c&c group plc

Annual Report 2022

View this report online
candcgroupplc.com or
candc.annualreport22.com

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; exclusive distribution of the Budweiser Brewing Group portfolio in Ireland including Budweiser, the fifth largest long alcoholic drink ('LAD') brand; as well as a range of fast-growing, 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 40 countries worldwide.

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

C&C is the No.1 drinks distributor to the UK and Ireland hospitality sectors. Operating through the Matthew Clark, Bibendum, Tennent's and Bulmers Ireland brands, the Group has a market leading range, scale and reach including an intimate understanding of the markets it serves. Together this provides a key route-to-market for major international beverage companies.

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

"Our FY2022 performance highlights the strength of our business model, with the Group returning to profit and cash generation. Encouraged by the reaction and resilience of the hospitality sector, we are pleased with how trading has recovered and the subsequent speed of customer and consumer demand, which we believe reflects the enduring importance of the on-trade and the role that it plays in our society.

The Group has responded well to servicing this demand, despite the widely publicised UK supply chain constraints impacting our industry. In addition, we have broadly managed the challenging and evolving inflationary cost pressures through FY2022. However, we remain vigilant of this challenging environment and are mindful of the pressures being faced by consumers.

In FY2022 we continued to execute our strategy: increasing investment into our branded portfolio; launching a significant change programme as we streamlined the GB businesses (Tennent's, Matthew Clark, Bibendum and C&C Brands) under one management team; and executing our sustainability agenda. With our markets leading platform and financial strength, we believe C&C is well placed to consolidate its position as the leading drinks distributor serving the UK and Ireland drinks market."

David Forde
Group Chief Executive Officer

Financial Highlights

Results

Net Revenue

€1,438.1m

Increase of 87.8% on a constant currency basis

Operating Profit before Exceptional Items

€47.9m

Operating Profit after Exceptional Items

€58.5m

Balance Sheet

Liquidity

€438.7m

Net Debt/EBITDA Including Leases

3.4x

Net Debt/EBITDA Excluding Leases

3.4x

Cash

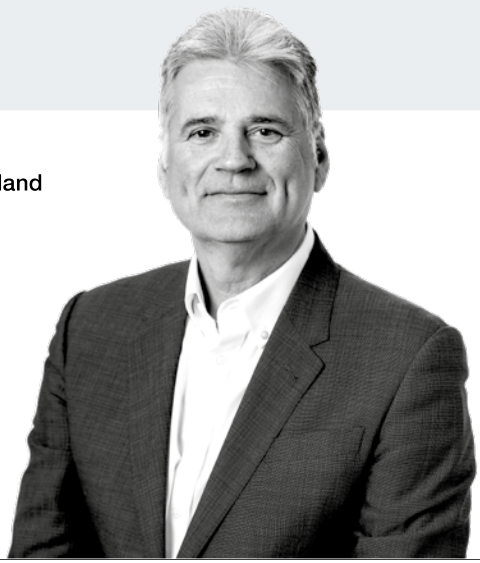
Free cashflow conversion

35.6%

Contents

Chair's Statement

"We are pleased with the robust trading performance of our business during FY2022"



Stewart Gilliland
Chair

In my final annual report as Chair of C&C Group, I am pleased to welcome the reopening of the hospitality sector during FY2022 and delighted to be back serving customers and ensuring our strong portfolio of owned and agency brands are available for consumers to enjoy as trading resumes. The last two years has impacted the lives of all our stakeholders and proved an exceptionally difficult time for the hospitality sector and wider supply chains. Despite this challenging backdrop, we are pleased with the robust trading performance of our business during FY2022, the speed in which consumer demand has returned, the acceleration of some pre COVID-19 trends such as premiumisation, and the growing importance of sustainability to all our stakeholders; a key pillar of the Group's long-term strategy.

Aside from COVID-19 related trading restrictions, the business has broadly navigated the wider supply chain constraints in the UK and taken action to afford itself a degree of protection against the increasingly challenging inflationary environment. Despite these challenges, through FY2022 we executed our strategy and implemented a significant change programme, focused on providing a technologically enhanced platform to sell our brands and partner brands, underpinned by our market leading cost to serve. Notably, as part of this we announced One C&C GB, an initiative to integrate our Tennent's, Matthew Clark and Bibendum businesses under one management team which will drive efficiencies and improve our service offering to customers. Our core brands in Scotland and Ireland have continued to perform strongly, with both Tennent's and Bulmers gaining off-trade volume share compared with the pre COVID-19 levels[(iii)(iv)]. With the Group's strategy focused on three distinct pillars: brand strength; system strength; and sustainability, during FY2022 we made significant investment behind these pillars to consolidate our position as the leading brand-led drinks distributor serving the UK and Irish hospitality sectors.

Operating Results

FY2022 was a year of gradual recovery for C&C and we are pleased to report net revenues of €1,438.1m and growth of +87.8% compared to FY2021 on a constant currency basis[(i)]. This performance was driven by the reopening of the higher margin on-trade which helped the Group return to operating profit generation in June 2021, coinciding with the easing of government restrictions in our core markets. FY2022 provided 267 days of trading where the on-trade was open across Ireland and the UK compared with 117 days in FY2021.

With the increase in on-trade revenues and our successful cost reduction programme, the Group delivered a pre-exceptional operating profit of €47.9 m in FY2022, compared with a loss of €63.6 m in FY2021 on a constant currency basis[i]. This, in turn, has delivered an adjusted diluted earnings per share of 7.5c in FY2022 ((21.1)c in FY2021)[ii].

The provenance and unique position of our core brands in the markets they serve ensures a strong platform from which to develop our wider portfolio and we are pleased with the performance and progression of our premium portfolio. We also continued to broaden our portfolio of agency brands, notably securing an exclusive sale and distribution agreement with Moët Hennessy in Scotland. Key to the success in securing this distribution agreement was our system strength which we have continued to enhance during FY2022, through the optimisation of our depot network, continued advances in our ecommerce platform and optimisation of our back-office. In addition, we are pleased to report both our Wellpark and Clonmel manufacturing sites have now removed single use plastic from their consumer packaging, which will remove 300 tonnes of the plastic annually.

The inherent strength of our business model and cash generating characteristics were evident in FY2022, with the Group returning to cash generation. Through prudent balance sheet management and our successful Rights Issue in June 2021, the Group looks to the future from a position of financial strength and is equipped with sufficient liquidity to execute our long-term strategy and navigate any future unexpected trading disruption.

People and Culture

We are a business with a manufacturing footprint and depot network close to the customers and consumers we serve. We have world class facilities and a network that is unrivalled in terms of reach and scale across the UK and Ireland. Integral to our success in optimising this advantage is identifying opportunities and responding quickly to serve the needs of our customers. Our people, and the culture we foster collectively, are at the core of our success. I would like to thank all of my colleagues throughout the business for their dedication and resourcefulness in navigating the challenging market backdrop through FY2022.

The health and safety of our colleagues is our key priority, one which we will continue to invest in to ensure we provide the safest and most enjoyable working environment we can for all those working in C&C. We recognise that as society has reopened and returned to pre COVID-19 characteristics, changes in how we work have had an impact on our colleagues, their wellbeing, and the environment, and consequently, the support we provide. To address this, the Group has a implemented a permanent flexible working policy for those employees who do not need to be site-based. To enhance our working environment, for example we created a Wellness Garden at our Clonmel site which opened in April 2022. The area allows colleagues to take some time out or have a meeting outdoors, providing an environment to relax, refresh and connect. The Group has a number of measures to ensure we are supporting our colleagues which include the provision of impartial advice and information on physical and mental wellbeing, financial concerns and access to specific counselling services.

Mindful of the physical and mental health of our colleagues, in FY2022 we trialled an employee health screening and lifestyle

Our people, and the culture we foster collectively, are at the core of our success.

”

Chair's Statement
(continued)

assessment, with over 170 colleagues taking part in Ireland. As result of the positive feedback received, we plan to roll out the equivalent Health and Wellbeing education and support programmes across the Group.

Over the last two years, open and honest discussions on mental health and wellbeing have become ever more important to ensuring that colleagues feel fully supported in the workplace. As part of our external Employee Assistance Programmes that are in place across C&C Group, we have 56 fully certified volunteer Mental Health First Aiders, available to support any colleague at any time until appropriate professional support is received or until the crisis is resolved.

As part of our commitment to the responsible promotion and consumption of alcohol and ongoing efforts to support colleague health and wellbeing and ensure a safe working environment, we have partnered with leading alcohol charity, Drinkaware, to roll out e-learning resources to all colleagues across C&C Group to improve alcohol awareness.

The Board recognises the need to regularly assess employee engagement to develop our people, culture and internal communications. The Group undertakes six monthly employee engagement surveys which are reviewed by managers and by the Board to address any concerns and target investment into our people and culture. In addition, our Board met directly with employees during FY2022 through 'Our Forum' sessions which provide a platform for open and honest dialogue between the Board and our colleagues. This continuous review ensures C&C provides the best environment and support for our colleagues to thrive, which will ensure the long-term success of the Group.

Social Responsibility and Environmental Commitments

We recognise the important role that our industry plays in wider society but acknowledge and understand the key role we play in social responsibility within the local communities we serve. We take our responsibility seriously. In terms of strategic oversight, the Board has an ESG (Environment, Social and Governance) Committee that works alongside our ESG team to develop and execute our ESG strategy. Our ESG team includes representation from colleagues at all levels across the business to ensure varied and diverse inputs and a balanced strategy. This year's Responsibility Report is set out on pages 62 to 81.

At C&C, we are a long-term supporter of minimum unit pricing ('MUP'), and our experience since its 2018 introduction in Scotland highlights our belief to act responsibly in society's long-term interests. We welcomed the introduction of MUP in Ireland on January 2022 and support any measures that will reduce problem drinking and associated pressures on public health systems. As part of our commitment to the responsible consumption of alcohol we produce a range of no and low variants of our leading brands which we continue to develop and are active members of both the Portman Group and Drinkaware.

In progressing our environmental commitments, key achievements in the year include the installation of the largest rooftop solar panel farm in Ireland, which will provide 10% of electricity used onsite and removal of single use plastics in our consumer packaging at Clonmel. In addition, with COP26 hosted in Glasgow, the home of our iconic Tennent's brand, C&C was actively involved in the event showcasing the significant sustainability investment in our Wellpark manufacturing site.

We recognise the important role that our industry plays in wider society but acknowledge and understand the key role we play in social responsibility within the local communities we serve.

”

Capital Allocation

Capital investment during FY2022 has been focused on our brands, system and sustainability, with investment in our branded portfolio through a multi-channel advertising campaign; integration of One C&C GB; and the removal of single use plastic from our canned products at our Clonmel manufacturing site.

We finished FY2022 in a strong position, returning to cash generation and our leverage back within traditional covenants in February 2022, the first time in FY2022. Our ambition is for a medium-term target of less than two times net debt to adjusted EBITDA. With the resumption of the on-trade and our subsequent trading performance, we will continue to deleverage our balance sheet over FY2023, so long as current trading conditions continue. Future capital allocation will be focused on organic or acquisitive growth opportunities to enhance our brands and system, while ensuring we meet our sustainability commitments.

The Group is operating within a period of covenant waivers and as such our ability to return capital to Shareholders is restricted until the end of those waivers in H2 FY2023. We recognise the importance of dividends to our Shareholders and will resume returning capital to Shareholders as, and when, the financial performance and operating environment permit us to do so.

Governance

FY2022 saw further evolution of the Board, with Vineet Bhalla joining as Independent Non-Executive Director on 26 April 2021, strengthening our range of skills and experience. Jim Clerkin, Independent Non-Executive Director and Andrea Pozzi Chief Operating Officer ('COO') decided to step down from their positions on 27 October 2021 and 1 September 2021 respectively, with their associated Board responsibilities being fulfilled by the remaining Executive and Non-Executive Directors. I am pleased to report that Andrea has taken up the role of leading the management team of our enlarged GB business following the integration of our Tennent's, Matthew Clark and Bibendum businesses. Lastly, Ralph Findlay joined as Chair designate in March 2022 and will take up the role of Chair following our AGM in July 2022. Ralph brings extensive industry experience, having until recently been Chief Executive of Marstons plc, one of the UK's most well-known pub groups.

With the easing of restrictions, we are pleased to be meeting face to face again as a Board. As part of our on-going engagement, the Board conducted a number of operating site visits over the course of FY2022. We also completed an internal Board review during the year which reviewed areas such as: Board composition; risk management; performance of our committees; and engagement.

We believe we have a Board with the requisite skills, experience and diversity to support the management of the business as it executes its strategy and remain committed to maintaining the highest standards of governance principles and practice, an overview of which is included on pages 90 to 99.

Looking Forward

I am encouraged by the speed and strength in which the on-trade has returned in FY2022. I believe this underlines the important role our industry plays in society and the unique position C&C has as the leading brand-led drinks distributor across the UK and Ireland. We have a proven business model, with our return to profitability aligned with the opening of the on-trade and a return to cash generation. We look forward with optimism, however remain vigilant on the challenging and evolving inflationary environment and will continue to manage this backdrop by taking steps where possible to minimise the impact on our customers, consumers and shareholders. With the actions taken in FY2022 to strengthen our brands, system, and sustainability credentials, C&C is well positioned to execute our long-term strategy.

As I conclude my term as Chair of C&C, I would like to thank all my current and former colleagues who have made my experience as motivating and rewarding as it has been. During my 10 years in the business, the last two years have been some of the most challenging our industry has ever faced, the response of our people and the resilience of our business has been inspiring and I believe the Group is well positioned for the future.

Stewart Gilliland
Chair

Notes
(i) FY2021 comparative adjusted for constant currency (FY2021 translated at FY2022 F/X rates).
(ii) Adjusted basic/diluted (loss)/earnings per share ('EPS') excludes exceptional items. During the current financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 Earnings Per Share requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result. Adjusted basic/diluted earnings/(loss) per share ('EPS') excludes exceptional items.
(iii) Nielson, Volume Share of Long Alcoholic Drinks, Off-trade including Dunnes and Discounters, MAT February 2022.
(iv) GB IRI off-trade data 52 week ending 20.03.22.

Vision, Purpose and Values

We are committed to building a company that delivers long-term value, an organisation that has an affinity to the markets in which it operates, with sustainability and social responsibility at its forefront.

With our Bulmers, Tennent's and Magners brands, C&C has a long and rich history at the core of the company, augmented by continually evolving our offer to meet the demand of our consumers and customers.

Vision

To be the pre-eminent brand-led drinks distribution platform, serving the UK and Irish drinks market, generating stable margins, delivering strong free cash flow and returns for our shareholders.

Purpose

Play a role in every drinking occasion, delivering joy to our customers and consumers with remarkable brands and service.

Our Behaviours

- We put safety first
- We are customer centric
- We collaborate through trust
- We keep it simple and remain agile
- We are fact based, data and insight driven
- We learn to improve

Our Culture

Open	Humble
Respectful	Competitive

Our Values

Respect people and the planet

We bring joy to life

Quality is at our core

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 Bulmers Ireland 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 Budweiser Brewing Group's portfolio of beer brands across the Island of Ireland on an exclusive basis. Our primary manufacturing plant is located in Clonmel, Co. Tipperary, with major distribution and administration centres in Dublin and Culcavy, Northern Ireland.

Great Britain (GB)

This segment includes the financial results from 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 Budweiser Brewing Group. In addition, the division includes the Tennent's drinks distribution business in Scotland. The Group also distributes selected Budweiser Brewing Group brands in Scotland and the Tsingtao and Menabrea international beer brands across the UK. Our primary manufacturing plant and administration centre is located at the Wellpark Brewery in Glasgow.

In addition, this segment includes the financial results from the Matthew Clark and Bibendum distribution businesses. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. Matthew Clark and Bibendum also have a number of exclusive distribution agreements for third party products (mainly wines but also including spirits) into the UK market and a limited range of own brand wines. 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. Together, Matthew Clark and Bibendum offer a market leading range of products, including beers, wines, spirits, cider and soft drinks.

Our Tennent's, Matthew Clark and Bibendum distribution businesses operate a nationwide distribution network serving the independent free trade and national accounts.

This segment also includes the financial results from 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 40 countries globally, notably in continental Europe, North America, Asia and Australia. The Group operates mainly through local distributors in these markets and regions. This segment also includes the sale of the Group's cider and beer products in the US and Canada. In April 2021, the business divested our wholly-owned US subsidiary, Vermont Hard Cider Company and its Woodchuck suite of brands.

Our Engagement with Stakeholders

We aim to maintain open and positive dialogue with all of our stakeholders. Our stakeholders are a critical part of our operations and are referenced throughout this report. We have set out below details of who our key stakeholders are, and how we engage with them. For our Section 172 Statement, please see page 93.

Area of Focus	Why we engage	How we engage
Employees – Our colleagues and contractors who work in our business		
• Health, safety and wellbeing • Investment in learning and development • Promotion of equality, diversity and inclusion • Recognition and careers • C&C Strategy and values	Our people sit at the heart of our business. Without them we wouldn't succeed. We want our people to thrive in a fair and inclusive work environment, to ensure that C&C has the most engaged, inspired and committed colleagues.	There are many ways we engage, including employee engagement surveys, Employee Resource Groups to promote Health and Wellbeing, employee forums with Non-Executive Directors, whistleblowing reports, online learning and training resources, weekly and monthly Teams and face to face briefings, regular site visits and roadshows.
Communities – The people who live in the local communities around our sites and operations		
• Fair employment and equal opportunities • Local causes and issues	To build trust by operating responsibly and sustainably and investing in people and addressing issues that are material to our communities.	We support local and national charities and community groups to raise awareness and funds to help deserving causes. In FY2023, we will introduce a Group wide volunteering policy to allow colleagues to deliver a meaningful impact to the world around us.
Consumers – The people who drink our products		
• Create joyful moments as consumers enjoy one of our drinks with family, friends and loved ones • Staying ahead of changing consumer lifestyles and habits which impact how people want to drink • Making sure that our beverage offer is sustainable and good for the planet • Safe products and environments	We strive to build lasting bonds with consumers built on quality, relevance, authenticity and trust. On occasions when consumers choose alcohol, we want them to "drink better, not more".	Using award-winning consumer insights, we develop powerful and unique brand positions that engage consumers. We invest in and nurture our brands, to develop campaigns, experiences and associations that consumers care about. We utilise the appropriate channels to reach our consumers. Our brands are available and visible in the correct venues and in the correct formats. Responsible advertising and marketing, active engagement and education to promote moderation and reduce the harmful use of alcohol.

Area of Focus | Why we engage | How we engage

Suppliers

Our partners who supply products and services

- Product quality and authenticity
- Workplace health and safety
- Ethical and sustainable supply chain reducing our environmental impact and making positive contributions to society.
- Innovation in creation of new brands

Working collaboratively to ensure resilience and availability in our supply chain to deliver the best possible service and value for money for customers and consumers.

Identify opportunities for profitable, sustainable growth.

Collaborate to improve ethical and sustainable approach.

Suppliers must sign up to our Code of Conduct and Anti Modern Slavery policies as well as provide detailed information on their Ethical and Sustainable approach.

We have also committed that suppliers and customers making up 67% of our Scope 3 emissions, will have science-based targets in place by 2026. The Company will continuously engage with suppliers and customers to support them to set science-based targets for their own emissions by 2026.

Conduct formal supplier surveys, reviews and audits.

Investments in third party innovative and new brands.

Shareholders and Lenders

Individuals or institutions that own shares in C&C Group plc or provide financing

- Financial performance
- Strategic priorities
- Corporate governance
- Leadership and succession planning
- Executive remuneration policy
- Shareholder returns
- Environmental and social commitments and progress

Our philosophy is to engage in regular, open and transparent dialogue with our existing and prospective shareholders and lenders. We value their thoughts and opinions which are shared with the Board. The Board reviews the feedback and takes appropriate actions where necessary.

We engage with our existing investors through one-to-one and group meetings, webcasts, presentations, conference calls and at our AGM. The Group Finance and Investor Relations Director holds responsibility for the investor relations programme, and the Group CEO and Group CFO dedicate significant time to engaging with our major shareholders. The Chair, other Board members and the Group General Counsel and Company Secretary also engage with our shareholders on other matters, such as Environmental, Social and Governance topics. We engage with lenders primarily through Group Finance and the Group CFO.

Customers

Our customers, who are experts in the products they buy and sell, as well as in the experience they create and deliver

- Identification of opportunities that offer profitable sustainable growth insights into consumer behaviour and trends, innovation, promotional support and merchandising and technical expertise

Our passion is to ensure we nurture mutually beneficial relationships that deliver joint value and the best outcome for all our consumers.

Collaborate to improve ethical and sustainable performance.

We engage through the use of best practice sales analytics and technology to support our retailers, ongoing dialogue and account management support and physical and virtual sales calls.

Our award-winning market insight capability, identifies product range based on consumer demand and market trends.

Governments and Regulators

Regional and national government bodies and agencies which implement and enforce applicable laws across our industry

- Positive drinking programmes and impacts
- Wider sustainability agenda including human rights, environmental impacts
- Legal and regulatory compliance

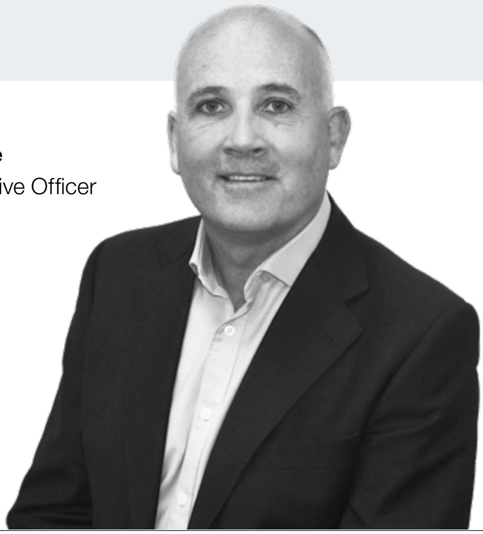
To communicate our views to those who have responsibility for implementing policy, laws and regulations relevant to our businesses.

Ongoing dialogue, collaboration on responsible drinking initiatives and promotion of moderation, strengthening industry standards and participation in governments' business and industry advisory groups.

Group Chief Executive Officer's Review

"Building back stronger and positioning C&C as the leading, brand-led, drinks distribution platform in the UK and Ireland."

David Forde
Chief Executive Officer



Following a period of unprecedented challenges for the hospitality sector, we are delighted to be back serving our customers and delivering our iconic and much-loved brands to our on-trade and off-trade partners. Encouraged by the response and resilience of the industry, we are pleased with how trading has recovered and the subsequent strength of customer and consumer demand, which we believe reflects the enduring importance of the on-trade and the role it plays in our society.

The strength of our business model is evident, with C&C returning to profit in June 2021 following the easing of government restrictions in our core markets. Furthermore, we have finished FY2022 in a strong position, with a reduced level of net debt and more than sufficient liquidity to manage any near-term uncertainty and deliver our growth objectives.

The Group has navigated a challenging trading environment throughout FY2022, principally the widely publicised UK supply chain constraints, and more recently, inflationary cost pressures. We have effectively managed these challenges over the last twelve months whilst ensuring consistent supply and market leading service.

Despite these challenges, we have continued to execute our strategy by: strengthening our brands and system, enhancing our portfolio; extending our customer offering; investing in technology; driving efficiencies in our network and support office functions; and, ensuring we continue to meet our sustainability commitments.

Strategic development

C&C's strategy is based on three distinct pillars: brand strength; system strength; and sustainability, the successful execution of which will ensure our company is positioned as the leading brand-led drinks distribution platform in the UK and Ireland.

Our brands are key to the success of our business and as such we have increased investment in our branded portfolio, with direct brand marketing increasing to 7.1% of branded net revenue from pre COVID-19 levels of 5.8% in FY2020. Our brands were back on TV for the first time in a number of years, supported by promotional activity and social media campaigns. This helped improve our brand health scores[(viii),(ix)] in the year. In January 2022, minimum unit pricing ("MUP") was introduced in the Republic of Ireland. With our recent experience of MUP in Scotland, we were able to prepare in advance, optimising our Irish branded portfolio through ABV and pack format changes. Early indications show that Bulmers has gained market share, since the introduction of MUP[(x)].

In July 2021, we announced our intention to create one C&C in Great Britain, aligning our TCB, Matthew Clark and Bibendum businesses under one management team. The initiative will unite and streamline our GB businesses under one go-to-market strategy; simplify and improve the customer experience; create a more efficient GB network with market leading scale, reach and cost to serve; and an optimised support office function. In addition, we have made great progress in aligning our core ERP system across the Group which will further simplify our operations. Continuing our investment in technology, we launched Bibendum's ecommerce platform in January 2022, ensuring that we now have an online customer offering across the Group.

Financial Performance

C&C's reported net revenue for FY2022 of €1,438.1m which represents an increase of 87.8% versus last year on a constant currency basis[i]. With government restrictions in the hospitality sector easing from April 2021, recovery in the on-trade drove the majority of the uplift, with on-trade net revenues in FY2022 of €1,017.1m, +207.8% versus last year on a constant currency basis[i].

Our operating profit before exceptional items in the year was €47.9m and our overall earnings before exceptionals, interest, tax, depreciation and amortisation was €79.7m[ii]. This excluded an exceptional operating profit in the year of €10.6m of which was primarily as a result of the releasing COVID-19 provisions no longer deemed necessary. The FY2022 performance represents a return to profitability for the Group, with the business delivering a basic EPS of 9.9c[iv] and adjusted diluted EPS of 7.5c[iv].

The Group successfully completed a Rights Issue in June 2021, raising gross proceeds of €176.3m. This coupled with disciplined balance sheet management and a return to cash generation has led to net debt[vii] and liquidity[vi] of €271.3m and €438.7m respectively as at year end, compared with €441.9m and €314.6m respectively at FY2021. The Group reduced leverage to 3.4x net debt / adjusted EBITDA as at February 2022, and is back within traditional pre COVID-19 covenants. The Group is on track to meet the next covenant requirements, the waiver of which was negotiated in response to COVID-19, and which ends on 31 August 2022.

Finance costs, including exceptional items in the year, amounted to €22.6m, a decrease of 17.5% versus FY2021, with the proceeds from the Rights Issue being used to reduce gross debt and interest costs.

Our receivables purchase programme has contributed €84.1m to closing cash, an inflow of €37.8m on a constant currency basis[i], driven by the return of the on-trade back to normalised trading conditions. Total working capital during FY2022 was limited to an outflow of €19.2m; with investment into stock, this was supported by €28.8m of tax deferrals, following repayment of €64.3m during FY2022.

Post year end, the Group announced the sale of its joint venture investment in Admiral Taverns to Proprium Capital Partners for a total consideration of £55m. As part of the divestment, C&C has negotiated a long-term branded supply agreement into the Admiral estate. The divestment of Admiral is an indication of C&C's future focus on its brand-led distribution model.

Capital Allocation

The Group's capital allocation strategy remains anchored in the sustainable stewardship and growth of our business. The core components in executing our strategy include investment in our existing business; acquisitive growth opportunities that develop our brand or system strength; a target leverage of at or below 2.0x net debt / adjusted EBITDA; and a commitment to return surplus cash to shareholders.

Capital investment in the existing business stood at €17.1m for the year and was focused on sustainability initiatives and technology. Notably, at our Clonmel facility we invested €4.8m to remove single use plastic from our canned products, which will eliminate 150 tonnes of plastic per annum from our products.

We continued our support of the Independent Free Trade ('IFT') in both Scotland and Northern Ireland by lending to outlets seeking growth capital for their business plans. These loans stood at €43.0m in FY2022, up from €42.1m in FY2021. Loans are primarily secured by freehold assets and are conditional upon the outlet purchasing our products over the tenure of the agreement.

C&C is committed to a clear and disciplined approach to capital allocation. We understand the importance of dividends to our shareholders, therefore once Group cash flow permits, and we have exited our covenant waiver period, we will return to paying a dividend in due course.

Brand Strength

With the easing of government restrictions in the on-trade, this channel in FY2022, began to recover back to pre-COVID levels, with 71% of FY2022 net revenue generated in the on-trade compared with approximately 80% pre COVID-19. Distribution of our core brands into direct-delivered on-trade outlets has returned to approximately 90.0% of FY2020.

We have seen a strong performance by Tennent's and Bulmers in FY2022, with both brands driving improved brand health scores[xiv],[xv]. Off-trade share has continued to perform strongly, with market share growth compared with pre COVID-19[x],[xi] levels. Similarly, in the on-trade, Tennent's and Bulmers volume share has increased compared to two years ago[ix],[x] with these brands delivering to 88% and 92% of the outlets compared to FY2020. The Magners performance has been more challenging,

Group Chief Executive Officer's Review
(continued)

with losses in value and volume share in both the on and off trade[x],[xi]. Cider's share of overall alcohol declined in FY2022, which impacted on performance[xx]. Magners Original however, remains the number one packaged apple cider by volume and value sales in GB[xv]. We are excited by our investment plans for the brand and our wider cider portfolio. Encouragingly, Matthew Clark and Bibendum have grown outlet penetration of our branded cider portfolio in outlets purchasing cider to nearly 50%, a growth of c.3% on FY2020.

Our premium beer portfolio, driven primarily by Heverlee, Menabrea, Drygate, Innis & Gunn and Jubel, grew its penetration of our Scotland IFT outlet base in FY2022 to 40%, compared with 35% in FY2020. Despite the periods of on-trade closures, coupled with hospitality restrictions, GB premium beer volumes reached 95% of FY2020 levels, with both Menabrea and Innis & Gunn outperforming FY2020 volumes. In Matthew Clark and Bibendum, we have grown the outlet penetration of our premium beer brands compared to total beer distribution outlets by c.+30% versus FY2020.

System Strength

During FY2022 we successfully implemented our efficiency and cost saving programme, delivering €18m of annualised savings compared to our pre COVID-19 cost base. The majority of savings were driven by the consolidation of the distribution network across GB, improving customer service whilst providing a broader offer. While completing our network consolidation, the business has navigated the UK supply chain constraints and broadly met the needs of customers through peak trading periods. Our nationwide network is owned and managed in-house which afforded the Group some protection from supply constraints being experienced by other businesses, further reflecting the strength of our underlying business model. In addition, we have rationalised our third-party brand stocking range and implemented minimum order values across the Group to further drive efficiencies.

The Group has continued to grow ecommerce revenues in FY2022 and now provides an online ordering platform for customers across the Group. I am pleased to report that we continue to see enhanced order sizes through our ecommerce platform compared with traditional contact centre orders. In addition to an enhanced customer offering, our ecommerce platform delivers support office efficiencies. To further promote the use of online ordering, we moved all promotional activity to online and partly as a result, 60.2% of Matthew Clark IFT customers now order online.

The Group navigated the CO_2 shortages which affected the industry during FY2022. Following previous investment at our Wellpark and Clonmel manufacturing facilities with CO_2 recovery systems, the Group was able to ensure continuity of service and meet customer and consumer demand for our brands.

Our Team

Central to the success of our business is a team of dedicated colleagues, passionate about our brands and delivering outstanding service to our customers. The closure of the hospitality sector meant many of our colleagues faced periods of furlough throughout the pandemic. Despite this, our colleagues demonstrated tremendous flexibility and commitment as the industry re-opened post lockdown. Our team was further challenged by the well documented labour shortages in the supply chain and again responded with remarkable adaptability and resourcefulness to deliver great service to our customers.

In positioning and strengthening C&C for the future, we simplified and centralised a number of business functions throughout the Group, which regrettably meant that some colleagues left our business as their

During FY2022 we successfully implemented our efficiency and cost saving programme, delivering €18m of annualised savings compared to our pre COVID-19 cost base.

”

roles became redundant. I would like to sincerely thank all our colleagues, past and present, for their commitment to our business, and their resilience throughout what has been two of the toughest years our industry, and our business, has experienced.

