.7)**	11.3	(0.7)
Past due 121-365 days	**8.4**	**(2.3)**	**0.3**	**(0.2)**	**8.7**	**(2.5)**	15.1	(3.4)
Past due more than one year	**9.1**	**(5.3)**	**2.1**	**(1.7)**	**11.2**	**(7.0)**	11.7	(11.7)
Total	**122.7**	**(29.6)**	**55.1**	**(10.4)**	**177.8**	**(40.0)**	158.6	(17.2)

Trade receivables, advances to customers and other receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance or impairment losses.

Specifically for advances to customers, any difference between the present value and the nominal amount at inception is treated as an advance of discount prepaid to the customer, and is recognised in the Income Statement in accordance with the terms of the agreement. The discount rate calculated by the Group is at least based on the risk-free rate plus a margin, which takes into account the risk profile of the customer. At 29 February 2020, the Group recognised an advance of discount prepaid.

Notes forming part of the financial statements
(continued)

15. TRADE & OTHER RECEIVABLES (continued)

The Group applies the simplified approach permitted by IFRS 9 *Financial Instruments* to measure expected credit losses for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables are assessed collectively in groups that share similar credit risk characteristics, such as customer segments, historical information on payment patterns, terms of payment and days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit loss experience. The historical loss rates are adjusted to reflect current and forward-looking information on customer specific and macroeconomic factors, which affect the ability of customers to settle receivables. COVID-19 had a material impact on the assessment of credit losses of the Group's receivables balances at year end and the Group booked an exceptional provision of €19.4m in this regard (note 5).

Regarding advances to customers, the Group applies the general approach to measure expected credit losses which requires a loss provision to be recognised based on twelve month or lifetime expected credit losses, provided a significant increase in credit risk has occurred since initial recognition. The Group assesses the expected credit losses for advances to customers based on historical information on payment patterns, monitoring customer ordering activities, concentration maturity, and information about the current or forecasted general economic conditions, which affect the ability of customers to settle advances. The credit risk on advances to customers can be reduced through the value of security and/or collateral given. COVID-19 had a material impact on the assessment of credit losses with regard to advances to customers at year end and the Group booked an exceptional provision of €5.8m in this regard (note 5).

Trade receivables are on average receivable within 21 days (2019: 18 days) of the balance sheet date, are unsecured and are not interest bearing. For more information on the Group's credit risk exposure refer to note 23.

The movement in the allowance for impairment in respect of trade receivables and advances to customers during the year was as follows:

	Trade receivables 2020 €m	Advance to customers 2020 €m	Total 2020 €m	Total 2019 €m
Group				
At beginning of year	**11.5**	**5.7**	**17.2**	13.3
Arising on acquisition	**-**	**-**	**-**	6.9
Recovered during the year	**(3.9)**	**-**	**(3.9)**	(6.5)
Provided during the year	**25.6**	**6.7**	**32.3**	6.3
Written off during the year	**(3.6)**	**(2.0)**	**(5.6)**	(2.7)
Translation adjustment	**-**	**-**	**-**	(0.1)
At end of year	**29.6**	**10.4**	**40.0**	17.2

At 29 February 2020, regarding the impact of the expected loss model on trade receivables and advances to customers, the Group has provided for expected credit losses over the next twelve months of €22.3m (2019: €1.4m) and expected lifetime losses of €17.7m (2019: €15.8m).

16. TRADE & OTHER PAYABLES

	Group 2020 €m	2019 €m	Company 2020 €m	2019 €m
Trade payables	**271.7**	225.7	**-**	-
Payroll taxes & social security	**3.1**	3.6	**-**	-
VAT	**23.9**	16.3	**-**	-
Excise duty	**21.9**	23.0	**-**	-
Accruals	**70.1**	67.7	**1.0**	0.6
Amounts due to Group undertakings	**-**	-	**302.5**	326.3
Total	**390.7**	336.3	**303.5**	326.9

Amounts due to Group undertakings are interest free and are payable on demand.

The Group's exposure to currency and liquidity risk related to trade & other payables is disclosed in note 23.

Company

The Company has entered into financial guarantee contracts to guarantee the indebtedness of the liabilities of certain of its subsidiary undertakings. As at 29 February 2020, the Directors consider these to be in the nature of insurance contracts and do not consider it probable that the Company will have to make a payment under these guarantees and as such discloses them as a contingent liability as detailed in note 26.

17. PROVISIONS

	Onerous lease 2020 €m	Dilapidation 2020 €m	Other 2020 €m	Total 2020 €m	Total 2019 €m
At 28 February 2019	**10.3**	**3.8**	**1.6**	**15.7**	11.4
Adjustment on initial application of IFRS 16	**(8.5)**	**-**	**-**	**(8.5)**	-
At 1 March 2019 (adjusted)	**1.8**	**3.8**	**1.6**	**7.2**	11.4
Translation adjustment	**-**	**0.1**	**-**	**0.1**	0.3
Arising on acquisition	**-**	**-**	**-**	**-**	5.9
Reclass	**(1.8)**	**1.8**	**-**	**-**	-
Charged during the year	**-**	**0.1**	**3.2**	**3.3**	0.4
Unwind of discount on provisions	**-**	**-**	**-**	**-**	0.3
Utilised during the year	**-**	**(0.3)**	**(1.1)**	**(1.4)**	(2.6)
At end of year	**-**	**5.5**	**3.7**	**9.2**	15.7
Classified within:					
Current liabilities				**4.1**	4.6
Non-current liabilities				**5.1**	11.1
				9.2	15.7

Onerous leases

On initial application of IFRS 16 Leases in the current financial year, the Group reclassified its onerous lease provision and it is now presented as an impairment of the Group's right-of-use assets which were capitalised on application.

Notes forming part of the financial statements
(continued)

17. PROVISIONS (continued)

Dilapidation
The Group has a dilapidation provision of €5.5m at 29 February 2020 (2019: €3.8m). During the current financial year, it was determined that a dilapidation provision which had previously been included within the onerous lease provision was more appropriately classified as a dilapidation provision and it was therefore reclassified as such. The Group's dilapidation provision at 29 February 2020 is with respect to dilapidation costs for leased depots of €5.2m (2019: €3.5m) and leased fleet of €0.3m (2019: €0.3m).

Other
Other provisions relate to various legal claims, a provision for an onerous trade contract and a provision for the Group's exposure to employee and third party insurance claims.

As a consequence of COVID-19 an exceptional provision of €1.6m was charged with regard to an onerous trade contract. Under the terms of employer and public liability insurance policies, the Group bears a portion of the cost of each claim up to the specified excess. The provision is calculated based on the expected portion of settlement costs to be borne by the Group in respect of specific claims arising before the Balance Sheet date.

18. LEASES

The Group adopted IFRS 16 Leases from 1 March 2019 and has lease contracts for various items of freehold land & buildings, plant & machinery and motor vehicles & other equipment.

Set out below are the carrying amounts of right-of-use assets (included under property, plant & equipment note 11) recognised and the movements during the year:

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Leased right-of-use assets				
At 1 March 2019, net carrying amount	40.1	1.7	40.1	81.9
Translation adjustment	0.3	-	0.2	0.5
Additions	1.4	-	10.7	12.1
Disposals	(0.5)	-	-	(0.5)
Depreciation charge for the period	(6.1)	(0.4)	(10.8)	(17.3)
At 29 February 2020	35.2	1.3	40.2	76.7
Leased liabilities				
At 1 March 2019, net carrying amount	(55.3)	(1.7)	(42.6)	(99.6)
Translation adjustment	(0.3)	-	(0.2)	(0.5)
Additions to lease liabilities	(1.4)	-	(10.7)	(12.1)
Disposals	0.5	-	-	0.5
Payments*	9.5	0.4	12.1	22.0
Discount unwinding	(2.3)	-	(1.3)	(3.6)
At 29 February 2020	(49.3)	(1.3)	(42.7)	(93.3)

* Payments are apportioned between finance charges €3.4m and payment of lease liabilities of €18.6m in the Consolidated Cash Flow Statement

Lease liabilities classified within:	
Current liabilities	(18.9)
Non-current liabilities	(74.4)
	(93.3)

18. LEASES (continued)

The table below shows a maturity analysis of the discounted and undiscounted lease liability arising from the Group's leasing activities. The projections are based on the foreign exchange rates at the end of the relevant financial year and on interest rates (discounted projections only) applicable to the lease portfolio.

	As at 29 February 2020 Discounted €m	Undiscounted €m
Within one year	**(18.9)**	**(22.6)**
Between one and two years	**(18.4)**	**(21.6)**
Between two and three years	**(14.9)**	**(17.4)**
Between three and four years	**(9.7)**	**(11.8)**
Between four and five years	**(7.4)**	**(9.0)**
After five years	**(24.0)**	**(27.9)**
Total	**(93.3)**	**(110.3)**

The Group avails of the exemption from capitalising lease costs for short-term leases and low-value assets where the relevant criteria are met. The following lease costs have been charged to the Consolidated Income Statement as incurred:

	2020 €m
Expense relating to short-term leases (included in operating costs)	**2.1**
Total	**2.1**

19. INTEREST BEARING LOANS & BORROWINGS

	Group 2020 €m	2019 €m	Company 2020 €m	2019 €m
Current liabilities				
Unsecured loans repayable by one repayment on maturity	**0.8**	1.2	**0.8**	1.2
Unsecured loans repayable by instalment	**(34.0)**	(56.4)	**(11.5)**	(11.4)
	(33.2)	(55.2)	**(10.7)**	(10.2)
Non-current liabilities				
Unsecured loans repayable by one repayment on maturity	**(235.5)**	(268.6)	**2.6**	2.9
Unsecured loans repayable by instalment	**(88.3)**	(122.2)	**(5.8)**	(17.2)
	(323.8)	(390.8)	**(3.2)**	(14.3)
Total borrowings	**(357.0)**	(446.0)	**(13.9)**	(24.5)

Group and Company

Outstanding borrowings of the Group are net of unamortised issue costs which are being amortised to the Income Statement over the remaining life of the Euro term loan and multi-currency revolving facilities agreement and the Group's previous 2014 multi-currency revolving loan facility to which they relate. Issue costs relating to the previous 2014 multi-currency revolving loan have now been fully amortised. The value of unamortised issue costs at 29 February 2020 was €3.7m (2019: €4.6m) of which €1.0m (2019: €1.4m) is netted against current liabilities and €2.7m (2019: €3.2m) is netted against non-current liabilities.

Notes forming part of the financial statements
(continued)

19. INTEREST BEARING LOANS & BORROWINGS (continued)

Terms and debt repayment schedule

Group	Currency	Nominal rates of interest at 29 February 2020	Year of maturity	2020 Carrying value €m	2019 Carrying value €m
Unsecured loans repayable by one repayment on maturity	Multi	Euribor/Libor + 1.6%	2024	**238.1**	271.5
Unsecured loans repayable by instalment	Euro	Euribor + 1.7%	2021	**105.0**	150.0
Unsecured loans repayable by instalment	GBP	Libor + 2.0%	2021	**17.6**	29.1
				360.7	450.6

Company	Currency	Nominal rates of interest at 29 February 2020	Year of maturity	2020 Carrying value €m	2019 Carrying value €m
Unsecured loans repayable by instalment	GBP	Libor + 2.0%	2021	**17.6**	29.1
				17.6	29.1

Borrowing facilities

Group

The Group manages its borrowing requirements by entering into committed loan facility agreements.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank, and Ulster Bank.

During the current financial year, the Group availed of an option within the Group's multi-currency revolving loan facility agreement to extend the tenure for a further 364 days from termination date. The multi-currency facility agreement is therefore now repayable in a single instalment on 11 July 2024. The Euro term loan is repayable in instalments, with the last instalment payable on 12 July 2021.

Post year end, in March 2020, the Group completed the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end in addition to a waiver of a July 2020 repayment which now becomes payable with the last instalment in July 2021. The Group also received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF'') scheme. The Group had not drawn down on this facility as at 3 June 2020.