Sustainability

C&C has continued to invest significantly in sustainability, with over half of capital investment in FY2022 linked to sustainability projects. Notable FY2022 achievements on our sustainability initiatives include: the removal of single-use plastics in our canned products manufactured in Clonmel; the installation of Ireland's largest rooftop solar farm at Clonmel powering 10% of our site electricity needs; and Wellpark being voted the Sustainable Brewery of the Year at the Scottish Beer Awards. As C&C is a distributor as well as manufacturer, we purchase significant volumes of product for resale. We therefore expect the highest sustainability standards from our suppliers and ensure this through ethical procurement practices and a rigorous supplier selection process.

We acknowledge the positive role our industry plays in society and our position within it as a producer and distributor of alcoholic beverages. We are passionate about ensuring the safe and responsible consumption of alcohol. In that context, we use our marketing assets to promote responsible consumption and are active members of both the Portman Group and Drinkaware.

The Group recognises the essential role of sustainability in the decision making for all our stakeholders. The commitment and delivery of our sustainability objectives are central to our long-term strategy and role we play in wider society. Sustainability is therefore at the core of our decision making throughout the Group, with sustainability metrics also now forming part of our executive renumeration, to ensure alignment between executive incentives, responsible business and stakeholder expectations.

Our sustainability commitments and achievements are disclosed in more detail on pages 62-81.

Summary and Outlook

I am encouraged by our performance in FY2022 as the Group returned to profitability and cash generation, demonstrating the inherent strength of our business model, the resilience of our brands and the ability of our team. As the on-trade has returned, I am proud of how the Group has responded to increasing levels of demand from customers and consumers. We have successfully navigated a challenging backdrop throughout FY2022, while continuing to deliver market-leading service. This has only been made possible by the dedication, commitment and agility of my colleagues at every level throughout the business.

Looking forward, we are operating in a challenging inflationary cost environment and will continue to monitor this closely over FY2023 and beyond. We have already taken actions to afford the business a degree of protection, through our successfully executed cost reduction plan, our recent price increases and input cost hedging. Despite the current positive sentiment in the hospitality sector post reopening, we are mindful of the pressures being faced by consumers and its potential impact on future demand.

FY2022 finished with a robust return of the on-trade, and we are excited for the opportunities ahead. We have and will continue to enhance our branded portfolio through increased investment and product development, utilising our system to win in cider and strengthen our position in premium beer. Through technology, we will create a more streamlined business which will in turn deliver an improved customer experience and service. I am confident that the Group will continue to play a key role in the UK and Irish drinks market and is well positioned to drive sustainable growth and create long-term returns for our shareholders.

David Forde
Chief Executive Officer

Group Chief Executive Officer's Review
Operating Review

Our brand-led distribution model and its inherent strengths of scale and reach is supported by investment in our sales and distribution infrastructure, underpinned by our local and core brands. The Group operates with two distinct divisions which are focused on the local markets they serve, with their proposition tailored to meet the needs of our customers and consumers. This structure harnesses the economies of scale in our support office, namely: procurement, finance and IT while remaining agile to adapt and react to market conditions and customer requirements.

Great Britain

€m Great Britain Constant currency(i)	FY2022	FY2021	Change %
Net revenue	1,213.8	598.4	102.8%
of which Branded	*170.1*	*139.0*	*22.4%*
- Price / mix impact			10.0%
- Volume impact			12.4%
of which Distribution	*1,005.5*	*414.2*	*142.8%*
- Price / mix impact			83.7%
- Volume impact			59.1%
of which Co-pack / Other	38.2	45.2	(15.5%)
Operating profit/(loss)(iii)	31.2	(56.9)	NM
Operating margin	2.6%	NM	
of which Branded	*21.7*	*(10.4)*	*NM*
of which Distribution	*9.5*	*(46.5)*	*NM*
Volume – (kHL)	4,305	3,167	35.9%
- of which Tennent's	897	712	26.0%
- of which Magners	606	557	8.8%

Our Great Britain division's net revenue increased 102.8%(i) to €1,213.8m in the year, driven by the reopening of the on-trade from May 2021, with strong growth in our branded volumes. As a result, the division generated an operating profit(iii) of €31.2m against a loss of €56.9m(i) in FY2021. The period has been characterised by an evolving backdrop of challenges including: supply chain constraints; inflationary pressures and periods of further COVID-19 disruption. We have embarked on a period of significant change with the announcement of One C&C GB, streamlining our GB, MCB and International business under one management team with the goal of optimising our support office function, improving customer service and executing the Group's strategy.

Our Great Britain division's net revenue increased 102.8%(i) to €1,213.8m in the year, driven by the reopening of the on-trade from May 2021, with strong growth in our branded volumes.

Operational Highlights

Our customer service levels were impacted during FY2022 by widely publicised capacity constraints, driven by the ongoing issue of driver and warehouse operative shortages. As a result, a number of initiatives were implemented including: delivery day changes; increasing minimum order value to improve efficiency; and the simplification of our offering, for example we actively reduced the volume of less profitable water products we delivered. This, coupled with our inhouse logistics operation, with its significant size and scale, has ensured that we have broadly been able to meet customer demand throughout the period. We are pleased to report that Matthew Clark's On Time In Full ("OTIF"), one of our key delivery metrics, has recovered from a low of c.73% in FY2022 to c.88% at February 2022, our target under normalised conditions is 96%.

As service stabilised in H2 FY2022, we are pleased to report that CSI (Customer Service Index) and NPS (Net Promotor Score) scores across our TCB, Matthew Clark and Bibendum business have been improving month by month through H2 FY2022.

Our manufacturing site at Wellpark in Glasgow, has continued to build its sustainability credentials, being voted as Sustainable Brewery of the Year at the Scottish Beer Awards. During COP26 in Glasgow, the site hosted dignitaries and events, showcasing the investments made in removing CO_2 (4,000 tonnes in FY2022) and eliminating 150 tonnes of single use plastic in the year. With the inflationary pressures, especially around aluminium and energy, we have introduced a lighter weight pint can for FY2023 and continue to focus on efficiencies at the site to drive down energy usage of which 100% is now generated from renewable sources. This will ensure that we have a competitive manufacturing cost base, whilst delivering on our sustainability commitments.

Group Chief Executive Officer's Review
Operating Review (continued)

Following the reopening of the on-trade in January 2022, we are pleased to be trading with 79% of outlets in February 2022, compared with February 2020.

Brands

Tennent's performance was aided by Scotland qualifying, for the first time in 23 years, for a major football championship. Our multi-channel advertising campaign and associated on and off-trade promotional activity helped in part to drive brand health improvement, with Tennent's Lager's brand index score increasing 230 bps from 14.6% to 16.9%[viii]. Tennent's off-trade volume share of 24.0% has fallen compared with FY2021 (24.6%), a reflection of Tennent's benefitting in the previous year from supply chain disruption that competitor brands experienced as well as growth of the premium category[xi]. Encouragingly though, FY2022 volume share is higher than FY2020 (22.9%)[xi]. In the year, our Tennent's lager IFT on-trade volumes have recovered back to 74% of FY2020 levels with direct delivered outlets recovering to 88% of FY2020.

For Magners, both volume and value share of GB off-trade apple cider declined, with a similar trend in the on-trade compared to last year[xi],[xii]. Despite this, Magners Original remains the number 1 packaged apple cider by volume and value sales[xv] and the number 1 recommended apple cider brand amongst GB cider drinkers[xiv]. Matthew Clark and Bibendum have continued to grow the outlet penetration of our cider brands in outlets purchasing cider to nearly 50%, a growth of c.3% compared to FY2020.

Premium beer, driven primarily by Heverlee, Menabrea, Drygate, Innis & Gunn and Jubel, grew its penetration of our Scotland IFT outlet base in FY2022 to 40% compared with 35% in FY2020. The rate of sale has also improved in FY2022 compared with FY2020, reflecting the move to premiumisation by consumers and improved targeting into the right outlet demographic. Despite the periods of on-trade closures, coupled with hospitality restrictions, Scotland IFT premium beer volumes reached 95% of FY2020 levels with both Menabrea and Innis & Gunn outperforming FY2020 volumes. In Matthew Clark and Bibendum, we have grown the outlet penetration of our premium beer brands, compared to total beer distribution outlets, by c.+30% versus FY2020. Our premium Belgian beer brand, Heverlee has reported strong brand health scores in the latest You Gov survey[xvi] and grown in GB off-trade, with volumes +19% and value sales +20%, driven by incremental distribution and new pack formats. Innis and Gunn, exclusive partner for the IFT in GB, has made considerable distribution gains in both Scotland, England, and Wales during FY2022.

Premium beer, driven primarily by Heverlee, Menabrea, Drygate, Innis & Gunn and Jubel, grew its penetration of our Scotland IFT outlet base in FY2022 to 40% compared with 35% in FY2020.

”

Group Chief Executive Officer's Review
Operating Review (continued)

Distribution

FY2022 volumes were materially impacted by restrictions in the year, further compounded by supplier product shortages impacting availability. In addition, our MCB business experienced an isolated cyber security incident on 19 April 2021 which we pro-actively managed, restoring all systems by the end of May 2021. During this period operational efficiency was negatively impacted, however the business remained open and continued to trade. With the reopening of the on-trade we are pleased to report volume growth of 59.1% on FY2021 with net revenue growth of 142.8%[i]. During FY2022, we successfully retained a number of large distribution customers, however, we made the decision to stop delivering less profitable products or to some lower margin customers. We have been encouraged by the trend in spend per customer in Matthew Clark and Bibendum, where in the final nine months of FY2022, spend per customer was approximately +5% on FY2020. Together, during this period, TCB, Matthew Clark and Bibendum consistently delivered one in five equivalent drinks consumed in the GB on-trade.

Our position as the leading drinks distributor in GB has been reinforced by an exclusive sales and distribution agreement with Moët Hennessy in Scotland. The partnership will combine C&C's market leading distribution in Scotland, with the strength of Moët Hennessy's exceptional portfolio of luxury wines, spirits, and champagnes. Key to securing the partnership was the level of insight we had on the market,

Together, during this period, TCB, Matthew Clark and Bibendum consistently delivered one in five equivalent drinks consumed in the GB on-trade.

provided by PROOF, our inhouse data and insight business. PROOF Insight now has approximately one hundred international and domestic drinks brand owners and operators whom they work with either directly or who subscribe to PROOF assets.

Ecommerce

We launched an ecommerce platform for Bibendum, resulting in all of our operating businesses in GB providing customers with this offering. We have continued to enhance our existing MC and TCB ecommerce platforms, improving our customer experience through automated access, live chat and investment in platform security. Matthew Clark and TCB ecommerce revenue represent 57.6% and 54.8% of total IFT revenue respectively in February 2022, an increase from 39.5% and 37% in FY2020.

With the continued trend to online, we are retraining staff from the contact centre to support our ecommerce operations. We are pleased to report that we continue to see enhanced order sizes through our ecommerce platform compared with traditional contact centre orders. In H1 FY2022, we moved all promotional activity online, further promoting the use of online ordering amongst customers. Partly as a consequence, we are pleased to report that 60.2% of Matthew Clark's IFT customers now order online. We believe we have a market leading platform which provides a frictionless and superior customer experience and it is our near-term target to drive 80% IFT revenue through ecommerce.

International

The international business performed well in FY2022, driven by a strong recovery in late Summer 2021, aided by tourist regions re-opening. Our volumes were 91% of FY2021 as they have been impacted by the sale our Vermont business in Q1 FY2022. Magners represented approximately 75% of total exports volume in FY2022. A price increase was successfully implemented in order to manage inflationary cost pressures. In one of our core markets, Australia, we signed a new distribution agreement with Good Drinks Australia Ltd. Lastly, our North American business has performed well, with Magners and Tennent's volumes 11.1% higher than FY2020.

We launched an ecommerce platform for Bibendum, resulting in all of our operating businesses in GB providing customers this offering.

”

Group Chief Executive Officer's Review
Operating Review (continued)

Ireland

€m Ireland Constant currency[i]	FY2022	FY2021	Change %
Net revenue	224.3	167.4	34.0%
of which Branded	*78.3*	*48.9*	*60.1%*
- Price / mix impact			48.3%
- Volume impact			11.8%
of which Distribution	*139.8*	*115.0*	*21.6%*
- Price / mix impact			13.3%
- Volume impact			8.3%
of which Co-pack / other	*6.2*	*3.5*	*77.1%*
Operating profit/(loss)[iii]	16.7	(6.7)	NM
Operating margin	7.4%	NM	
of which Branded	*13.6*	*(4.1)*	*NM*
of which Distribution	*3.1*	*(2.6)*	*NM*
Volume – (kHL)	1,384	1,257	10.1%
- of which Bulmers	330	300	10.0%

Our Ireland division's net revenue increased by 34.0% to €224.3m in the year driven by the re-opening of the on-trade. As a result, Ireland generated an operating profit[iii] of €16.7m from a loss of €6.7m[i] in FY2021. With the re-opening of the on-trade, off-trade net revenues dropped by 0.5%[i] compared with FY2021. Our key focus in FY2022 has been stock availability and servicing the on-trade as it returned while planning and preparing for the implementation of minimum unit pricing ('MUP') in January 2022.

Our Ireland division's net revenue increased by 34.0% to €224.3m in the year driven by the re-opening of the on-trade.

Operations Highlights

We are pleased to report that our Republic of Ireland business traded directly with 95% of outlets during February 2022 compared with February 2020. With the easing of restrictions in January 2022, over January and February 2022, on-trade volumes were at 84% of the equivalent period in FY2020. Customer service and meeting demand as the on-trade reopened has been a key focus. We have delivered a strong performance in FY2022 with customer OTIF in February 2022 of 97.8% compared with 98.0% in February 2020. Pre COVID-19, cider held a 12.5%[xvii] share of the Long Alcoholic Drinks ('LAD') category, across the combined on and off-trade. Over the last 2 years, we have seen this share grow further and as of February 2022, it represented 12.6%[xviii].

MUP was introduced in the Republic of Ireland in January 2022 which put in place a minimum sales price for a unit of alcohol. MUP was introduced in Scotland in 2018, and C&C has been able to use the data and learnings from the Tennent's brand and apply them to Bulmers and the rest of our Irish portfolio. The Group optimised the off-trade portfolio in preparation for MUP by introducing new pack sizes, vessels sizes and ABVs.

Our Clonmel manufacturing site has invested €4.8m to eliminate single use plastic for all canned products from January 2022, which will remove approximately 150 tonnes of plastics from our products. Furthermore, the site has invested in the largest rooftop solar panel farm in Ireland which now generates 10% of the site's electricity requirements. Further enforcing our sustainability credentials, we are now the only significant drinks manufacturer to use returnable pint bottles.

Brands

Bulmers launched the 'When Time Bears Fruit' advertising campaign in FY2022. This campaign was rooted in sustainability, targeting the important role that bees play in our environment and importantly in the pollination of our orchards. The campaign included TV advertising which saw Bulmers on the TV for the first time in three years. The latest brand health scores have seen Bulmers Original Brand Index improve +2.8%[ix], with our TV campaign helping to increase awareness. Encouragingly, Bulmers Light increased its brand health index +4.2%[ix], compared with last year, whereas competitor brand scores have moved backwards.

Bulmers is building momentum in the near-term, taking volume share in the off-trade in the latest 26 and 13 week market data, an indication of share gains since the introduction of MUP[x]. Encouragingly, the latest 52-week data reflects off-trade volume and value share growth compared with pre COVID-19, FY2020 levels[x]. In addition, this is mirrored in the on-trade where in the latest 52-week data, reflects volume and value share gains compared with FY2020[xiii]. Between the on and off-trades, Bulmers remains the largest and most popular cider brand in Ireland.

The latest brand health scores have seen Bulmers Original Brand Index improve +2.8%

”

Group Chief Executive Officer's Review
Operating Review (continued)

Distribution and Wine

Distribution volumes have increased 8.3% in the year with the reopening of the on-trade. Our Wine business volumes were 107% of FY2020, driven by a strong off-trade performance and resilient on-trade performance following the reopening of the trade in June 2021 in ROI.

The Group has a strategic partnership with Budweiser Brewing Group, notably in the Republic of Ireland where we exclusively distribute their complete beer portfolio. Budweiser, the biggest brand we distribute through this agreement has been repositioned in terms of pack sizes in preparation for MUP. The latest 13-week market data indicates that Budweiser's share of volume and value in off-trade lager has moved into growth year on year[x]. In February 2022, Bud Light was launched in the Republic of Ireland further strengthening the portfolio and tailoring to changes in consumer preferences. In addition, Corona has seen 52-week volume and value market growth in the off-trade lager[x] with its brand health scores also impressing, up +16.6% compared with last year[xix]. We continued our beer portfolio development with the controlled launch of Corona Draught in December 2021.

Ecommerce

Following the launch of Bulmers Direct in H2 FY2021 and its sister platform for Tennent's NI, we are pleased to report that 33% on-trade revenue in Ireland was captured online in FY2022. In addition, we have seen higher online order values compared with traditional contact centre orders across both platforms. We will continue to enhance the customer experience online and drive customers to the platform.

Notes
- (i) FY2021 comparative adjusted for constant currency (FY2021 translated at FY2022 F/X rates).
- (ii) Adjusted EBITDA is earnings/(loss) before exceptional items, finance income, finance expense, tax, depreciation, amortisation and share of equity accounted investments' profit/(loss) after tax. A reconciliation of the Group's operating profit/(loss) to adjusted EBITDA is set out on page 58.
- (iii) Before exceptional items.
- (iv) During the current financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 Earnings Per Share requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result. Adjusted basic/diluted earnings/(loss) per share ('EPS') excludes exceptional items.
- (v) 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 €84.1m (FY2021: €45.0m reported/€46.3m on a constant currency basis) inflow in the year.
- (vi) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
- (vii) Net debt comprises borrowings (net of issue costs) less cash. Net debt, including the impact of IFRS 16, comprises borrowings (net of issue costs), lease liabilities capitalised less cash.
- (viii) Tennent's: Source: YouGov Brand Index, 1 October 2019 - 28 Feb 2022, Scottish Likely Beer Drinkers.
- (ix) Bulmers You Gov 52 week period to 28.02.22.
- (x) Nielson, Volume Share of Long Alcoholic Drinks, Off-trade including Dunnes and Discounters, MAT February 2022.
- (xi) GB IRI off-trade data 52 week ending 20.03.22.
- (xii) CGA OPMS Data to P02 2022 (26/02/2022).
- (xiii) Bulmers: CGA Ireland 52 weeks ending 28.02.22.
- (xiv) YouGov Profiles+ Great Britain 02.01.2022, C&C Group, 01/03/19 - 29/02/20 vs 01/04/21 - 31/12/2021.
- (xv) YouGov Profiles+ Great Britain 02.01.2022.
- (xvi) Heverlee: Scotland YouGov Report, Data as of 01.03.22.
- (xvii) Combined; NielsenIQ Cider MAT Vol HL share of LAD, February 2020 & CGA Cider MAT Vol HL share of LAD, February 2020.
- (xviii) Combined; NielsenIQ Cider MAT Vol HL share of LAD, January 2022 & CGA Cider MAT Vol HL share of LAD, January 2022.
- (xix) Corona YouGov 52 week period to 28.02.22.
- (xx) IRI data 52 week ending 20.03.22.


BT reflex

Strategic Report - Group Strategy

Our ambition is to be the pre-eminent integrated brands and drinks distribution business serving the UK and Ireland drinks markets

- Provide a range of local and core brands, premium, craft and third-party brands that is unrivalled.
- Our distribution infrastructure provides market leading national scale, reach and efficiencies.
- These brands and asset base are underpinned by our offer: dedicated and passionate people; enhanced customer service; market insight and value.
- The Group has sustainability at its core – with the target of delivering to a better world.

Strategic Pillars	**Invest and grow our portfolio of leading local, premium and craft beer and cider brands.**	**Strengthen our position as the No.1 drinks distribution platform in the UK and Ireland.**	**Capital allocation to enhance growth and shareholder returns.**
Medium Term strategic goals	• 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 premium and craft brands • Successful brand development and launches to meet changes in consumer demand • Build on "partnership for equity" brand relationships to provide route to market access	• Continue the optimisation of network and wider system • Deliver unrivalled portfolio strength, value and service to the UK and Irish hospitality sectors • Commercialising the unrivalled data and insight on the hospitality sector	• Target leverage of less than 2.0x net debt / EBITDA • Inorganic opportunities that strengthen our brands and system • Invest in sustainability & technology • Return capital to Shareholders
Measurement	• Cash generation and conversion • Revenue growth • Enhanced margins • Share growth and brand health scores	• Margin expansion in our distribution business	• Net Debt/EBITDA • EPS growth • ROCE

Achievements during FY2022

- Investment across our core branded portfolio with multi-channel advertising campaigns and promotional activity. We have seen our brand health scores for Tennent's and Bulmers improve year on year.
- Tennent's and Bulmers volume share of the off-trade lager and cider market, 24.0% and 50.5% respectively continues to represent share growth compared with the pre-pandemic levels.
- Premium beer portfolio has continued to progress with IFT penetration in Scotland growing to 40% of IFT outlet base from 35% pre-pandemic. In addition, growing brand health scores for Heverlee alongside volume and net revenue growth in the off-trade.

Link to Strategic Pillars

Invest and grow our portfolio of leading local, premium and craft beer and cider brands.

- Return to profitability from June 2021 aligned with easing of government restrictions in our core markets with on-trade net revenue building back to 75% of FY2020.
- Successfully servicing demand following the speed and strength of customer and consumer demand as government restrictions eased. Leveraging our size and scale, in addition to our inhouse secondary logistics operation to deliver market leading service despite the widely publicised supply chain constraints in the UK.
- Launch of an ecommerce platform in our Bibendum Wine distribution business in January 2022, ensuring that all of the Group's on-trade customers can now order online.
- Effective management of inflationary cost pressures with cost reduction programme, price increases and hedging of input costs.

Strengthen our position as the No.1 drinks distribution business in the UK and Ireland.

- Strong liquidity position of (€438.7m) and Net debt/EBITDA of 3.4x. Our strong underlying cash generating characteristics have been reflected in an encouraging performance with FCF conversion in FY2022 of 35.6%.
- Delivery of €18m annualised cost savings against pre-COVID cost base, protected against wage inflation and other costs in FY2022.
- Focus on our core business with the divestment of our minority interest in Admiral Taverns for gross cash consideration of €65.8m (£55.0m). As part of the divestment, C&C have negotiated a long-term branded supply agreement into the Admiral estate which includes our owned and agency brands.

Capital allocation to enhance growth and shareholder returns.

- C&C's sustainability efforts were acknowledged with Tennent's winning two prestigious awards during 2021. Sustainable Brewery of the Year at the Scottish Beer Awards and a Good Practice Award at the VIBES Scottish Environment Business Awards.
- Continued sustainability commitment with investment at our Clonmel manufacturing site into the removal of single use plastic in its canned products. In addition, creation of Ireland's biggest rooftop solar panel farm which will generate 10% of the site's electricity requirements going forward.

Strategic priorities

Our core strategic objective is to deliver earnings growth.

Existing Businesses

- Create an environment that ensures the health and safety of our colleagues. Further, establish a business culture that nurtures engaged, inspired and committed colleagues, investing in key capabilities for the future
- Grow and strengthen our portfolio: growing cider share and building momentum in our premium beer portfolio as consumer preferences evolve
- Leverage our scale and reach to drive operational efficiencies in our distribution infrastructure, optimising our capacity and ensure a market leading cost to serve
- Drive better customer service through our C&C GB change programme with a simplified and integrated approach which will enhance customer experience and ultimately drive efficiencies into our back office
- Enhance our offer: commercialising the data and insight that is available; continuing to develop our ecommerce offering; and building stronger partnerships with 'equity for growth' investments or complimentary agencies

Capital Allocation

- Maintain the strong cash conversion characteristics of the business
- Deleverage the balance sheet, targeting a medium-term target of less than 2.0x Net Debt/EBITDA
- Invest in our brands; review inorganic opportunities and return excess capital to shareholders

Environmental, Social and Governance

- Execute a credible sustainability strategy focussed on people and planet

Strategic Report - Business Model

The execution of our Group strategy is underpinned by three core pillars, together these create a market leading platform which ensures C&C's position as the preeminent brand-led distributor for the UK and Ireland drinks market.

Brand Strength

An attractive portfolio of Owned and Agency brands leveraging C&C's existing strengths and market opportunities.

c&c group plc

Sustainability

A structured and ambitious programme of continuous improvement ensuring C&C delivers to a better world!

System Strength

Strategy to position the Group as the most efficient, technology & sustainability driven drinks distribution system in the UK & Ireland.

Brand Strength

Core Brands

Our three core brands: Bulmers, Magners and Tennent's are intrinsically linked to the communities and manufacturing locations where they are produced and where their heritage was born. In addition to their local appeal, they are also desired internationally with critical acclaim.

These brands form part of the fabric of the respective drinks markets they occupy, with there lasting appeal underpinned by continued brand and marketing investment, alongside new product development. Together they deliver strong margins and are highly cash generative.

Scotland's favourite beer

Tennent's is Scotland's favourite beer. Tennent's has been brewed since 1885 at our Wellpark manufacturing site in Glasgow, where a brewery has stood since the 16th century.

Ireland's No.1 cider

Bulmers is Ireland's No.1 cider, made at our manufacturing site Clonmel, Co.Tipperary.

No.3 cider in the UK

Magners is the No.3 apple cider in the UK and is recognised and distributed internationally.

Complemented by premium and craft brands

The premium market segment continues to grow structurally as consumer demands evolve although this space is fragmented with the number of brands. C&C deploys a portfolio of premium and craft beers which meet this demand and coupled with our local and core brands provide a comprehensive range to meet customer and consumer preferences. Further innovation will strengthen these brands and will be complemented by exclusive distribution agreements and 'equity for growth' investments in leading craft brands.

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 beer

A range of craft beer brands which includes Innis & Gunn, Scotland's leading craft beer brand in which C&C recently made an 'equity for growth' investment in.

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.

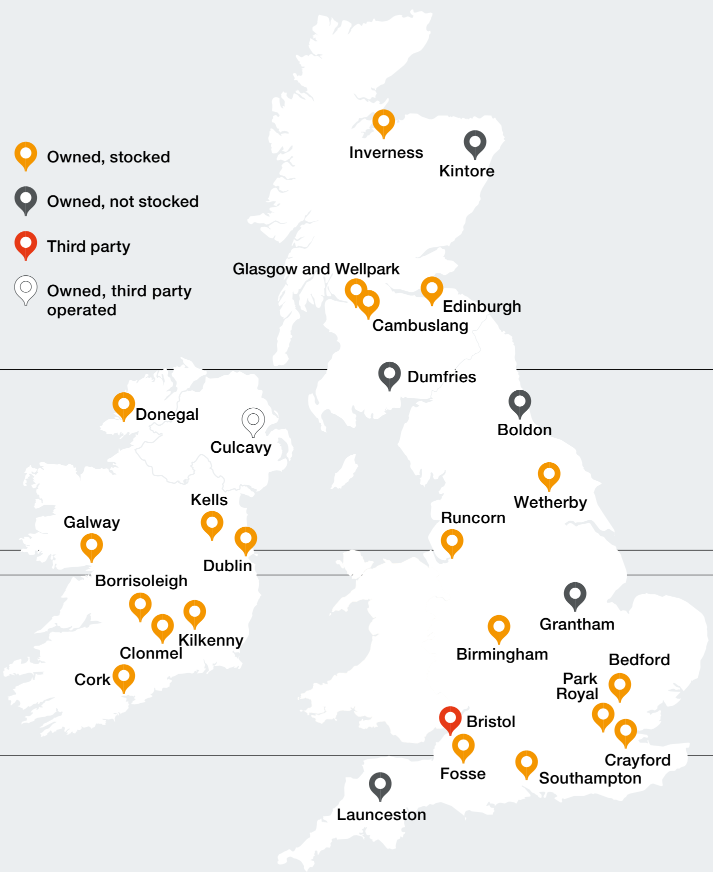
Strategic Report - Business Model

System Strength

Route-to-market

C&C's route-to-market platform occupies a fundamental role in the infrastructure of the UK and Ireland hospitality sectors. The Group provides a route to market for international and local brands alike.

Customer benefit	C&C provide access to an unrivalled range of products, offering expert knowledge and insight.	Nationwide network with market leading reach and scale.	Resilience of C&C's inhouse operated network.	C&C's financial strength provides security of supply and access to credit.
C&C	A drinks portfolio which is market leading.	Ensures the Group participates in evolving consumer trends across multiple drinks categories.	C&C's distribution platform enhances market access and visibility for its brands.	Supplier brands which compliment our own branded portfolio.
Supplier benefit	C&C provide access to an unrivalled range of customers across all areas of on and off-trade.	C&C has an intimate understanding of the markets they serve.	C&C's access to data ensures it has unparalleled insight into the hospitality sector.	C&C's financial strength and creditworthiness.



Scale and Reach

C&C has unrivalled size, scale and distribution reach across attractive on-trade drinks markets in Ireland and UK. We operate two well invested and state of the art manufacturing sites. Our operational footprint can reach over 99% of the UK population on a next day delivery basis.

No.1
Drinks distributor on Island of Ireland

No.1
Drinks distributor in Scotland and GB

ESG

Sustainability

Delivering to a better world…

We recognise the important role that sustainability plays in the decision making of all our stakeholders. C&C has proven track record of investing and delivering against sustainability targets and a clear strategy anchored in three pillars.

Environmental

Reduce our carbon footprint

Sustainably source our products & services

Social

Ensure alcohol is consumed responsibly

Enhance health, wellbeing & capability of colleagues

Governance

Build a more inclusive, diverse & engaged C&C

Collaborate with Government & NGO's

Strategic Report - How we create sustainable value

C&C Group plc is a leading drinks manufacturer, marketer and distributor of premium branded cider, beer, wine, spirits and soft drinks across the UK and Ireland. The Group also plays a fundamental role in the infrastructure of the UK and Irish drinks market as a key route-to-market partner for local and international beverage brand owners.

Our **purpose** is to deliver joy to customers with remarkable brands and service.

Our **vision** is to be the first-choice brands led distribution partner for customers in hospitality and retail in the UK and Ireland.

Our **values** are:

Respect people and the planet

We bring joy to life

Quality is at our core

Manufacture

Embrace sustainable sourcing

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 with whom we work closely.

The Group recognises that sustainability needs to be embraced by partners at every stage of the supply chain to achieve our sustainability objectives. C&C has enhanced its approach to ethical and sustainable procurement. This sets out our policies and objectives in relation to wider social and ethical issues as well as environmental issues including climate change. As part of our sustainable procurement approach, we are working with CDP and the Science Based Targets Initiative to build an understanding of the way our supply chain manages their climate change risks and their overall ethical approach.

Optimising Production and Manufacturing

The Group has employed various practices to conserve the use of energy, reduce carbon emissions, improve waste reduction and recycling and minimise the impact on natural resources. From 1 April 2021, 100% of the electricity across our main sites in the UK and Ireland comes from renewable sources, covering c98% of our electricity use. In February 2022, Leo Varadkar, Tánaiste and Minister for Enterprise, Trade and Employment in Ireland, visited Clonmel to mark the installation of the largest rooftop solar panel farm in Ireland. This solar panel provides up to 10% of Clonmel's electricity requirements, while reducing the site's carbon emissions by 4%, and saving c.290 tonnes of CO_2 per annum.

Improve sustainable packaging

During FY2022, the Group met its ambitious commitment to be out of single-use plastics (shrink and hi and mid cone rings) in the packaging of our canned products, reducing the environmental impact and ecological footprint of our products. All of our canned product is now in fully recyclable cardboard, removing more than 200 million plastic rings/per annum from the environment, as part of an overall plastic reduction of several hundred tonnes. We are the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates. Across C&C group, 29% of our own beer and cider is sold in returnable formats (returnable keg and bottle).

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.

ESG Pillars 1 2 4 5
see pages 62 - 63

Market

Data

Our unrivalled scale and reach into the on-trade markets of the UK and Ireland ensures that we have superior access to data and the best insight into macro and regional trends.

Promoting responsible consumption of alcohol

We are committed to the promotion of responsible drinking and moderate consumption of our products, to ensure they are enjoyed safely by drinkers.

Communities

The Group is committed to the communities in which we operate and undertakes a range of initiatives that benefit our local communities, in particular supporting charitable activities.

Stakeholder engagement

We aim to maintain open and positive dialogue with all our stakeholders. Our stakeholders are an important part of our operations and are referenced throughout this report.

ESG Pillars 3 6

see pages 62 - 63

Distribution

C&C is the UK & Ireland's largest independent On Trade drinks distributor. Our final mile distribution strength, means we are well placed to serve our On Trade customers, with 29 nationwide depots and our owned fleet delivering in excess of 700,000 orders per year.

One stop shop

With an unrivalled range of beers, ciders, wines, spirits and soft drinks, C&C's distribution platform provides a comprehensive "one stop shop" for licensed premises owners.

Final Mile distribution

In FY2022, we completed the optimisation of the English and Scottish delivery networks. This consolidated volumes from three separate networks into two, bringing all of our final mile English distribution in-house, driving on-going efficiencies, service improvements and in turn enhance future margins.

Piloting Alternative Fuel Vehicles

Electric vehicles (EVs) are being trialled for deliveries in urban areas. An electric-powered van has been utilised for small-volume deliveries of Five Lamps craft beer in Dublin and a trial of electric vans has taken place at the Matthew Clark Park Royal depot, together with a Hydrogenated Vegetable Oil (HVO) diesel replacement trial at our Bedford depot. In Scotland, we are investigating alternative fuel types for vehicles, electric vehicles for Wellpark to Cambuslang trips and hydrogen for longer distance inter depot shunts.

ESG Pillar 1

see pages 62 - 63

Strategic Report - Key Performance Indicators

FY2022 has seen the reopening of the on-trade across our core markets and a rebuilding of profit and cash generation for the Group. As a consequence, we have reinstated the Key Performance Indicators ("KPIs") reported in FY2020 although we would note that performance in a number of KPIs compared with pre COVID-19 remain impacted. With recognition of the current backdrop and covenant waiver period net debt and liquidity continue to form part of the key financial metrics during FY2022.

Strategic Priority	KPI	Definition (see also financial definitions on pages 240 and 241)	FY2022 Performance		FY2022 Focus	Links to other Disclosures
To enhance earnings growth	**Operating profit**	Operating profit/(loss) (before exceptional items)	FY2019	€104.5m	To seek continuing growth, through revenue enhancement, acquisition synergies and cost control	Group CFO Review page 54
			FY2020	€120.8m		
			FY2021	(€59.6m)*		
			FY2022	€47.9m		
	Operating margin	Operating profit/(loss) (before exceptional items), as a percentage of net revenue	FY2019	6.6%		
			FY2020	7.0%		
			FY2021	(8.1%)*		
			FY2022	3.3%		
	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	FY2019	26.6c	To achieve adjusted diluted EPS growth in real terms	Group CFO Review page 54
			FY2020	29.6c		
			FY2021	(21.1c)**		
			FY2022	7.5c		
	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	FY2019	23.4c	To achieve EPS growth in real terms	Group CFO Review page 54
			FY2020	2.9c		
			FY2021	(31.1c)**		
			FY2022	9.9c		
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)	FY2019	€96.9m	To generate improved operating cash flows	Group CFO Review page 54
			FY2020	€155.1m		
			FY2021	(€91.2m)*		
			FY2022	€28.4m		
	Free Cash Flow Conversion Ratio	The conversion ratio is the ratio of free cash flow as a percentage of EBITDA (before exceptional items)	FY2019	80.8%		
			FY2020	101.0%		
			FY2021	NM*		
			FY2022	35.6%		
To ensure the appropriate level of financial gearing and profits to service debt	**Net debt: Adjusted EBITDA**	The ratio of net debt (Net debt comprises borrowings (net of issue costs) less cash less leased liabilities) to Adjusted EBITDA	FY2019	2.51x	Move towards medium term target of 2.0 times Net Debt/adjusted EBITDA (excluding leased liabilities)	Group CFO Review page 54
			FY2020	1.77x		
			FY2021	NM*		
			FY2022	3.40x		

Strategic Priority	KPI	Definition (see also financial definitions on pages 240 and 241)	FY2022 Performance		FY2022 Focus	Links to other Disclosures
To ensure the appropriate level of liquidity	Liquidity	Liquidity (liquidity comprises cash on hand and headroom available in the Group's revolving credit facility) as part of our renegotiated covenants	FY2019	€322.9m	Ensure sufficient liquidity to meet the on-going requirements of the business and execute its strategy	Group CFO Review page 54
			FY2020	€335.3m		
			FY2021	€314.6m		
			FY2022	€438.7m		
To ensure the appropriate level of financial gearing	Net debt	Net debt (net debt comprises borrowings (net of issue costs) less cash)	FY2019	€301.6m		Group CFO Review page 54
			FY2020	€233.6m		
			FY2021	€362.3m		
			FY2022	€191.3m		
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	FY2019	15.31c	The Group will continue to seek to enhance shareholder returns	
			FY2020	5.5c		
			FY2021	-		
			FY2022	-		
	Dividend Payout Ratio	Dividend cover is Dividend/ Adjusted diluted EPS	FY2019	57.6%		
			FY2020	18.6%		
			FY2021	-		
			FY2022	-		
To achieve the highest standards of environmental management	Reduction in CO_2 emissions	Tonnes of CO_2 emissions***	FY2019	38,092t	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 62
			FY2020	32,729t		
			FY2021	26,865t		
			FY2022	24,196t		
To achieve the highest standards of environmental management	Waste recycling	Tonnes of waste sent to landfill	FY2019	0t	To achieve best practice across the Group, including acquired businesses	
			FY2020	0t		
			FY2021	0t		
			FY2022	0t		
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	FY2019	1.02	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 62
			FY2020	0.52		
			FY2021	0.54		
			FY2022	0.28		

* COVID-19 had a material impact on KPIs in FY2021.

** During the current financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 *Earnings Per Share* requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result.

*** Market based scope 1 and 2 emissions as stated in annual Carbon Disclosure Project return.

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 Group'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 UK 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. Each of the Group's principal risks is assigned an executive owner, who is responsible for ensuring mitigating actions are sufficient to bring risks to within the agreed appetite and the risk management governance framework ensures that these mitigations and internal controls are embedded and operate effectively throughout the organisation.

The annual Board and the Audit Committee agendas include a series of updates from executive risk owners in relation to the Group's principal risks. These updates include a history of the risk to date, key mitigating actions and controls, an outline of the residual risk and any future actions planned to address control weaknesses.

The Audit Committee also receives regular updates on risk management and internal control effectiveness from the Head of Internal Audit along with agreed mitigating actions to resolve any weaknesses identified.

Environmental, Social and Governance (ESG) Committee

The ESG Committee, established in FY2021, supports the Group's ongoing commitment to environmental, corporate social responsibility and corporate governance matters. This Committee is responsible for monitoring and reviewing current and emerging ESG trends, relevant international standards and legislative requirements and identifying how these are likely to impact the strategy, operations and reputation of the Group. The Committee is also responsible for assessing the effectiveness of the Group's policies, programmes, practices and systems for:

- identifying, managing and mitigating or eliminating ESG risks in connection with the Group's operations and corporate activity; and
- ensuring compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters.

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, Company Secretary and Group General Counsel 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

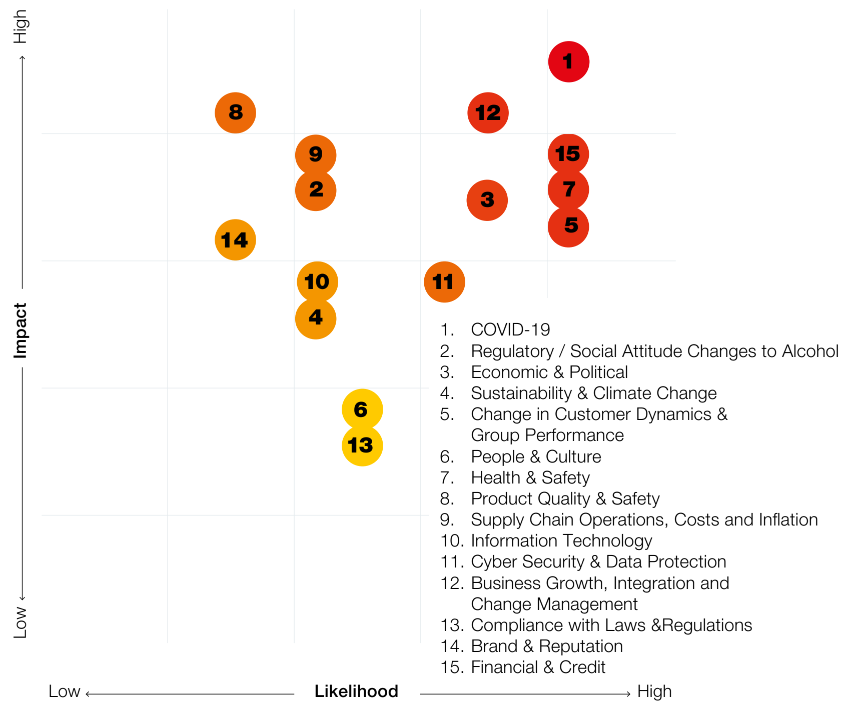
During the year, the Audit Committee and the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties set out on pages 36 to 45 represent the principal uncertainties that the Board believes may impact the Group's ability to effectively deliver its strategy and future performance. 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 44 to 45. The Audit Committee and Board will continue to monitor risk in the context of relevant factors such as the ongoing impact of the COVID-19 pandemic, as well as other changes in the external environment, which may create future risks.

Sustainability and Climate Change Risk

The Board recognise the significant risks posed by climate change and consideration of these risks forms part of our existing risk management processes. The increasing importance of climate change risk was reflected in the Board's decision to include climate change and sustainability as a standalone principal risk in FY2021.

During the year, a cross-functional team was created to further align our assessment and disclosure practices within the requirements of the Taskforce on Climate-related Financial Disclosures ("TCFD"). This included conducting a detailed climate change risk assessment and scenario analysis with the support of an expert external party. The TCFD section on pages 46 to 53 summarises the work undertaken to date to understand the potential impact of climate change on the Group and outlines future areas of management focus.

Principal Risk Matrix



Strategic Report - Management of Risks and Uncertainties (continued)

Changes to the Principal Risks

While there has been no significant change in the principal risks in the last year, the Group operates in a dynamic environment where risks continue to evolve and the Group continues to develop mitigation measures to address them.

Although the COVID-19 pandemic has continued to create uncertainty, as vaccination rollouts progress and our understanding and agility in managing it through preventative measures has grown, the outlook has improved. As a consequence, we have chosen to not consider COVID-19 as an individual risk, but rather consider the amplifying effect it has on a number of other principal risks such as Health & Safety risk, People and Culture, Supply Chain Operations, Costs and Inflation, and Cyber and Information Security.

Some fluctuation in risk trends did arise in FY2022 including:

- Supply Chain Operations, Costs and Inflation has increased from stable to increasing as global activity has increased supply chain pressures and inflation has created headwinds across the business; and
- Economic and Political, Sustainability and Climate Change and People and Culture continue to trend upwards.

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 has developed low, and zero, 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 and Geo-Political		▲
Our business, financial results and operations may be adversely affected by economic or geo-political instability and/or uncertainty, such as the conflict in Ukraine. 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. Group businesses are active members in respected industry trade bodies including being a steering committee member of the all-party UK Parliamentary Beer Group. 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. We have implemented action plans to protect the profitability and liquidity of the Group and mitigate a significant proportion of our cost base. We continue to review our cost base for additional savings. We remain vigilant to changes in local jurisdictions and retain the flexibility to take appropriate mitigating action as necessary.	

Risk Movement ○ New ■ No change ▲ Increasing ▼ Decreased

Impact	Mitigation	Risk Trend
Sustainability and Climate Change		▲
The Group recognises the significant environmental challenges the world faces due to a changing climate and the implications that this can have for our business and supply chains. Physical climate impacts and related policy and/or market changes may disrupt our operations or impact demand for our products. 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 has established a strong governance model which includes an ESG Committee responsible for the delivery of our sustainability strategy. Ambitious targets are in place with regard to reducing the carbon footprint of our operations, our water intensity, reducing waste and also the use of single use plastics. Clonmel continues to be ISO 14001 accredited for an effective environmental management system. C&C Group plc have pledged to be a carbon-neutral business by 2050 at the latest. We have recently set our emissions reduction targets which are grounded in climate science and will be validated by the Science Based Targets initiative ('SBTi'). We are committed to reduce our absolute Scope 1 and Scope 2 GHG emissions by 35% by 2030 (Vs a FY2020 base year). To achieve our target of reducing our Scope 3 emissions by 25% (Vs a FY2020 base year) by 2030, we have also committed that suppliers and customers making up 67% of our Scope 3 emissions (Purchased Goods, Downstream Transport and Use of Sold Goods will have science-based targets in place by 2026. The Group will continuously engage with suppliers and customers to support them to set science-based targets for their own emissions. A cross functional team has been established to lead our alignment with the TCFD guidance. An expert external party has also been engaged to support this process. We continue to embed climate considerations into our overall strategic planning and investment appraisal process. Sustainability and climate related metrics were included as part of the Long-Term Incentive Plan ('LTIP') for Executive Directors in FY2022. We have established a Risk & Compliance Committee which is responsible for monitoring and managing climate risk. This committee is composed of executives and various levels of management from across the Group and will meet bi-monthly. The Risk Committee for Sustainability and Climate Change reports to the Audit Committee; however, we are in the process of evaluating and developing additional reporting lines which will see the Risk Committee for Sustainability and Climate Change reporting also to the ESG Committee in order to improve our oversight of climate-related risks and opportunities. 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)

Impact	Mitigation	Risk Trend
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 provided a '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 were introduced and how to access them as well as assistance and advice in relation to hygiene measures.	
People and Culture		■
The Group's ability to attract, develop, engage and retain a diverse, talented and capable workforce is critical if the Group is to continue to compete and grow effectively. A number of external factors including the COVID-19 pandemic, have increased the competition for talent and labour across all sectors. 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 employment policies and procedures, as well as ongoing enhancements to pay and conditions, including benchmarking remuneration packages to ensure market competitiveness, broadening the scope of variable elements of remuneration and the development of retention and succession plans for critical roles. The Group's approach to talent management and executive succession planning is regularly reviewed by the Group Executive and is overseen by the ESG, Nomination Committee and the Board. A key focus of the Group's sustainability agenda is to build a purpose led, culturally diverse, engaged and inclusive workforce, where our people can be at their best, contribute to the Group's success and realise their career ambitions. Progress is monitored through KPIs and a six monthly Group wide employee engagement survey. The Group has continued to prioritise the safety and wellbeing of employees as it has navigated the challenges of the COVID-19 pandemic.	

Risk Movement ○ New ■ No change ▲ Increasing ▼ Decreased

Impact	Mitigation	Risk Trend
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 continuing COVID-19 pandemic presents a specific risk to the health and welfare of the Group's employees, as measures required to be adopted by societies and businesses to help prevent the spread of the virus adversely effect our employees.	The Group has a Health, Safety and Environmental ('HSE') team who work closely with management to ensure that the Group complies with all health, safety and environmental 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. Stringent COVID-19 protocols remain in place at all sites. These include remote working in some locations, employee and visitor screening protocols, segregation and zoning and use of appropriate personal protective equipment. Our support for mental health and wellbeing has increased this year, with a significant expansion of our Mental Health First Aider population and investment in a range of resources.	
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 continues to present 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.	

Strategic Report - Management of Risks and Uncertainties (continued)

Impact	Mitigation	Risk Trend
Supply Chain Operations, Costs and Inflation		■
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.	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.	
FY2022 has seen unprecedented global supply chain disruption. The COVID-19 pandemic combined with an increased number of other disruptive events have posed the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities.	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.	
Also, there is a risk of increased input costs due to poor harvests and price of inputs. Very recently, the conflict in Ukraine has contributed to heightened uncertainty and inflationary pressures.	The Group seeks to minimise input risks through long-term or fixed price supply agreements, where applicable. The Group continues to assess inflationary and other supply chain pressures and impacts on product pricing and will continue to work with our suppliers to identify opportunities to improve supply chain resilience and to selectively pre-purchase products in order to ensure continuity of supply. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.	
Information Technology		■
The Group relies on robust IT systems and supporting infrastructure to manufacture and trade effectively. Any significant disruption or failure of key systems could result in business disruption and revenue loss, accident or misappropriation of confidential information. Failure to properly manage existing systems, or the implementation of new IT systems may result in increased costs and/or lost revenue, and reputational damage.	The Group has continued to focus on modern cloud-based assets which are naturally more resilient to failure. Business and IT continuity has been maintained during the COVID-19 pandemic by updating operating models to ensure the safety of our workforce and customers. Nevertheless, the risk of disruption or failure of critical IT infrastructure, as well as process failure remains a significant risk.	

Risk Movement ○ New ■ No change ▲ Increasing ▼ Decreased

Impact	Mitigation	Risk Trend
Cyber Security and Data Protection		▲
Failure or compromise of our IT infrastructure or key IT systems may result in theft, 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. There is a constant threat of significant and sophisticated cyber attacks including phishing, ransom ware, malware and social engineering. A continuation of home working as a result of the COVID-19 pandemic has led to an increase in the risk of cyber/phishing attacks across all organisations. Using personal data in a non-compliant manner (whether deliberately or inadvertently) may exacerbate the impact of security incidents.	Following the incident affecting Matthew Clark and Bibendum IT systems in April 2021, we have reviewed our information security and cyber preparedness policies and procedures, enhanced our information technology systems and controls, including the appointment of a Technology and Transformation Director and Group Head of IT. In the field of information technology and security, the Group undertakes a regular security assurance programme, testing controls, identifying weaknesses and prioritising remediation activities where necessary. This includes periodic best practice specialist security testing by a leading third party provider and regular system scanning to identify security weaknesses. Issues are assessed for risk and are comprehensively managed as part of the Group's risk management programme. The Board and Audit Committee is presented with regular detailed Information Security Reports by the Technology and Transformation Director and Group Head of IT, which includes recommendations for further reinforcements, and a roadmap for further risk reduction. As a demonstration of our commitment to tackling cyber security we are currently pursuing Cyber Essentials Plus accreditation from the National Cyber Security Centre ('NCSC'). An appropriate governance structure is in place including an IT & DP risk committee. Cyber security is a major focus area for the Board and Audit Committee who this year received three formal updates from the Group Transformation and Technology Director. A programme of initiatives has been implemented and enhancements made to further reduce cyber risk. Specialist external IT security team undertake a 24/7 security monitoring service, a vulnerability management programme, a software review process, supply chain partner audits, a data loss prevention programme and identity governance controls amongst other initiatives. During FY2022 we continued our ongoing programme of investment in cyber security controls which included Endpoint Detect and Respond ('EDR'), Cloud Access Security Broker ('CASB'), Domain based Message authentication, Reporting and Conformance ('DMARC'), email authentication and enhanced data loss prevention controls. Business continuity, disaster recovery and crisis management plans are in place and tested on a regular basis. We continue to prioritise a number of initiatives to further minimise the risk profile, including employees receiving regular online cyber security training and ongoing awareness is promoted through monthly phishing training and other initiatives to keep employees abreast of new and emerging threats. Policies are in place regarding the protection of both business and personal information, with support from the newly appointed, Group Data Protection Officer.	

Strategic Report - Management of Risks and Uncertainties
(continued)

Impact	Mitigation	Risk Trend
Business Growth, Integration and Change Management		■
As the Group reacts to the effects of the COVID-19 pandemic, it is necessary to adjust to change and assimilate new business models. 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 projects and 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 meetings.	
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 laws and 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. Companies face increased risk of fraud and corruption, both internally and externally, due to financial pressures and changes to ways of working as a consequence of COVID-19.	The Company Secretary and Group General Counsel is a member of the Executive Committee and is supported by appropriately skilled in-house legal, data protection and company secretarial resource, with further support provided by external lawyers and advisors. Policies and procedures are in place to ensure compliance with regulations and legislation, providing updated documentation, training and communication across the Group. The Group's Code of Conduct and supporting policies, clearly define the standards and expectations for all employees and third parties. A mandatory online employee compliance programme is in place to embed employees understanding of key compliance risks. The Group's Vault whistleblowing service, managed and facilitated by an independent third party, is available to all employees to raise concerns with regard to suspected wrongdoings or unethical behaviours. All calls are followed up and investigated fully with all findings reported to the Board. The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management.	

Risk Movement: New | No change | Increasing | Decreased

Impact	Mitigation	Risk Trend
Brand and Reputation		No change
The Group faces considerable risk if we are unable to uphold high levels of consumer awareness, retain and attract key associates and sponsorships for our brands, or if we have 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.	
Financial and Credit		Increasing
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. COVID-19 may have a further impact on the Group's liquidity, due to lower on-trade revenues, customers' ability to honour their obligations, and the Group's ability to access supplier credit. Non-conformities of accounting and financial controls could impair the accuracy of the data used for internal reporting, decision-making and external communication.	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. A range of credit management controls are in place which are regularly monitored by management to minimise the risk and exposure. The Group is working with all customers and suppliers to minimise the adverse impact of COVID-19 on the business. Contracts may be renegotiated. We continue to focus on retention and new sales opportunities as customers move to more resilient and "best in class" operations. 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.	

Assessment of the Group's Prospects

Going Concern

The Directors have adopted the going concern basis in preparing the financial statements after assessing the Group's principal risks including the risks associated with COVID-19.

Following the Rights Issue that the Group successfully completed in June 2021 in which the Group raised £151 million (€176 million) and as a consequence of COVID-19, the debt covenants for 31 August 2022 were renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x. Restrictions including a minimum liquidity requirement of €150.0 million each month and a monthly gross debt limit of €700.0 million also apply. The Group is on track to meet these amended covenants, which end in August 2022 and revert to the traditional covenant metrics

Strategic Report - Management of Risks and Uncertainties
(continued)

(Net Debt: Adjusted EBITDA not exceeding 3.5:1 and Interest Cover not less than 3.5:1) for its FY2023 full year results. In fact, the Group is back within its traditional covenant metrics as at 28 February 2022. However the restrictions will continue to apply until the Group demonstrates compliance with the traditional covenant metrics at its FY2023 full year results, unless it can show Net Debt: Adjusted EBITDA not exceeding 3:1 and Interest Cover not less than 4:1 for its FY2023 half year results, in which case the restrictions will end at that point.

The proceeds from the Rights Issue of £151 million (€176 million), coupled with a return to profitability and cash generation following the easing of government restrictions around COVID-19 in our core markets and disciplined balance sheet management has led to net debt excluding leases and liquidity of €191 million and €439 million respectively at year end compared with €362 million and €315 million respectively in FY2021. The Group delivered a leverage of 3.4x Net Debt/EBITDA as at 28 February 2022 and as previously noted is back within its traditional covenant metrics.

The Group returned to profitability in May 2021 following the easing of government restrictions around COVID-19 in our core markets, with trading ahead of plan. However, renewed Government restrictions on the hospitality industry around the key Christmas trading period adversely impacted performance. With the lifting once again of restrictions towards the latter stages of FY2022, the Group's on-trade performance improved, providing a platform for a clean start to FY2023. Cost inflation pressures have grown over recent months and in response, the Group implemented a series of price increases which, alongside the previously announced €18.0 million cost reduction programme and cost hedge positions taken, affords the Group a degree of protection from the inflationary environment as we enter into FY2023.

The Directors assessed the Group's cash flow forecasts for the period ending 31 August 2023 (the going concern "assessment period"). The Cashflows included various stress testing scenarios around higher costs, an evolving inflationary environment and reduced volumes, in part associated with the impact of the on-going conflict in Ukraine, but even at FY2022 profit levels, which were significantly curtailed as a consequence of the COVID-19 restrictions, the Group would have sufficient headroom to covenants. The Group's cash flow forecasts assume the continuation of trading over the assessment period with no lockdowns or the reintroduction of COVID-19 restrictions.

Overall conclusion

The headroom on the covenants within the financing facilities have been reviewed in detail by management and assessed by the Directors. Given the successful Rights Issue in June 2021; the return to profitability in the Group's core markets; the price increases implemented, cost hedge positions taken and the disposal of the Group's share of Admiral Taverns in FY2023, the Group's cashflow forecasts demonstrate significant headroom on the covenants within the financing facilities. Given the quantum of headroom, the Directors have concluded that the covenants will be satisfied and therefore 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.

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 2025. In conducting the assessment the Directors have taken 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. 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 2025.

Group's strategic planning process

The Board considers annually a strategic plan. Current year business performance is reforecast during the year and a more detailed budget is prepared for the following year. The most recent financial plan was approved by the Board in March 2022. The plan is reviewed and approved by the Board, with involvement from the Group CEO, Group CFO and the management team. Part of the Board's role is to consider the appropriateness of key assumptions, considering the external environment, business strategy and model including the impact of COVID-19.

Period of Assessment

Given the uncertainty at the time of issuing last year's Annual Report, the Directors determined that a two year period was the appropriate period to consider the Group's viability. Given the current outlook for future trading, the Directors have determined that the three year period to February 2025 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.

Viability Assessment

The Directors' assessment of the Group's viability has been made with reference to the 2022 performance and its budget for FY2023. The Group returned to profitability in May 2021 following the easing of government restrictions around COVID-19 in our core markets, with trading ahead of plan. However, renewed Government restrictions on the hospitality industry around the key Christmas trading

Risk Movement

New

No change

Increasing

Decreased

period adversely impacted performance. With the lifting of restrictions towards the latter stages of FY2022, the Group's on-trade performance improved, providing a platform for a clean start to FY2023. Cost inflation pressures have grown over recent months and in response, the Group implemented a series of price increases which, alongside the previously announced €18.0 million cost reduction programme and cost hedge positions taken, affords the Group a degree of protection from the inflationary environment as we enter into FY2023.

The Group also successfully completed a Rights Issue in June 2021, raising gross proceeds of £151 million (€176 million). This coupled with a return to profitability and cash generation following the easing of government restrictions around COVID-19 in our core markets and disciplined balance sheet management has led to net debt excluding leases and liquidity of €191 million and €439 million respectively at year end compared with €362 million and €315 million respectively in FY2021. The Group delivered a leverage of 3.4x Net Debt/EBITDA as at 28 February 2022 and are back within the traditional covenant metrics as at 28 February 2022 (Net Debt: Adjusted EBITDA not exceeding 3.5:1 and Interest Cover not less than 3.5:1). However, the waiver restrictions will continue to apply until the Group demonstrates compliance with the traditional covenant metrics at its FY2023 full year results, unless it can show Net Debt: Adjusted EBITDA not exceeding 3:1 and Interest Cover not less than 4:1 for its FY2023 half year results, in which case the restrictions will end at that point.

The Board reviewed the assessment of the Group's prospects made by management, including:

- The development of a rigorous planning process, the outputs of which are comprised of a strategic plan, a consolidated financial forecast for the current year and financial projections for future years covering the period of the plan;
- A comprehensive review of the strategic plan as part of its annual strategy review, with regular monitoring of the achievement of strategic objectives taking place at each Board meeting;
- Assumptions are built at both Group and business unit levels and are subject to detailed examination, challenge and sensitivity analysis by management and the Directors. This included assumptions around higher cost and reduced volumes but even at FY2022 profit levels which were significantly curtained as a consequence of the COVID-19 restrictions, the Group would have sufficient headroom. The Group's cash flow forecasts assume the continuation of trading over the assessment period with no lockdowns or the reintroduction of COVID-19 restrictions;
- A consideration of how the impact of one or more of the Group's Principal Risks and Uncertainties, particularly in respect of the extent and timing of the recovery in the on-trade business from the impact of the COVID-19 pandemic, could materially impact the Group's performance, solvency or liquidity; and
- The impact of climate change on the Financial Statements. The assessment concluded that climate change is not expected to have a material impact on the viability of the Group in the short term. Further detailed scenario and qualification analysis on the CROs in the TCFD report will be examined in FY2023.

These considerations include external factors such as the impacts of the expected high levels of inflation, lower economic growth, particularly in our key areas of operation, the potential impacts of COVID-19 on the Group, unfavourable currency exchange rate movements, increased regulations and internal factors such as the strategic plan under-delivering, the loss of a key production site or a health and safety related event. These considerations also took into account additional mitigating measures available to the Group, including the ability to reduce capital expenditure and the potential availability of additional debt facilities. As at 28 February 2022, the Group had total undrawn committed credit facilities of €374.0 million, and €64.7 million cash net of overdrafts.

The Audit Committee reviews the output of the viability assessment in advance of final evaluation by the Board. Having reviewed these elements, the COVID-19 related challenges and impacts experienced in FY2022 and those anticipated for the years ahead, current performance, forecasts, debt servicing requirements, total facilities and risks, the Board has a reasonable expectation that the Group has adequate resources to continue in operation, meet its liabilities as they fall due and retain sufficient available cash across the assessment period.

The Board therefore has a reasonable expectation that the Group will remain viable over the period of assessment. The Board does not expect any reasonably anticipated COVID-19 outcome to impact the Group's long-term viability.

Strategic Report Approval

The Strategic Report, outlined on pages 2 to 81, (including the assessment of the Group's prospects as set out above) incorporates the Highlights, the Business Profile and Key Performance Indicators, the Chair'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 17 May 2022.

Mark Chilton
Company Secretary

TCFD Disclosure

Response to Climate Change

It is evident that climate change requires urgent action. Whilst the Group has implicitly considered climate change factors in strategic decisions over the last number of years, it was recognised that this was required in a more formal and robust manner in FY2022. During the year, we strengthened our analysis of climate related matters, as well as our governance and reporting of them. This included strengthening our contributions and commitments to decarbonising our value chain as well as reviewing our strategies around climate risk management and adaptation.

Moreover, as part of our efforts to understand the impacts of climate change on our business, we have begun alignment towards the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations with the help of external consultants.

In accordance with LR 9.8.6R(8) and LR 9.8.7, we are required to include a statement in this Annual Report and Financial Statements setting out whether the Group has included climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures ("TCFD Recommendations"). We have included climate-related financial disclosures in this Annual Report and Financial Statements consistent with the TCFD Recommendations, except for the following:

- Formally embedding climate-related risks and opportunities ("CROs") within our strategy and financial planning through the use of quantitative scenario analysis (Recommendations Strategy (b) and (c))
- Identifying and monitoring metrics and targets aligned to all of the climate-related risks and opportunities that were identified as part of our qualitative scenario analysis (Recommendation Metrics & Targets (a) and (c)).