Under the terms of the multi-currency facility and the Euro term loan, the Group must pay a commitment fee based on 35% of the applicable margin on undrawn committed amounts and variable interest on drawn amounts based on variable Euribor/Libor interest rates plus a margin, the level of which is dependent on the net debt: EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, two, three or six months.

The Group has further financial indebtedness of €17.6m at 29 February 2020 (2019: €29.1m), which is repayable by instalments with the last instalment payable on 3 April 2021. The Group pays variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%.

19. INTEREST BEARING LOANS & BORROWINGS (continued)

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €200m, subject to agreeing the terms and conditions with the lenders. At 29 February 2020 the Group had €343.1m drawn down from the term loan and multi-currency revolving facilities (2019: €421.5m) and €17.6m from its non-bank financial indebtedness (2019: €29.1m).

All bank loans drawn under the Group's Euro term loan and multi-currency revolving loan facility are unsecured and rank pari passu. All borrowings of the Group are guaranteed by a number of the Group's subsidiary undertakings. The Euro term loan and multi-currency facilities agreement allows the early repayment of debt without incurring additional charges or penalties.

All borrowings of the Group at 29 February 2020 are repayable in full on change of control of the Group.

Company
The Company is an original borrower under the terms of the Group's Euro term loan and multi-currency revolving credit facility but is not a borrower in relation to the Group's drawn debt at 29 February 2020.

The Company is however a borrower with respect to the Group's non-bank debt of €17.6m at 29 February 2020 (2019: €29.1m). This debt is repayable by instalment with the last instalment payable on 3 April 2021. The Company pays variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%. This debt is repayable in full on change of control of the Group.

Covenants
The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants:
- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2018 and February 2019 will not exceed 3.75:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2019 and thereafter will not exceed 3.5:1

The Company and Group also has covenants with respect to its non-bank financial indebtedness:
- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

The Company and the Group complied with all covenants at each reporting date in the current and prior financial year. The Group has received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

There is no effect on the Group's covenants as a result of implementing IFRS 16 Leases in the current financial year as all covenants are calculated on a pre IFRS 16 adoption basis.

Further information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in note 23.

Notes forming part of the financial statements
(continued)

20. ANALYSIS OF NET DEBT

	1 March 2019 €m	Translation adjustment €m	Additions/ Disposals €m	Cash Flow, net €m	Non-cash changes €m	29 February 2020 €m
Group						
Interest bearing loans & borrowings	**(446.0)**	**1.8**	**-**	**88.6**	**(1.4)**	**(357.0)***
Cash	**144.4**	**(1.0)**	**-**	**(20.0)**	**-**	**123.4**
Net debt excluding leases	**(301.6)**	**0.8**	**-**	**68.6**	**(1.4)**	**(233.6)**
Lease liabilities (note 18)**	**(99.6)**	**(0.5)**	**(11.6)**	**22.0**	**(3.6)**	**(93.3)**
Net debt including leases	**(401.2)**	**0.3**	**(11.6)**	**90.6**	**(5.0)**	**(326.9)**

* Interest bearing loans & borrowings at 29 February 2020 are net of unamortised issue costs of €3.7m.
** All leases capitalised under IFRS 16 have been included as lease liabilities in FY2020.

	1 March 2018 €m	Translation adjustment €m	Arising on acquisition (note 10) €m	Cash Flow, net €m	Non-cash changes €m	28 February 2019 €m
Group						
Interest bearing loans & borrowings	(383.1)	(0.5)	(116.5)	55.2	(1.1)	(446.0)*
Cash	145.5	1.0	-	(2.1)	-	144.4
	(237.6)	0.5	(116.5)	53.1	(1.1)	(301.6)

* Interest bearing loans & borrowings at 28 February 2019 are net of unamortised issue costs of €4.6m.

	1 March 2019 €m	Translation adjustment €m	Cash Flow, net €m	Non-cash changes €m	29 February 2020 €m
Company					
Interest bearing loans & borrowings	**(24.5)**	**0.1**	**11.9**	**(1.4)**	**(13.9)***
Cash	**-**	**-**	**-**	**-**	**-**
	(24.5)	**0.1**	**11.9**	**(1.4)**	**(13.9)**

* Interest bearing loans & borrowings at 29 February 2020 are net of unamortised issue costs of €3.7m.

	1 March 2018 €m	Translation adjustment €m	Cash Flow €m	Non-cash changes €m	28 February 2019 €m
Company					
Interest bearing loans & borrowings	0.7	(0.5)	(23.6)	(1.1)	(24.5)*
Cash	-	-	-	-	-
	0.7	(0.5)	(23.6)	(1.1)	(24.5)

* Interest bearing loans & borrowings at 28 February 2019 are net of unamortised issue costs of €4.6m.

The non-cash change to the Company and Group's interest bearing loans and borrowings in the current financial year relates to the amortisation of issue costs of €1.4m (2019: €1.1m). The non-cash changes for the Group's lease liabilities in the current financial year relate to discount unwinding.

As outlined in further detail in note 26, the Company, together with a number of its subsidiaries, gave a letter of guarantee to secure its obligations in respect of all debt drawn by the Company and Group at 29 February 2020.

21. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	2020			2019		
	Assets €m	Liabilities €m	Net assets/ (liabilities) €m	Assets €m	Liabilities €m	Net assets/ (liabilities) €m
Group						
Property, plant & equipment	**3.4**	**(8.8)**	**(5.4)**	1.2	(7.3)	(6.1)
Intangible assets	**5.1**	**(5.0)**	**0.1**	-	(7.2)	(7.2)
Retirement benefits	**2.1**	**(2.3)**	**(0.2)**	1.5	(2.4)	(0.9)
Trade related items & losses	**1.3**	**(0.4)**	**0.9**	1.3	-	1.3
	11.9	**(16.5)**	**(4.6)**	4.0	(16.9)	(12.9)

The Group has not recognised deferred tax in relation to temporary differences applicable to investments in subsidiaries on the basis that the Group can control the timing and the realisation of these temporary differences and it is unlikely that the temporary differences will reverse in the foreseeable future. The aggregate amount of temporary differences applicable to investments in subsidiaries and equity accounted investments in respect of which deferred tax liabilities have not been recognised is immaterial on the basis that the participation exemptions and foreign tax credits should be available such that no material temporary differences arise. There are no other unrecognised deferred tax liabilities.

In addition, no deferred tax asset has been recognised in respect of certain tax losses incurred by the Group on the basis that the recovery is considered unlikely in the foreseeable future or due to the complexity and uncertainty of the tax treatment in connection with certain items giving rise to some of the losses a deferred tax asset has not been recognised. The cumulative value of such tax losses is €35.9m (2019: €35.3m). In the event that sufficient taxable profits arise or the tax treatment becomes sufficiently certain in the relevant jurisdictions in future years, these losses may be utilised. The majority of these losses are due to expire in 2035.

Company

The company had no deferred tax assets or liabilities at 29 February 2020 or at 28 February 2019.

Analysis of movement in net deferred tax (liabilities)/assets

	1 March 2019 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Arising on adoption of IFRS 16 Leases €m	Translation adjustment €m	29 February 2020 €m
Group						
Property, plant & equipment: ROI	1.2	(0.5)	-	-	-	0.7
Property, plant and equipment: other	(7.3)	(0.4)	(0.1)	1.5	0.2	(6.1)
Provision for trade related items	1.3	-	(0.3)	-	(0.1)	0.9
Intangible assets	(7.2)	7.5	-	-	(0.2)	0.1
Retirement benefits	(0.9)	-	0.7	-	-	(0.2)
	(12.9)	6.6	0.3	1.5	(0.1)	(4.6)

Notes forming part of the financial statements
(continued)

21. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES (continued)

	1 March 2018 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Arising on acquisition (note 10) €m	Translation adjustment €m	28 February 2019 €m
Group						
Property, plant & equipment: ROI	0.3	(0.2)	-	1.1	-	1.2
Property, plant and equipment: other	(6.9)	(0.1)	-	-	(0.3)	(7.3)
Provision for trade related items	0.9	(1.1)	0.3	1.2	-	1.3
Intangible assets	(2.7)	(0.1)	-	(4.3)	(0.1)	(7.2)
Retirement benefits	(1.1)	(0.1)	0.3	-	-	(0.9)
	(9.5)	(1.6)	0.6	(2.0)	(0.4)	(12.9)

22. RETIREMENT BENEFITS

The Group operates a number of defined benefit pension schemes for certain employees, past and present, in the Republic of Ireland (ROI) and in Northern Ireland (NI), all of which provide pension benefits based on final salary and the assets of which are held in separate trustee administered funds. The Group closed its defined benefit pension schemes to new members in March 2006 and provides only defined contribution pension schemes for employees joining the Group since that date. The Group provides permanent health insurance cover for the benefit of certain employees and separately charges this to the Income Statement.

The defined benefit pension scheme assets are held in separate trustee administered funds to meet long-term pension liabilities to past and present employees. The trustees of the funds are required to act in the best interest of the funds' beneficiaries. The appointment of trustees to the funds is determined by the schemes' trust documentation. The Group has a policy in relation to its principal staff pension fund that members of the fund should nominate half of all fund trustees.

There are no active members remaining in the executive defined benefit pension scheme (2019: no active members). There are 55 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (2019: 57 active members) and 2 active members in the NI defined benefit pension scheme (2019: 3 active members). The Group's ROI defined benefit pension reform programme concluded during the financial year ended 29 February 2012 with the Pensions Board issuing a directive under Section 50 of the Pensions Act 1990 to remove the mandatory pension increase rule, which guaranteed 3% per annum increase to certain pensions in payment, and to replace it with guaranteed pension increases of 2% per annum for each year 2012 to 2015 and thereafter for all future pension increases to be awarded on a discretionary basis.

Actuarial valuations – funding requirements

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. The most recent actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

The funding requirements in relation to the Group's ROI staff defined benefit pension schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. Arising from the formal actuarial valuations of the Group's staff defined benefit pension scheme, the Group has committed to contributions of 27.5% of pensionable salaries. There is no funding requirement with respect to the Group's ROI executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to any surplus remaining in these schemes in the event the scheme concludes.

22. RETIREMENT BENEFITS (continued)

The Group is exposed to a number of risks in relation to the funding position of these schemes, namely:-

Asset volatility: It is the Group's intention to pursue a long-term investment policy that emphasises investment in secure monetary assets to provide for the contractual benefits payable to members. The investment portfolio has exposure to equities, other growth assets and fixed interest investments, the returns from which are uncertain and may fluctuate significantly in line with market movements. Assets held are valued at fair value using bid prices where relevant.

Discount rate: The discount rate is the rate of interest used to discount post-employment benefit obligations and is determined by reference to market yields at the balance sheet date on high quality corporate bonds with a currency and term consistent with the currency and estimated term of the Group's post employment benefit obligations. Movements in discount rates have a significant impact on the value of the schemes' liabilities.

Longevity: The value of the defined benefit obligations is influenced by demographic factors such as mortality experience and retirement patterns. Changes to life expectancy have a significant impact on the value of the schemes' liabilities.

Method and assumptions

The schemes' independent actuary, Mercer (Ireland) Limited, has employed the projected unit credit method to determine the present value of the defined benefit obligations arising and the related current service cost.

The financial assumptions that have the most significant impact on the results of the actuarial valuations are those relating to the discount rate used to convert future pension liabilities to current values and the rate of inflation/salary increase. These and other assumptions used to determine the retirement benefits and current service cost under IAS19(R) *Employee Benefits* are set out below.

Mortality rates also have a significant impact on the actuarial valuations, as the number of deaths within the scheme have been too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality, the rates used have been based on the most up-to-date mortality tables, (the S2PMA CMI 2016 (males) and S2PFA CMI 2016 (females) for the ROI schemes and S2PA CMI 2016 for the NI scheme) with age ratings and loading factors to allow for future mortality improvements. These tables conform to best practice. The growing trend for people to live longer and the expectation that this will continue has been reflected in the mortality assumptions used for this valuation as indicated below. This assumption will continue to be monitored in light of general trends in mortality experience. Based on these tables, the assumed life expectations on retirement are:-

Future life expectations at age 65		ROI 2020 No. of years	ROI 2019 No. of years	NI 2020 No. of years	NI 2019 No. of years
Current retirees – no allowance for future improvements	Male	**22.5-23.4**	22.5-23.3	**22.5**	22.4
	Female	**24.4-25.3**	24.4-25.2	**24.2**	24.3
Future retirees – with allowance for future improvements	Male	**23.4-24.2**	23.3-24.2	**24.3**	24.2
	Female	**25.4-26.2**	25.3-26.2	**26.2**	26.1

Notes forming part of the financial statements
(continued)

22. RETIREMENT BENEFITS (CONTINUED)

Scheme liabilities

The average age of active members is 50 years (2019: 48 and 53 years) for the ROI Staff and the NI defined benefit pension schemes respectively (the executive defined benefit pension scheme has no active members), while the average duration of liabilities ranges from 14 to 24 years (2019: 14 to 25 years).

The principal long-term financial assumptions used by the Group's actuaries in the computation of the defined benefit liabilities arising on pension schemes as at 29 February 2020 and 28 February 2019 are as follows:-

	2020 ROI	2020 NI	2019 ROI	2019 NI
Salary increases	**0.0%-2.0%**	**3.3%**	0.0%-2.5%	3.6%
Increases to pensions in payment	**1.3%-1.4%**	**1.6%**	1.6%-1.7%	1.7%
Discount rate	**0.8%-1.0%**	**1.7%**	1.8%-2.1%	2.8%
Inflation rate	**1.3%-1.4%**	**2.9%**	1.6%-1.7%	3.2%

A reduction in discount rate used to value the schemes' liabilities by 0.25% would increase the valuation of liabilities by €10.7m while an increase in inflation/salary increase expectations of 0.25% would increase the valuation of liabilities by €10.6m. The sensitivity is calculated by changing the individual assumption while holding all other assumptions constant.

The pension assets and liabilities have been prepared in accordance with IAS19(R) *Employee Benefits*.

(a) Impact on Group Income Statement

	2020 ROI €m	2020 NI €m	2020 Total €m	2019 ROI €m	2019 NI €m	2019 Total €m
Analysis of defined benefit pension expense:						
Current service cost	**(0.6)**	**-**	**(0.6)**	(0.9)	-	(0.9)
Past service gain	**-**	**-**	**-**	0.1	(0.1)	-
Interest cost on scheme liabilities	**(3.6)**	**(0.2)**	**(3.8)**	(3.9)	(0.2)	(4.1)
Interest income on scheme assets	**3.4**	**0.3**	**3.7**	3.8	0.3	4.1
Total (expense)/income recognised in Income Statement	**(0.8)**	**0.1**	**(0.7)**	(0.9)	-	(0.9)

22. RETIREMENT BENEFITS (CONTINUED)

Analysis of amount recognised in Other Comprehensive Income:

	2020 ROI €m	2020 NI €m	2020 Total €m	2019 ROI €m	2019 NI €m	2019 Total €m
Actual return on scheme assets	**18.8**	**1.9**	**20.7**	4.3	0.3	4.6
Expected interest income on scheme assets	**(3.4)**	**(0.3)**	**(3.7)**	(3.8)	(0.3)	(4.1)
Experience gains and losses on scheme liabilities	**2.2**	**-**	**2.2**	2.9	0.3	3.2
Effect on changes in financial assumptions	**(26.3)**	**(1.7)**	**(28.0)**	(7.6)	0.1	(7.5)
Effect of changes in demographic assumptions	**4.4**	**-**	**4.4**	-	0.2	0.2
Total (expense)/income	**(4.3)**	**(0.1)**	**(4.4)**	(4.2)	0.6	(3.6)
Scheme assets	**186.8**	**14.1**	**200.9**	173.5	12.3	185.8
Scheme liabilities	**(200.2)**	**(8.6)**	**(208.8)**	(182.2)	(6.8)	(189.0)
Deficit in scheme	**(16.7)**	**-**	**(16.7)**	(12.2)	-	(12.2)
Surplus in scheme	**3.3**	**5.5**	**8.8**	3.5	5.5	9.0

(b) Impact on Group Balance Sheet

The retirement benefits (deficit)/surplus at 29 February 2020 and 28 February 2019 is analysed as follows:-

Analysis of net pension deficit:

	2020 ROI €m	2020 NI €m	2020 Total €m	2019 ROI €m	2019 NI €m	2019 Total €m
Investments quoted in active markets						
Bid value of assets at end of year:						
Equity*	**35.1**	**2.6**	**37.7**	33.9	2.5	36.4
Bonds	**113.4**	**11.5**	**124.9**	102.1	9.8	111.9
Alternatives	**24.9**	**-**	**24.9**	24.2	-	24.2
Cash	**0.2**	**-**	**0.2**	0.5	-	0.5
Investments unquoted						
Property	**13.2**	**-**	**13.2**	12.8	-	12.8
	186.8	**14.1**	**200.9**	173.5	12.3	185.8
Actuarial value of scheme liabilities	**(200.2)**	**(8.6)**	**(208.8)**	(182.2)	(6.8)	(189.0)
Deficit in the scheme	**(16.7)**	**-**	**(16.7)**	(12.2)	-	(12.2)
Surplus in the scheme	**3.3**	**5.5**	**8.8**	3.5	5.5	9.0
(Deficit)/surplus in the scheme	**(13.4)**	**5.5**	**(7.9)**	(8.7)	5.5	(3.2)
Related deferred tax asset	**2.1**	**-**	**2.1**	1.5	-	1.5
Related deferred tax liability	**(0.4)**	**(1.9)**	**(2.3)**	(0.4)	(2.0)	(2.4)
Net pension (deficit)/surplus	**(11.7)**	**3.6**	**(8.1)**	(7.6)	3.5	(4.1)

* The defined benefit pension schemes have a passive self investment in C&C Group plc of €nil (2019: €nil).

The alternative investment category includes investments in various asset classes including equities, commodities, currencies and funds. The investments are managed by fund managers.

Notes forming part of the financial statements (continued)

22. RETIREMENT BENEFITS (CONTINUED)

Reconciliation of scheme assets

	2020 ROI €m	2020 NI €m	2020 Total €m	2019 ROI €m	2019 NI €m	2019 Total €m
Assets at beginning of year	**173.5**	**12.3**	**185.8**	175.6	11.8	187.4
Movement in year:						
Translation adjustment	**-**	**-**	**-**	-	0.3	0.3
Expected interest income on scheme assets, net of pension levy	**3.4**	**0.3**	**3.7**	3.8	0.3	4.1
Actual return less interest income on scheme assets	**15.4**	**1.6**	**17.0**	0.5	-	0.5
Employer contributions	**0.4**	**-**	**0.4**	0.2	-	0.2
Member contributions	**0.1**	**-**	**0.1**	0.2	-	0.2
Benefit payments	**(6.0)**	**(0.1)**	**(6.1)**	(6.8)	(0.1)	(6.9)
Assets at end of year	**186.8**	**14.1**	**200.9**	173.5	12.3	185.8

The expected employer contributions to fund defined benefit scheme obligations for year ending 28 February 2021 is €0.4m.

The scheme assets had the following investment profile at the year end:-

	2020 ROI	2020 NI	2019 ROI	2019 NI
Investments quoted in active markets				
Equities	**19%**	**18%**	20%	20%
Bonds	**61%**	**82%**	59%	80%
Alternatives	**13%**	**-**	14%	-
Cash	**-**	**-**	-	-
Investments unquoted				
Property	**7%**	**-**	7%	-
	100%	**100%**	100%	100%

22. RETIREMENT BENEFITS (CONTINUED)

Reconciliation of actuarial value of scheme liabilities

	2020			2019		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Liabilities at beginning of year	**182.2**	**6.8**	**189.0**	179.4	7.0	186.4
Movement in year:						
Translation adjustment	**-**	**-**	**-**	-	0.2	0.2
Current service cost	**0.6**	**-**	**0.6**	0.9	-	0.9
Past service gain	**-**	**-**	**-**	(0.1)	0.1	-
Interest cost on scheme liabilities	**3.6**	**0.2**	**3.8**	3.9	0.2	4.1
Member contributions	**0.1**	**-**	**0.1**	0.2	-	0.2
Actuarial loss/(gain) immediately recognised in equity	**19.7**	**1.7**	**21.4**	4.7	(0.6)	4.1
Benefit payments	**(6.0)**	**(0.1)**	**(6.1)**	(6.8)	(0.1)	(6.9)
Liabilities at end of year	**200.2**	**8.6**	**208.8**	182.2	6.8	189.0

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's multinational operations expose it to various financial risks in the ordinary course of business that include credit risk, liquidity risk, commodity price risk, currency risk and interest rate risk. This note discusses the Group's exposure to each of these financial risks and summarises the risk management strategy for managing these risks. The note is presented as follows:-

(a) Overview of the Group's risk exposures and management strategy
(b) Financial assets and liabilities as at 29 February 2020/28 February 2019 and determination of fair value
(c) Market risk
(d) Credit risk
(e) Liquidity risk

(a) Overview of the Group's risk exposures and management strategy

The main financial market risks that the Group is exposed to include foreign currency exchange rate risk, commodity price fluctuations, interest rate risk and financial counterparty creditworthiness. The Board continues to monitor and manage this and all other financial risks faced by the Group very closely.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This is executed through various committees to which the Board has delegated appropriate levels of authority. An essential part of this framework is the role undertaken by the Audit Committee, supported by the internal audit function, and the Group Chief Financial Officer. The Board, through its Committees, has reviewed the internal control environment and the risk management systems and process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers them to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

The Group's risk management programme seeks to minimise the potential adverse effects, arising from fluctuations in financial markets, on the Group's financial performance in a non-speculative manner at a reasonable cost when economically viable to do so. The Group achieves the management of these risks in part, where appropriate, through the use of derivative financial instruments. All derivative financial contracts entered into in this regard are in liquid markets with credit rated parties. Treasury activities are performed within strict terms of reference that have been approved by the Board. See currency risk section for further details.

Notes forming part of the financial statements
(continued)

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial assets and liabilities

The carrying and fair values of financial assets and liabilities by measurement category were as follows:-

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Group				
29 February 2020				
Financial assets:				
Cash	**123.4**	**-**	**123.4**	**123.4**
Trade receivables	**93.1**	**-**	**93.1**	**93.1**
Advances to customers	**44.7**	**-**	**44.7**	**44.7**
Financial liabilities:				
Interest bearing loans & borrowings	**-**	**(357.0)**	**(357.0)**	**(360.7)**
Leases*	**-**	**(93.3)**	**(93.3)**	**(93.3)**
Derivative contracts	**-**	**(0.3)**	**(0.3)**	**(0.3)**
Trade & other payables	**-**	**(390.7)**	**(390.7)**	**(390.7)**
Provisions	**-**	**(9.2)**	**(9.2)**	**(9.2)**
	261.2	**(850.5)**	**(589.3)**	**(593.0)**

* See note 18 for maturity analysis of the discounted and undiscounted lease liability.