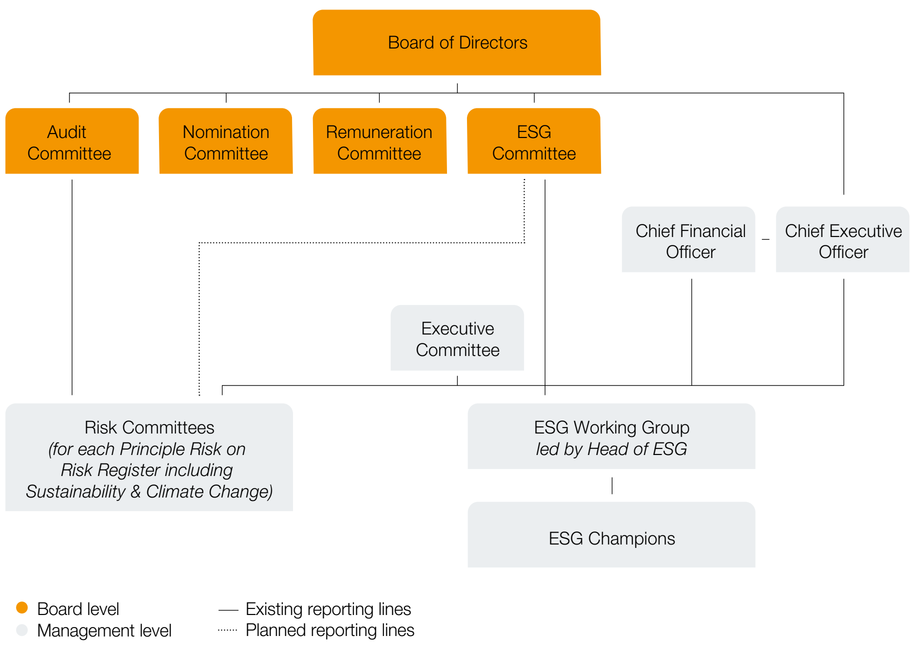
Our climate-related disclosures are set out below. This is the first year we have used the TCFD framework to support our reporting and we are committed to ensuring that we continue to improve our climate-related disclosures over the next year.

Governance

The Board is responsible for overseeing climate change risks and opportunities and considers climate-related issues when reviewing and guiding the Group's strategy, as well as when undertaking any major plans of action or capital expenditure. C&C's climate-related issues are also integrated into decisions regarding C&C's annual budgets, business plans and performance objectives. The Group is committed to ensuring climate-related issues are considered when setting the Group's risk management policies going forward, as discussed within the Risk Management section of this report on page 51.

Additionally, during the year, the Board has undertaken initial training on climate change related matters and the TCFD framework. A short list of CROs and the output of the scenario analysis conducted (see strategy section on page 47) were presented to the Board in March 2022. During the remaining months of 2022, we intend to carry out more extensive training on ESG and climate change as well as the associated risks and opportunities, in order to increase our leadership's knowledge, understanding and awareness of climate related issues.

Elements of the Board's oversight of climate change have been delegated to the ESG Committee which was established in September 2020. See page 107 of the ESG Committee report which contains its responsibilities and matters considered during the year. The Chair of the ESG Committee is responsible for providing the Board with an update around all ESG matters, including climate change. The ESG Committee is supported by a number of other Committees and Working Groups:



Risk & Compliance Committee: In our FY2021 Annual Report we included Sustainability and Climate Change as one of our principal risks. Therefore, in October of 2021 we established a Risk & Compliance Committee which is responsible for monitoring and managing this principal risk. This Committee is composed of executives and various levels of management from across the Group, and will meet bi-monthly. The Risk Committee for Sustainability and Climate Change reports to the Audit Committee; however, we are in the process of evaluating and developing additional reporting lines which will see the Risk Committee for Sustainability and Climate Change reporting also to the ESG Committee in order to improve C&C's oversight of climate-related risks and opportunities.

ESG Working group: This is a core working group focused on initiating and overseeing projects related to ESG matters. Supporting the ESG working group are a number of ESG Champions across the business. The responsibilities of the Champion role focus on providing upward feedback on ESG initiatives to the ESG Committee.

We intend to roll out training on climate-related matters to key colleagues including ESG Champions and Procurement / Buying teams so that they will be able to contribute towards the update of risk registers and the identification of climate-related risks.

The Directors' Remuneration Committee report on page 117 contains details on the ESG related metrics considered by the Committee. Specifically in relation to climate change, the following metrics are relevant:

Metric	Target	Relevant to
Carbon reduction for the Group	The Group has set a target to reduce its Scope 1 emissions and Scope 2 emissions[1] over the three financial years ending with FY2024 as follows: Threshold - 6% reduction Maximum - 12% reduction	Executive Directors

1. Scope 1: direct emissions from owned or controlled sources, which includes emissions from Group-owned or operated facilities and vehicles.
Scope 2: indirect emissions from the generation of purchased energy e.g. electricity, steam, heat and cooling.

Strategy

The Group has pledged to be a carbon-neutral business by 2050. We have grounded our emissions reduction targets in climate science through the Science Based Targets initiative ('SBTi'), which will be validated by the end of 2023 at the latest as discussed on page 65 of the Responsibility Report.

Our Approach to Identifying Climate-related Risks and Opportunities.

In FY2022 we collaborated with external consultants to support us in identifying the Group's CROs and to carry out a qualitative scenario analysis to understand the impact of the identified risks on our business. We completed various workshops involving our external consultants and a range of key stakeholders within C&C to consider potential CROs. Throughout this process, we utilised our existing Risk Management framework (as described on page 34 of the annual report) to assess the impact and the likelihood associated with each CRO. To take into consideration the longer term effects of climate change we redefined the Risk Time Frame.

The below time-horizons, which focus on when the identified CRO is likely to begin having a material impact on the business' goals and objectives, were approved for use by the ESG Committee:

Time Frame	Description
Short term	Present day to 2025
Medium Term	2025 to 2030
Long term	2030 to 2050

TCFD Disclosure
(continued)

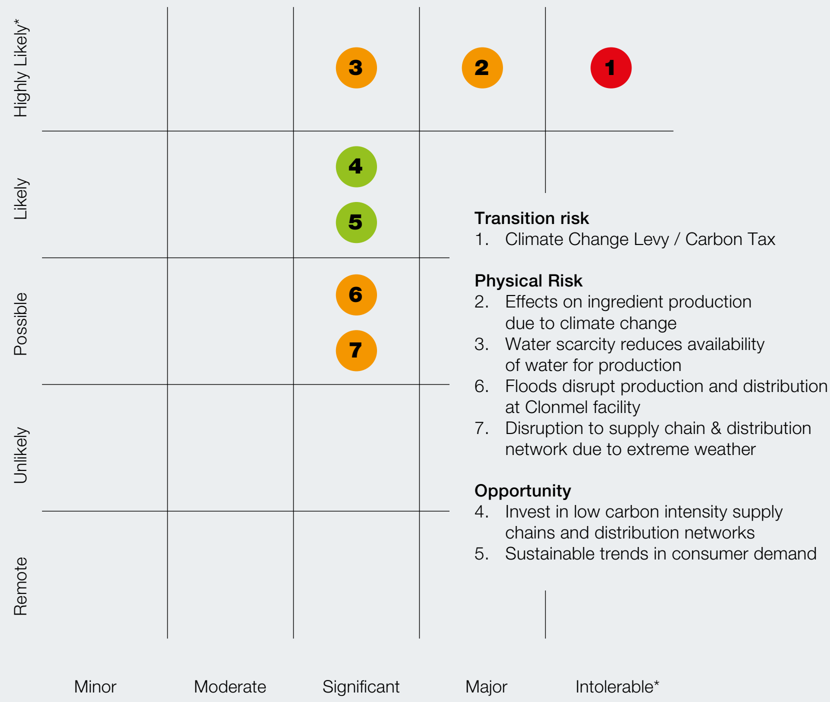
Our Identified CROs

Using the process outlined above, we identified a "long list" of 38 CROs which was provided to the ESG Committee. We assigned each one a specific time horizon, impact level and likelihood and from this we prioritised 5 risks and 2 opportunities ("short list") based on their overall rating.

Based on these shortlisted CROs, in FY2023 we will further develop additional targets and metrics that will allow us to manage these risks / leverage these opportunities, as well as measure our progress against them.

While the above represent the risks and opportunities that we have identified as being the most relevant to C&C at this time, we will continue to monitor the risks that we have identified as part of our long list and consider emerging CROs as new climate data and policies emerge. We expect this list to evolve over time. We also continue to actively monitor the changing landscape of sustainability reporting requirements to ensure that we are meeting the reporting expectations of our key stakeholders including regulators, investors and customers.

Heatmap



*As defined in our Group Risk Register.

Understanding the impact on our CROs through Scenario Analysis

As part of our efforts to identify, assess, and mitigate climate-related risks and opportunities we have carried out a qualitative scenario analysis using the Representative Concentration Pathways ("RCP") Scenarios published by the Intergovernmental Panel on Climate Change ("IPCC"). For our qualitative analysis, we used the IPCC RCP2.6 (to support our analysis of transition risks) and RCP8.5 (to support our analysis of physical risks) scenarios to assess the impact of different temperature increases on our short list of CROs.

Under the RCP2.6 scenario, the main risk for C&C will be the increase in climate change levies and taxes that would have to be introduced in most countries to be able to reduce GHG emissions. However, there are also opportunities for C&C to leverage under this scenario. We are trialling the use of electric vehicles and investigating the use of hydrogen vehicles within our car and truck fleets in order to decarbonise our supply chain and lower our exposure to carbon taxes.

Under the RCP8.5 scenario C&C would be primarily exposed to the risks of water scarcity, flooding and changing crop yields, all of which will impact our production.

The effects of the temperature scenarios on the shortlisted CROs and their impact, as well as C&C's mitigation of these impacts, is summarised in the following table:

TCFD CRO Category	Scenario	Time Horizon	Value Chain Impact and divisional impact	Description of Impact prior to any mitigating activities being considered	Management of risks and opportunities
1. Climate Change Levy / Carbon Tax					
Transition risk - policy & legal Transition risk - technology	RCP2.6	Short term	Upstream, Production & distribution *Branded* *Wholesale*	The Group's primary production sites are located in geographical locations either with a Carbon Tax (Ireland) or Carbon Levy (UK). These costs are due to increase substantially between now and 2030. Moreover, the increased pricing of GHG emissions means that the Group's operational costs will increase (e.g. heating).	The Group will reduce our carbon emissions in line with our SBTi target. The Group will explore avenues to invest in low carbon intensity supply chains and in cleaner technologies. The Group will explore implementing a shadow carbon price in order to assess potential future financial impacts that could arise from proposed increases in carbon pricing.
2. Effects on ingredient production due to climate change					
Physical risk - chronic	RCP8.5	Long term	Raw materials *Branded* *Wholesale*	Changes in precipitation patterns and extreme variability in weather patterns will adversely affect barley, maize, wheat, malt, apple and apple juice, and wine production therefore affecting the Group's supply chain and production capabilities.	The Group will assess the climate related risk to each ingredient on an individual basis. The results will be incorporated into our supply chain strategy.
3. Water scarcity reduces availability of water for production					
Physical risk - chronic Transition risk - policy & legal	RCP8.5	Long term	Raw materials & Production *Branded* *Wholesale*	Potential for long-term changes in ground water levels due to reduced precipitation may affect the availability of water for production (the Group uses water as both a product ingredient and as a plant cleaning medium) and enhances regulatory controls over seasonal water extraction activities, disrupting the Group's production.	Each of the Group's sites has an active water management programme. This includes an ongoing assessment of the water scarcity risk to each production site. The Group will engage with our suppliers on their water management policies and establish if they have conducted a risk assessment which covers climate related water stress.

TCFD Disclosure
(continued)

TCFD CRO Category	Scenario	Time Horizon	Value Chain Impact and divisional impact	Description of Impact prior to any mitigating activities being considered	Management of risks and opportunities
6. Floods disrupt production and distribution at Clonmel facility					
Physical risk - acute	RCP8.5	Long term	Production & Distribution *Branded*	Increased heavy precipitation leading to floods in Clonmel facility. The occurrence of flooding could also cause damage to property and halt production in these facilities, impacting outputs and revenue.	As a significant employer in Tipperary in Ireland, the Group will work with the local authorities to foresee and mitigate any associated risk. A flood risk assessment will be conducted on the Clonmel site in Tipperary based on a RCP 8.5 scenario followed by the development of a flood management plan to minimise any potential business disruption.
7. Disruption to supply chain & distribution network due to extreme weather					
Physical risk - acute	RCP8.5	Long term	Upstream, Distribution *Branded* *Wholesale*	Distribution channels are exposed to more extreme weather events leading to financial losses through lost revenue due to our suppliers being unable to deliver goods to us or the Group being unable to deliver goods to our customers.	The Group will work with our partners in our recently launched Supply Chain engagement programme to review risks and mitigations on a longer term time horizon. The Group will mitigate the operational impact of extreme weather events through business continuity plans, which will be tested regularly against the latest IPCC scenarios. The Group will mitigate the financial impact of such events through business interruption insurance cover.

TCFD CRO Category	Scenario	Time Horizon	Value Chain Impact and divisional impact	Description of Impact prior to any mitigating activities being considered	Management of risks and opportunities
4. Invest in low carbon intensity supply chains and distribution networks					
Transition Opportunity (Resource Efficiency)	RCP2.6	Long term	Distribution *Branded* *Wholesale*	Opportunity to mitigate the increase in production, transportation and distribution cost due to the increase in energy prices by transitioning to lower carbon options. This could allow the Group to lower costs with respect to our competitors.	The Group will actively assess low carbon distribution options as the leading final mile delivery partner to the on trade in the UK and Ireland. The Group will work with our partners in our recently launched Supply Chain engagement programme to help them lower their carbon emissions.
5. Sustainable trends in consumer demand					
Transition Opportunity (Resilience and Market)	RCP2.6	Short term	Sales & consumers *Branded*	Strong corporate climate change management enhances credibility and strengthens relationships with stakeholders leading to potential new revenue opportunities. Additionally, given that the Group's production, distribution and crop sites are relatively close to each other, this could have a positive impact on carbon labelling and reputation as consumers increasingly look for locally sourced, low carbon products.	The Group will continue to utilise in-house consumer insight via PROOF and external sources to develop / execute meaningful brand sustainability campaigns (Life is Bigger than Beer – Tennent's and Save the Bees – Bulmers).

Risk Management

C&C adopts a standard risk management framework which is discussed in detail on page 34. We have in the past considered a wide range of risks and opportunities relating to climate change and other environmental factors that were evaluated by senior operational managers and technical specialists. These include, for example: impacts relating to continuity and cost of supply of raw materials, water, waste, energy use and efficiency, packaging materials, customer and consumer requirements, regulation as well as brand and reputational issues. However given the increasing focus on climate, in FY2022 we completed a deep dive on CROs as described in the strategy section above. We have integrated the results of this assessment into our overall risk management system. Therefore, the identification, prioritisation, assessment and management of our 'Sustainability and Climate Change' risk is completed in a manner consistent with the Group's other principal risks with the exception of the timeframe used (please refer to the Strategy section of the TCFD report on page 47).

For additional information regarding the climate-related risks identified and our activities to mitigate these risks, please refer to the Strategy section of the TCFD report on page 47. Climate change mitigation is a current and ongoing responsibility for the Risk Committee for Sustainability and Climate Change as highlighted as part of the Governance section of this report on page 46.

TCFD Disclosure
(continued)

To be able to better manage the projected impacts of climate change, we are committed to the continuous improvement of our processes for identifying and assessing our climate-related risks. We also want to improve the bottom-up risk assessment process and we will roll out education and awareness training that will be carried out an operational level to enhance our risk identification processes.

Any changes to climate-regulation, or the emergence of new climate-related regulation is considered as part of our normal regulation assessment for the Group.

Metrics & Targets

To oversee our progress against our Group's climate-related goals and targets we have set a number of climate-related KPIs in line with our sustainability strategy. These KPIs have been selected in order to monitor our progress against our targets and to help us manage the identified CROs. The metrics adopted are monitored using a financial control boundary, and were developed in alignment with international environmental frameworks, namely CDP and SBTI, as well as with guidance provided by GHG Protocol.

The Board recognises the importance of ensuring that we monitor our performance with respect to the CROs identified with tailored KPIs. Currently, through the measurement of Scope 1, Scope 2 and Scope 3 emissions along with its SBTi commitment, the Group is able to manage CRO 1, Climate Change Levy / Carbon Tax. Additionally, through the monitoring of water usage in C&C's facilities, the Group is able to manage CRO 3 - Water scarcity reduces availability of water for production - even though there is additional work to be done around the metrics to monitor suppliers in this area. The Group also measures performance and historical progress with respect to waste management (for more information, see page 70 in the Responsibility Report). We recognise that further work on metrics and targets aligning to the remaining CROs is required and are committed to working on this during the next financial year.

Areas of focus for FY2023

In FY2023 the Group will carry out a quantitative scenario analysis to support the formal embedding of CROs within our strategic planning. Moreover, it will allow the Group to further assess the financial impact of climate-related risks and opportunities on our business.

As we mature in our understanding of C&C's climate-related issues and the impact on our business, we will also continue to reassess the short list as risks and opportunities evolve. We will integrate additional metrics and targets to support us in mitigating and managing the identified risks and opportunities.

TCFD Index

Disclosure Requirement	TCFD disclosure met	Page Reference	Actions Undertaken	Next Steps
Governance				
(a) Describe the board's oversight of climate-related risks and opportunities.	Yes	Page 46	• A Risk & Compliance Committee was established in order to monitor and manage Sustainability and Climate Change as a principal risk. • The Board received initial training on climate change and TCFD reporting.	• Carry out further training on ESG and climate change as well as the associated risks and opportunities. • Develop additional reporting lines which will see the Risk Committee for Sustainability and Climate Change reporting also to the ESG Committee.
(b) Describe management's role in assessing and managing climate-related risks and opportunities.	Yes	Pages 46 - 47		

Disclosure Requirement	TCFD disclosure met	Page Reference	Actions Undertaken	Next Steps
Strategy				
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Yes	Pages 49 - 51	• Identified climate risks and opportunities that could have a material impact on C&C. • Conducted a detailed qualitative climate change risk assessment and scenario analysis with the support of an expert external party.	• Continue to monitor the risks that we have identified and consider emerging CROs as new climate data and policies emerge. • Actively monitor the changing landscape of sustainability reporting requirements. • Carry out a quantitative scenario analysis to assess the financial impact of climate-related risks and opportunities on C&C and integrate climate change within C&C's strategy and financial planning.
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	No	-		
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Partially	Pages 47 - 48		
Risk Management				
(a) Describe the organisation's processes for identifying and assessing climate-related risks.	Yes	Page 51	• Further integrated climate-related risks within C&C's overall risk management process.	• C&C will further develop the bottom-up risk assessment process relevant to CROs. • Roll out education and awareness training that will be carried out an operational level to enhance the Group's risk identification processes.
(b) Describe the organisation's processes for managing climate-related risks.	Yes	Pages 46 and 51		
(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Yes	Page 51		
Metrics & Targets				
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially	Page 47 and 52	• Set carbon reduction targets in line with SBTi. • Assessed our current metrics in relation to the identified CROs.	• Evaluate and develop, where applicable, additional metrics and targets to support us in managing the identified climate-related risks and opportunities. • Achieve our SBTi objectives.
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Yes	Page 66		
(c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	Partially	Page 47 and 52		

Group Chief Financial Officer's Review

"The Group's performance in FY2022 continued to be significantly impacted by COVID-19 and the associated on-trade restrictions in our core markets."

Patrick McMahon
Group Chief
Financial Officer

Results For The Year

Once again, COVID-19 and its related restrictions have posed significant challenges to the drinks and hospitality sector, effecting all of the Group's stakeholders and materially impacting our results for the year ended 28 February 2022. Despite significant challenges the Group returned to profitability for the year.

C&C is reporting net revenue of €1,438.1m, operating profit(i) of €47.9m, liquidity(ii) of €438.7m and net debt(iii) including leases, of €271.3m. Net debt(iii) excluding IFRS 16 *Leases* was €191.3m. Following the easing of on-trade restrictions in the first half of FY2022, trading was ahead of plan with the Group returning to profitability and underlying cash generation. However, renewed Government restrictions on the hospitality industry in the second half of the year, particularly across the key Christmas trading period adversely impacted performance. With the lifting once again of restrictions towards the latter stages of FY2022, the Group's on-trade performance improved yet again, providing a platform for a clean start to FY2023. Cost inflation pressures and concerns associated with the potential consequences of the ongoing conflict in Ukraine have grown over recent months. In response to this challenging and evolving inflationary backdrop and uncertain macro environment, in November 2021 the Group implemented a series of price increases which, alongside our previously announced cost reduction programme and cost hedge positions afford us a degree of cost protection as we enter into FY2023.

The Group's performance in FY2022 continued to be significantly impacted by COVID-19 and the associated on-trade restrictions in our core markets. As a direct result, and on a constant currency basis(iv), net revenue for the Group of €1,438.1m increased by 87.8%.

Bulmers and Tennent's continued to build on market share gains, our distribution businesses returned to profitability and we successfully executed our previously announced cost reduction programme. The continued, intermittent lockdowns and restrictions in the on-trade resulted in the Group reporting an operating profit for the year of €47.9m(i), up from a loss of €63.6m in the prior year(i)(iv) and €74.8m(i) below the Group FY2020 outcome (on a constant currency basis). Adjusted diluted EPS for FY2022 is 7.5 cent.

Liquidity and net debt reduction have been a key focus for the Group throughout FY2022. The Group completed a successful Rights Issue in June 2021 issuing 81,287,315 New

Ordinary Shares at 186 pence per New Ordinary Share, raising gross proceeds of £151.2m (€176.3m). As a result of this, the Group reduced leverage with a significant reduction in net debt, improving the Group's overall liquidity position and providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy. The Group maintains a robust liquidity position with available liquidity of €438.7m at 28 February 2022 and at year end achieved Net Debt/ EBITDA of 3.4x. Our target Net Debt/ EBITDA level is less than 2x.

The potential impact on the Group's profitability from the challenging inflationary cost environment and concerns associated with the potential consequences of the ongoing conflict in Ukraine is a key focus as the Group enters FY2023. This risk has been somewhat mitigated to date by a successfully executed €18.0m cost reduction plan, recent price increases and input cost hedging but we remain very vigilant of the risk this level of cost inflation poses to our cost base and more generally consumer confidence and spending as we progress into FY2023.

Accounting Policies

As required by European Union ('EU') law, the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 154 to 170.

Finance Costs, Income Tax and Shareholder Returns

Net finance costs before exceptional items of €16.1m were incurred in the financial year (FY2021: €19.5m), with €7.4m being incurred post the receipt of Rights Issue gross cash proceeds of £151m (€176m). The Group successfully negotiated financial covenant waivers as a consequence of the impact of COVID-19 with its lenders. Exceptional finance costs of €6.7m were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with the covenant waivers.

In FY2022, the UK trading group increased its contribution to overall Group profits. Expectedly, this impacts the Group's effective tax rate for FY2022 of 18.8%, as UK generated profits are taxed a rate of 19% as compared to that of 12.5% in Ireland. Further pressure on the Group's effective tax rate is to be expected with the increase of the UK's corporate tax rate to 25% from 1 April 2023 and the expected implementation of a 15% corporate tax rate in Ireland (for large multi-national corporations) towards the end of FY2023. The Group continues to manage its effective tax rate in line with its published tax strategy.

Due to COVID-19 and the impact this had on global economies and on business generally, the Board concluded it was not appropriate to pay an interim dividend or a final dividend for FY2022. In the prior financial year, due to the emergence of COVID-19, no interim or final dividend was paid, a payment of €0.4m was made to recipients of dividend accruing share-based payment awards and a credit of €0.2m was recognised in the Income Statement as a consequence of dividend accruing share-based payment awards now deemed to be not capable of achieving their performance conditions, and hence both the share-based payment award and related dividend accrual were deemed to have lapsed.

Due to COVID-19 and the impact this had on global economies and on business generally, the Board concluded it was not appropriate to pay an interim dividend or a final dividend for FY2022.

Group Chief Financial Officer's Review
(continued)

Exceptional items

Total exceptional items, before the impact of taxation, of a €11.3m credit were incurred in the current financial year.

COVID-19

The Group has continued to account for the ongoing COVID-19 pandemic as an exceptional item and has incurred an exceptional credit of €17.5m from operating activities at 28 February 2022. The Group reviewed the recoverability of its debtor book and advances to customers and booked a credit of €7.9m with respect to its provision against trade debtors and a credit of €5.5m with respect to its provision for advances to customers. The Group also realised an exceptional credit of €4.1m with respect to inventory, this related to inventory that had previously been assessed as unsaleable before becoming obsolete, all as a consequence of the COVID-19 restrictions.

Restructuring costs

A credit of €1.2m relating to restructuring costs was incurred in the current financial year. This included severance costs of €0.6m which arose as a consequence of the optimisation of the delivery networks project in England and Scotland. In addition, the Group realised a credit of €1.8m in relation to the profit on disposal of a property as a direct consequence of the optimisation project.

Impairment of property, plant & equipment

Property (comprising freehold land & buildings) and plant & machinery are valued at fair value on the Consolidated 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) and Portugal sites. Using the valuation methodologies, this resulted in a net revaluation gain of €0.6m accounted for in the Consolidated Income Statement and a gain of €2.5m accounted for within Other Comprehensive Income.

Rights Issue costs

The Group completed a successful Rights Issue in June 2021 issuing 81,287,315 New Ordinary Shares at 186 pence per New Ordinary Share, raising gross proceeds of £151.2m (€176.3m). Attributable costs of €9.2m were incurred, of which €6.6m was debited directly to Equity and €2.6m was recorded as an exceptional charge in the Group's Condensed Consolidated Income Statement.

Profit on disposal

During the current financial year, as outlined in further detail in note 10, the Group completed the sale of its wholly owned US subsidiary, Vermont Hard Cider Company to Northeast Kingdom Drinks Group, LLC on the 2 April 2021 for a total consideration of €17.5m (USD 20.5m) (comprised of cash proceeds of €13.4m (€12.9m net cash impact on disposal) and promissory notes of €4.1m at the date of transaction), realising a profit of €4.5m on disposal.

Finance income

The Group earned finance income of €0.2m relating to promissory notes issued as part of the disposal of the Group's subsidiary Vermont Hard Cider Company.

Finance expense

As outlined previously, during the current financial year, the Group successfully negotiated covenant waivers due to the impact of COVID-19 with its lenders. Costs of €6.7m were incurred in the year directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers.

Equity accounted investments' exceptional items

On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). The sale of the shares will be completed and the consideration will be paid in three tranches during FY2023, subject only to FCA approval. Admiral Taverns was classified as an asset held for sale as at 24 February 2022.

The net impact of exceptional items in relation to Admiral is a charge of €3.7m. The Group continued to equity account for this investment up until this date, with the Group recognising a credit of €2.7m with respect to its share of Admiral Taverns' exceptional items. This included a credit of €4.1m with respect to the Group's share of the revaluation gain arising from the fair value exercise to value Admiral's property assets. The Group also recognised an exceptional charge of €1.4m in relation to its share of other exceptional items for the year, including the Group's share of acquisition costs of €1.4m incurred with respect to Admiral Taverns' acquisition of Hawthorn. The Group also recognised its share of other exceptional items for the year of €0.5m, primarily relating to restructuring costs. This was offset by a release from the expected loss provision with respect to the recoverability of Admiral Taverns' debtor book as a consequence of COVID-19 of €0.5m.

As a result of the same property valuation exercise, a gain of €2.2m with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income.

Also in the current financial year, the Group assessed the carrying value of its equity accounted investment as a result of its classification as an asset held for sale as at 24 February 2022 and recognised an impairment charge of €6.4m. This impairment charge reverses previously accumulated gains and losses in relation to the application of equity accounting for the Admiral Taverns investment, to reflect the recoverable value of the Group's investment in line with the agreed consideration of €65.8m (£55.0m).

Other

During the current financial year, €0.3m was released against a provision for legal disputes.

Balance Sheet Strength and Debt Management

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. To ensure the business was equipped with the optimum capital structure and financing to emerge from the COVID-19 pandemic in a position of strength, the Group announced a Rights Issue on the 26 May 2021. The Group successfully completed the Rights Issue in June 2021 raising gross cash proceeds of £151.2m (€176.3m). As a result of this, the Group reduced leverage, improving the Group's overall liquidity position and providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy.

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. In FY2020 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. During the prior financial year, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment is now payable on 12 July 2022.

In March 2020, the Group completed the successful issue of new USPP notes. The unsecured notes, denominated in both Euro and Sterling, 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 however a waiver of the prepayment was successfully negotiated in addition to a waiver of a July 2020 repayment, as a consequence of COVID-19, which now becomes payable with the last instalment in July 2022.

As outlined previously, as a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021, and these have been extended up to, but not including, the August 2022 test date.

As part of the agreement reached to waive the debt covenants, a minimum liquidity requirement and a gross debt restriction have been put in place. The minimum liquidity requirement and gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 28 February 2023 or any subsequent test date or earlier if compliance can be demonstrated and with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month.A monthly gross debt cap of €700.0m in the current financial year applied which will continue during FY2022.

The Group complied with these new minimum liquidity and gross debt requirements during the financial year.

The Group maintains a £200m committed receivables purchase facility, renewable annually in May. As at 28 February 2022, €84.1m of this facility was drawn (FY2021: €45.0m, FY2020: €131.4m).

Cash generation

Summary cash flow for the year ended 28 February 2022 is set out in the table below. Overall liquidity remains robust. The increase in the Group's receivables purchase programme, as a direct consequence of increased trading was partly offset by the Group's repayment of previously deferred tax payments to the UK and Irish Tax Authorities in accordance with our agreed repayment schedules of €64.3m and an investment in stock in Q4 FY2022. The contribution to year end Group cash from the receivables purchase programme was €84.1m compared to €45.0m (€46.3m on a constant currency basis[iv]) at 28 February 2021 - a cash inflow of €37.8m[iv]. In FY2022 €64.3m of previously deferred tax payments were repaid and €28.8m will be repaid in FY2023.

Capital expenditure in FY2022 amounted to €14.9m, with almost 50% relating directly to ESG initiatives and investments, namely the completion of our Out of Plastics projects for owned alcohol brands in Wellpark and Clonmel and an investment in Ireland's largest rooftop solar panel installation in Clonmel which will provide 10% of the site's electricity requirement.

Group Chief Financial Officer's Review
(continued)

Table 1 – Reconciliation of Adjusted EBITDA(v) to Operating profit/(loss)

	2022 €m	2021 €m
Operating profit/(loss)	**58.5**	(84.8)
Exceptional items	**(10.6)**	25.2
Operating profit/(loss) before exceptional items	**47.9**	(59.6)
Amortisation and depreciation charge	**31.8**	30.8
Adjusted EBITDA(v)	**79.7**	(28.8)

Table 2 – Cash flow summary

	2022 €m	2021 €m
Adjusted EBITDA(v)	**79.7**	(28.8)
Working capital	**(19.2)**	(44.7)
Advances to customers	**2.3**	1.2
Net finance costs excluding exceptional finance costs	**(16.7)**	(18.0)
Tax (paid)/refunded	**(3.2)**	7.2
Pension contributions paid	**(0.4)**	(0.4)
Tangible/intangible expenditure	**(17.1)**	(10.0)
Net proceeds on disposal of property plant & equipment	**2.3**	1.0
Exceptional items paid	**(12.5)**	(12.4)
Other*	**3.0**	1.3
Free cash flow(vi)	**18.2**	(103.6)
Free cash flow(vi)	**18.2**	(103.6)
Net exceptional cash outflow	**10.2**	12.4
Free cash flow(vi) excluding net exceptional cash outflow	**28.4**	(91.2)
Reconciliation to Group Cash Flow Statement		
Free cash flow(vi)	**18.2**	(103.6)
Net proceeds from exercise of share options/equity interests	**0.7**	0.3
Drawdown of debt	**49.5**	570.9
Repayment of debt	**(271.7)**	(464.0)
Payment of lease liabilities	**(21.9)**	(19.0)
Proceeds from Rights Issue	**176.3**	-
Payment of issue costs	**-**	(1.4)
Payment of Rights Issue costs	**(9.2)**	-
Disposal of subsidiary/equity investment	**12.9**	6.7
Cash outflow re acquisition of equity accounted investments/financial assets	**(0.3)**	(6.9)
Dividends paid	**-**	(0.4)
Net decrease in cash	**(45.5)**	(17.4)

* Other relates to the add back of share options, pension contributions: adjustments from charge to payment and the add back of intangible asset impairment.