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Group				
28 February 2019				
Financial assets:				
Cash	144.4	-	144.4	144.4
Trade receivables	90.0	-	90.0	90.0
Advances to customers	51.4	-	51.4	51.4
Financial liabilities:				
Interest bearing loans & borrowings	-	(446.0)	(446.0)	(450.6)
Derivative contracts	-	(2.0)	(2.0)	(2.0)
Trade & other payables	-	(336.3)	(336.3)	(336.3)
Provisions	-	(15.7)	(15.7)	(15.7)
	285.8	(800.0)	(514.2)	(518.8)

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Company				
29 February 2020				
Financial assets:				
Amounts due from Group undertakings	**263.4**	**-**	**263.4**	**263.4**
Financial liabilities:				
Interest bearing loans & borrowings	**-**	**(13.9)**	**(13.9)**	**(17.6)**
Amounts due to Group undertakings	**-**	**(302.5)**	**(302.5)**	**(302.5)**
Trade & other payables	**-**	**(1.0)**	**(1.0)**	**(1.0)**
	263.4	**(317.4)**	**(54.0)**	**(57.7)**

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Company				
28 February 2019				
Financial assets:				
Amounts due from Group undertakings	346.0	-	346.0	346.0
Financial liabilities:				
Interest bearing loans & borrowings	-	(24.5)	(24.5)	(29.1)
Amounts due to Group undertakings	-	(326.3)	(326.3)	(326.3)
Trade & other payables	-	(0.6)	(0.6)	(0.6)
	346.0	(351.4)	(5.4)	(10.0)

Determination of Fair Value

Set out below are the main methods and assumptions used in estimating the fair values of the Group's financial assets and liabilities. There is no material difference between the fair value of financial assets and liabilities falling due within one year and their carrying amount as due to the short-term maturity of these financial assets and liabilities their carrying amount is deemed to approximate fair value.

Short-term bank deposits and cash

The nominal amount of all short-term bank deposits and cash is deemed to reflect fair value at the balance sheet date.

Advances to customers

Advances to customers adjusted for advances of discount prepaid is considered to reflect fair value.

Notes forming part of the financial statements
(continued)

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade & other receivables/payables
The nominal amount of all trade & other receivables/payables after provision for impairment is deemed to reflect fair value at the balance sheet date with the exception of provisions which are discounted to fair value.

Interest bearing loans & borrowings
The fair value of all interest bearing loans & borrowings has been calculated by discounting all future cash flows to their present value using a market rate reflecting the Group's cost of borrowing at the balance sheet date. All loans bear interest at floating rates.

(c) Market risk
Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Commodity price risk
The Group is exposed to variability in the price of commodities used in the production or in the packaging of finished products, such as apples, glass, barley, aluminium, polymer, wheat and sugar/glucose. Commodity price risk is managed, where economically viable, through fixed price contracts with suppliers incorporating appropriate commodity hedging and pricing mechanisms. The Group does not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. It is Group policy to fix the cost of a certain level of its energy requirement through fixed price contractual arrangements directly with its energy suppliers.

Currency risk
The Company's functional and reporting currency is Euro. The Euro is also the Group's reporting currency and the currency used for all planning and budgetary purposes. The Group is exposed to currency risk in relation to sales and purchase transactions by Group companies in currencies other than their functional currency (transaction risk), and fluctuations in the Euro value of the Group's net investment in foreign currency (primarily Sterling and US Dollar) denominated subsidiary undertakings (translation risk). Currency exposures for the entire Group are managed and controlled centrally. The Group seeks to minimise its foreign currency transaction exposure when economically viable by maximising the value of its foreign currency input costs and creating a natural hedge. Where there is a net currency exposure the Group enters into foreign currency forward contracts to mitigate and protect against adverse movements in currency risk and remove uncertainty over the foreign currency equivalent cash flows. The Group hedges a proportion of this net risk exposure, forecasting out for up to 2 years, in line with our risk management strategy. At 29 February 2020 the Group has forward foreign currency cash flow hedges outstanding to the value of €24.6m (2019: €48.7m), which are disclosed as a derivative financial instrument on the Group's Balance sheet, at an average exchange rate of 1.1475 GBP/EUR (2019: 1.115 GBP/EUR).

In addition, the Group has a number of long-term intra-group loans for which settlement is neither planned nor likely to happen in the foreseeable future, and as a consequence of which are deemed quasi equity in nature and are therefore part of the Group's net investment in its foreign operations. The Group does not hedge the translation exposure arising on the translation of the profits of foreign currency subsidiaries.

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The net currency gains and losses on transactional currency exposures are recognised in the Income Statement and the changes arising from fluctuations in the Euro value of the Group's net investment in foreign operations are reported separately within Other Comprehensive Income.

	2020 €m	2019 €m
Derivatives		
Cash flow hedges – currency forwards	**(0.3)**	(1.9)
Not designated as hedges (held for trading) – currency forwards	**-**	(0.1)
Total	**(0.3)**	(2.0)

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through the Income Statement. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

	2020 €m	2019 €m
Hedging reserves		
Opening balance 1 March	**(1.1)**	-
Change in fair value of hedging recognised in Other Comprehensive Income for the year	**1.7**	(1.8)
Reclassified to the cost of inventory – not recognised in Other Comprehensive Income	**-**	0.4
Deferred tax on cash flow hedges	**(0.3)**	0.3
Closing balance 28 February – continuing hedges	**0.3**	(1.1)

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item, such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. The change in fair value of the hedged item used to determine hedge effectiveness is €0.3m (2019: €1.7m).

In hedges of foreign currency purchases, ineffectiveness might arise if the timing of the forecast transaction changes from what was originally estimated, or if a degree of forecast purchases are no longer highly probable to occur. The hedging ratio is 1:1 as the quantity of purchases designated matches the notional amount of the hedging instrument.

Ineffectiveness of €nil (2019: €0.3m) was recognised in the Income Statement in the period within finance expense.

Notes forming part of the financial statements
(continued)

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 29 February 2020 is as :-

	Euro €m	Sterling €m	USD €m	CAD/AUD €m	NZD €m	SGD €m	ZAR €m	Not at risk €m	Total €m
Group									
Cash	**8.2**	**0.9**	**2.9**	**2.3**	**-**	**0.5**	**0.5**	**108.1**	**123.4**
Trade receivables	**4.0**	**0.1**	**1.3**	**0.8**	**-**	**-**	**-**	**86.9**	**93.1**
Advances to customers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**44.7**	**44.7**
Interest bearing loans & borrowings	**-**	**(17.6)**	**-**	**-**	**-**	**-**	**-**	**(339.4)**	**(357.0)**
Leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(93.3)**	**(93.3)**
Trade & other payables	**(16.1)**	**(24.9)**	**(3.3)**	**(0.5)**	**(1.8)**	**-**	**-**	**(344.1)**	**(390.7)**
Provisions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9.2)**	**(9.2)**
Gross currency exposure	**(3.9)**	**(41.5)**	**0.9**	**2.6**	**(1.8)**	**0.5**	**0.5**	**(546.3)**	**(589.0)**

	Sterling €m	Not at risk €m	Total €m
Company			
Interest bearing loans & borrowings	**(17.6)**	**3.7**	**(13.9)**
Net amounts due to Group undertakings	**(19.6)**	**(19.5)**	**(39.1)**
Accruals	**(0.1)**	**(0.9)**	**(1.0)**
Total	**(37.3)**	**(16.7)**	**(54.0)**

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 28 February 2019 is as follows:-

	Euro €m	Sterling €m	USD €m	CAD/AUD €m	NZD €m	SGD €m	ZAR €m	Not at risk €m	Total €m
Group									
Cash	17.4	0.6	9.6	1.9	0.7	0.7	0.9	112.6	144.4
Trade receivables	3.5	0.5	0.8	0.6	-	-	0.3	84.3	90.0
Advances to customers	-	-	-	-	-	-	-	51.4	51.4
Interest bearing loans & borrowings	-	(29.4)	-	-	-	-	-	(416.6)	(446.0)
Trade & other payables	(8.6)	(3.4)	(1.8)	(0.1)	(0.2)	-	-	(322.2)	(336.3)
Provisions	-	-	-	-	-	-	-	(15.7)	(15.7)
Gross currency exposure	12.3	(31.7)	8.6	2.4	0.5	0.7	1.2	(506.2)	(512.2)

	Sterling €m	176Not at risk €m	Total €m
Company			
Interest bearing loans & borrowings	(29.1)	4.6	(24.5)
Net amounts due to Group undertakings	(22.4)	42.1	19.7
Accruals	-	(0.6)	(0.6)
Total	(51.5)	46.1	(5.4)

A 10% strengthening in the Euro against Sterling and the Australian, Canadian and US Dollars, based on outstanding financial assets and liabilities at 29 February 2020, would have a €4.7m negative impact on the Income Statement. A 10% weakening in the Euro against Sterling, and the Australian, Canadian and US Dollars would have a €3.9m positive effect on the Income Statement. This analysis assumes that all other variables, in particular interest rates, remain constant.

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The interest rate profile of the Group and Company's interest-bearing financial instruments at the reporting date is summarised as follows:-

	Group 2020 €m	2019 €m	Company 2020 €m	2019 €m
Variable rate instruments				
Interest bearing loans & borrowings	**(360.7)**	(450.6)	**(17.6)**	(29.1)
Cash	**123.4**	144.4	**-**	-
	(237.3)	(306.2)	**(17.6)**	(29.1)

The Group exposure to interest rate risk arises principally from its long-term debt obligations. A 0.25% increase/decrease in Euribor and Libor rates, impact would be less than €0.1m on the Income Statement.

(d) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, its cash advances to customers, cash including deposits with banks and derivative financial instruments contracted with banks. The Group has an indirect exposure to European Sovereigns via its defined benefit pension scheme investment portfolio. In the context of the Group's operations, credit risk is mainly influenced by the individual characteristics of individual counterparties and is not considered particularly concentrated as it primarily arises from a wide and varied customer base; there are no material dependencies or concentrations of individual customers which would warrant disclosure under IFRS 8 *Operating Segments*.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables and advances to customers based on experience, customer track records and historic default rates and forward looking information, such as concentration maturity and the macroeconomic circumstances within the Group's primary trading markets. The impact of COVID-19 resulted in the Group booking exceptional provisions at year end given the uncertainties that prevail around the pandemic (note 5).

Generally, individual 'risk limits' are set by customer and risk is only accepted above such limits in defined circumstances. A strict credit assessment is made of all new applicants who request credit-trading terms. The utilisation and revision, where appropriate, of credit limits is regularly monitored. Impairment provision accounts are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amount is considered irrecoverable and is written off directly against the trade receivable/ advance to customer. The Group also manages credit risk through the use of a receivables purchase arrangement, for an element of its trade receivables. Under the terms of this arrangement, the Group transfers the credit risk, late payment risk and control of the receivables sold. As at 29 February 2020, the Group's year end cash had benefited by €131.4m (2019: €152.6m) with respect to this purchase arrangement. The Group's trade receivables purchase arrangement is not recognised on the Balance Sheet as it meets the de-recognition criteria under IFRS 9.

Advances to customers are generally secured by, amongst others, rights over property or intangible assets, such as the right to take possession of the premises of the customer. During the year, the Group did not exercise their right to take possession of any material collateral that would require disclosure. At 29 February 2020, the Group held collateral of €2.7m (2019: €4.3m) on financial assets that are credit impaired and recognised no expected credit loss on financial assets of €12.1m (2019:€1.3m) due to collateral.

Interest rates calculated on repayment/annuity advances are generally based on the risk-free rate plus a margin, which takes into account the risk profile of the customer and value of security given. The Group establishes an allowance for impairment of customer's advances that represents its estimate of potential future losses.

From time to time, the Group holds significant cash balances, which are invested on a short-term basis and disclosed under cash in the Balance Sheet. Risk of counterparty default arising on short-term cash deposits is controlled within a framework of dealing primarily with banks who are members of the Group's banking syndicate, and by limiting the credit exposure to any one of these banks or institutions. Management does not expect any counterparty to fail to meet its obligations.

Notes forming part of the financial statements
(continued)

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company also bears credit risk in relation to amounts owed by Group undertakings and from guarantees provided in respect of the liabilities of wholly owned subsidiaries as disclosed in note 26.

The carrying amount of financial assets, net of impairment provisions represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:-

	Group 2020 €m	2019 €m	Company 2020 €m	2019 €m
Trade receivables	**93.1**	90.0	**-**	-
Advances to customers	**44.7**	51.4	**-**	-
Amounts due from Group undertakings	**-**	-	**263.4**	346.0
Cash	**123.4**	144.4	**-**	-
	261.2	285.8	**263.4**	346.0

The ageing of trade receivables and advances to customers together with an analysis of movement in the Group impairment provisions against these receivables are disclosed in note 15. The Group does not have any significant concentrations of risk.

(e) Liquidity risk

Liquidity risk is the risk that the Group or Company will not be able to meet its financial obligations as they fall due. Liquid resources are defined as the total of cash. The Group finances its operations through cash generated by the business and medium term bank credit facilities.

The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or committed bank facilities to meet all debt obligations as they fall due. To achieve this, the Group (a) maintains adequate cash balances; (b) prepares detailed 3 year cash projections; and (c) keeps refinancing options under review. In addition, the Group maintains an overdraft facility that is unsecured.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank, and Ulster Bank. During the current financial year, the Group availed of an option within the Group's multi-currency revolving loan facility agreement to extend the tenure for a further 364 days from termination date. The multi-currency facility agreement is therefore now repayable in a single instalment on 11 July 2024. The Euro term loan is repayable in instalments, with the last instalment payable on 12 July 2021.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €200m, subject to agreeing the terms and conditions with the lenders. At 29 February 2020 the Group had €343.1m drawn down from the term loan and multi-currency revolving facilities (2019: €421.5m) and €17.6m from its non-bank financial indebtedness (2019: €29.1m).

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

There are no externally imposed requirements with respect to capital with the exception of a financial covenant in the Group's Euro Term loan and multi-currency debt facilities which limits the Net debt: EBITDA ratio and interest cover to a maximum of 3.5 times. A similar financial covenant exists in the Company and Group's non-bank borrowings at year end which limits the Net debt: EBITDA ratio and interest cover to a maximum of 3.5 times. All financial covenants were complied with throughout the current and prior financial years. Given the extraordinary environment that exists post year end with COVID-19 the Group has received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

In March 2020, the Group announced the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF'') scheme. The Group had not drawn down on this facility as at 3 June 2020.

The Company and Group has further financial indebtedness of €17.6m at 29 February 2020 (2019: €29.1m), which is repayable by instalment with the last instalment payable on 3 April 2021. The Group pays variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%.

All bank loans drawn under the Group's Euro term loan and multi-currency revolving loan facility are unsecured and rank pari passu. All borrowings of the Group are guaranteed by a number of the Group's subsidiary undertakings. The euro term loan and multi-currency facilities agreement allows the early repayment of debt without incurring additional charges or penalties.

All borrowings of the Company and Group at 29 February 2020 are repayable in full on change of control of the Group.

The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants:
- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt/EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2018 and February 2019 will not exceed 3.75:1
- Net debt/EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2019 and thereafter will not exceed 3.5:1

The Company and Group also has covenants with respect to its non-bank financial indebtedness:
- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt/EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

Compliance with these debt covenants is monitored continuously. The Company and the Group complied with all covenants at each reporting date in the current and prior financial year. The Group has received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

There is no effect on the Group's covenants as a result of implementing IFRS 16 Leases in the current financial year as all covenants are calculated on a pre IFRS 16 adoption basis.

At the year end, the Group had net debt excluding lease liabilities (banking covenants are on a pre IFRS 16 adoption basis), of €233.6m (28 February 2019: €301.6m), with a Net debt/EBITDA ratio of 1.77:1 (2019: 2.51:1).

Notes forming part of the financial statements
(continued)

23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The following are the contractual maturities of financial liabilities, including interest payments-

	Carrying amount €m	Contractual cash flows €m	6 months or less €m	6–12 months €m	1–2 years €m	Greater than 2 years €m
Group						
2020						
Interest bearing loans & borrowings	**(357.0)**	**(391.6)**	**(10.0)**	**(33.3)**	**(97.2)**	**(251.1)**
Trade & other payables	**(390.7)**	**(390.7)**	**(390.7)**	**-**	**-**	**-**
Lease liabilities	**(93.3)**	**(95.9)**	**(11.2)**	**(10.6)**	**(20.7)**	**(53.4)**
Provisions	**(9.2)**	**(9.2)**	**(2.5)**	**(1.6)**	**(1.7)**	**(3.4)**
Total contracted outflows	**(850.2)**	**(887.4)**	**(414.4)**	**(45.5)**	**(119.6)**	**(307.9)**
2019						
Interest bearing loans & borrowings	(446.0)	(471.0)	(33.0)	(33.0)	(64.9)	(340.1)
Trade & other payables	(336.3)	(336.3)	(336.3)	-	-	-
Provisions	(15.7)	(16.5)	(3.1)	(1.7)	(1.3)	(10.4)
Total contracted outflows	(798.0)	(823.8)	(372.4)	(34.7)	(66.2)	(350.5)
Company						
2020						
Interest bearing loans & borrowings	**(13.9)**	**(17.9)**	**(6.1)**	**(6.0)**	**(5.8)**	**-**
Amounts due to Group undertakings	**(302.5)**	**(302.5)**	**(302.5)**	**-**	**-**	**-**
Trade & other payables	**(1.0)**	**(1.0)**	**(1.0)**	**-**	**-**	**-**
Total contracted outflows	**(317.4)**	**(321.4)**	**(309.6)**	**(6.0)**	**(5.8)**	**-**
2019						
Interest bearing loans & borrowings	(24.5)	(30.2)	(6.2)	(6.2)	(12.0)	(5.8)
Amounts due to Group undertakings	(326.3)	(326.3)	(326.3)	-	-	-
Trade & other payables	(0.6)	(0.6)	(0.6)	-	-	-
Total contracted outflows	(351.4)	(357.1)	(333.1)	(6.2)	(12.0)	(5.8)

24. SHARE CAPITAL AND RESERVES

	Authorised Number	Allotted and called up Number	Authorised €m	Allotted and called up €m
At 29 February 2020				
Ordinary shares of €0.01 each	**800,000,000**	**319,495,110***	**8.0**	**3.2**
At 28 February 2019				
Ordinary shares of €0.01 each	800,000,000	320,354,042**	8.0	3.2
At 28 February 2018				
Ordinary shares of €0.01 each	800,000,000	317,876,001***	8.0	3.2

* Inclusive of 10.8m treasury shares.
** Inclusive of 10.9m treasury shares.
*** Inclusive of 11.0m treasury shares.

All shares in issue carry equal voting and dividend rights.

Reserves
Group

	Allotted and called up Ordinary Shares 2020 '000	2019 '000	Ordinary Shares held by the Trustee of the Employee Trust 2020 '000	2019 '000
As at 1 March	**320,354**	317,876	**1,909**	1,973
Shares issued in lieu of dividend	**4,624**	3,055	**-**	-
Shares issued in respect of options exercised	**142**	-	**-**	-
Shares cancelled following share buyback programme	**(5,625)**	(577)	**-**	-
Shares disposed of or transferred to Participants	**-**	-	**(124)**	(64)
As at 28 February	**319,495***	320,354*	**1,785**	1,909

* Includes 9.025m shares bought by the Group during the financial year ended 28 February 2015 which continue to be held as Treasury shares.

Movements in the year ended 29 February 2020

In July 2019, 3,377,441 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €3.7071 per share, instead of part or all the cash element of their final dividend entitlement for the year ended 29 February 2020. In December 2019, 1,246,538 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €4.45916 per share, instead of part or all the cash element of their interim dividend entitlement for the year ended 29 February 2020.

All shares held by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the C&C Employee Trust which were neither cancelled nor disposed of by the Trust at 29 February 2020 continue to be included in the treasury share reserve. During the financial year, 123,889 shares were sold by the Trustees and are no longer accounted for as treasury shares.

Also during the current financial year, as part of the Group's capital management strategy, the Group invested €22.7m (€23.0m inclusive of commission and related costs) in an on-market share buyback programme in which it repurchased and subsequently cancelled 5,625,000 of the Group's shares. This was in accordance with shareholder authority granted at the Group's AGM, to make market purchases of up to 10% of its own shares.

Notes forming part of the financial statements
(continued)

24. SHARE CAPITAL AND RESERVES (CONTINUED)

Movements in the year ended 28 February 2019

In July 2018, 2,478,035 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €2.9486 per share, instead of part or all the cash element of their final dividend entitlement for the year ended 28 February 2018. In December 2018, 576,722 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €3.36464 per share, instead of part or all the cash element of their interim dividend entitlement for the year ended 28 February 2019.

All shares held by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the C&C Employee Trust which were neither cancelled nor disposed of by the Trust at 28 February 2019 continued to be included in the treasury share reserve. During the prior financial year, 64,445 shares were sold by the Trustees and are no longer accounted for as treasury shares.

Also during the prior financial year, as part of the Group's capital management strategy, the Group invested €1.8m (€1.9m inclusive of commission and related costs) in an on-market share buyback programme in which it repurchased and subsequently cancelled 576,716 of the Group's shares. This was in accordance with shareholder authority granted at the Group's AGM, to make market purchases of up to 10% of its own shares.

Share premium – Group

The change in legal parent of the Group on 30 April 2004, as disclosed in detail in that year's annual report, was accounted for as a reverse acquisition. This transaction gave rise to a reverse acquisition reserve debit of €703.9m, which, for presentation purposes in the Group financial statements, has been netted against the share premium in the Consolidated Balance Sheet. The current financial year movement relates to the exercise of share options €0.4m (2019: nil) and the issuance of a scrip dividend to those who elected to receive additional ordinary shares in place of a cash dividend €18.0m (2019: €9.2m).

Share premium – Company

The share premium, as stated in the Company Balance Sheet, represents the premium recognised on shares issued and amounts to €872.0m as at 29 February 2020 (2019: €853.6m). The current financial year movement relates to the exercise of share options €0.4m (2019: nil) and the issuance of a scrip dividend to those who elected to receive additional ordinary shares in place of a cash dividend €18.0m (2019: €9.2m).

Other undenominated reserve and capital reserve

These reserves initially arose on the conversion of preference shares into share capital of the Company and other changes and reorganisations of the Group's capital structure.

Cash flow hedge reserve

The hedging reserve includes the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred as set out in note 23.

Share-based payment reserve

The reserve relates to amounts expensed in the Income Statement in connection with share option grants falling within the scope of IFRS 2 *Share-Based Payment*, less reclassifications to retained income following exercise/forfeit post vesting or lapse of such share options and Interests, as set out in note 4.

Currency translation reserve

The translation reserve comprises all foreign exchange differences from 1 March 2004, arising from the translation of the Group's net investment in its non-Euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the Balance Sheet date, as adjusted for the translation of foreign currency borrowings designated as net investment hedges and long-term intra group loans for which settlement is neither planned nor likely to happen in the foreseeable future, and as a consequence are deemed quasi equity in nature and are therefore part of the Group's net investment in foreign operations.

24. SHARE CAPITAL AND RESERVES (CONTINUED)

Revaluation reserve

Since 2009 the Group has completed a number of external and internal valuations on its property, plant and equipment. Gains arising from such revaluations are posted to the Group's revaluation reserve, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, where it is first credited to the Income Statement to the extent of the write down. Any decreases in the value of the Group's property, plant and equipment as a result of external or internal valuations are recognised in the Income Statement except where there had been a previously recognised gain in the revaluation reserve as a result of the same asset, in which case, the gain is eliminated from the revaluation reserve to offset the loss in the first instance.

During the current financial year, as outlined in detail in note 11, the Group engaged external valuers to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow), Vermont (USA) and Portugal sites, along with the Group's various Depots. Using the valuation methodologies, this resulted in a net revaluation loss of €1.0m accounted for in the Income Statement and a gain of €1.1m accounted for within the Revaluation reserve via Other Comprehensive Income.

There were no adjustments arising from the prior year valuation exercise.

Treasury shares

Included in this reserve is where the Company issued equity share capital under its Joint Share Ownership Plan, which was held in trust by the Group's Employee Trust. All Interests have now vested or lapsed and all vested Interests have now been exercised. Remaining in the Trust are shares that lapsed and shares that were withheld by the Trust in lieu of some, or all, of the consideration due with respect to exercised Interests. Also included in the reserve is the purchase of 9,025,000 of the Company's own shares in the financial year ended 28 February 2015 at an average price of €3.29 per share under the Group's share buyback programme.