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 Consolidated 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. An actuarial valuation process is currently ongoing. The most recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2020.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 51 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 28 February 2022, the retirement benefits computed in accordance with IAS 19 *Employee Benefits* amounted to a net surplus of €37.6m gross of deferred tax (€20.0m surplus with respect to the Group's staff defined benefit pension scheme, €11.1m surplus with respect to the Group's executive defined benefit pension scheme and a €6.5m surplus with respect to the Group's NI defined benefit pension scheme) and a net surplus of €31.5m 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 surplusat 1 March 2021	**4.9**
Translation adjustment	**0.2**
Employer contributions paid	**0.4**
Credit to Other Comprehensive Income	**32.8**
Charge to Income Statement	**(0.7)**
Net surplus at 28 February 2022	**37.6**

The increase in the surplus from €4.9m at 28 February 2021 to a surplus of €37.6m at 28 February 2022 is primarily due to an actuarial gain of €32.8m over the year. The actuarial gain was driven by the increase in the discount rates used to value the pension benefit obligation. The impact of the increase in discount rates was partially offset by the increase in the inflation-related assumptions.

Financial Risk Management

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

The Board of Directors set the treasury policies and objectives of the Group, the implementation of which are monitored by the Audit Committee. Details of both the policies and control procedures adopted to manage these financial risks are set out in detail in note 24 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 Great Britain (GB) business. We seek to minimise this exposure, when possible, by offsetting the foreign currency input costs against the same foreign currency receipts, creating a natural hedge. When the remaining net currency exposure is material, 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. 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 had €22.2m forward foreign currency cash flow hedges outstanding.

The average rate for the translation of results from Sterling currency operations was €1:£0.8524 (year ended 28 February 2021: €1:£0.8959) and from US Dollar operations was €1:$1.1701 (year ended 28 February 2021: €1:$1.1602).

Group Chief Financial Officer's Review
(continued)

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.

Segmental reporting

In September 2021, the Group announced to the market as part of its 'One C&C' target that it would be combining all of the Great Britain ('GB and RoW') trading businesses with immediate effect aligning management structures and beginning a significant change programme of simplification and integration. This led to our previously reported GB, Matthew Clark Bibendum and International businesses being absorbed under one management team led by one Managing Director. The Ireland business remains unchanged. Considering the changes in the operational management and organisational structure, the Group has aligned its reporting segments with how the business is now managed. Furthermore and to aid more useful analysis of the Group's business performance, the Group has introduced Branded, Distribution and Co-pack/Other secondary analysis to its reporting this year.

Applying the realised FY2022 foreign currency rates to the reported FY2021 revenue, net revenue and operating loss(i) are shown in the table below:

Table 3–Constant currency comparatives

	Year ended 28 February 2021 €m	FX transaction €m	FX translation €m	Year ended 28 February 2021 €m
Revenue				
Ireland	269.8	-	1.9	271.7
Branded	*94.2*	-	*0.7*	*94.9*
Distribution	*167.2*	-	*1.2*	*168.4*
Co-pack/Other	*8.4*	-	-	*8.4*
Great Britain	753.0	-	36.8	789.8
Branded	*230.8*	-	*10.5*	*241.3*
Distribution	*476.2*	-	*24.2*	*500.4*
Co-pack/Other	*46.0*	-	*2.1*	*48.1*
Total	**1,022.8**	**-**	**38.7**	**1,061.5**
Net revenue				
Ireland	166.1	-	1.3	167.4
Branded	*48.6*	-	*0.3*	*48.9*
Distribution	*114.0*	-	*1.0*	*115.0*
Co-pack/Other	*3.5*	-	-	*3.5*
Great Britain	570.8	-	27.6	598.4
Branded	*133.4*	-	*5.6*	*139.0*
Distribution	*394.2*	-	*20.0*	*414.2*
Co-pack/Other	*43.2*	-	*2.0*	*45.2*
Total	**736.9**	**-**	**28.9**	**765.8**
Operating loss(i)				
Ireland	(4.9)	(1.7)	(0.1)	(6.7)
Branded	*(3.9)*	*(0.1)*	*(0.1)*	*(4.1)*
Distribution	*(1.0)*	*(1.6)*	-	*(2.6)*
Great Britain	(54.7)	0.6	(2.8)	(56.9)
Branded	*(10.0)*	*(0.1)*	*(0.3)*	*(10.4)*
Distribution	*(44.7)*	*0.7*	*(2.5)*	*(46.5)*
Total	**(59.6)**	**(1.1)**	**(2.9)**	**(63.6)**

Notes to the Group Chief Financial Officer's Review
(i) Before exceptional items.
(ii) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
(iii) Net debt comprises borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 *Leases*.
(iv) FY2021 comparative adjusted for constant currency (FY2021 translated at FY2022 F/X rates).
(v) Adjusted EBITDA is earnings/(loss) before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' profit/(loss) after tax. A reconciliation of the Group's operating profit/(loss) to EBITDA is set out on page 58.
(vi) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of capital investment 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 €84.1m (FY2021: €45.0m reported/€46.3m on a constant currency basis) inflow in the year. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out above.

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 our energy suppliers. Evolving cost inflation pressures and concerns associated with the potential consequences of the ongoing conflict in Ukraine have grown over recent months, heightening the risk around cost and to some extent continuity of supply of raw materials and ingredients.

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.

Cyber Incident

On 19 April 2021, the Group announced that it had experienced a cyber security incident within its Matthew Clark Bibendum (MCB) operations. In response, certain IT systems and applications used in those business units were pro-actively shut down and were securely restored over the course of a number of weeks. By the end of May 2021, MCB was again using their IT systems and applications. The cyber security incident affected MCB only, with other Group business and production sites unaffected throughout the period.

The Group incurred €2.6m of costs in FY2022 as a direct result of the cyber security incident in April. These costs primarily related to specialist advisory fees incurred to investigate and respond to the incident and subsequent improvements and additional protection tools to enhance the security of the IT systems. Following the incident affecting Matthew Clark and Bibendum IT systems in April 2021, the Group has reviewed its information security and cyber preparedness policies and procedures, enhanced its Information Technology systems and controls, including the appointment of a Technology and Transformation Director and Group Head of IT. As a demonstration of the Group’s commitment to tackling cyber security, it is currently pursuing Cyber Essentials Plus accreditation from the National Cyber Security Centre (NCSC).

Patrick McMahon
Group Chief Financial Officer

Responsibility Report

At C&C, our Environmental, Social and Governance (ESG) strategy is directed by our Group purpose of "We deliver joy to customers with remarkable brands and service" and our 3 values of "**Respect** people and the planet", "We bring **Joy** to life" and "**Quality** is at our core".

Our Board level Environmental, Social and Governance Committee and our dedicated ESG team, seek to champion and embed ESG in everything that we do at C&C.

While delivering joy to customers, we always shine a light on people and the planet. A structured and ambitious programme of continuous improvement will ensure we meet our ESG vision of "Delivering to a better world!"

Our six ESG pillars ensure that we focus on the most material areas to guide our actions around sustainability and support the UN Sustainable Development Goals.

Environmental

We strive to minimise our impact on the environment and the communities in which we operate.

1. Reduce our Carbon Footprint

- Optimising our manufacturing facilities
- Streamlining our logistics operations
- Increasing the recycling rate for our brands / improve sustainable packaging
- Waste reduction
- Piloting alternative fuel vehicles

2. Sustainably produce and source products & services

- Collaboration with our apple & barley growers
- Source water optimisation
- Water usage reduction
- Achieving the highest sourcing standards

Social

Our ethos is simple, our employees should work in a safe and healthy workplace. As a drinks business, we are also committed to promoting responsible alcohol consumption.

3. Ensure Alcohol is consumed responsibly

- Introducing 0% and low alcohol variants
- Reducing ABV & calories
- Active support for industry programmes including Portman Group and Drinkaware
- Support relevant charities

4. Enhance Health, Wellbeing & Capability of colleagues

- Safety first
- Health & Wellbeing support systems
- Support remote/hybrid working
- Alcohol awareness training
- Embed key codes including Employee Code of Conduct, Anti-Bribery and Corruption
- Learning and development programmes

Governance

We believe that working ethically, in line with the Group's corporate governance framework, in an environment where individuality is respected and celebrated, acting as a trusted partner with all stakeholders, makes a tangible difference to people and our planet.

5. Build a more Diverse, Inclusive, & Engaged C&C

- Diversification of Board
- Group wide D&I measurement
- Formal manager D&I training
- Employee engagement tracking

6. Collaborate with Government & NGOs

- Leading DRS implementation in Scotland
- MUP Ireland
- Portman and Drinkaware support

We continue to look to disclose all key non-financial indicators and guidance in line with the Sustainability Accounting Standards Board ('SASB') Framework.

Responsibility Report
Environmental

Reduce our Carbon Footprint

C&C Group plc have pledged to be a carbon-neutral business by 2050 at the latest. We have recently set our emissions reduction targets which are grounded in climate science and will be validated by the Science Based Targets initiative ('SBTi'). We are committed to reducing our absolute Scope 1 and Scope 2 GHG emissions by 35% and our Scope 3 GHG emissions by 25% by 2030 (versus FY2020).

We have used the data collected for CDP reporting and selected 2020 as the base year for a SBTi engagement target. 2020 was used as the base year due to the impacts of COVID-19 on the business – activity in 2021 was significantly affected by lockdowns and other restrictions and would not provide a credible base for normal levels of activity.

In accordance with the FCA listing rules, our Annual Report and Financial Statements include climate-related financial disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD').

This is the first year C&C has used the TCFD framework to support our reporting and we are committed to ensuring that we continue to improve our climate-related disclosures over the coming years. More details can be found on pages 46 to 53.

Optimising our manufacturing facilities.

Conservation of energy

With respect to energy targets, renewable procurement is currently a priority for C&C. In fact, from 1 April 2021, 100% of the electricity across our main sites in the UK and Ireland comes from renewable sources, covering c.98% of our electricity use.

The Group clearly identifies and manages energy costs in each operating site and country of operation, setting energy reduction targets to help reduce our exposure to future changes in energy costs. In FY2022, we aligned to our Science Based Target, setting a KPI to deliver a 4% year on year reduction in our carbon related energy use. C&C also benchmark our core production processes against competitors to understand our relative efficiency and continue to invest significantly in technology to reduce our overall energy consumption, including the introduction of direct solar power at our Clonmel Manufacturing facility.

In order to monitor our energy performance and our progress with respect to this goal, we utilise energy consumption, energy intensity and renewable energy consumption metrics.

Our Energy Consumption position is set out below.

kWh	FY2018-19	FY2019-20	FY2020-21	FY2021-22	Change YoY	Change V FY2019-20
Natural Gas	80,579,000	88,630,000	83,199,000	89,904,000	8%	1%
LPG	1,979,000	2,332,000	3,556,000	3,949,000	11%	69%
LNG	6,107,000	5,591,000	5,007,000	-	-100%	-100%
Diesel	31,137,000	33,257,000	15,329,000	24,618,000	61%	-26%
Petrol	-	450,000	111,000	346,000	212%	-23%
Kerosene/Fuel Oil	64,000	65,000	209,000	208,000	0%	220%
Wood	3,991,000	-	-	-	0%	
Biogas (Out of Scope)	83,000	83,000	7,735,289	9,189,000	19%	10971%
Electricity	40,695,000	41,401,000	41,187,738	41,900,128	2%	1%
(Of which, renewables)	14,550,000	14,737,000	14,946,029	39,486,899	164%	168%
Total Scope 1	123,857,000	130,325,000	107,411,000	119,025,000	11%	-9%
Total Scope 2	40,695,000	41,401,000	41,187,738	41,900,128	2%	1%
Total Scope 1 and 2	164,635,000	171,809,000	156,334,027	170,114,128	9%	-1%

From 1 April 2021, 100% of the electricity, used in Wellpark, Clonmel and across our key UK depot network is provided by renewable sources.

The Group has delivered a number of initiatives in our ongoing efforts to reduce energy use. These include:

- From 1 April 2021, 100% of the electricity, used in Wellpark, Clonmel and across our key UK depot network is provided by renewable sources.
- Biogas energy: anaerobic digestion technology at Wellpark Brewery and Clonmel generated 1,119,477 cuM of biogas / per annum.
- On 18 February 2022, Leo Varadkar, Tánaiste and Minister for Enterprise, Trade and Employment in Ireland, officially opened C&C Group's new Sustainability Project at Clonmel Co. Tipperary. The Project includes the installation of the largest rooftop solar panel farm in Ireland, which will reduce the Clonmel site's carbon emissions by 4%, saving c.290 tonnes of CO_2 per year and almost 10,000 tonnes over the next 20 years. The solar panels also provide up to 10% of electricity used onsite.

Reducing carbon emissions

In FY2022, the Group commenced work with the SBTi to set and have validated science-based carbon reduction targets to meet the goals of the Paris Agreement and limit global warming to well below 2°C. A near term validation is expected in FY2023.

Responsibility Report
Environment

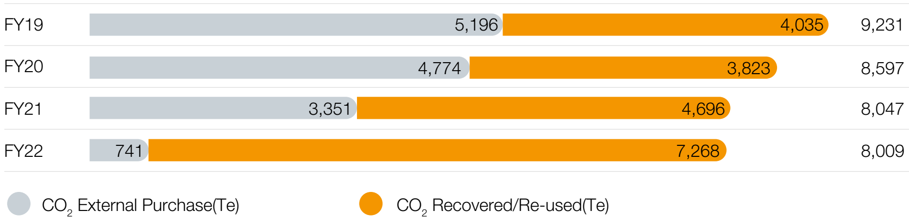
Scope 1 and Scope 2 emissions

The table below details C&C Scope 1 and Scope 2 emissions in FY2022 (versus FY2020), for both location and market-based emissions. The purchase of renewable energy has delivered the biggest and most positive impact in FY2022. C&C has commenced trials using an alternative to diesel in our delivery fleet and changed to ambient vaporisation of our carbon dioxide in Wellpark. There were also COVID related impacts with a change to product mix, and delivery schedules as the business reacted to the pandemic. We have invested in FY2023 to deliver heat exchange opportunities to reduce our carbon footprint. The methodology and calculations for Scope 1 and 2 are based on the GHG Protocol.

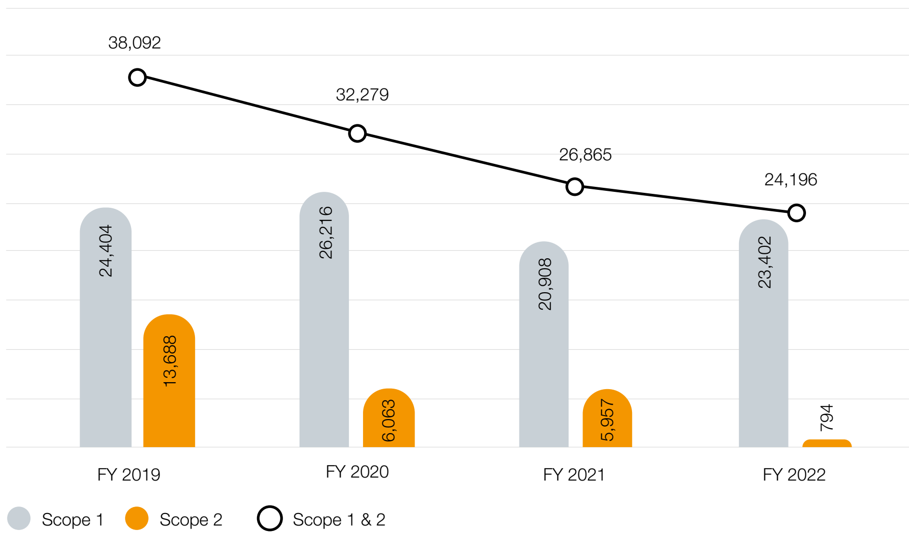
Additional initiatives to drive emission reductions include, further optimising our biogas generation and carbon dioxide capture at our Wellpark Brewery in Glasgow, with our Clonmel plant already having this technology in place. The ability to capture carbon dioxide from our fermentation process has positively reduced site carbon dioxide emissions. In addition to the environmental benefit, the carbon capture capability at our main production sites, has seen C&C become c95% self-sufficient in CO_2, which provides security of supply when external availability of supply has repeatedly been scarce in recent years. We maximise use of recovered CO_2 and use collected gas for product carbonation initially, and for product storage cover gas to ensure the correct product quality.

To give impetus to C&C's de-carbonisation efforts, the Group has set a target under the LTIP awards granted in June 2021 to reduce its Scope 1 emissions and Scope 2 emissions over the three financial years ending with FY2024, in line with the Paris Agreement. The incentive relates to delivery of a 12% (4,500 tonnes) reduction in Scope 1 and 2 carbon emissions (versus FY2020).

Manufacturing CO_2 Sourcing (tonnes)



Market Based Emissions (tCO_2e)



Scope 3

Our Scope 3 emissions (including supply chain, customer use of our products, and other indirect emissions) make up around 95% of C&C's total emissions. We recognise our responsibility and the need to collaborate with suppliers and customers to tackle these emissions.

C&C has signed up to participate in the CDP Supply Chain Screening Programme for 2021. This sees C&C work with 130 strategic supply chain partners and request them to disclose climate-related information to allow us to use the reported data to measure supplier environmental impacts and collaborate with them to track progress of sustainability goals and/or commitments. In addition, we are encouraging our key supply chain partners to publish and share their full carbon footprint via CDP as C&C has done for the last 12 years.

To support our Supply Chain Screening approach, CDP delivered training to circa 50 C&C Procurement and Commercial colleagues on how supply chain screening and collaborating with suppliers and customers can play a vital role in tackling environmental harm and achieving global climate goals.

To achieve our target of reducing our Scope 3 emissions by 25% (Vs FY2020) by 2030, we have also committed that suppliers and customers making up 67% of our Scope 3 emissions, (Purchased Goods, Downstream Transport and Use of Sold Goods), will have science-based targets in place by 2026.

The Group will continuously engage with suppliers and customers to support them to set science-based targets for their own emissions.

C&C Group has again received a B rating from CDP on our latest Climate Change score.

Location-Based Emissions

	Total C&C FY2018-19*	Total C&C FY2019-20	Total C&C FY2020-21	Total C&C FY2021-22	Change YOY	Change V FY2019-20
Net Revenue (M Euro)	1,575	1,719	737	1,438	95%	-16%
Production volume (Hectolitres)	4,388,761	4,396,981	3,803,970	4,039,648	6%	-8%
Scope 1 (tCO_2e)	24,404	26,216	20,908	23,402	12%	-11%
Scope 2 (tCO_2e)	13,688	12,768	10,681	10,255	-4%	-20%
Total Scope 1 & 2 (tCO_2e)	38,092	38,984	31,589	33,657	7%	-14%
Scope 3 (tCO_2e)	221,976	718,088	440,733	550,736	25%	-23%
Total Footprint (tCO_2e)	260,068	757,072	472,322	584,393	24%	-23%

* Acquisition of Mathew Clark, and in-housing of Tennent's distribution, with associated depots and transport fleet

Emissions Intensity

	Total C&C FY2018-19	Total C&C FY2019-20	Total C&C FY2020-21	Total C&C FY2021-22	Change YOY	Change V FY2019-20
Scope 1 and 2 tCO_2e per M EURO	24.19	22.68	42.86	23.41	-45%	3%
Scope 1 and 2 kgs CO_2e per HL produced	8.68	8.87	8.30	8.33	0%	-6%

Market-Based Emissions

	Total C&C FY2018-19	Total C&C FY2019-20	Total C&C FY2020-21	Total C&C FY2021-22	Change YOY	Change V FY2019-20
Net Revenue (M Euro)	1,575	1,719	737	1,438	95%	-16%
Production volume (Hectolitres)	4,388,761	4,396,981	3,803,970	4,039,648	6%	-8%
Scope 1 (tCO_2e)	24,404	26,216	20,908	23,402	12%	-11%
Scope 2 (tCO_2e)	13,688	6,063	5,957	794	-87%	-87%
Total Scope 1 & 2 (tCO_2e)	38,092	32,279	26,865	24,196	-10%	-25%
Scope 3 (tCO_2e)	221,976	718,088*	440,773	550,736	25%	-23%
Total Footprint (tCO_2e)	260,068	750,367	467,598	574,932	23%	-23%

Emissions Intensity

	Total C&C FY2018-19	Total C&C FY2019-20	Total C&C FY2020-21	Total C&C FY2021-22	Change YOY	Change V FY2019-20
Scope 1 and 2 tCO_2e per M EURO	24.19	18.78	36.45	16.83	-54%	-10%
Scope 1 and 2 kgs CO_2e per HL produced	8.68	7.34	7.06	5.99	-15%	-18%

Definitions:
Scope 1: Direct emissions from our own operations.
Scope 2: Indirect emissions from our purchased energy (mainly electricity).
Scope 3: Including supply chain, customer use of our products, and other indirect emissions.
*FY2019-20 now includes all scope 3 emissions in our reporting.

Responsibility Report
Environment

Streamlining our Logistics Operations

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. The Group has an "end to end" supply chain model in the UK and Ireland, with circa 360 vehicles in operation. Our Group-wide logistics forum sees learnings shared across C&C, allowing efficiencies to be identified and captured across every stage of the product journey to reduce delivery miles and carbon footprint.

In FY2022, our KPI to reduce carbon generated by logistics fleet by 250 tonnes (5%) CO_2e achieved a 200-tonne reduction.

We have completed the optimisation of our English and Scottish delivery networks, including the opening of our new depot at Newbridge in Edinburgh. This exercise has seen us consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in-house, reducing road miles and carbon emissions.

In our primary network, we track, measure, consolidate and identify opportunities to reduce vehicles movements across our sites. We achieved these improvements through profiling existing order patterns, order quantity, frequency and minimum order quantities. By engaging with retailers, we will introduce revised schedules, resulting in more consistent movements and logistics performance.

The Group has also undertaken work with suppliers to improve logistics performance (e.g. creating minimum acceptable standards for 3rd party hauliers in relation to engine standards, emissions management, load optimisation and investments in more efficient vehicles - including current trials of electric and LNG vehicles, and other alternatives including biofuels).

We have invested in logistics and supply chain improvements to reduce emissions, including engagement with upstream material suppliers and downstream logistics suppliers to optimise routes and reduce miles over which materials and finished goods travel.

Our Supply Chain Logistics and Procurement teams continually work with suppliers to identify opportunities to increase local sourcing of materials, optimising packaging materials, increasing percentage utilisation of vehicles and cutting road miles.

Our Fleet

All new vehicles leased or purchased must meet the EURO 6 standard and 93% of our fleet are currently EURO 6. We amended vehicle specification (by for example, applying the Direct Vision Standard for heavy goods vehicles which assesses and rates how much the driver can see directly from their cab in relation to other road users).

We have 34 solar-assisted trucks in our delivery fleet. With solar panels on the roofs, the trucks use solar energy to power all on-board ancillary equipment, cutting fuel consumption by 5%.

Driving efficiencies

We are eliminating the need for secondary loads, by introducing direct delivery of orders from manufacturing sites to customer premises. We continue to increase the level of direct deliveries from the Clonmel and Wellpark sites.

Software including transport network, route planning and on-road training for driver habits have maximised fuel efficiency and limited frequency of runs to distance areas each week.

Increasing the Recyclable Rate for our Brands and Improve Sustainable Packaging

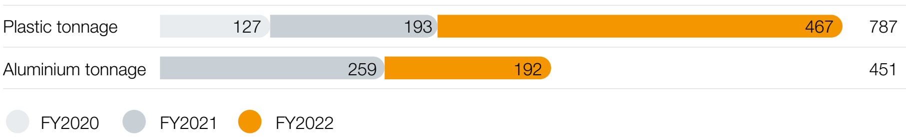
During FY2022, the Group met its ambitious commitment to be out of single-use plastics (shrink and hi and mid cone rings) in the packaging of our canned products, reducing the environmental impact and ecological footprint of our products. All of our canned product is now in fully recyclable cardboard, removing more than 200 million plastic rings per annum from the environment, as part of an overall plastic reduction of several hundred tonnes. The investment also recognises the future market changes including the Deposit Return Scheme ('DRS') introduction in Scotland, planned for August 2023 and in Ireland (date still to be confirmed).

During COP26, Mairi McAllan, Scottish Minister for Environment and Land Reform, joined Shona Munro, Director of Manufacturing at C&C Group, and Jo Green, Chief Officer for Green Recovery at the Scottish Environmental Protection Agency (SEPA), for a tour of Wellpark Brewery to mark Tennent's achievement of removing single-use plastic from packaging of our canned products.

Leo Varadkar's visit to Clonmel on 18th February also marked Bulmers investment into 'dry end' packaging machinery to reduce the environmental impact and ecological footprint of consumer packaging. As of January 2022, plastic is no longer used in the packaging of our canned products at Clonmel.

Tennent's is the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates.

Packaging Material Usage Reduction (Tonnes)



Also, during COP26, Tennent's Lager committed to add a "Please Enjoy Sustainably" message on all cans to encourage recycling, reduce littering and benefit the environment. While recycling logos are widely carried on canned products, it is hoped that our more direct call-to-action on the 120 million cans filled on average every year, will encourage drinkers to increase recycling.

Our lightweight can programme at Wellpark and Clonmel, further optimising the material used, has now removed c.450 tonnes of Aluminium from the environment, since site enhancements were made in FY2019.

In Clonmel, we have also reduced the amount of plastic in polyethylene terephthalate ('PET') in our preforms.

Light weighting in PET and Out of Plastics initiatives have delivered a reduction of c.800 tonnes in plastics, since site enhancements were made in FY2019.

In FY2023, we will switch to 100% recycled plastic on our keg caps and trial 50% PCR shrink wrap for our glass and PET bottle formats.

In Ireland we continue to produce reusable glass bottles for our cider products and in all territories, we distribute beer and cider in reusable stainless-steel kegs. We have demonstrated the cost, carbon and waste reduction benefits of retaining this form of packaging compared to disposable bottles/kegs. Across C&C Group, 29% of our own beer and cider is sold in returnable formats (returnable keg and bottle).

Leo Varadkar's visit to Clonmel on 18th February also marked Bulmers investment into 'dry end' packaging machinery to reduce the environmental impact and ecological footprint of consumer packaging.

Responsibility Report
Environment

Waste Reduction

In FY2022 C&C's main manufacturing sites at Clonmel and Wellpark again both achieved our target of sending zero waste to landfill. We continue to implement 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. We introduced improvements in our recycling facility at Wellpark brewery reducing the number of collections.
- 100% of by-products are recycled for use as animal feed or organic compost. Over 20,000 tonnes of spent grain and apple pomace were used as animal feed, with the remainder of our waste either recycled or sent for energy recovery.
- As part of a Scottish Government funded initiative, Tennent's is working with Zero Waste Scotland ('ZWS') and leading environmental consultancy, Eunomia, to identify further circular opportunities in our operations and to develop a pathway towards adoption and implementation of those opportunities.

Piloting Alternative Fuel Vehicles

Electric vehicles ('EVs') are being trialled for deliveries in urban areas. An electric-powered van has been utilised for small-volume deliveries of Five Lamps craft beer in Dublin and a trial of electric vans has taken place at the Matthew Clark Park Royal depot, together with a Hydrogenated Vegetable Oil ('HVO') diesel replacement trial at our Bedford depot. In Scotland, we are investigating alternative fuel types for vehicles, electric vehicles for Wellpark to Cambuslang trips and hydrogen for longer distance inter depot shunts.

Electric and hybrid company car options are now available to colleagues across the Group. We are installing EV charging at our 5 main sites, with a plan to install across our entire network by 2024.

Sustainably Source our Products & Services

Collaboration with our Apple and Barley Growers

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, with whom we work closely. The health and sustainability of the Irish apple growing sector are therefore central to C&C's 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 is a patron of the All-Ireland Pollinator plan and patrons of the South Tipperary Bee-Keepers Association who carry out activity on the protection and promotion of the species in our Redmonstown Orchard, where we maintain over 13km of healthy hedgerows to support the bee and pollinator population and maintain strong biodiversity in the area.

We also recognise that, since our products are largely based around agricultural inputs, investment in techniques which increase yields for our apple growers also serves to provide greater resilience in our supply chain – for example, diversification of crop varieties helps to minimise risks relating to variable weather patterns and harvests.

In Scotland, our Tennent's beers are brewed using 100% Scottish malt. We seek to support the growers of our key raw materials such as barley and wheat through long-term supply arrangements, with sustainability a key consideration. Malting barley is only purchased from farms with current and up-to-date, independently audited farm assurance schemes. 75% supply of malt is FSA Gold accredited and the balance is Redtractor assured, which ensures the best environmental practices are adhered to.

For the opening of COP26 in Glasgow, as thousands of delegates from around the world arrived at the brand's hometown for the annual UN climate change conference, Tennent's Lager, launched an ambitious multi-channel advertising campaign, highlighting the importance of sustainable brewing. Communicating why quality, local brewing is a sustainable option for drinkers, the 3 executions; Rebrewable Energy, Ayr Miles and Outstanding in our Field, bring to life the brand's sustainable processes. These include using 100% renewable electricity at Wellpark, only ever brewing with local barley and reducing the distance from brewery to bar - a pint of Tennent's travels up to seven times fewer miles than other popular beers. The campaign has also contributed to Tennent's achieving record high brand health scores (January 2022).

Source water optimisation and water usage reduction

COVID-19 challenges resulting in a shift in SKU format to packaged product to meet demand in the off-trade and an overall reduction in production volumes continues to impact our plans around water optimisation. In FY2022 we therefore achieved a water ratio of 3.4:1 missing our target of 3.2:1 (Water Ratio of hectolitres extracted versus hectolitres produced).

Anaerobic Digestion (water treatment) plants are fully operational at both Wellpark and Clonmel and have reduced our sites' wastewater emissions and improved the quality of our wastewater discharged by c.90%.

An upgrade to the pasteurisation control system at Wellpark, reduced water consumption in the canning operation by 14 million litres per annum, and we have a plan to introduce a similar control system to our Clonmel plant in May 2022.

The Clonmel site has an active groundwater protection programme to upgrade the site drainage and wastewater network. This will protect the water sources of the surrounding Tipperary countryside.

C&C again participated in the CDP Water Security questionnaire in 2021 and secured a C rating.

The CDP water security questionnaire provides insight on current and future water-related risks and opportunities. Along with CDP's water scoring methodology, the water security questionnaire helps companies to drive improvements in water management and enables benchmarking against best practice. As part of this we investigated the water availability in the locations where our apples are produced and sourced. The location where our apples are produced is considered low risk in terms of water availability according to the WRI Aqueduct Tool Group. As part of the 2021 CDP Water Security questionnaire submission, we engaged with our value chain on water related issues. This will support our water sustainability targets and also operate in a manner aligned to our ESG objectives. Again, we are engaging with our key suppliers, requesting water use, risks and/or management information. Although this is a low percentage of suppliers, we considered key ingredient and raw material suppliers as the priority.

As part of our sustainability commitment, we remain committed to reducing the water ratio of hectolitres extracted versus hectolitres produced.

	FY2020-21	FY2021-22	% Change
Water usage ratio (Hectolitres extracted versus hectolitres produced)	3.3:1	3.4:1	3.0%
Water usage (m cubic metres)	1.3	1.4	7.7%

Achieving the highest sourcing standards

The Board has formally adopted an Ethical and Sustainable Procurement ('E&SP') Strategy which sets out its policy and objectives in relation to wider social and ethical issues as well as to environmental issues including climate change. This includes responsibility for setting of related targets across the business and reporting of results and KPIs. As part of our sustainable procurement strategy work, we are building information on the way our supply chain manages their climate change risks and their overall ethical approach. Under our new E&SP approach, we have written to Suppliers to request that they sign up to our Code of Conduct and Modern Slavery policy, as a fundamental requirement of trading with our business. Completion of our ES&P questionnaire, to confirm partners commitment to sustainability is also a requirement of trading with C&C.