The current and prior year movement in the reserve relates to the sale of excess shares by the Trust to satisfy other share entitlements.

Capital management

The Board's policy is to maintain a strong capital base so as to safeguard the Group's ability: to continue as a going concern for the benefit of shareholders and stakeholders; to maintain investor, creditor and market confidence; and, to sustain the future development of the business through the optimisation of the value of its debt and equity shareholding balance.

The Board considers capital to comprise long-term debt and equity.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank, and Ulster Bank. During the current financial year, the Group availed of an option within the Group's multi-currency revolving loan facility agreement to extend the tenure for a further 364 days from termination date. The multi-currency facility agreement is therefore now repayable in a single instalment on 11 July 2024. The Euro term loan is repayable in instalments, with the last instalment payable on 12 July 2021.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €200m, subject to agreeing the terms and conditions with the lenders. At 29 February 2020 the Group had €343.1m drawn down from the term loan and multi-currency revolving facilities (2019: €421.5m) and €17.6m from its non-bank financial indebtedness (2019: €29.1m).

Notes forming part of the financial statements
(continued)

24. SHARE CAPITAL AND RESERVES (CONTINUED)

There are no externally imposed requirements with respect to capital with the exception of a financial covenant in the Group's Euro Term loan and multi-currency debt facilities which limits the Net debt: EBITDA ratio and interest cover to a maximum of 3.5 times. A similar financial covenant exists in the Company and Group's non-bank borrowings at year end which limits the Net debt: EBITDA ratio and interest cover to a maximum of 3.5 times. All financial covenants were complied with throughout the current and prior financial years. Given the extraordinary environment that exists post year end with COVID-19 the Group has received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

In March 2020, the Group announced the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF'') scheme. The Group had not drawn down on this facility as at 3 June 2020.

The Board periodically reviews the capital structure of the Group, considering the cost of capital and the risks associated with each class of capital. The Board approves any material adjustments to the capital structure in terms of the relative proportions of debt and equity. In order to maintain or adjust the capital structure, the Group may issue new shares, dispose of assets to reduce debt, alter dividend policy by increasing or reducing the dividend paid to shareholders, return capital to shareholders and/or buyback shares.

In respect of the financial year ended 29 February 2020, the Company paid an interim dividend on ordinary shares of 5.50c per share (2019: 5.33c per share). Given the absolute focus on liquidity with the high levels of uncertainty with COVID-19, the Group will not declare a final dividend for the current financial year. Total dividend for the year is therefore 5.50 cent per share (2019: 15.31 cent).

In addition, as part of the Group's capital management strategy, the Group participated in a share buyback programme during the current and prior financial year. At the AGM held on 4 July 2019, shareholders granted the Group authority to make market purchases of up to 10% of its own shares.

The Group invested €22.7m (€23.0m including commission and related fees) as part of this on-market buyback programme, purchasing 5,625,000 of the Company's shares at an average euro equivalent price of €4.03. The Group's stockbroker, Davy, conducted the share buyback programme. All shares acquired as part of the share buyback programme in the current financial year were subsequently cancelled by the Group. In the prior financial year, the Group invested €1.8m (€1.9m including commission and related fees) as part of this on-market share buyback programme, purchasing 576,716 of the Company's shares at an average price of €3.18. All shares acquired were subsequently cancelled by the Group. In the financial year ended 28 February 2015, a subsidiary of the Group invested €30.0m as part of an on-market share buyback programme, purchasing 9,025,000 of the Company's shares at an average price of €3.29. All shares acquired as part of this share buyback programme are held as Treasury shares.

25. COMMITMENTS

(a) Capital commitments

At the year end, the following capital commitments authorised by the Board had not been provided for in the financial statements:-

	2020 €m	2019 €m
Contracted	**2.3**	3.8
Not contracted	**7.7**	15.7
	10.0	19.5

The contracted capital commitments at 29 February 2020 primarily relate to an improved drainage system and waste water treatment plant in Clonmel amounting to €1.4m (2019: €0.7m), a waste water treatment plant in Wellpark of €0.7m (2019: €2.1m) and other of €0.2m (2019: €1.0m).

(b) Other commitments

At the year end, the value of contracts placed for future expenditure was:-

2020

	Apples €m	Glass €m	Marketing* €m	Barley €m	Aluminium €m	Polymer €m	Wheat €m	Sugar/ glucose €m	Natural gas €m	Electricity	Total** €m
Payable in less than one year	**8.1**	**4.7**	**7.6**	**7.6**	**0.8**	**0.3**	**0.9**	**7.5**	**0.3**	**0.1**	**37.9**
Payable between 1 and 5 years	**13.3**	**-**	**6.4**	**14.8**	**-**	**-**	**-**	**-**	**-**	**-**	**34.5**
Payable greater than 5 years	**23.6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**23.6**
	45.0	**4.7**	**14.0**	**22.4**	**0.8**	**0.3**	**0.9**	**7.5**	**0.3**	**0.1**	**96.0**

* An element of committed marketing spend is now deemed to be onerous in light of COVID-19 (note 5).
** Commitment obligations range from between 1 year to 25 years.

2019

	Apples €m	Glass €m	Marketing €m	Barley €m	Aluminium €m	Polymer €m	Wheat €m	Sugar/ glucose €m	Natural gas €m	Electricity	Total* €m
Payable in less than one year	7.6	3.0	4.2	7.8	0.6	0.2	0.9	7.9	-	0.7	32.9
Payable between 1 and 5 years	11.7	-	3.4	17.9	-	-	-	-	-	-	33.0
Payable greater than 5 years	23.0	-	-	-	-	-	-	-	-	-	23.0
	42.3	3.0	7.6	25.7	0.6	0.2	0.9	7.9	-	0.7	88.9

* Commitment obligations range from between 1 year to 26 years.

Notes forming part of the financial statements
(continued)

26. GUARANTEES, COMMITMENTS AND CONTINGENCIES

Where the Group or subsidiaries enters into financial guarantee contracts to guarantee the indebtedness of other companies or joint ventures and associates within the Group, the Group/subsidiaries considers these to be insurance arrangements and accounts for them as such. The Group/subsidiary treats the guarantee contract as a contingent liability until such time as it becomes probable that it will be required to make a payment under the guarantee.

As outlined in note 19, the Group has a Euro term loan and a multi-currency revolving facility in place at year end, which it re-negotiated in July 2018. The Company and the Group also had some non-bank borrowings in place at year end. The Company, together with a number of its subsidiaries, gave a letter of guarantee to secure its obligations in respect of all borrowings as at 29 February 2020. The actual loans outstanding at 29 February 2020 amounted to €360.7m (2019: €450.6m).

During the financial year ended 28 February 2015, a subsidiary of the Group entered into guarantees in favour of HSBC Bank plc, HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited whereby it guaranteed drawn debt plus interest charges by Drygate Brewing Company Limited to HSBC Bank PLC of up to £540,000 and to HSBC Asset Finance (UK) and HSBC Equipment Finance Limited of up to £225,000 in aggregate. The guarantees reduce on a pound for pound basis to the extent of capital repayments in respect of the drawn debt and any amounts realised by the bank pursuant to any security provided in respect of the debt. The Guarantee with respect to HSBC Bank plc expires on the earlier of eleven years and three months from the date on which the guarantee became effective, the secured liabilities are repaid, or by mutual agreement with HSBC Bank plc. The Guarantees with HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited expire after the secured liabilities are repaid, or by mutual agreement with HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited respectively.

During the 2011 financial year, a subsidiary of the Group entered into a guarantee with Clydesdale Bank plc whereby it guaranteed £250,000 plus interest and charges of the drawn debt of one of its customers. The guarantee expires on the earlier of: 10 years from the date on which the guarantee becomes effective; or the secured liabilities are repaid; or by mutual agreement with Clydesdale Bank plc.

Invest Northern Ireland funding, in the form of an employment grant of €0.2m was received during the 2015 financial year. Enterprise Ireland funding of €1.0m has previously been received towards the costs of implementing developmental projects. All of these funds were fully repayable should the recipient subsidiary of the Group at any time during the term of the agreements be in breach of the terms and conditions of the agreements. The agreement with respect to the Enterprise Ireland funding expired in the prior financial year and the agreement with respect to Northern Ireland funding expired in the current financial year.

Under the terms of the Sale and Purchase Agreement with respect to disposal of the Group's Northern Ireland wholesaling business in the year ended 29 February 2012, the Group had a maximum aggregate exposure of £4.3m in relation to warranties. The time limit for notification of all claims with respect to these warranties expired in the prior financial year.

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has guaranteed commitments entered into and liabilities of certain of its subsidiary undertakings incorporated in the Republic of Ireland for the financial year to 29 February 2020 and as a result such subsidiaries are exempt from certain filing provisions.

27. RELATED PARTY TRANSACTIONS

The principal related party relationships requiring disclosure in the Consolidated Financial Statements of the Group under IAS 24 *Related Party Disclosures* pertain to the existence of subsidiary undertakings and equity accounted investments, transactions entered into by the Group with these subsidiary undertakings and equity accounted investments and the identification and compensation of and transactions with key management personnel.

(a) Group

Transactions

Transactions between the Group and its related parties are made on terms equivalent to those that prevail in arm's length transactions.

Subsidiary undertakings

The Consolidated Financial Statements include the financial statements of the Company and its subsidiaries. A listing of all subsidiaries is provided in note 28. Sales to and purchases from subsidiary undertakings, together with outstanding payables and receivables, are eliminated in the preparation of the Consolidated Financial Statements in accordance with IFRS 10 *Consolidated Financial Statements*.

Equity accounted investments

See note 13 for details on equity accounted investments.

Loans extended by the Group to equity accounted investments are considered trading in nature and are included within advances to customers in Trade & other receivables (note 15).

Details of transactions with equity accounted investments during the year and related outstanding balances at the year end are as follows:-

	Joint ventures 2020 €m	2019 €m	Associates 2020 €m	2019 €m
Net revenue	**1.7**	0.9	**0.5**	0.6
Trade & other receivables	**0.4**	0.2	**-**	-
Purchases	**0.7**	0.6	**0.8**	0.1
Trade & other payables	**-**	-	**0.3**	-
Loans	**1.6**	1.6	**1.1**	3.0

All outstanding trading balances with equity accounted investments, which arose from arm's length transactions, are to be settled in cash within 60 days of the reporting date.

Notes forming part of the financial statements
(continued)

27. RELATED PARTY TRANSACTIONS (continued)

Key management personnel

For the purposes of the disclosure requirements of IAS 24 *Related Party Disclosures*, the Group has defined the term 'key management personnel', as its executive and non-executive Directors. Executive Directors participate in the Group's equity share award schemes (note 4), permanent health insurance (or reimbursement of premiums paid into a personal policy) and death in service insurance programme. Executive Directors may also benefit from medical insurance under a Group policy (or the Group will reimburse premiums). No other non-cash benefits are provided. Non-executive Directors do not receive share-based payments nor post employment benefits.

Details of key management remuneration, charged to the Consolidated Income Statement, are as follows:-

	2020 Number	2019 Number
Number of individuals	**10**	11

	€m	€m
Salaries and other short-term employee benefits	**2.8**	4.2
Post employment benefits	**0.4**	0.4
Equity settled share-based payment charge and related dividend accrual	**1.2**	1.3
Termination payment	**-**	0.5
Pay in lieu of notice	**0.7**	-
Total	**5.1**	6.4

During the current financial year, there were no transactions or balances between the Group and its key management personnel or members of their close family apart from:

- The Group sells stock to Tesco plc, of which Stewart Gilliland is a Non-Executive Director;
- The Group purchases stock from St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director; and
- The Group has been provided with consultancy services from Advanced Boardroom Excellence Limited, of which Helen Pitcher is a Director.

All transactions with related parties involve the normal supply of goods or services and are priced on an arm's length basis.

During the prior financial year, and pursuant to a contract for services effective as of 1 April 2014 between C&C IP Sàrl ('CCIP') and Joris Brams BVBA ('JBB'), (a company wholly owned by Joris Brams and family), CCIP paid fees of €91,550 to JBB in respect of brand development services provided by JBB to CCIP in relation to Belgian products. As part of a termination agreement a further €91,550 was paid to JBB.
For the purposes of the Section 305 of the Companies Act 2014, the aggregate gains by Directors on the exercise of share options during FY2020 was €nil (FY2019: €nil).

(b) Company

The Company has a related party relationship with its subsidiary undertakings. Details of the transactions in the year between the Company and its subsidiary undertakings are as follows:-

	2020 €m	2019 €m
Dividend income	**10.0**	-
Expenses paid on behalf of and recharged by subsidiary undertakings to the Company	**(2.3)**	(3.4)
Equity settled share-based payments for employees of subsidiary undertakings	**2.5**	1.9
Drawdown of cash funding and other cash movements with subsidiary undertakings	**58.8**	18.9

28. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS

	Notes	Nature of business	Class of shares held as at 29 February 2020 (100% unless stated)
Trading subsidiaries			
Incorporated and registered in Republic of Ireland			
Bulmers Limited	(a) (n)	Cider	Ordinary
C&C Financing DAC	(b) (n) (o)	Financing company	Ordinary
C&C Group International Holdings Limited	(a) (n) (o)	Holding company	Ordinary & Convertible
C&C Group Irish Holdings Limited	(a) (n)	Holding company	Ordinary
C&C Group Sterling Holdings Limited	(b) (n)	Holding company	Ordinary
C&C (Holdings) Limited	(a) (n)	Holding company	Ordinary
C&C Management Services Limited	(a) (n)	Provision of management services	6% Cumulative Preference, 5% Second Non-Cumulative Preference & Ordinary Stock
Cantrell & Cochrane Limited	(a) (n)	Holding company	Ordinary
Latin American Holdings Limited	(b) (n)	Holding company	Ordinary
M&J Gleeson & Co Unlimited Company	(b) (n)	Wholesale of drinks	Ordinary
Tennent's Beer Limited	(a) (n)	Beer	Ordinary
The Annerville Financing Company Unlimited Company	(a) (n)	Financing company	Ordinary
The Five Lamps Dublin Beer Company Limited	(b) (n)	Beer	Ordinary
Tipperary Pure Irish Water (Sales) Unlimited Company	(b) (n)	Water	Ordinary
Wm. Magner Limited	(a) (n)	Cider	Ordinary
Wm. Magner (Trading) Limited	(a) (n)	Financing company	Ordinary
Bibendum Wine Ireland Limited	(b) (n)	Wine	Ordinary
`Incorporated and registered in Northern Ireland			
C&C Holdings (NI) Limited	(c)	Holding company	Ordinary
Gleeson N.I. Limited	(c)	Wholesale of drinks	Ordinary
Tennent's NI Limited	(c)	Cider and beer	Ordinary & 3.25% Cumulative Preference

Notes forming part of the financial statements (continued)

28. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 29 February 2020 (100% unless stated)
Incorporated and registered in England and Wales			
Bibendum Group Limited	(l) (q)	Holding company	Ordinary
Bibendum PLB (Topco) Limited	(k) (q)	Holding company	Ordinary
C&C Management Services (UK) Limited	(k)	Provision of management services	Ordinary
Elastic Productions Limited	(k)	Marketing	Ordinary
Magners GB Limited	(k)	Cider and beer	Ordinary
Matthew Clark Bibendum (Holdings) Limited	(k) (q)	Holding company	Ordinary
Matthew Clark Bibendum Limited	(k)	Wholesale of drinks	Ordinary
Bibendum Off Trade Limited	(l)	Wholesale of drinks	Ordinary
The Orchard Pig Limited	(i)	Cider	Ordinary
Walker & Wodehouse Wines Limited	(l) (q)	Wine	Ordinary
C&C IP UK Limited	(k)	Licensing activity	Ordinary
The Wondering Wine Company Limited	(k) (q)	Wine	Ordinary
Incorporated and registered in Scotland			
Badaboom Limited	(d)	Marketing	Ordinary
Macrocom (1018) Limited	(e)	Investment	Ordinary
Tennent Caledonian Breweries UK Limited	(d)	Beer and cider	Ordinary
Tennent Caledonian Breweries Wholesale Limited	(e)	Wholesale of drinks	Ordinary
Wallaces Express Limited	(e)	Holding company	Ordinary
Wellpark Financing Limited	(d)	Financing company	Ordinary
Incorporated and registered in Luxembourg			
C&C IP Sàrl	(f)	Licensing activity	Class A to J Units
C&C IP (No. 2) Sàrl	(f)	Licensing activity	Class A to J Units
C&C Luxembourg Sàrl	(f)	Holding and financing company	Class A to J Units

28. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 29 February 2020 (100% unless stated)
Incorporated and registered Portugal			
Frutíssima - Concentrados de Frutos da Cova da Beira, Lda	(g)	Ingredients	Ordinary
Frontierlicious Limitada	(g)	Orchard management	Ordinary
Incredible Prosperity Limitada	(g)	Orchard management	Ordinary
Incorporated and registered in Delaware, US			
Green Mountain Beverage Management Corporation, Inc	(h)	Licensing activity	Common Stock
Vermont Hard Cider Company Holdings, Inc.	(h)	Holding company	Common Stock
Vermont Hard Cider Company, LLC	(h)	Cider	Membership Units
Wm. Magner, Inc.	(h)	Cider	Common Stock
Incorporated and registered in Singapore			
C&C International (Asia) Pte. Ltd.	(j)	Sales & Marketing	Ordinary
Non-trading subsidiaries			
Incorporated and registered in Republic of Ireland			
C&C Brands Limited	(a) (n)	Non-trading	Ordinary
C&C Gleeson Group Pension Trust Limited	(b) (n)	Non-trading	Ordinary
C&C Group Pension Trust Limited	(a) (n)	Non-trading	Ordinary
C&C Group Pension Trust (No. 2) Limited	(a) (n)	Non-trading	Ordinary
C&C Profit Sharing Trustee Limited	(a) (n)	Non-trading	Ordinary
Ciscan Net Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Cooney & Co. Unlimited Company	(b) (n)	Non-trading	Ordinary
Cravenby Limited	(a) (n)	Non-trading	Ordinary
Crystal Springs Water Company Limited	(b) (n)	Non-trading	Ordinary
Dowd's Lane Brewing Company Limited	(a) (n)	Non-trading	Ordinary
Edward and John Burke (1968) Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Findlater (Wine Merchants) Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Fruit of the Vine Limited	(a) (n)	Non-trading	Ordinary
Gleeson Logistic Services Limited	(b) (n)	Non-trading	Ordinary
Gleeson Wines & Spirits Limited	(b) (n)	Non-trading	Ordinary

Notes forming part of the financial statements
(continued)

28. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 29 February 2020 (100% unless stated)
Greensleeves Confectionery Limited	(b) (n)	Non-trading	Ordinary, 12% Cumulative Convertible Redeemable Preference & 3% Cumulative Redeemable Convertible Preference
M.& J. Gleeson (Investments) Limited	(b) (n)	Non-trading	Ordinary
M&J Gleeson Nominees Limited	(b) (n)	Non-trading	Ordinary & Preference
M. and J. Gleeson (Manufacturing) Company u.c.	(b) (n)	Non-trading	Ordinary
M and J Gleeson (Manufacturing) Company Holdings Limited	(b) (n)	Non-trading	Ordinary & Non-Voting Ordinary
M and J Gleeson and Company Holdings Limited	(b) (n)	Non-trading	Ordinary
M & J Gleeson Property Development Limited	(b) (n)	Non-trading	Ordinary
Magners Irish Cider Limited	(a) (n)	Non-trading	Ordinary
Sceptis Limited	(a) (n)	Non-trading	Ordinary
Showerings (Ireland) Limited	(a) (n)	Non-trading	Ordinary
Tennmel Limited	(b) (n)	Non-trading	Ordinary & A-E Non-Voting
Thwaites Limited	(a) (n)	Non-trading	A & B Ordinary
Tipperary Natural Mineral Water Company Holdings Limited	(b) (n)	Non-trading	Ordinary
Tipperary Natural Mineral Water (Sales) Holdings Limited	(b) (n)	Non-trading	Ordinary
Tipperary Pure Irish Water Unlimited Company	(a) (n)	Non-trading	Ordinary
Vandamin Limited	(a) (n)	Non-trading	A & B Ordinary

Incorporated and registered in Northern Ireland

C&C 2011 (NI) Limited	(p)	Dissolved	Ordinary
C&C Profit Sharing Trustee (NI) Limited	(c)	Non-trading	Ordinary

	Notes	Nature of business	Class of shares held as at 29 February 2020 (100% unless stated)
Incorporated and registered in England and Wales			
A2 Contractors Limited	(k)	Non-trading	Ordinary
Bibendum Limited	(k)	Non-trading	Ordinary
Bibendum Wine Limited	(l) (q)	Non-trading	Ordinary
Catalyst-PLB Brands Limited	(k)	Non-trading	Ordinary
Chalk Farm Wines Limited	(k)	Non-trading	Ordinary
Gaymer Cider Company Limited	(k)	Non-trading	Ordinary
Instil Drinks Limited	(k)	Non-trading	Ordinary
Matthew Clark and Sons Limited	(k)	Non-trading	Ordinary
Matthew Clark Limited	(k)	Non-trading	Ordinary
Matthew Clark (Scotland) Limited	(d)	Non-trading	Ordinary
Matthew Clark Wholesale Bond Limited	(k)	Non-trading	Ordinary
Mixbury Drinks Limited	(k)	Non-trading	Ordinary
Odyssey Intelligence Limited	(k)	Non-trading	Ordinary
PLB Wines Limited	(k)	Non-trading	Ordinary
The Real Rose Company Limited	(k)	Non-trading	Ordinary
The Wine Studio Limited	(k)	Non-trading	Ordinary
The Yorkshire Fine Wines Company Limited	(k)	Non-trading	Ordinary
West Country Beverages Limited	(m)	Non-trading	Ordinary

Notes
(a) – (q)
The address of the registered office of each of the above companies and notes is as follows:
(a) Annerville, Clonmel, Co. Tipperary, E91 NY79, Ireland.
(b) Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702, Ireland.
(c) 6 Aghnatrisk Road, Culcavy, Hillsborough, Co Down, Northern Ireland, BT26 6JJ.
(d) Wellpark Brewery, 161 Duke Street, Glasgow, G31 1JD, Scotland.
(e) Crompton Way, North Newmoor Industrial Estate, Irvine, Strathclyde, KA11 4HU, Scotland.
(f) L-2132 Luxembourg, 18 Avenue Marie-Therese, Luxembourg.
(g) Quinta Da Ferreira De Baxio, Castelo Branco, Fundão Parish, 6230 610 Salgueiro, Portugal.
(h) 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, US.
(i) West Bradley Orchards, West Bradley, Glastonbury, Somerset, BA6 8LT.
(j) 143, Cecil Street, #03-01, GB Building, Singapore – 069542.
(k) Whitchurch Lane, Bristol, BS14 0JZ.
(l) 109A Regents Park Road, London, NW1 8UR
(m) C/O Tlt, 1 Redcliff Street, Bristol, United Kingdom, BS1 6TP.
(n) Companies covered by Section 357, Companies Act 2014 guarantees (note 25).
(o) Immediate subsidiary of C&C Group plc.
(p) Dissolved on 3 March 2020.
(q) Entities that have availed of the audit exemption set out within Section 479A of the Companies Act 2006.