We recognise that sustainability needs to be embraced by partners at every stage of the supply chain in order to be successful. Audits and reviews are carried out both during initial procurement and over the lifetime of our major supplier's contract to assess their track record in environmental management, health and safety, sustainability, diversity, ethical approach and overall corporate social responsibility.

In February 2022, CDP awarded C&C Group an A- rating for Supplier Engagement, acknowledging our performance on governance, targets, scope 3 emissions, and value chain engagement in the CDP climate change questionnaire.

Eco Warriors

Part of Bibendum's environmental pledge sees us work with producers who share our beliefs and adhere to sustainable methods in the vineyard and winery. Practices include organic and biodynamic viticulture, ISO 14001 certification, carbon emission

Responsibility Report
Environment

reduction, water management, waste reduction and recycling, and ethical working conditions.

In January 2022, Bibendum introduced our Eco Warriors initiative. This sees us work with some amazing producers, who not only produce delicious wines, but also strive to improve their communities and reduce their impact on our planet. These 35 Eco Warriors, tackle the challenges faced by our people and planet with kindness and consideration, focusing on four critical areas of Planet, Place, Packaging and People. Eco Warriors was launched with a sustainability discussion panel and eco tasting featuring nine of our producers at the Arboretum venue in London on 22 February.

Irish bee propagation support

Bulmers always begins with a bee. Not only is Ireland's bee population vital to our Bulmers cider, bee pollination is vital to all life.

In the summer of 2021, Bulmers introduced consumers and customers in Ireland to bees as a key member of our "workforce". Bees are critical in bringing to life the 17 varieties of apples that are used in the making of our iconic Irish cider.

Working with the team behind the All-Ireland Pollinator plan and launched on World Bee Day 20th May 2021, the multimedia campaign #meettheworkforce ran on TV, radio, social media and in both the on and off-trade. The campaign highlights the vital role that bees and other pollinators play in our ecosystem, and how necessary they are for our survival. The campaign also aims to raise awareness of the threat to bees from loss of biodiversity, use of pesticides, drought, habitat destruction, nutrition deficit, air pollution, global warming and more. As well as offering tips on the steps we can all take to save the bees, the campaign also offers consumers across Ireland the chance to win 1 of 500 "Bee Hotels" to help in the conservation and support of the bee population.

Accreditation / Awards

The Group has achieved the ISO 14001 certification for its Clonmel, Matthew Clark (Whitchurch, although scope covers all MCB vehicle emissions including commercial fleet and all MCB waste and packaging requirements) 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.

C&C's sustainability efforts were acknowledged with Tennent's winning two prestigious awards during 2021. Sustainable Brewery of the Year at the Scottish Beer Awards and a Good Practice Award and shortlisted for Outstanding Sustainable Achievement at the VIBES Scottish Environment Business Awards.

For the third year, Matthew Clark was the headline sponsor of the Footprint Food & Beverage Sustainability Awards. This event was aimed at sharing best practice and recognising outstanding industry achievement in support of sustainability across the hospitality industry.

Social

Ensure Alcohol is Consumed Responsibly

In FY2022, C&C met a KPI around the responsible consumption of alcohol, by achieving ZERO incidents of non-compliance with alcohol industry or regulatory codes.

Introduction of 0% and Low Alcohol / Low Calorie Variants

C&C Group plc advocates the responsible consumption of the brands we manufacture and distribute. We are committed to the promotion of responsible drinking and moderate consumption of our products, to ensure they are enjoyed safely by consumers. Again in FY2022, C&C did not face any enquiries or break any alcohol marketing guidelines or regulations in any of the markets in which we operate.

Recognising the evolving trends around moderation and reduced consumption, C&C has introduced low/no alcohol variants of its core brands:

- Tennent's Light has been acknowledged as Scotland's lowest calorie beer. At 3.5% ABV, based on our award-winning Gluten Free Tennent's recipe and made from 100 per cent Scottish grown cereals and fresh highland water from Loch Katrine, Tennent's Light is 114 calories per pint and 66 calories per bottle.
- Tennent's Zero is our refreshing 0.0% lager. With 57 calories per bottle and 75 calories per can, and the same great flavour profile as Tennent's Lager, Tennent's Zero is a great choice for those looking for non-alcoholic alternatives. At the Scottish Beer Awards in September 2021, Tennent's Zero was acknowledged as Scotland's best No or Low Alcohol beer.
- In November 2021 we launched Menabrea Zero Zero into the UK on-trade, to offer an alcohol-free alternative, for those who want to enjoy the great taste of Italy's most stylish serve, but with 0% ABV.
- In February 2022, Bulmers Light launched a new campaign, "Floaty Little Devils" on TV, Social, Radio, Out of Home and in both the on and off-trade. The campaign highlights the brand's low-calorie content (84 calories in each 300ml bottle).
- Magners and Bulmers Zero are refreshing alternatives to our much-loved Original recipe with 0.0% alcohol. Both have all the flavour and character you would expect from our Original recipe and use a non-alcoholic fermentation to create the cider character.

Consistent with our commitment towards responsible alcohol consumption, and to ensure that consumers are provided with the full information on our products, we continue to display calorie information and the Chief Medical Officer guidelines on the primary packaging of our major brands in the UK and Ireland.

Supporting Drinkaware

We include "Drinkaware" referencing prominently on all of our owned / agency brand communications (including TV, out of home, social media and on our sponsorship media assets) in the UK throughout the year. We have met our KPI to donate owned media to reach 5m UK consumers with Drinkaware responsibility messaging.

Portman Group

In May 2021, C&C re-joined the Portman Group. While our internal marketing codes have always exceeded the Portman Group Codes of Practice, we were delighted to re-join the Group and actively support their aims to deliver higher standards of best practice and ensure the responsible marketing and promotion of alcoholic products.

We participate fully in all Portman forums including Council and Public Affairs Directors meetings and support their work on key industry initiatives including Alcoholic Drinks Industry Forum, low and no alcohol industry roundtable, communications marking 25 years of the code of practice and response to mandatory labelling proposals.

Support for relevant charities

The Group is committed to the communities in which it operates and undertakes a range of initiatives that benefit our local communities.

In FY2023, C&C will roll out a Volunteering Policy across the group, offering colleagues the opportunity to support community and charity initiatives and deliver a meaningful impact on the world around us.

Responsibility Report
Social

Some examples of our commitment to the community are set out below.

In March 2022, to help those affected by the conflict in Ukraine, C&C Group donated €25,000 each to the British Red Cross and the Irish Red Cross.

We are active members of Tipperary Chamber of Commerce and hold a seat on the steering group of County Tipperary Skillnet, our local enterprise led learning network. We have forged strong links with local employment services including 'Turas Nua', who are Ireland's leading welfare to work provider, helping people move on their journey into sustainable employment.

We continue to partner with Inner City Enterprise ('ICE') in Dublin. 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.

In 2022, Matthew Clark, will again partner with Pubaid and the All-Party Parliamentary Beer Group to support the Community Pub Hero Awards. The initiative recognises the critical role that hospitality plays across the UK, together with licensees and teams who went the extra mile to help their communities through the pandemic.

Bibendum continues to be a key partner of The Drinks Trust (formerly The Benevolent), to provide care and support to the people who form the drinks industry workforce with services across vocational, wellbeing, financial and practical support. These services are intended to assist with and improve the circumstances of those who receive them.

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 and is the largest of its kind in Belgium, founded in 1129. Today, every pint of Heverlee sold supports the major multi-million Euro restoration of Park Abbey.

In autumn 2021, Orchard Pig, delivered a campaign to limit food waste, featuring influencers, PR and owned-social content – "Save The Scraps". The west country cider brand worked with a series of food bloggers and influencers to create recipes using leftovers in a bid to encourage consumers to be more mindful with waste.

Tennent's continues its longstanding partnership with The Benevolent Society of Scotland ('The Ben'), 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.

In September 2021, Tennent's Light announced a £250,000, 3-year commitment to grassroots creative talent in Scotland, following a devastating year for arts and culture due to the pandemic. The "SpotLight Project" sees Tennent's Light invest 3.5% from every pint and bottle sold to support Scotland's up and coming creative talent. Out of more than 800 promising applicants, five creatives; Danny Aubrey, Katie Doyle, Jubemi Iyiku, Jonny MacKinnon and Michael Rankin, have been chosen, spanning industries including music, sustainable fashion, film, photography and skateboarding.

Enhance Health, Wellbeing & Capability of colleagues

Our main priority will always be the health, safety and wellbeing of our employees; recognising the key importance of delivering better safety standards and improving the wellbeing of our colleagues.

Safety First

Given the ongoing impact of COVID-19 on society and our industry during FY2022, we continued with our risk assessments, controls and training across all of our operations to protect our employees and deliver a "COVID-19 secure" manufacturing and logistics supply chain. To maintain the highest safety standards, the COVID-19 protection measures we introduced in FY2021, were extended into FY2022.

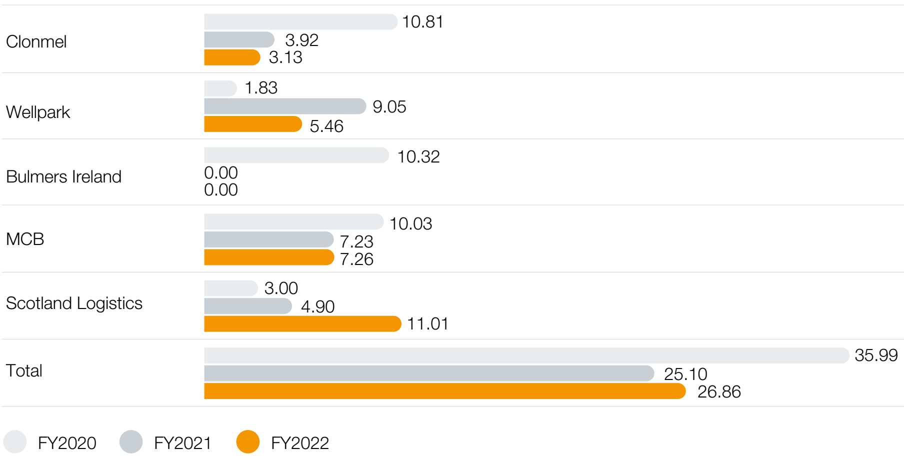
C&C has launched a revised Health and Safety Strategy under our 'Vision Zero' initiative. We are committed to create a safe and healthy workplace by reducing all accidents, harm and work-related diseases whilst continually promoting excellence in health, safety and wellbeing. A key part of this sees us implement a "Plan, Do, Check, Act" cycle to help embed health and safety management as an integral part of good management across the Group.

The Group has introduced a new risk platform system to facilitate better reporting of accidents, near misses and Health and Safety audits. Launched in December, "BSI Connect", has been supported by the introduction of risk assessment training and a new C&C Risk Management Policy and Protocol.

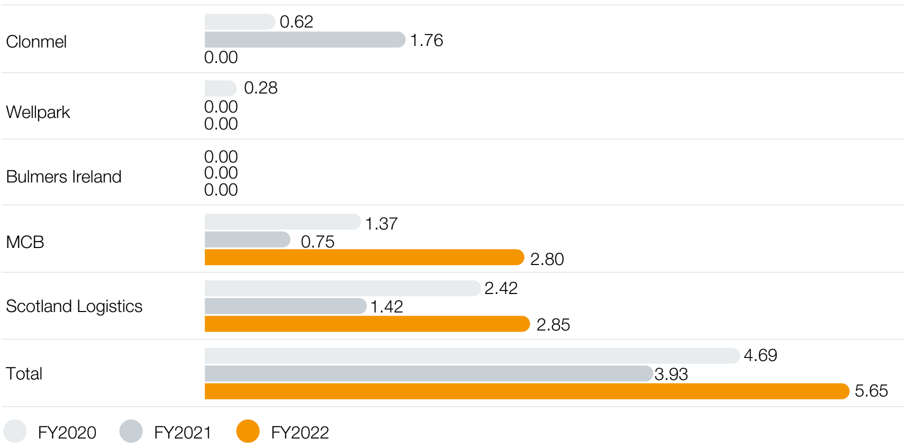
To help improve Health and Safety across the Group, we set a KPI to reduce both RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) and Lost Time Accidents, for employees, agency staff and contractors, by 10% versus FY2020.

We have met our FY2022 RIDDOR KPI.

RIDDOR - Incidents per 100,000 hours worked



Lost Time Accident Incident Rate incidents per 100 employees



Responsibility Report
Social

Labour shortage and increases in agency / temporary staff of up to 60%, has resulted in us missing our LTA KPI. To address this, we continually re-evaluate training and supervision provided to eliminate accidents and we are now seeing reductions in numbers of agency staff being used. Agency staff remaining are benefitting from experience, training and supervision.

Other Health and Safety initiatives being rolled out across C&C, as part of the "Safety First" approach include commercial vehicle CCTV installation, forklift truck safety upgrades, provision of automated external defibrillator (AED's) across all sites and trials of CO_2 monitors.

Health and wellbeing external support systems

To enhance the external Employee Assistance Programmes that are in place across C&C Group, we have introduced 55 fully certified Mental Health First Aiders ('MHFAs'). These volunteers will provide the initial help to any colleague who is developing a mental health problem or experiencing a worsening of an existing mental health problem. This first aid is given until appropriate professional support is received or until the crises resolves.

The role of our Mental Health First Aiders is to:

- Raise awareness of wellbeing activities and initiatives
- Challenge the stigma around mental wellbeing
- Actively listen and signpost support to colleagues
- Build trust, demonstrate compassion, and respect confidentiality
- Collaborate with other First Aiders (and networks) to share best practice
- Be open and lead the charge in sharing stories about mental health

Colleagues across the Group have ongoing access to Employee Assistance and Occupational Health programmes. In addition, colleagues have 365, 24/7 access to free and confidential mental health wellbeing support programmes via external specialist providers. This mental health wellbeing support also extends to colleagues' partners or spouses and any dependents over the age of 16 years who are still living at home.

In Ireland, in Autumn 2021, in partnership with Health Screening Plus, we trialled on site employee health screening and lifestyle assessments. Over 170 colleagues took part over a 2-week period. Feedback has been overwhelmingly positive and in FY2023 we will roll out equivalent Health and Wellbeing education and support programmes across the Group.

In FY2022, free flu jabs were offered to all colleagues across Group, with over 600 taking advantage of the opportunity.

To enhance the external Employee Assistance Programmes that are in place across C&C Group, we have introduced 55 fully certified Mental Health First Aiders (MHFA).

Employee Resource Groups ('ERGs')

In March 2022, C&C launched 3 Employee Resource Groups, to enhance our Health and Wellbeing efforts.

1. Physical Health, including how we prioritise our physical wellbeing during times of stress and different ways of working.
2. Mental Health, including promoting the role of our Mental Health First Aiders.
3. Parents Returning to Work, including how we can support working parents by sharing advice and insight.

These employee-led, voluntary groups aim to foster a diverse, inclusive and equitable workplace. The ERGs also aim to create a sense of belonging by inspiring conversations, while bringing new ways to look at issues and ultimately deliver innovative solutions. Each ERG is sponsored by an Executive Committee member, to create and deliver the key themes with their ERG members.

Remote working

In September 2021, to facilitate and support remote working, we introduced our Right to Disconnect Policy and our Agile Working Guidelines. The Right to Disconnect refers to all employees' right to disengage from work and refrain from engaging in work-related communications, such as emails, telephone calls or other messages, outside normal working hours. Our aim is to cultivate a culture of hard work within normal hours while fully respecting personal life and time outside of work.

Managers play a key role in implementing these policies; however, colleagues can follow a formal complaint procedure if their experience does not live up to our commitment.

Our Agile Working Guidelines provide a clear steer on our approach to agile working for colleagues who have flexibility in their work location or working pattern to balance business needs with individual preferences.

Agile Working is an informal arrangement that may enable a better work-life balance for our people, where job roles within C&C Group do not require attendance at a specific workplace at a particular time.

Alcohol awareness training

In FY2022, as part of our commitment to the responsible promotion and consumption of alcohol and ongoing efforts to support colleague health and wellbeing and ensure a safe working environment, we partnered with leading alcohol charity, Drinkaware, to roll out e-learning resources to all colleagues across C&C Group.

To ensure our marketing colleagues have a full understanding of legislation, and industry codes and guidelines – we are working with Copy Clear (Institute of Advertising Practice Ireland Alcohol Marketing) in ROI and the Portman Group (on the Code of Practice on the Naming, Packaging, and Promotion of Alcoholic Drinks and The Code of Practice on Alcohol Sponsorship) and Advertising Standards Authority (ASA) / Code of Advertising Practice (CAP) in the UK, to refresh mandatory responsible alcohol marketing training.

Embed key codes including Employee Code of Conduct

By the end of FY2022, c.800 colleagues across the Group had completed online policy compliance training, created by legal specialists, DWF Advantage, on:

- Code of Conduct
- The Bribery Act
- Fraud prevention
- Cyber security
- Cyber-crime
- Information security at C&C
- Modern Slavery
- Whistleblowing with confidence
- Financial crime compliance
- Updated C&C Policies
- Competition Law

Learning and Development Programmes

We have a renewed focus to develop our people and strengthen our capability to ensure that C&C has the most engaged, inspired and committed colleagues.

A strategic review of our approach to Learning and Development was carried out across C&C during FY2022. Following this review, in FY2023, we will introduce our People Growth agenda under 5 key pillars:

- Develop the best leaders;
- Developing our differentiating capabilities;
- Execute people processes consistently;
- Live our Values, Behaviours and Culture; and
- Bring the outside in to win!

We will provide an update on the delivery of our new Learning and Development strategy in our FY2023 Annual Report.

A learning management platform is available across C&C. This provides on-demand online resources to all colleagues. In addition to wellbeing, COVID-19, and diversity and inclusion topics, online learning content is available to develop sales teams and support organisational change programmes.

As COVID restrictions are fully removed, we will reintroduce apprenticeships requiring on the job learning experience. Professional development has continued within central and support services functions, including Finance, Marketing and HR, as well as some sales and operational areas. We continue to support professional development across the Group and this year have again supported colleagues through further education and professional exams including SVQs in Management, MBAs, CIMA, CIPD and IBD qualifications.

Responsibility Report
Governance

Build a more Diverse, Inclusive and Engaged C&C

We want C&C to be a place where colleague's individuality is respected and celebrated.

Diversification of Board

With each review of its composition, and when considering any appointment, the Board has particular regard for diversity of gender, social and ethnic backgrounds, nationality, and cognitive and personal strengths. Diversity at Board level – and throughout the organisation – is key to ensure that we incorporate a wider range of perspectives in deliberations and decision making. While incorporating all aspects of diversity, we have placed a particular focus on gender and ethnic diversity in light of the Hampton Alexander and Parker Reviews.

Group wide Diversity & Inclusion measurement

In FY2022, we continued to focus on strong diversity and fair employment practices. We do however recognise our need for greater effort in these areas. Our Diversity, Inclusion and Wellbeing Policy is visible across C&C Group and is supplemented by shared learning resources, available to all colleagues. Diversity and Inclusion ('D&I') are a focus for our Executive Committee, who continue to receive external coaching to support them in leading inclusion in a more meaningful way. Training is being rolled out to all managers and those involved in recruitment process and D&I principles will be included in our recruitment and assessment panels.

In the summer of 2021 as COVID restrictions were relaxed, we took a critical step by launching our confidential 'Getting to Know You' questionnaire. This allows us to develop our approach via a greater understanding of the demographic and intersectional make up of our colleagues and their in-depth views on D&I topics to allow us to develop our HR practices through improved insight.

On 8 March 2022, in celebration of International Women's Day 2022, around 150 women from across C&C Group, met to discuss the issue of gender bias and how we as a business can take positive steps to #BreakTheBias in our workplace and communities. We have captured colleague comments on what we as a business can do to help #BreakTheBias and will ensure these are included in our discussions and actions going forward.

On 8 March 2022, in celebration of International Women's Day 2022, around 150 women from across C&C Group, met to discuss the issue of gender bias and how we as a business can take positive steps to #BreakTheBias in our workplace and communities.

”

Employee engagement tracking

Colleague engagement is a key priority for C&C Group and is an agenda item at each Board, Executive and ESG Committee meeting.

In July and December 2021, C&C worked with Peakon to survey all colleagues, to capture their views on the Group. These surveys, submitted anonymously, look to identify where we are as a business and how our values reflect colleagues' experience working at C&C. The feedback secured on areas including diversity, inclusion and wellbeing, and delivering our business strategy, are critical in our efforts to make C&C a great place to work.

Peakon survey results are shared with the Executive Committee and the Board and cascaded to direct reports and broader business areas. Actions were identified and communicated to all colleagues to address the three main drivers of Engagement, Reward, Growth (see Learning and Development above) and Strategy & Mission to address colleague feedback.

Initiatives put in place to address feedback on Reward include a role evaluation exercise with Korn Ferry, pay and salary increases for FY2023, and discussions with colleagues to establish common understanding of "what reward is". C&C will also extend Gender Pay Gap Reporting across the Group and measures we will put in place to address the gap.

The Group recognises that communication is a priority in improving colleague understanding of strategy and mission. Initiatives to improve communication include weekly briefings to managers and monthly briefings to all colleagues. In February and March 2022, six roadshows were held across the UK to present and discuss brand plans and receive feedback from colleagues. On 10 March 2022, a full day session on strategy with senior leaders was held in Manchester. The content from this session was cascaded across the business, to allow colleagues to identify how C&C purpose, values and strategy, can be embedded in their day-to-day work.

To encourage greater participation in the surveys, Peakon engagement training has been put in place for all managers and kiosks have been placed at all manufacturing and depot sites.

Our Forum sessions were again held in November 2021 and February 2022. Hosted by Executive Committee members and Non-Executive Directors. These sessions provide a short business update, with the key focus being to answer any questions / concerns that colleagues have about C&C. Our Forums build on existing employee engagement opportunities and the Group's continuing efforts to develop a culture of informality, transparency, and trust. The aim is to provide a further opportunity to increase two-way dialogue between the Group and all staff. They also allow our Non-Executive Directors to hear directly from colleagues and feedback to the C&C Board.

Our Forum sessions will be held regularly (quarterly as a minimum) across our sites in UK and Ireland during FY2023.

Confidential Whistleblowing Helpline

At C&C, we work hard to foster a safe, inclusive working environment. We have a zero-tolerance policy for all forms of bullying, harassment and discrimination, and we want to ensure that everyone at C&C has the ability to speak up about injustices they experience or witness. We have partnered with Vault, a simple, safe and confidential app. that allows colleagues to raise any concerns they may have about themselves, a colleague or our working environment.

There were 35 instances of concerns raised in FY2022, on "concern or suspicion related to ethical or compliance related wrongdoing in the Group".

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 Code of Conduct and Modern Slavery policies, 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, 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. A copy of our Code of Conduct and Modern Slavery Statement are available on our website.

Anti-Bribery and Corruption

Our Anti-Bribery and Corruption Policy and accompanying training materials, referenced above in Embedding Key Codes, 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 all colleagues 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 FY2022, no incidences of bribery or corruption were uncovered across the Group.

Responsibility Report
Governance

Collaborate with Government, NGOs and Industry Programmes

We are funders and active members of Drinkaware, which performs the valuable role of educating consumers about responsible alcohol consumption.

The Group, also support Best Bar None in Scotland, a national accreditation and award scheme for licensed premises. Participants are given lots of support and advice to improve the safety of their staff, premises and customers and to adopt high management standards.

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 members of the Wine and Spirit Trade Association and the European Cider and Fruit Wine Association.

In Ireland, C&C are members and actively support the work of the Licensed Vintners Association, the Vintners Federation of Ireland and Hospitality Ulster.

Support Long Live the Local with BBPA

In FY2022, C&C worked with the British Beer and Pub Association (BBPA) and c.50 producers and pub groups to support Long live the Local. The campaign was Launched in 2018 to raise awareness of the high number of pub closures across the UK and to highlight that the UK has one of the highest Beer Duty rates in the world. The campaign seeks an extension in the lower level of VAT for food and beverages sold in hospitality, an overall reduction in beer duty and alcohol duty reforms that support British pubs and beer as a lower strength product, together with lower business rates for pubs equitable to other similar businesses.

Sustainable Growth Agreement with Scottish Environmental Protection Agency

During a visit to Wellpark in October 2021, Mairi McAllan, Scottish Minister for Environment and Land Reform and Jo Green, Chief Officer for Green Recovery at the Scottish Environmental Protection Agency ('SEPA'), announced the signing of a Sustainable Growth Agreement ('SGA'), between Tennent's and SEPA which sets out a joint vision for how the producer of Scotland's favourite beer can help encourage the country's drinks industry to adopt more sustainable practices. The SGA focuses on two key areas – the first looking to address Tennent's environmental footprint across plant, supply chain, distribution networks and materials use. The second explores how Tennent's will use heritage and its iconic brands to educate and engage consumers and customers in conversation on climate change and environmental challenges and help drive positive action.

Partnership with 2050 Climate Group and Scottish Environmental Protection Agency

Tennent's has also partnered with the Scottish Environment Protection Agency and climate charity, the 2050 Climate Group to hold a series of workshops, to engage consumers in climate conversation. A launch event was held at Wellpark during COP26. A further series of events, will be held in on-trade venues across Scotland throughout 2022, bringing together consumers and climate activists, with the aim of increasing climate conversation and action.

Leading Deposit Return Scheme ('DRS') Implementation in Scotland

C&C has supported the Scottish Government's aims around the introduction of a Deposit Return Scheme ('DRS') since proposals were first announced in 2017. Since then, we have worked with the Scottish Government, Zero Waste Scotland, our Trade Bodies and all stakeholders to help create an efficient, well-designed DRS for Scotland that delivers on the country's recycling and litter targets and supports ambitions for a more circular economy. In March 2021, C&C became a founding member of Circularity Scotland, the system administrator appointed to operate the DRS in Scotland. The administrator works collaboratively with producers, retailers, the hospitality industry and wholesalers to deliver a scheme to collect more than 90% of used drinks containers. The Group engages fully in all working groups established by CSL and has established a Group Steering Committee and project teams to develop our internal systems and processes for the introduction of DRS in Scotland on 16 August 2023 (and prepare for the introduction of DRS in Ireland and the rest of the UK).

Collaborate on Minimum Unit Price Implementation in Ireland

We continue to work with the Irish Government and all stakeholders following the implementation of minimum unit pricing in Ireland on 1 January 2022. Although the majority of drinkers in Ireland enjoy alcohol responsibly, we believe this legislation will have the same positive impact as it has had in Scotland in tackling the availability of strong, cheap alcohol and its correlation with harmful drinking.

We continue to liaise with all stakeholders to prepare for the implementation of minimum unit pricing in Northern Ireland.

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.

We continue to work with the Irish Government and all stakeholders following the implementation of minimum unit pricing in Ireland on 1 January 2022.

”

Directors' Report

The Directors present the Annual Report and audited Consolidated Financial Statements of the Group for the year ended 28 February 2022.

Principal Activities

The Group's principal trading activity is the manufacturing, marketing and distribution of branded beer, cider, wine, spirits and soft drinks.

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	Sustainability and Climate Change is one of our principal risks. Please refer to page 37 for more details.
Social and Employee matters	Diversity and Inclusion Health and Safety Speak Up Conflicts of Interest	Responsibility Report	For employee matters, retention and recruitment of staff is one of our principal risks. Please refer to page 38 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 26 to 29	
Non-Financial key performance indicators		Please refer to pages 32 - 33	

Dividends

Due to the impact of COVID-19 and the impact this has on global economies and on business generally, the Board concluded it was not appropriate, nor prudent, to pay an interim dividend or declare a final dividend for FY2022. For the previous financial year ending 28 February 2021, no interim or final dividend was paid given the outbreak of COVID-19 and its impact.

Board of Directors

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

Director	Function	Appointment
Stewart Gilliland	Non-Executive Chair	2020
	Interim Executive Chair	2020*
	Non-Executive Chair	2018
	Non-Executive Director	2012
David Forde	Group Chief Executive Officer	2020
Patrick McMahon	Group Chief Financial Officer	2020
Vineet Bhalla	Independent Non-Executive Director	2021
Jill Caseberry	Independent Non-Executive Director	2019
Vincent Crowley	Independent Non-Executive Director	2016
Emer Finnan	Independent Non-Executive Director	2014
Ralph Findlay	Independent Non-Executive Director	2022
Helen Pitcher	Independent Non-Executive Director	2019
Jim Thompson	Independent Non-Executive Director	2019

* Stewart Gilliland was appointed as interim Executive Chair from 16 January 2020, following the retirement of Stephen Glancey, to 2 November 2020, when David Forde was appointed Group Chief Executive Officer.

Research and Development

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

Listing Arrangements

In order to facilitate 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 2022 was £2.11 (28 February 2021: £2.58). The price of the Company's ordinary shares ranged between £2.03 and £2.98 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 CEO's Review on pages 10 to 23 and the Strategic Report on pages 2 to 81.
2. The principal risks and uncertainties which the Company and the Group faces are set out in the Strategic Report on pages 34 to 45 and which have been updated to reflect the risks posed by the conflict in Ukraine and evolving inflationary cost pressures.
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 pages 32 to 33 and in the Group Chief Financial Officer's Review on pages 54 to 61; and further information in respect of environmental and employee matters is set out in the Responsibility Report on pages 62 to 81.
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 54 to 61 and note 24 to the financial statements.

The Group's Viability Statement is contained in the Strategic Report on pages 44 to 45.

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 90 to 99.

Directors' Report
(continued)

Substantial Interests

As at 28 February 2022 and 12 May 2022, being the latest practicable date, 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 28 February 2022	% at 28 February 2022	No. of ordinary shares held as notified at 12 May 2022	% at 12 May 2022
Artemis Investment Management LLP	59,082,210	15.04%	59,082,210	15.04%
FIL Limited	38,056,824	9.69%	38,056,824	9.69%
Silchester International Investors LLP	12,341,061	3.14%	12,341,061	3.14%
BlackRock, Inc.	16,310,918	4.15%	16,310,918	4.15%
Brandes Investment Partners, L.P.	12,063,059	3.07%	12,063,059	3.07%
Janus Henderson Group plc	11,835,427	3.01%	11,835,427	3.01%

As far as the Company is aware, other than as stated in the table above, no other person or company had at 28 February 2022 or 12 May 2022, being the latest practicable date, 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 1 July 2021, 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 2022 Annual General Meeting 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 2023 and the date 18 months after the passing of the resolution, whichever is earlier.

At the Annual General Meeting held on 1 July 2021 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 had not purchased any ordinary shares pursuant to the Repurchase Authority from the start of the financial year.

Special resolutions will be proposed at the 2022 Annual General Meeting 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 2023 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 12 May 2022, being the latest practicable date, options to subscribe for a total of 2,805,110 ordinary shares (excluding Recruitment and Retention Awards) are outstanding, representing 0.71% of the Company's total voting rights. If the authority to purchase ordinary shares were used in full, the options would represent 0.78% 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 12 May 2022, being the latest practicable date, the Company has an issued share capital of 401,913,690 ordinary shares of €0.01 each and an authorised share capital of 800,000,000 ordinary shares of €0.01 each.

At 28 February 2022, the trustee of the C&C Employee Trust held 1,644,942 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 28 February 2022, 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. Treasury shares represent 3% of issued share capital as at 28 February 2022. Further details can be found in Note 25 (Share Capital and Reserves) on page 227.

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 116 to 135.

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 84.

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

Following the migration in March 2021 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, the ordinary shares can be held in certificated form (that is, represented by a share certificate) or indirectly through the Euroclear System or through CREST in CDI (CREST Depository Interest) form.

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.