Notes forming part of the financial statements
(continued)

28. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

Equity accounted investments

	Notes	Nature of business	Class of shares held as at 29 February 2020 (100% unless stated)
Joint venture			
Beck & Scott (Services) Limited (Northern Ireland)	(a)	Wholesale of drinks	Ordinary, 50%
Brady P&C Limited (England)	(b)	Holding Company	Ordinary, 49.9%
Drygate Brewing Company Limited (Scotland)	(c)	Brewing	B Ordinary, 49%
The Irish Brewing Company Limited (Ireland)	(d)	Non-trading	Ordinary, 45.61%
Associate			
CVBA Braxatorium Parcensis	(e)	Brewing	33.33%
Shanter Inns Limited (Scotland)	(f)	Public houses	Ordinary, 33%
Whitewater Brewing Co. Limited (Northern Ireland)	(g)	Brewing	25%
Jubel Limited	(h)	Brewing	10%

Notes:
(a) – (h)
The address of the registered office of each of the above equity accounted investments is as follows:
(a) Unit 1, Ravenhill Business Park, Ravenhill Road, Belfast, BT6 8AW, Northern Ireland.
(b) 49 Berkeley Square, 2nd Floor, London W1J 5AZ.
(c) 85 Drygate, Glasgow, G4 0UT, Scotland.
(d) Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702, Ireland.
(e) 3001 Leuven-Heverlee, Abdij van Park 7, Belgium.
(f) 230 High Street, Ayr, KA7 1RQ, Scotland.
(g) Lakeside Brae, Castlewellan, Northern Ireland, BT31 9RH.
(h) Office 311 Edinburgh House, 170 Kennington Lane, London, England, SE11 5DP.

29. POST BALANCE SHEET EVENTS

As outlined in the Group's viability statement on page 20, COVID-19 is having a material impact on the Group's business and the Group has accounted for this as an adjusting event in the current year's financial statements. Post year end COVID-19 continues to have an impact on the Group's financial statements. In response to this, the Group has implemented a series of measures to reduce operating costs, maximise available cash flow, and maintain and strengthen the Group's liquidity position.

In March 2020, the Group completed the successful issue of approximately €140 million of new US Private Placement ('USPP') notes. The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments. A waiver of the prepayment was successfully negotiated post year end in addition to a waiver of a July 2020 repayment which now becomes payable with the last instalment in July 2021. The Group also received a waiver on its debt covenants from its lending group for FY2021, to be replaced by a minimum liquidity covenant and monthly gross debt cap.

The Group has also received confirmation from the Bank of England that it is eligible to issue commercial paper under the COVID-19 Corporate Financing Facility ('CCFF'') scheme. The Group had not drawn down on this facility as at 3 June 2020.

29. POST BALANCE SHEET EVENTS (continued)

Post year end, the Group announced to the market, the decision of the Board to not declare a final dividend for the current financial year. While the Board recognises the importance of dividend income to shareholders it felt, given absolute focus on cash conservation, that it would be neither appropriate, nor prudent, to declare a final dividend for the current financial year.

There are no other events affecting the Group that have occurred since the year end which would require disclosure or amendment of the financial statements.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Directors on 3 June 2020.

Financial Definitions

Adjusted earnings	Profit for the year attributable to equity shareholders as adjusted for exceptional items
Company	C&C Group plc
Constant Currency	Prior year revenue, net revenue and operating profit for each of the Group's reporting segments is restated to constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's non-Euro denominated subsidiaries by revaluing the prior year figures using the current year average foreign currency rates
DWT	Dividend Withholding Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation charges excluding the Group's share of equity accounted investments' profit/(loss) after tax
Adjusted EBITDA	EBITDA as adjusted for exceptional items
EBIT	Earnings before Interest and Tax
Adjusted EBIT	EBIT as adjusted for exceptional items
Effective tax rate (%)	Income and deferred tax charges relating to continuing activities before the tax impact of exceptional items calculated as a percentage of Profit before tax for continuing activities before exceptional items and excluding the Group's share of equity accounted investments' profit/(loss) after tax
EPS	Earnings per share
EU	European Union
Exceptional	Significant items of income and expense within the Group results for the year which by virtue of their scale and nature are disclosed in the Income Statement and related notes as exceptional items
Free Cash Flow	Free Cash Flow is a measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. Free Cash Flow highlights the underlying cash generating performance of the ongoing business
GB	Great Britain (i.e. England, Wales and Scotland)
Group	C&C Group plc and its subsidiaries
HL	Hectolitre (100 Litres)
	kHL = kilo hectolitre (100,000 litres)
	mHL = millions of hectolitres (100 million litres)
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards as adopted by the EU
Interest cover	Calculated by dividing the Group's EBITDA excluding exceptional items and discontinued activities by the Group's interest expense, excluding IFRS 16 Leases finance charges, issue cost write-offs, fair value movements with respect to derivative financial instruments and unwind of discounts on provisions, of the same period
Export	Sales in territories outside of Ireland, Great Britain and North America
LAD	Long Alcoholic Drinks

Adjusted earnings	Profit for the year attributable to equity shareholders as adjusted for exceptional items
Net debt/(cash)	Net debt/(cash) comprises cash and borrowings net of unamortised issue costs. Net debt/(cash) including the impact of IFRS 16 Leases, comprises cash and borrowings net of unamortised issue costs and lease liabilities capitalised.
Net debt/EBITDA	A measurement of leverage, calculated as the Group's Net debt divided by its EBITDA excluding exceptional items and discontinued activities. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for the Group to pay back its debt if net debt and EBITDA are held constant
Net revenue	Net revenue is defined by the Group as revenue less excise duty. The duty number disclosed represents the cash cost of duty paid on the Group's products. Where goods are bought duty paid and subsequently sold, the duty element is not included in the duty line but within the cost of goods sold. Net revenue therefore excludes duty relating to the brewing and packaging of certain products. Excise duties, which represent a significant proportion of revenue, are set by external regulators over which the Group has no control and are generally passed on to the consumer.
NI	Northern Ireland
Non-controlling interest	Non-controlling interest is the share of ownership in a subsidiary entity that is not owned by the Group
Off-trade	All venues where drinks are sold for off-premise consumption including shops, supermarkets and cash & carry outlets selling alcohol for consumption off the premises
On-trade	All venues where drinks are sold at retail for on-premise consumption including pubs, hotels and clubs selling alcohol for consumption on the premises
Operating profit	Profit earned from the Group's core business operations before net financing and income tax costs and excluding the Group's share of equity accounted investments' profit/(loss) after tax. In line with the Group's accounting policies certain items of income and expense are separately classified as exceptional items on the face of the Income Statement
PPE	Property, plant & equipment
Revenue	Revenue comprises the fair value of goods supplied to external customers exclusive of intercompany sales and value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives
ROI	Republic of Ireland
TSR	Total Shareholder Return
UK	United Kingdom (Great Britain and Northern Ireland)
US	United States of America

Shareholder and Other Information

C&C Group plc is an Irish registered company (registered number: 383466). Its ordinary shares are quoted on the London Stock Exchange (ISIN: IE00B010DT83 SEDOL: B010DT8).

C&C Group plc also has a Level 1 American Depository Receipts (ADR) programme for which Deutsche Bank acts as depository (symbol CCGGY). Each ADR share represents three C&C Group plc ordinary shares.

The authorised share capital of the Company at 29 February 2020 was ordinary 800,000,000 ordinary shares at €0.01 each. The issued share capital at 29 February 2020 was 319,495,110 ordinary shares of €0.01 each.

CREST

C&C Group plc is a member of the CREST share settlement system. Therefore transfers of the Company's shares takes place through the CREST settlement system. Shareholders have the choice of holding their shares in electronic form or in the form of share certificates. Shareholders should consult their stockbroker if they wish to hold their shares in electronic form.

SHARE PRICE DATA	2020	2019
Share price at year end	£3.28	£2.63*

* During the course of the year, the Group cancelled the listing and trading of C&C shares on Euronext Dublin with effect from 8 October 2019. The 2019 share price of the Company has been converted from its Euro equivalent.

	2020 Number	2019 Number
No of Shares in issue at year end	319,495,110	320,354,042
Market capitalization	£1,048m	£842m*

Share price movement during the financial year		
– high	£4.11	£3.06*
– low	£3.28	£2.23*

* During the course of the year, the Group cancelled the listing and trading of C&C shares on Euronext Dublin with effect from 8 October 2019. The 2019 share price of the Company has been converted from its Euro equivalent.

Dividend Payments

The Company may, by ordinary resolution declare dividends in accordance with the respective rights of shareholders, but no dividend shall exceed the amount recommended by the Directors. The Directors may also declare and pay interim dividends if they believe they are justified by the profits of the Company available for distribution.

An interim dividend of 5.50 cent per share was paid in respect of ordinary shares on 13 December 2019.

Due to the emergence of COVID-19 and the impact this has on global economies and on business generally, the Board has concluded it is not appropriate to pay a final dividend for FY2020.

Dividend Withholding Tax ('DWT') must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrars. DWT applies to dividends paid by way of cash or by way of shares under a scrip dividend scheme and is deducted at the standard rate of income tax (currently 20%). Non-resident shareholders and certain Irish companies, trusts, pension schemes, investment undertakings, companies resident in any member state of the European Union and charities may be entitled to claim exemption from DWT. DWT exemption forms may be obtained from the Irish Revenue Commissioners website: http://www.revenue.ie/en/tax/dwt/forms/index.html. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed exemption form has not been received by the relevant record date. Shareholders who wish to have their dividend paid direct to a bank account, by electronic funds transfer, should contact Capita Registrars to obtain a mandate form. Tax vouchers will be sent to the shareholder's registered address under this arrangement.

CREST members

Shareholders who hold their shares via CREST will automatically receive dividends in Euro unless they elect otherwise.

Non-CREST members

Shareholders who hold their shares in certificate form will automatically receive dividends in Euro with the following exceptions:
Shareholders with an address in the United Kingdom (UK) will automatically receive dividends in Sterling,
Shareholders who had previously elected to receive dividends in a particular currency will continue to receive dividends in that currency.

Shareholders who wish to receive dividends in a currency other than that which will be automatically used should contact the Company's Registrars.

Electronic Communications

Following the introduction of the Transparency Regulations 2007, and in order to promote a more cost effective and environmentally friendly approach, the Company provides the Annual Report electronically to shareholders via the Group's website and only sends a printed copy to those who specifically request one. Shareholders who wish to alter the method by which they receive communications should contact the Company's registrar. All shareholders will continue to receive printed proxy forms, dividend documentation, shareholder circulars, and, where the Company deems it appropriate, other documentation by post.

Financial Calendar	Date
Annual General Meeting	23 July 2020
Interim results announcement	October 2020
Financial year end	28 February 2021

Company Secretary and Registered Office

Mark Chilton, C&C Group plc
Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702
Tel: +353 1 506 3900

Registrars

Shareholders with queries concerning their holdings, dividend information or administrative matters should contact the Company's registrars:
Link Registrars Limited (trading as Link Assets Services)
P.O. Box 7117, Dublin 2, Ireland
Tel: +353 1 553 0050
Fax: +353 1 224 0700
Email: enquiries@capita.ie
Website: www.linkassetservices.com

American Depositary Receipts (ADR)

Shareholder with queries concerning their ADR holdings should contact:
Deutsche Bank Trust Company Americas
C/o American Stock Transfer & Trust Company, 6201 15th Avenue, Brooklyn, NY 11219.
Tel: Toll free +1 866 249 2593
International +1 718 921 8137
Email: db@astfinancial.com

Investor Relations

FTI Consulting
10 Merrion Square, Dublin 2, D02 DW94

Principal Bankers

ABN Amro Bank
Allied Irish Bank
Bank of Ireland
Bank of Scotland
Barclays Bank
HSBC
Rabobank
Ulster Bank

Solicitors

McCann FitzGerald
Riverside One, Sir John Rogerson's Quay, Dublin 2, D02 X576

Stockbrokers

Davy
49 Dawson Street, Dublin 2, D02 PY05

Investec Bank plc
2 Gresham Street, London, EC2V 7QP

Auditor

Ernst & Young
Chartered Accountants
Harcourt Building,
Harcourt Street,
Dublin 2.

Website

Further information on C&C Group plc is available at www.candcgroupplc.com

Notes

sourcedesign.ie

c&c group plc

Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702.
www.candcgroupplc.com