The Articles contain provisions designed to facilitate the Company's participation in the Euroclear Bank settlement system and to facilitate the exercise of rights in the Company by holders of interests in ordinary shares that are held through the Euroclear Bank system. The holding and transfer of ordinary shares through the Euroclear Bank system is additionally subject to the rules and procedures of Euroclear Bank and applicable Belgian law and (for interests in ordinary shares held in CDI form) those of CREST.

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

Directors' Report
(continued)

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 a 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

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 in providing shareholders with an advisory vote on the Group's Remuneration Policy. The 2021 Remuneration Policy ("policy") was put to our shareholders on an advisory basis at last year's AGM.

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 auditor, 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 following a tender process. The Company is committed to mandatory tendering every ten years. Further details are set on page 104.

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 24 of the financial statements.

Post Balance Sheet Events

On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners for a total consideration of €65.8m (£55.0m) payable in three tranches during FY2023, subject only to FCA approval. Admiral Taverns was classified as an asset held for sale as at 24 February 2022.
There were no other events affecting the Group that have occurred since the year end which would require disclosure or amendment of the consolidated financial statements.

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 147 to 153.
Principal risks & uncertainties including risks associated with recent emergence of COVID-19	Principal Risks & Uncertainties – pages 34 to 45.
Directors' remuneration, including the interests of the directors and secretary in the share capital of the Company	Directors' Remuneration Committee Report – pages 116 to 135.
Long-Term Incentive Plan, share options and equity settled incentive schemes	Directors' Remuneration Committee Report – pages 116 to 135.
Significant subsidiary undertakings	Financial Statements – Note 29.
Director biographies and Board composition	Directors and Officers – pages 88 to 89.
Audit Committee Report	Pages 100 to 105.

The Directors' Report for the year ended 28 February 2022 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

David Forde **Group Chief Executive Officer**	Patrick McMahon **Group Chief Financial Officer**

17 May 2022

Directors and Officers

1

2

3

4

5

6


1. Stewart Gilliland

Chair

Stewart Gilliland (65) was appointed a Non-Executive Director of the Company in April 2012 and Chair in July 2018. Stewart is also Chair 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 a Non-Executive Director and member of the Corporate Responsibility Committee and Nomination Committee at Tesco plc, a Non-Executive Director and Chair of the Remuneration Committee at Natures Way Foods Limited and a Non-Executive Director of Chapel Down plc. Stewart is also Chair of the Board and Nomination Committee at IG Design Group plc. 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.

2. David Forde

Group Chief Executive Officer

David Forde (54) was appointed Group Chief Executive Officer in November 2020. Prior to joining the Company, David was the Managing Director of Heineken UK, a leading producer of beer and cider brands in the UK market, as well as a significant pub operator, with approximately 2,500 outlets in its estate. David worked with Heineken for 31 years and had extensive experience in senior leadership positions across the business. He started his career with the Sales and Marketing team at Heineken Ireland, before gaining international experience in the Netherlands and then Poland, where he was Marketing Director. Progressing to senior leadership, David was appointed General Manager of Heineken UK in 2007 and played a key role in Heineken's acquisition of Scottish & Newcastle in 2008 and the subsequent integration of the two businesses. In 2009, David returned to Heineken Ireland as Managing Director, before being appointed Managing Director of Heineken UK in 2013.

3. Patrick McMahon

Group Chief Financial Officer

Patrick McMahon (42) was appointed Group Chief Financial Officer in July 2020. He has held a number of senior management positions within the food and beverage sector across the UK, Ireland and North America over the past 15 years. Having originally joined C&C in 2005 his previous roles include Group Finance Director, Finance Director of a number of C&C's business units and most recently, Group Strategy Director prior to his appointment as Group CFO. Patrick is a Fellow of Chartered Accountants Ireland, having trained at KPMG, and a member of the ESG Committee.

4. Vineet Bhalla

Independent Non-Executive Director

Vineet Bhalla (49) was appointed a Non-Executive Director of the Company in April 2021. Vineet is a highly experienced digital professional, with over 25 years of experience across defence, consumer goods, health and retail sectors. Until March 2021, Vineet was Chief Technology Officer and a Senior Vice President at Burberry plc. He previously held global roles for Unilever as Head of IT for their digital marketing and research and development divisions and had led data-driven and digital transformations at scale. Prior to Unilever, Vineet held global technology positions at Diageo enabling data driven transformation of their UK and Ireland Customer Development Teams. Vineet currently holds a Non-Executive Director position at Moorfields Eye Hospital NHS Foundation Trust and serves as Chair of the Trust's People and Culture Committee. Vineet brings strong digital transformation skills to the Board.

5. Jill Caseberry

Independent Non-Executive Director

Jill Caseberry (57) was appointed a Non-Executive Director of the Company in February 2019, a member of the Remuneration Committee in March 2019 and a member of the ESG Committee in September 2020. 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, designated Employee Engagement Non-Executive Director and a member of the Remuneration and Nomination Committees at Bakkavor plc and Senior Independent Director, Chair of the Remuneration Committee and member of the Audit and Nomination Committees of St. Austell Brewery Company Limited. Jill brings considerable experience of brand management and marketing to the Board.

6. Vincent Crowley

Independent Non-Executive Director

Vincent Crowley (67) 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 Chair of Altas Investments plc and a Non-Executive Director of Grafton Group plc. Vincent brings considerable domestic and international business experience across a number of sectors to the Board.

7

8

9

10

11


7. Ralph Findlay

Non-Executive Director

Ralph Findlay (61) was appointed a Non-Executive Director of the Company in March 2022 and will succeed Stewart Gilliland as Chair following C&C's AGM in July 2022. Ralph served as Chief Executive Officer of Marston's, the UK pub group, for 20 years. Most recently, Ralph guided Marston's through the successful sale of its brewing business into a £780m joint venture with Carlsberg in May 2020. Ralph served on the Marston's Board from 1996, having previously held the role of Finance Director before being appointed Chief Executive Officer in 2001. Ralph was appointed a Non-Executive Director of Vistry Group plc in 2015 and has served as Senior Independent Director since January 2020. He also previously served as Chair of the British Beer and Pub Association ('BBPA').

8. Emer Finnan

Independent Non-Executive Director

Emer Finnan (53) was appointed as a Non-Executive Director of the Company in May 2014, became Chair of the Audit Committee in July 2015 and is a member of the Nomination Committee. She is President, Europe of Kildare Partners, a private equity firm based in London and Dublin, where she is responsible for investment origination in Europe, a Non-Executive Director of Britvic plc and a Non-Executive Director of Ireland Funds for Great Britain. 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.

9. Helen Pitcher OBE

Independent Non-Executive Director

Helen Pitcher (64) was appointed a Non-Executive Director of the Company in February 2019 and Chair of the Remuneration Committee in March 2019. Helen is a member of the ESG Committee and Nomination Committee. Helen is currently Chair of a leading board effectiveness consultancy, Advanced Boardroom Excellence Ltd, Chair of the Criminal Cases Review Commission, a Non-Executive Director at United Biscuits UK, Senior Independent Director at One Health Group Ltd and Chair of its Remuneration and Nominations Committees, President of INSEAD Directors Network Board (IDN) and a Chair of INSEAD Directors Club Limited. Helen is the President of Kids Out (a National Children's Charity) and sits on the Advisory Board for Leeds University Law Faculty. Helen was previously Chair of the Queens Counsel Selection Panel, and a Board member and Remuneration Chair for the CIPD. In Helen's earlier career she was part of Grand Metropolitan plc as a Divisional Director (Board Director, Clifton Inns Ltd). In 2015 Helen Pitcher was awarded an OBE for services to business. Helen brings a wealth of experience and knowledge of governance and board effectiveness in a variety of sectors, including the drinks industry, to the Board.

10. Jim Thompson

Independent Non-Executive Director

Jim Thompson (61) was appointed a Non-Executive Director of the Company, a member of the Audit Committee in March 2019 and Chair of the ESG Committee in September 2020. Jim 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.

11. Mark Chilton

Company Secretary & Group General Counsel

Mark Chilton (59) 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.

For information on independence of the Directors, please see Directors' Statement of Corporate Governance on pages 90 to 99.

Board Committees

Audit Committee

Emer Finnan (Chair)
Vincent Crowley
Jim Thompson

Nomination Committee

Stewart Gilliland (Chair)
Emer Finnan
Vincent Crowley
Helen Pitcher

Remuneration Committee

Helen Pitcher (Chair)
Jill Caseberry
Vineet Bhalla

ESG Committee

Jim Thompson (Chair)
Jill Caseberry
Helen Pitcher
Patrick McMahon

Senior Independent Director

Vincent Crowley

Corporate Governance Report

Dear Shareholder,

On behalf of the Board I am pleased to present the FY2022 Corporate Governance Report, which provides an overview of the Board's activities during the year, along with our governance arrangements.

This will be my last report as your Chair, having served on the board for ten years by the time I step down in July 2022. It has been an absolute privilege to serve as Chair. C&C is a unique, agile and customer-centric business, driven by dedicated and passionate people. I am proud of how C&C has not only navigated the pandemic in such a resilient manner, but has adapted and built back even stronger leaving it extremely well positioned for the future. I am delighted to hand over to someone of Ralph Findlay's calibre and passion for our industry. His deep understanding of the beverage and hospitality sector in the UK, one of our core markets, and extensive listed company board experience, will serve the Company well as it leads the recovery in the post-pandemic era, complementing and adding to the skills of the existing Board and leadership team.

Board Activities in the year

Our purpose at C&C is to play a role in every drinking occasion, delivering joy to our customers and consumers. Our ability to deliver this for large parts of the year, was heavily impacted by the unprecedented impact of COVID-19. As a Board, we have remained focused on guiding the Groupthrough this period of sustained uncertainty and ensuring we are well positioned for the recovery work, which has been underpinned by our robust governance framework.

A large part of the Board's focus during the year has therefore remained on liquidity, with the completion of the £151.2m (€176.3m) rights issue in June 2021, in addition to a cost reduction programme. To better support management on this matter, a Rights Issue Sub-Committee was created, of which I was a member, to ensure that we were taking the most appropriate approach, for both C&C and our shareholders. The Board has acted decisively to make sure C&C navigated the impact of the pandemic with a view to ensure it is in a position to execute its proven long-term strategy that will deliver strong shareholder value in future.

We have needed to call on the extensive skills and experience of the entire Board when navigating the period and our robust governance framework has been fundamental to our ability to do this successfully. We have met more frequently than usual, both as a full Board, but also within our various Committees, and with the added challenge of doing so remotely for the most part. The Board and our company secretarial team during this time have worked tirelessly in order to ensure the safety of all our employees and the best outcome for all stakeholders.

Changes to the Board

The Board plans for its own succession, with the support of the Nomination 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.

There have been a number of changes to the Board since the last Annual Report. Andrea Pozzi stepped down from the Board on 1 September 2021 and Jim Clerkin resigned as a director on 27 October 2021. Raplh Findlay joined us as an Independent Non-Executive Director and Chair designate on 1 March 2022 and will succeed me as Chair on 7 July 2022. I have been working closely with Ralph to ensure there is a smooth handover.

Sustainability

In 2021, we continued our structured and ambitious programme of improvement to ensure we meet our ESG vision of "Delivering to a better world!". Key milestones in our sustainability journey over the last year include the achievement of our target of being out of single use plastic on our canned products, the switch to renewable sources for the electricity used at our main sites and the installation of the largest rooftop solar panel farm in Ireland at Clonmel. In 2021, we submitted our emission reduction targets to the Science Based Targets initiative ('SBTi') for validation. This will be secured by the end of 2023 at the latest.

Diversity

As a people focused business, our strength comes from an inclusive and welcoming environment, where we recognise that the experiences and perspectives which make us unique come together in our shared values and vision. We strongly believe that the more our people reflect the diversity of our clients and consumers, the better equipped we are to service their needs.

Ensuring that we have a culture which promotes and values diversity, and one which is maintained throughout the business, is a continual prime focus and is underpinned by our Diversity and Inclusion ('D&I') Policy, which sets out our objectives across the organisation. The importance of this area also forms the basis for Board diversity and succession planning as we consider the best constitution of the Board to successfully take the Company forward, and link to the Company's strategy.

At the fiscal year-end, 33% of the Board's membership was female. The Committee was fully aware that this level reduced with the appointment of Ralph Findlay and will go back to 33% once I step down from the Board in July 2022. Further details about our overall approach to diversity and inclusion can be found in the Nomination Committee Report on page 112.

Stakeholders

We have sought to balance the needs of our numerous stakeholders throughout the year, be they employees, communities, consumers, customers, suppliers, shareholders or regulators, while taking steps to secure the Group's longer-term success. There has been a constant dialogue with all of the main stakeholder groups, and on behalf of the Board, I would like to take this opportunity to thank them all for their partnership during this very challenging period. Working together has been vital and will continue to be so as we seek a sustainable future together.

Details of the methods we have used to engage with stakeholders to understand their views can be found on pages 8 to 9. A statement on how the Directors have had regard to the matters set out in section 172 of the Companies Act 2006 can be found on page 93.

Board Evaluation

To ensure that the Board and its Committees continue to operate effectively, we evaluate the performance of the Board on an annual basis. During FY2020, an external evaluation was carried out, meaning that the evaluation in FY2022 was carried out on an internal basis as part of the FY2022 internal Board evaluation process. An explanation of how this process was conducted, the conclusions arising from it and the outcome of that review can be found on page 98.

UK Corporate Governance Code

The Corporate Governance Report, which incorporates by reference the Responsibility Report, the Audit Committee Report, the ESG Committee Report, the Nomination Committee Report (which contains the Diversity Report) and the Directors' Remuneration Committee Report, describes how the Company has complied with the provisions of the Code. Further details on the Company's compliance with the Code during FY2022 can be found below.

The following pages set out details of the composition of our Board, its corporate governance arrangements, processes and activities during the year, and reports from each of the Board's Committees.

I wish all at C&C the very best success for the future.

Stewart Gilliland
Chair

Compliance with the UK Corporate Governance Code

The Board considers that the Company has, throughout FY2022 complied with the provisions of the Code with the exception of provision 19 of the Code. At the time of the announcement of David Forde's appointment as CEO in November 2020, the Board extended Stewart Gilliland's role as Non-Executive Chair by an additional 12 months until the AGM in 2022. At the date of publication of this Report, Stewart Gilliland will have been in post as a Director longer than nine years from the date of his appointment in April 2012, resulting in a non-compliance with provision 19 of the Code. Further details can be found on page 110 of the Nomination Committee Report.

Leadership and Company Purpose

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

Corporate Governance Report
(continued)

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 Chair present at least annually. Likewise, the Chair 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 hereeby 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.

Our Purpose and Strategy

C&C 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. The Board considers C&C's purpose is to play a role in every drinking occasion, delivering joy to our customers and consumers with remarkable brands and service. Further detail on the Group's purpose can be found on page 6.

Information on our strategy is set out on pages 24 to 25.

Our Culture and Values

C&C has an open, humble, respectful, but competitive culture, underpinned by certain values and behaviours, namely:

Our Values

- We respect people and the planet
- We bring joy to life
- Quality is at our core

Our Behaviours

- We put safety first
- We are customer centric
- We collaborate through trust
- We keep it simple and remain agile
- We are fact based, data and insight driven
- We learn to improve

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. The Board has appointed a Non-Executive Director to each business unit to provide a link between the Board and the Group's workforce, so that employees' views are heard in the boardroom, as well as facilitating a better understanding of business units and functions, within the organisation.

During FY2022, the engagement of the Non-Executive Directors with employees from each business area through a series of forum meetings has provided invaluable insight into the evolution of our culture and values, and their link to strategy. The assignment between each Non-Executive Director and their corresponding business area can be found on page 95. Employee surveys formed the basis of questions raised with the Non-Executive Directors and views on what the Group could improve in its response to help the business and its employees. Participants were also invited to raise matters for direct feedback to and from Non-Executive Directors. The format of engagement proved successful and was endorsed by the Board as an extremely useful feedback mechanism.

The Group's culture is based upon being open, humble, respectful, yet competitive. The Board with support from its committees, monitors the alignment of the Group's culture with our purpose, values and strategy, through a variety of mechanisms, cultural indicators and reporting lines, including those summarised below.

Cultural Indicators

Health and Safety	Employees	Ethics and Compliance	Customers and Suppliers	Sustainability
• Lost time frequency rates • Workplace safety accident rates • Reporting of injuries, diseases and dangerous occurrences ('Riddors')	• Employee "town hall" meetings/face to face meetings • Results of employee engagement surveys • Employee turnover rates • Gender pay gap disclosures • Reports on progress on equality, diversity and inclusion	• Internal audit reports and findings • Fraud and misconduct statistics • Annual confirmation of compliance with our anti-financial crime policies • Whistle blower statistics	• Compliance with supply chain standards • Customer retention rates • Supplier audits • Brand satisfaction ratings	• Greenhouse gas emissions • Waste reduction rates

Engagement with Shareholders

Information on relations with shareholders is provided as part of the Stakeholder engagement section of the Strategic Report on pages 8 to 9.

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 Chair, 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.

Stakeholders

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.

Section 172 Statement

A director of a company must act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, taking into account the factors as listed in s. 172. This is not a new requirement, and the Board has always considered the impact of its decisions on stakeholders. We set out below some examples of how the Board has done so in relation to four decisions during the year. Details of who the Board considers the main stakeholders are, how we have engaged with them during the year and the outcomes of the process are set out on pages 8 to 9 and forms part of the s.172 statement.

Key decision	Stakeholders
Transforming the GB business	
In July 2021, the Board approved the simplification of the GB organisational structure, creating one GB business unit, simplifying and integrating the structure, aligning our three trading businesses in GB under one management team. The Board invested significant time to consider this decision, assessing a number of factors including: commercial implications; operational impact and people risk. In doing so, the Board's decision focused on the strategic rationale for the changes, principally the overlap in terms of operational footprint and management between the three existing trading businesses and the need to simplify this to ensure the business remains competitive and position it for further future success. The Board has given its full support to management with respect to the significant change programme that is being employed to simplify and integrate the combined GB businesses. The integration of the businesses is a strategic priority for the Group and through regular updates from management, the Board is satisfied that decisions made were in the best interests of employees and the needs of the Group's other stakeholders. A key priority being that employees affected were treated with respect and sensitivity and where possible the Group took action to help mitigate the affect of any redundancies. The Board are satisfied that their decision to support management was in safeguarding the future success of the Group and believe the investment will be transformative for all stakeholders.	• Customers • Employees • Shareholders • Suppliers
Online AGM	
In view of lockdown measures then in force, to ensure that our shareholders were enfranchised with an opportunity to participate in and ask questions at the Company's Annual General Meeting held in July 2021, the Board made appropriate arrangements to facilitate an online AGM. It is the Board's intention to continue to provide facilities for shareholders to follow the AGM to be held in July 2022 online, and, if well subscribed to continue to offer online facilities in the future.	• Employees • Shareholders • Government and regulators

Corporate Governance Report
(continued)

Key decision	Stakeholders
Disposal of the Vermont Hard Cider Company	
In March 2021, the Board approved the sale of Vermont Hard Cider Company, for a total consideration of $20m. In deciding whether the disposal supported the long-term success of the Group, and with due regard to the interests of the Group's stakeholders, the Board evaluated the contribution of the business, its growth prospects and fit with the overall strategy of the Group. In consideration of these matters, the Board considered the potential impact of the sale on the Company's stakeholders, and in particular, the impact on the employees of the Vermont Hard Cider Company. It was determined, at the time the decision was made, that the employees of the Vermont Hard Cider Company would not be materially disadvantaged by the change in ownership, and jobs would be protected as part of the sale. Following evaluation of these factors, it was determined that the sale of the business was in the best interests of the Group and its stakeholders as a whole.	• Employees • Shareholders
Rights Issue	
As part of risk mitigation measures in response to COVID-19, the Board approved the decision to fundraise through a Rights Issue. In formulating its decision, the directors took into account the views of the investor community regarding potential investment, the short- and long-term requirements of the business which could impact on employees and suppliers, and the protection of the interests of stakeholders as a whole. The merits of the Rights Issue were considered, including that it would reduce leverage, enhance liquidity and strengthen the Group's position, ensuring that C&C remains resilient in the event of further negative developments in COVID-19. Recognising the value C&C places on its retail investors and providing them with an opportunity to participate in the equity raise alongside institutional investors, the Board concluded that it was in the best interests of shareholders, as well as the Group's wider stakeholder community and was accordingly approved by the Board.	• Employees • Customers • Suppliers • Shareholders • Governments and regulators

Division of Responsibilities

It is the Group's policy that the roles of the Chair and Group Chief Executive Officer are separate, with their roles and responsibilities clearly divided and set out in writing (available on our website).

Chair

The Chair, Stewart Gilliland is responsible for the leadership of the Board and ensuring effectiveness in all aspects of its role. The Chair 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. Ralph Findlay will assume the role of Chair on 7 July 2022, at which point Stewart Gilliland will step down from the Board.

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 became of particular importance during the period that the Non-Executive Chair served as interim Executive Chair. He acts as a sounding board for the Chair and acts as an intermediary for the Directors when necessary. He is responsible for annually evaluating the performance of the Chair 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 Chair 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 Chair, 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 Chair 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, an ESG Committee, a Nomination Committee and a Remuneration Committee to oversee and debate relevant issues and policies outside main Board meetings. Throughout the year, the Chair 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 100 to 105, the ESG Committee Report is on pages 106 to 107, the Nomination Committee Report is on pages 108 to 115 and the Directors' Remuneration Committee Report is on pages 116 to 135.

Workforce Engagement

The Board has appointed a Non-Executive Director to each business unit to understand employee's views. The following are the units assigned to each of the Non-Executive Directors:

Business Unit	Non-Executive Director
CoSec/Legal and Group Communications	Jim Thompson
Finance	Emer Finnan
GB	Jill Caseberry
HR	Helen Pitcher
Ireland	Vincent Crowley
IT	Vineet Bhalla
Operations	Helen Pitcher

Our Forum sessions were again held in November 2021 and February 2022. Hosted by Executive Committee members and Non-Executive Directors ('NED'). These sessions provide a short business update, with the key focus being to answer any questions / concerns that colleagues have about C&C. Our Forums build on existing employee engagement opportunities and the Group's continuing efforts to develop a culture of informality, transparency, and trust. The aim is to provide a further opportunity to increase two-way dialogue between the company and all staff. They also allow our NEDs to hear directly from colleagues and feedback to the C&C Board. Our Forum sessions will be held regularly (quarterly at a minimum) across our sites in UK and Ireland during FY2023.

Board Meetings in FY2022

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 10 Board meetings, 13 Audit Committee meetings, 6 ESG Committee meetings, 8 Nomination Committee meetings and 13 Remuneration Committee meetings held in the year under review. There were 15 Rights Issue sub-committee meetings to discuss, review and ultimately approve the Rights Issue. The Committee comprised Stewart Gilliland, Vincent Crowley, Emer Finnan, David Forde and Patrick McMahon.

All Directors holding office at the time attended the 2021 AGM.

Director	Number of Meetings Attended*	Maximum Possible Meetings	% of Meetings Attended
Executive			
David Forde	10	10	100
Patrick McMahon	10	10	100
Andrea Pozzi[1]	5	5	100
Non-Executive			
Stewart Gilliland	10	10	100
Vineet Bhalla[2]	8	9	89
Jill Caseberry[3]	8	10	80
Jim Clerkin[1]	8	8	100
Vincent Crowley	10	10	100
Emer Finnan	10	10	100
Helen Pitcher	10	10	100
Jim Thompson[4]	8	10	80

1. Meetings attended by Andrea Pozzi and Jim Clerkin untill the date of their resignations from the Board.
2. Meetings attended by Vineet Bhalla from the date of his appointment. Vineet Bhalla was unable to attend one meeting due to a family bereavement.
3. Jill Caseberry was unable to attend two unscheduled meeting due to the meetings being called at short notice and her inability to re-arrange her schedule.
4. 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 and one other meeting due to a medical procedure.

Corporate Governance Report
(continued)

Board activity during FY2022
Each Board meeting follows a carefully tailored agenda agreed in advance by the Chair, 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 on specific subject areas. A summary of the key activities covered during FY2022 is set out in the table below.

Strategy, Operations and Finance
- Approved the Group's Viability Statement;
- 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 sale of Vermont Hard Cider Company;
- Reviewed and approved the Group's full year FY2021 and half year FY2022 results as well as trading updates;
- Approved the Group's 2021 Annual Report (including a fair, balanced and understandable assessment) and 2021 AGM Notice;
- Received and reviewed updates from senior management on the Group's sustainability strategy, related climate change issues and efforts to meet TCFD reporting requirements;
- Considered and approved the launch of the Rights Issue to facilitate and accelerate the Group's recovery from the impact of COVID-19; and
- Discussed the activity around making the cost base more efficient through the move to a one GB business.

Leadership and People
- Continued to focus on the composition, balance and effectiveness of the Board, including the appointment of a Chair;
- Reviewed employee satisfaction survey results and monitored culture throughout the Group;
- Considered progress towards greater diversity in the workforce;
- Received reports on engagements with colleagues; and
- Monitored the ongoing impact of the COVID-19 pandemic on our colleagues.

Safety
- Received and discussed six monthly safety performance reports and updates presented by the 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; and
- Reviewed updates on the information and cyber security control environment in light of the IT security incident in April 2021.

Governance and Legal
- Reviewed regular briefings on corporate governance developments and legal and regulatory issues;
- Approved the Group's Modern Slavery Statement for publication;
- Received reports on engagement with institutional shareholders, investors and other stakeholders throughout the year;
- Reviewed progress against the 2020 external Board evaluation action plan;
- Conducted an internal Board evaluation covering the Board's effectiveness, with the outcome discussed by the Board;
- Approved revisions to the Terms of Reference of the Committees;
- Received and reviewed whistleblowing reports and activities; and
- Received regular reports from the Chairs of the Audit, Nomination, Remuneration and ESG Committees.

Objectives and Controls
The Group's strategic objectives are set out on pages 24 to 25 and a summary of performance against the Group's KPIs is at pages 32 to 33. 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 pages 34 to 45, to manage the key risks to the Group's business.

Business Model and Risks
The Group's Business model is set out on pages 26 to 29. The Risk Management Report on pages 34 to 45 contains an overview of the principal risks facing the Group and a description of how they are managed.

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.

Composition, Succession and Evaluation
The Board consists of the Non-Executive Chair, two Executive Directors and seven independent Non-Executive Directors including the Non-Executive Chair. This will reduce to six independent Non-Executive Directors when Stewart Gilliland steps down from the Board in July 2022.

Over half of the Board comprises independent Non-Executive Directors and the composition of all Board Committees complies with the Code, while also including longer serving and more recently appointed Directors. Additionally, the Chair was considered independent on his appointment. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 88 and 89.

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 pages 112 to 113.

Time Commitment and external appointments

Following the Board evaluation process, detailed further on page 98, 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 the Group to discharge his or her responsibilities effectively.

As evidenced by the attendance table earlier in the report, the attendance remained high and demonstrates the Directors' ability to devote sufficient time

In line with the Code, Directors are required to seek Board approval prior to taking on any additional significant external appointments and the following were approved during the year in line with these requirements:

- Jill Caseberry's appointment as a Non-Executive Director and member of the ESG, Nomination and Remuneration Committees of Bakkavor plc;
- Emer Finnan's appointment as a Non-Executive Director and member of the Audit, Nomination and Remuneration Committees of Britvic plc; and
- Stewart Gilliland's appointment as a Non-Executive Director and Chair designate of IG Design Group plc.

Prior to these appointments, the Board considered the time required, including whether it would impact their ability to devote sufficient time to their current role. The Board considered that the appointments would not interfere with their roles with the Group.

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 Chair, Group Chief Executive Officer, Group Chief Financial Officer, Company Secretary, Business Unit MDs 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 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.

Corporate Governance Report
(continued)

Board Evaluation

FY2020 Board and Committee external evaluation

As reported in the FY2020 Annual Report, an external evaluation was undertaken in 2020. Overall, the results of the evaluation were positive and showed that the Board was running effectively. The Board was seen as being cohesive and comprising the appropriate balance of experience, skills and knowledge. Board meetings operated in a spirit of openness, fostered by the Chair, in which Directors were 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 continued to operate to a high standard, the Board developed an action plan based on the feedback from the evaluation, designed to further enhance Board effectiveness. Ensuring the Board maintains the high standards it has always set was and is of significant importance.

The key areas identified in the 2020 external evaluation for increased focus and development during FY2022 are set out below:

Area of Focus	Detailed Feedback	Progress
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.	Progress was being made by the Board in better understanding how far desired cultures and values were embedded in the Group, as evidenced by Non-Executive Director ('NED') engagement. The engagement of the NEDs with a range of employees from each business unit has provided invaluable insight into the evolution of our culture and values and their link to strategy through a series of Our Forum meetings.
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.	The Board is focused on evolving ways of working to ensure Board time is used in a way that is strategic, appropriate and effective. The agenda has moved to a more focused, specific and strategic footing to reflect this way of working. The Board resumed meetings and engagement activities in person in the latter part of the year.
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.	The annual board and the audit committee meeting agendas have included a series of updates from executive risk owners in relation to both the Group's principal risks and emerging risks having regard to the fact that the Group operates in a dynamic environment where risks continue to evolve, and the Group continues to develop mitigation measures to address them.

FY2022 Board and Committee internal evaluation

Similar to last year, in FY2022 the Board carried out an internal review of its own effectiveness and that of its Committees and Directors. The internal evaluation process was conducted through a questionnaire, which sought Directors feedback on a variety of matters including how they felt the Board had collectively responded to COVID-19 and the IT security incident, sustainability and diversity, 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 Chair 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 April/May 2022.

Our most recent externally facilitated Board evaluation was carried out by Independent Audit Limited in FY2020. In line with the recommendations of the Code, an independent formal external evaluation will be conducted in FY2023.

FY2020 External Board Effectiveness Evaluation Outcomes

Evaluation of the Chair and Non-Executive Directors

A questionnaire was issued to each Board member (excluding the Chair) and the result was unanimous support for the Chair. The Senior Independent Director shared the feedback with the Chair.

The Chair 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 81 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 136 and a statement on the Group as a going concern and the Viability Statement are set out on pages 44 to 45.

Risk Management

Please refer to pages 34 to 45 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 page 103.

Internal Audit

Details of the Internal Audit function are provided within the Audit Committee report on pages 103 to 104.

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 100 to 105.

Remuneration

For further information on the Group's compliance with the Code provisions relating to remuneration, please refer to the Directors' Remuneration Committee Report on pages 116 to 135 for the level and components of remuneration. Shareholders approved the Group's current Remuneration Policy at the 2021 AGM. The Policy is designed to promote the long-term success of the Group.

The following is a table of reference that provides an overview of where to find disclosures relating to the sections of the 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 81 and throughout this Corporate Governance Report on pages 90 to 99. Our purpose and values are set out on page 6. Relations with shareholders are described on page 9. Our whistleblowing programme is described on page 79.
Division of Responsibilities	Pages 88 to 89 gives details of the Board and Management Team. The Board governance structure is detailed on pages 90 to 99.
Composition, Succession and Evaluation	Details on appointments and our approach to succession are set out in the Nomination Committee report on pages 108 to 115. Details on evaluation are set out on page 98.
Audit, Risk and Internal Control	The Audit Committee Report can be found on pages 100 to 105, with further detail on the principal risks to the business in the Risk Report on pages 34 to 45.
Remuneration	The Company's Remuneration Policy can be found in the FY2021 Annual Report. The Directors' Remuneration Committee Report can be found on pages 116 to 135.

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, ESG, Nomination and Remuneration Committees would be expected to be available at the Annual General Meeting to answer shareholder questions, through the Chair 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.

In compliance with the Code, at the Annual General Meeting, the Chair 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 17 May 2022.

Mark Chilton
Company Secretary

Audit Committee Report

Dear Shareholder

I am pleased to present the Audit Committee (the "Committee") report covering the work of the Committee during FY2022. This provides an overview of the Committee's activities in the year under review and looks forward to our expected activities in the coming year.

Year in Review

The Group's businesses have continued to work through the challenges arising from COVID-19. The Group's operations and financial arrangements were all impacted as a result of the pandemic and consequently, the Committee's focus has been on ensuring our internal control processes continue to operate effectively and remain appropriate for the changing environment in which the Group operates.

A vital aspect of the Committee's work is to provide independent scrutiny and challenge to ensure the Annual Report and financial statements provide a true and fair view of the Company's performance, focusing on the accuracy, integrity and communication of our financial reporting.

In what has been another challenging year, effective oversight of our finances, controls and risk management has never been more important.

In discharging its responsibilities in the year, the Committee reviewed the significant accounting policies, any changes to those policies, and any significant estimates and judgements applied to the financial statements. The Committee concentrated on the accounting judgements and disclosures relating to the impact of COVID-19 on the Group's businesses, including government support and tax deferral initiatives, liquidity and the impact on financial covenants, cost control and cost saving measures. Other focus areas included going concern, recoverability of trade receivables and advances to customers, the carrying value of goodwill and intangibles, the valuation of property, plant and equipment and revenue recognition.

As is usual, the Committee considered the Group's Principal Risk disclosures for the financial year ended 28 February 2022. These have been updated, in particular sustainability and climate change related risks, those associated with people and culture and economic and political, underlining the importance of those matters to the Group. The Committee is satisfied that the statements made by executive management on page 34 to 35 of this Annual Report in respect of the Principal Risks are appropriate based on what is currently known to management as at the date of this Report.

Following the incident affecting Matthew Clark and Bibendum IT systems in April 2021, the Committee also reviewed with the support of leading cyber security experts our information security policies and procedures and enhanced our information technology systems and controls to defend against cyber-attacks, which are becoming increasingly sophisticated.

The Committee's work was supported by the Group's well established risk and financial management structures, which have continued to operate effectively during the year under review. The Committee has continued to be greatly assisted by the commitment, energy and experience of the finance team in the face of a very heavy workload in 2022. This has enabled the Committee to fulfil its role in providing effective scrutiny and challenge.

There were thirteen 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.

More information about the Committee's activities during the year can be found in the pages which follow.

The Year Ahead

The Committee will continue to focus on the impact of COVID-19 on the business, developments in reporting responsibilities and the security of our digital and technology estate. The Committee fulfils a key role in assisting the Board in ensuring that the integrity of the Group's financial statements and the effectiveness of the Group's internal financial controls and risk management systems are maintained. Through the Committee's composition, resources and the commitment of its members, I believe that it remains well placed to meet those challenges and to discharge its duties effectively in the year ahead.

On behalf of the Board

Emer Finnan
Chair of the Audit
17 May 2022

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 Group'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.

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

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 and provide effective governance. 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 88 and 89 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.

Meeting Frequency and Main Activities in the Year

The Committee met on five scheduled occasions during FY2022. In addition, there were eight ad hoc meetings. Emer Finnan was unable to attend one meeting due to a bereavement and Jim Thompson was unable to attend one meeting due to a medical procedure. 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, Chair, David Forde, Group Chief Executive Officer, Patrick McMahon, Group Chief Financial Officer, Vineet Bhalla, Non-Executive Director, the Head of Internal Audit together with members of the Internal Audit team, the Technology and Transformation Director, the Head of IT, the Group Data Protection Officer, the Director of Group Finance together with members of the Group Finance team, and representatives from Clifford Chance, solicitors and Ernst & Young, 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 and Group General Counsel is Secretary to the Committee.

Membership and Attendance

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

Member	Member Since	Number of Meetings Attended	Maximum Possible Meetings
Emer Finnan (Chair) [1]	2 July 2014	12	13
Vincent Crowley	22 March 2016	13	13
Jim Thompson[2]	1 March 2019	12	13

1. Emer Finnan was unable to attend the meeting on 23 October 2021 due to a bereavement.
2. Jim Thompson was unable to attend the meeting on 27 October 2021 due to a medical procedure.

Significant Judgemental Areas

The key matters reviewed and evaluated by the Committee during the year are set out 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

The Committee and the Board reviewed and challenged management's assessment of forecast cash flows for the period to 31 August 2023 including sensitivity to trading and expenditure plans, and for the potential impact of uncertainties including an evolving inflationary environment and reduced volumes, in part associated with the impact of ongoing conflict in Ukraine. The Committee also considered the Company's financing facilities and future funding plans. Based on this, the Committee confirmed that the application of the going concern basis for the preparation of the financial

Audit Committee Report
(continued)

statements continued to be appropriate with no material uncertainties.

The Committee received a report from EY on the work undertaken to assess going concern and specifically discussed the content of the disclosures made in the going concern statement in the Annual Report and the basis of preparation within the Statement of Accounting Policies of the financial statements on page 157.

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 FY2022 financial statements, please see 'Going Concern' on page 44 and 'Viability Statement' on pages 44 to 45. The Directors' Going Concern statement is set out on page 44.

Recoverability of Trade Receivables and Advances to Customers

The Group has a recoverability risk through exposure to on-trade receivable balances and advances to customers who may experience financial difficulties. Given the unprecedented nature 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.

Carrying value of Goodwill and Intangibles

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 and challenged the valuation 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.

Valuation of property, plant and equipment

The Group values its land and buildings and plant, machinery and equipment at market value/depreciated replacement cost 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 28 February 2022 by PricewaterhouseCoopers LLP to value the land and buildings and plant, machinery and equipment at the Group's Clonmel (Tipperary), Wellpark (Glasgow) and Portugal sites. Following a review of PwC's valuation report, the Committee is satisfied that the adjustments posted were reasonable and that the carrying values at 28 February 2022 are appropriate.

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.

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.

Other Areas of Focus

The Committee also during the year:
- 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;
- reviewed the information security and cyber preparedness policies and procedures in place to protect the Group against cyber-attack and the activities under way to further improve cyber security across the Group's technology estate; 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.

Fair, Balanced and Understandable Assessment

One of the key compliance requirements of the 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 FY2022 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 2022 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.

Financial Reporting Council ('FRC') Engagement

As part of the FRC's thematic review of viability and going concern disclosures, and the disclosure of alternative performance measures ("APMs"), the FRC wrote to the Company, firstly by letter dated 15 September 2021, advising that they had identified the Company as having made an example of better practice disclosure in the Annual Report 2021 and one they proposed to identify on the FRC's website. In the second letter dated 30 September 2021, the FRC advised that based on their limited scope reviews, there were no questions or queries that they wished to raise upon the Annual Report and accounts. The FRC did, however, identify a number of matters, where they believed that users of the accounts would benefit from improvements to existing disclosures. These matters have been considered when preparing the Annual Report 2022.

The FRC requested that in disclosing this engagement we note the limitations of their review, namely that it was based on their reading of the Annual Report 2021 and did not benefit from a detailed knowledge of our business or an understanding of the underlying transactions entered into. They also noted that their review provided no assurance that the report and accounts are correct in all material respects but rather that the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

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. This included consideration of the impact of COVID-19. On a regular and ongoing basis, 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 Audit Committee regarding COVID-19 not as an individual risk but rather considering the amplifying effect on a number of other principal risks such as Health and Safety, People and Culture, Supply Chain Operations and Costs and Cyber and Information Security. Those changes to our risk profile were then approved by the Board. The Group's principal risks and uncertainties are set out on pages 34 to 45.

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.

IT Systems and Cyber Security

Following the incident affecting Matthew Clark and Bibendum IT systems in April 2021, we have reviewed our information security and cyber preparedness policies and procedures, enhanced our Information Technology systems and controls, including the appointment of a Technology and Transformation Director and Group Head of IT. In the field of information technology and security, the Company undertakes a regular security assurance programme, testing controls, identifying weaknesses and prioritising remediation activities where necessary. This includes periodic best practice specialist security testing by a leading third party provider and regular system scanning to identify security weaknesses. Issues are assessed for risk and are comprehensively managed as part of the Company's risk management programme. The Committee is presented with regular detailed Information Security Reports by the Technology and Transformation Director and Group Head of IT, which includes recommendations for further reinforcements, and a roadmap for further risk reduction. As a demonstration of our commitment to tackling cyber security we are currently pursuing Cyber Essentials Plus accreditation from the National Cyber Security Centre (NCSC).

We have also embarked on a set of projects whose purpose is to help the Company change systems, process or ways of working, to update and modernise the systems we use and create alignment within the Group on systems and process. The Committee is presented with regular detailed reports on progress by the Technology and Transformation Director.

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. The Committee also reviewed those plans again during the year in light of COVID-19, which resulted in the Internal Audit function changing focus having regard to imposed

Audit Committee Report
(continued)

working restrictions taking a risk based approach. A number of high risk audits were conducted remotely and others were deferred into FY2023 where appropriate. This was a position endorsed by the Committee in recognition of the operational challenges being experienced at the time by the business and to the businesses of our customers, which required immediate prioritisation and focus. The FY2023 audit plan has considered all existing and emerging risks and what was deferred from FY2022, incorporating both elements where appropriate.

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 Ernst and Young ('EY'), the External Auditor. In December 2021, 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 2022, 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

During the year, the Committee reviewed EY's fees for its services, its effectiveness and whether the agreed audit plan had been fulfilled and the reasons for any variation from the plan. The review included a formal evaluation process including the completion of a short questionnaire by each member of the Committee, the Group Chief Financial Officer, the Director of Group Finance and applicable senior finance executives across the business.

The Committee also considered the robustness of the FY2022 audit, the degree to which EY was able to assess key accounting and audit judgements and the content of the audit committee report issued by the External Auditor. Due to governmental advice and restrictions regarding social distancing and travel, EY's audit teams have followed different levels of remote working in the locations where the Group operates. The Committee is satisfied that this has not impacted the effectiveness of the audit or the audit process. On the basis of the Committee's evaluation and taking into account the views of other key internal stakeholders, the Committee concluded that both the audit and the audit process were effective.

Audit Tender

Following a tender process, the current External Auditor was first appointed for the year ended 28 February 2018. The Group's lead audit engagement partner, Pat O'Neill has been the same since that date. The External Auditor is required to rotate the audit partner every five years and therefore the existing partner will rotate after the upcoming AGM.

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.

The Group complied on a voluntary basis with the Statutory Audit Services for Large Companies Market Investigation (mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, having last carried out a competitive tender for audit services in 2017.

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 firm 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.

In FY2022, EY undertook non-audit work in relation to the Rights Issue. As part of the preparations for the Rights Issue announced in June 2021, certain non-audit assurance was required of the financial information presented in the prospectus. Management felt that EY would be best placed to undertake this work if appropriate safeguards could be put in place, and this was discussed and approved by the Committee prior to work taking place. The fees for the non-audit work were €0.4m and agreed by the Committee.

A number of measures were implemented to ensure that the objectivity of EY as auditors of the Company was safeguarded:-

- The non-audit work was led by an independent EY partner and team members not involved in the audit, and subject to review by an independent audit partner;
- The services were performed on a one-off basis, and were clearly set out in an engagement letter;
- All fees for the additional reporting accountant services were invoiced and settled in full before the audit work was finalised;
- A Quality Review Partner was involved in the audit, and was responsible for performing a further review over the performance of the audit; and
- A clearance panel including a further three independent partners was held prior to completion of the non-audit work to provide an additional level of review.

Given the one off nature of these non-audit services and given they were assurance based ensured that the objectivity of EY was safeguarded.

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 FY2022, 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 2022 internal board evaluation process. An explanation of how this process was conducted, the conclusions arising from it and the action items identified is set out on page 98. 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 17 May 2022.

Emer Finnan
Chair of the Audit Committee

Environmental, Social and Governance Committee Report

Dear Shareholder

I am pleased to present the Group's Environmental, Social and Governance ('ESG') Committee report covering the work of the Committee during FY2022. This report provides an overview of the Committee's activities in the year under review and previews our expected activities in the coming year.

Year in Review

ESG is central to the Company's strategy and forms an integral part of how C&C operates at every level. To reflect C&C's ongoing commitment to operating a sustainable business, the Board established an ESG Committee in 2020. The ESG Committee has primary responsibility for sustainability and climate change issues.

C&C's Head of ESG and its Communications and Corporate Affairs Director continue to lead the Company towards our vision relating to ESG targets. A team of six ESG Champions from across the business analyse and appraise the ESG strategy, its six pillars and the initiatives underpinning it. Our ESG Champions have attended the six Committee meetings held during FY2022. ESG Champions are appointed on an 18 month term, allowing them to be involved in the setting of long term and meaningful targets and providing an opportunity to help shape the future of the business at a strategic level through ESG matters. The Committee has been delighted by the Champions' energy, enthusiasm and, moreover, input as we continue to define the ESG strategy. The ESG Champions report back to their respective teams which ensures an element of alignment on ESG related issues throughout the business.

The Head of ESG, with the support of the Champions and in collaboration with the Board, have worked to establish the Company's ESG KPIs, which relate to the six pillars of the ESG strategy as detailed on pages 62 to 63, and develop timelines in accordance with legal and regulatory requirements over the coming years.

Alongside the continuous implementation of the Company's ESG strategy, the Committee was briefed on the Company's requirement to include a statement in its FY2022 Annual Report and Accounts setting out whether our climate-related financial disclosures were consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'). The Committee welcomed TCFD as an important step in increasing stakeholders' and companies' focus on meeting its obligations on climate change. We have begun the journey of incorporating the TCFD framework into our reporting and risk management processes and are accelerating efforts to mitigate climate change risks and identify opportunities for transitioning to be a carbon neutral business by 2050. The Committee received initial training from an external provider on TCFD and climate change related issues during FY2022. An additional ESG Committee meeting was arranged to provide feedback on and approve the Company's shortlist of Climate Change Risks and Opportunities, which were recommended to the Board. Protecting and enhancing our environment is an integral part of the Group's strategy. For this reason, an environmental target was put forward to the Committee during FY2022 and approved by the Remuneration Committee. The environmental target forms a performance condition of the 2021 Long Term Incentive Plan ('LTIP'). More details can be found in the Remuneration Committee Report on page 117.

A key element of our ESG strategy is to raise the voice of employees in the boardroom. The Board recognises the importance of communication and engagement with the wider workforce as a means of assessing and monitoring our corporate culture. During FY2022, the engagement of the Non-Executive Directors with a range of employees from each business area has provided invaluable insight into the evolution of our culture and values, and their link to strategy, through a series of 'Our Forum' meetings. The Committee received updates from departments within the business on a range of issues including mental health, wellbeing and engagement, and health and safety. The meetings, organised by the Head of ESG, allow employees to raise, with the Non-Executive Directors and business units' Managing Directors, a variety of issues of importance to them, including the Company's response to the COVID-19 pandemic as it developed, and views on what the Company could improve in its response to help the business and its employees.

The strength of our team is our most valuable asset and we are committed to creating an open and inclusive culture, which enables all of our people to thrive, and to promote diversity and inclusion to ensure we have a balanced pipeline of talent for the future. One of our ESG KPIs approved by the Committee, in collaboration with the Nomination Committee, is linked to diversity and inclusion and we continue to look for ways to expand the Company's Inclusivity and Diversity agenda.

In terms of corporate responsibility and community engagement, the Board is committed to treating all stakeholders in every area of our business with honesty, fairness, openness, engagement and respect, and to conducting all business ethically and safely. The Group will only work with parties that share these values. Our Code of Conduct ('our Code') sets out our expectations for how we do business, clarifying our commitments to ethical, social and environmental performance. Our ESG policies support our Code.

On behalf of the Board

Jim Thompson
Chair of the ESG Committee
17 May 2022

Roles and Responsibilities of the Committee

Role of the Committee

The Committee is required to:-

- Assist the Board in defining the Group's strategy relating to ESG matters;
- Review the policies, programmes, practices and initiatives of the Group relating to ESG matters, including environmental concerns, ensuring they remain effective and up to date;
- Provide oversight of the Group's management of ESG matters and compliance with legal and regulatory requirements, including applicable rules and principles of corporate governance, and applicable industry standards;
- Report on these matters to the Board and, where appropriate, make recommendations to the Board; and
- Report as required to shareholders of the Company on the activities and remit of the Committee.

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 Attendance

The following directors served on the Committee during the year.

Member	Member Since	Number of Meetings Attended	Maximum Possible Meetings
Jim Thompson (Chair)[1]	24 September 2020	5	6
Jill Caseberry	24 September 2020	6	6
Patrick McMahon	24 September 2020	6	6
Helen Pitcher	24 September 2020	6	6
Andrea Pozzi[2]	24 September 2020	2	2

1. Jim Thompson was unable to attend the meeting on 27 October 2021 due to a medical procedure.
2. Andrea Pozzi was a member of the Committee until he stood down from the Board on 1 September 2021.

No member of the Committee nor any other Director participates in discussions or votes concerning his or her own re-election or evaluation of his or her own performance. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 88 and 89. 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. The Committee Secretary is the Senior Assistant Company Secretary.

Meeting Frequency

The Committee met on six occasions during the year ended 28 February 2022. All members of the Committee attended each meeting except on one occasion where Jim Thompson could not attend one meeting due to a medical procedure. At the invitation of the Committee, the Chair, the Group CEO, the Company Secretary and General Counsel, the Head of ESG, the Communications and Corporate Affairs Director and the ESG Champions were invited to attend all meetings.

Evaluation of the Committee

The evaluation of the Committee was carried out internally as part of the FY2022 internal Board evaluation process. An explanation of how this process was conducted, the conclusions arising from it and the outcome of that review can be found on page 98.

This report was approved by the Board of Directors on 17 May 2022.

Jim Thompson
Chair of the ESG Committee

Nomination Committee Report

Dear Shareholder

I am pleased to present the Nomination Committee ('the Committee') report covering the work of the Committee during FY2022. This report provides an overview of the Committee's activities in the year under review and looks ahead to our anticipated activities in the coming year.

Year in Review

As in previous years, succession planning continued to be the primary focus of the Committee's work. The Committee is responsible for leading a formal, rigorous and transparent process for Board appointments and ensuring that plans are in place for orderly succession to the Board and senior management positions. The Committee is also responsible for keeping under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in a competitive marketplace.

In July 2020, we reported that I would be stepping down from the Board and that the Committee, led by Vincent Crowley Senior Independent Director ('SID'), would be leading the search for my successor. Following a thorough selection process using external search consultants, Spencer Stuart, on 16 September 2021 we announced the appointment of Ralph Findlay as a director and Chair designate. Ralph joined the Board as a Non-Executive Director on 1 March 2022 and will succeed me as Chair of the Company and of the Committee on 7 July 2022, following the Annual General Meeting. Ralph is a strong fit for the Group, with a deep understanding of the beverage and hospitality sector in the UK, one of our core markets, and extensive listed company board experience. Further details of the selection process can be found later in the Nomination Committee Report.

During the year, the Committee continued to review the skills and composition of the Board. Following this review, the Board identified the necessity of having more digital and technology experience, which is increasingly important in a digitalised world. To enhance the Board's collective capability and aid us as we seek to deliver our strategic objectives, the Committee recommended, and the Board endorsed the appointment of Vineet Bhalla. The Board was particularly satisfied that Vineet's appointment would bring strong digital experience as an experienced IT professional, latterly with Burberry as Chief Technology Officer and previously as Head of IT for Unilever for their digital marketing and research and development divisions.

With each review of its composition, and when considering any appointment, the Board has particular regard for diversity of gender, social and ethnic backgrounds, nationality, and cognitive and personal strengths. Diversity at Board level – and throughout the organisation – is key to ensure that we incorporate a wider range of perspectives in deliberations and decision making. While incorporating all aspects of diversity, we have placed a particular focus on gender and ethnic diversity in light of the Hampton Alexander and Parker Reviews, which act as guidance for the Committee.

In further Board changes, we announced in July 2021, that Andrea Pozzi, Chief Operating Officer ('COO') and Jim Clerkin, Non-Executive Director, had each decided to step down from their respective Board roles, with effect from 1 September and 27 October 2021 respectively. The Group was pleased to announce that Andrea would remain with the Group and had agreed to take up the role of managing our combined GB businesses, with a key focus on aligning management structures and guiding us through a significant change programme of simplification and integration. The Company did not replace the Executive Director role of COO and current Board responsibilities associated with that position are being fulfilled by the remaining Executive Directors.

In addition, Jim Clerkin advised the Board that, as a consequence of his increased work responsibilities in the USA, he was finding it increasingly difficult to give the necessary time commitment required as a Non-Executive Director of the Company. After four years on the Board, Jim decided to take the decision to step down from his position in October 2021. The Board would like to thank both Andrea and Jim for their significant contribution to the Board and to wish Jim well for the future.

At the financial year-end, 33% of the Board's membership was female. The Committee was fully aware that this level reduced with the appointment of Ralph Findlay and will go back to 33% once I step down from the Board in July 2022. The Committee will continue to monitor the composition and balance of the Board to ensure that a broad and diverse range of expertise is available from the existing members and will recommend further appointments as and when appropriate to assure the long term success of the Group.

At C&C Group our colleagues remain our most valuable asset and we are committed to creating an open and inclusive culture, which enables all of our people to thrive, and to leverage diversity and inclusion to ensure we have a balanced pipeline of talent for the future. The Committee will continue its work to ensure the Board maintains a balance of individuals representing a wide cross section of experience, cultural backgrounds and specialisms. In the coming year, the Committee will continue to focus on succession planning and on furthering our diversity and inclusion agenda.

On behalf of the Board

Stewart Gilliland
Chair of the Nomination
17 May 2022

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 Group's strategic priorities and the main trends and factors affecting the long-term success and future viability of the Group. 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 and that appropriate succession arrangements are in place. 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.

The Committee is responsible for leading a formal, rigorous and transparent process for the appointment of new Directors to the Board and ensuring that plans are in place for orderly succession to the Board and senior management positions.

Membership and Attendance

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

Member	Member Since	Number of Meetings Attended	Maximum Possible Meetings
Stewart Gilliland (Chair) [1]	24 October 2017	7	7
Vincent Crowley	1 June 2019	8	8
Emer Finnan	5 July 2018	8	8
Helen Pitcher	23 October 2019	8	8

1. Stewart Gilliland did not attend one meeting concerning the appointment of his successor.

Except for the Chair, all members of the Committee are and were, throughout the year under review, considered by the Board to be wholly independent.

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 or her own performance. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 88 and 89. Their remuneration is set out in the Directors' Remuneration Committee 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. The Company Secretary is Secretary to the Committee.

Nomination Committee Report
(continued)

Meeting Frequency and Main Activities during the year

The Committee met on eight occasions during the year ended 28 February 2022. All members of the Committee attended each meeting, save and except for the Chair in relation to meetings concerning the appointment of his successor. At the invitation of the Committee, the Group CEO, Vineet Bhalla, the Group Director of Human Resources, the interim Group Director of Human Resources, and the Communications Director were invited to attend meetings from time to time.

Set out below is a summary of the main activities of the Committee in the year.

Chair Appointment

As outlined in his introductory letter, the Chair will step down from his role in July 2022 following 10 years on the Board and four years as Chair. A selection process for a new Chair was led by the Senior Independent Director ('SID'), Vincent Crowley, and the Committee, with assistance from the Company Secretary and Group General Counsel and the Group Director of Human Resources. The current Chair was not involved in the selection process.

Existing Non-Executive Directors were asked if they wished to be considered for the role of Chair. It was agreed an external search process was suitable. As part of the external search process, the services of an executive search firm were used to identify potential candidates. The Committee considered the credentials of a number of search consultants before recommending the appointment of Spencer Stuart, which is a signatory to the voluntary code of conduct for executive search firms. Spencer Stuart is used from time to time by the Group for the recruitment of senior executives, but does not have any other connection to the Group or with individual Directors.

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 characteristics and experience:

- Experience as a Chair;
- City/investor experience;
- FTSE 250 plc experience and an understanding of the UK corporate governance environment;
- Broad sector experience, with an emphasis on business to business and business to customer environments 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 an extensive list of potential candidates, both internally and externally, with the skills, knowledge and experience required. 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 Committee unanimously selected Ralph Findlay as its preferred candidate. Ralph, brings extensive drinks industry experience to the Company. Ralph held a senior role at Marston's for 25 years and has a deep understanding of the beverage and hospitality sector in the UK, one of our core markets, and internationally. He also brings extensive listed company board experience.

Following the Committee's recommendation and due consideration by the Board, Ralph Findlay was appointed our new Chair designate on 16 September 2021, joined the Board on 1 March 2022 and will succeed Stewart Gilliland on 7 July 2022. The Board is pleased to have recruited an individual with his experience and expertise to chair the Group.

Induction of New Board Members

When a new Board member joins the Company they receive a formal, comprehensive and tailored induction designed to suit their individual needs and their role. The induction programme includes activities and meetings with key personnel, technical meetings and site visits. This is an effective way of introducing them to the Group's culture and of ensuring that they have the information and support they need to understand the business and to enable them to be productive in their role.

Chair Induction

The induction programme for Ralph Findlay has included meetings with senior management and operational and functional teams around the Group and was structured to help Ralph gain an insight into how the business works on a day to day basis and to understand its strategic priorities, purpose, culture, values and people.

Since joining, Ralph has held a series of meetings including one to one sessions with Board colleagues, senior management, business unit and functional heads and has also undertaken visits to key locations in the Group. These visits gave Ralph an opportunity to meet with local management teams and other colleagues and to speak with them first hand and to listen to their views.

Arrangements will be made for Ralph to meet with the Company's major shareholders to discuss areas of shareholder interest including performance and future opportunities following his appointment as Chair.

New Non-Executive Director

During the year, the Committee continued to review the skills and composition of the Board and identified an opportunity to bring more digital and technology experience into its deliberations. A thorough process was undertaken by the Committee to identify and assess a number of potential candidates. A boutique executive search firm, Audeliss was instructed to assist with the search for the new appointment. The search firm signed up to the Voluntary Code of Conduct and does not have any other connection to the Company or with any individual Directors, other than to provide recruitment services. Open advertising was not used for this position.

To enhance the Board's collective capability and aid us on our journey to meet our strategic objectives, the Committee recommended the appointment of Vineet Bhalla, noting, in particular, that the appointment would bring strong digital experience as an experienced IT professional, latterly with Burberry as Chief Technology Officer and previously as Head of IT for Unilever for their digital marketing and research and development divisions. The Committee also noted that this appointment would demonstrate the Company's broader commitment to diversity. In making this recommendation, the Committee also satisfied itself that Vineet Bhalla met the independence criteria of the Code and took into account his other significant commitments and the time involved, as disclosed to the Committee. The Committee's recommendation resulted in Vineet Bhalla's appointment to the Board as a Non-Executive Director with effect from 26 April 2021.

Other Board Changes

In July 2021, we announced that Andrea Pozzi, Chief Operating Officer ('COO') and Jim Clerkin, Non-Executive Director, had each decided to step down from their respective Board roles, with effect from 1 September and 27 October 2021 respectively. The Group was pleased to announce that Andrea would remain with the Company and had agreed to take up the role of managing our combined GB businesses, aligning management structures and guiding us through a significant change programme of simplification and integration. The Company did not replace the Executive Director role of COO and current Board responsibilities associated with that position are being fulfilled by the remaining Executive Directors.

In addition, Jim Clerkin advised the Board that, as a consequence of his increased work responsibilities in the USA, he was finding it increasingly difficult to give the necessary time commitment required as a Non-Executive Director of the Company. After four years on the Board, Jim decided to take the decision to step down from his position in October 2021.

Re-appointment of Directors

The Committee considers the selection and reappointment of directors carefully before making a recommendation to the Board. The Board is conscious of the length of tenure of non-executives when formulating its succession planning process. Non-Executive Directors and the Chair are generally appointed for a period of three years, which may be renewed for a further two terms. Notwithstanding the appointment of three years, in line with good governance practice, all Directors are put forward for re-election by shareholders annually at the AGM providing shareholders with the opportunity to express their confidence and support for the Board as a whole and each Director individually.

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 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.

As part of the Board changes in the course of the year, the Committee had reason to extensively consider succession planning for both Board and senior management roles. The Committee reviewed the management structures proposed in combining the GB businesses. Subsequently, the Committee have been engaged in reviewing succession plans, together with job evaluation and grading of roles across the entire Group, with the aim of creating a harmonised and consistent approach to succession planning across the Group.

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 term plans.

Nomination Committee Report
(continued)

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.

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 Group's ability to deliver its strategy.

As part of its review, the Committee considered the performance and independence of Vineet Bhalla, Jill Caseberry, 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.

During FY2020, an external evaluation was carried out, meaning that the evaluation in FY2022 was carried out on an internal basis. 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 Vineet Bhalla, Jill Caseberry, 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 Stewart Gilliland, the Group had regard to the sales made to Tesco plc, of which Stewart Gilliland is a Non-Executive Director. The Committee remains fully satisfied that that the relationship is free of conflict, given a non-executive position is held and Stewart Gilliland is not close to the negotiation of any contract between the two companies. In determining the independence of Jill Caseberry, the Group had regard to the products purchased from St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director. The Committee remains fully satisfied this relationship is not material and has in no way impaired her independence. Additionally, in determining the independence of Emer Finnan, the Group had regard to the sales made to and products purchased from Britvic plc, of which Emer Finnan is a Non-Executive Director, and was satisfied that this in no way impaired her independence.

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 having served eight years on the Board, and has concluded that Emer is independent in character and judgement and that there are no relationships or circumstances likely to affect (or which appear to affect) her judgement. The Committee is also satisfied that Emer 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 Group to enable it to discharge its duties to lead and steward the business.

Diversity

As a people focused business, our strength comes from an inclusive and welcoming environment, where we recognise that the experiences and perspectives which make us unique come together in our shared values and vision. We strongly believe that the more our colleagues reflect the diversity of our clients and consumers, the better equipped we are to service their needs.

We have a Diversity and Inclusion Policy, which is published on the Company's website. The Committee is satisfied that it supports the development of a more diverse workforce within the business and is consistent with the Group's inclusive and welcoming culture. The policy equally applies to our Board members and all of our employees, regardless of their contract, location or role in the business. We aim to ensure our inclusivity applies to all aspects of their careers, including recruitment, selection, benefits and opportunities for training and promotion. As at 28 February 2022, the percentage of female directors on the Board was 33%, as was the percentage of females on the Executive Committee. More details on workforce diversity can be found on page 113.

Our vision is to be an employer of choice, with a rich and diverse mix of people who reflect the societies and communities in which we work and operate. C&C is a great place to work and our policy reinforces our commitment to equality, diversity and inclusion and to having a truly representative workforce where every member feels respected, valued and able to be their best. We want to ensure that equality, diversity and inclusion is a core part of how we operate, it's embedded in our culture, and reflected in our people and their behaviours.

In FY2022, we conducted a diversity and inclusion survey, "Getting to know you", to better understand our colleagues and their needs, to gain their views on inclusion and wellbeing and to obtain identity (diversity demographics) data. Subsequently, the Committee received a presentation regarding proposals to establish in FY2023 employee relations groups in the areas of mental health and wellbeing, physical health and parents returning to work as one of a number of intended concrete and meaningful steps to reinforce our commitment to diversity and inclusion.

We are committed to:-

- Reviewing and adapting our policies and procedures to ensure workforce diversity and equal opportunities;
- Implementing initiatives that drive an inclusive culture where all employees feel accepted and valued;
- Promoting a more inclusive environment, which attracts all candidates and signals our commitment to celebrate and promote diversity;
- Taking an inclusive approach to ensure we attract a diverse pool of talent and experience;
- The use of clear statements which promote equality and inclusion within the recruitment process;
- Training our managers and wider teams to increase cultural diversity, awareness, knowledge and skills;
- Encouraging our people to share their experiences and help each other to understand more about what diversity and inclusion means;
- Authentically telling our diversity and inclusion story and celebrating our approach, both inside and outside our organisation.

Statistical gender diversity employment data for the Company as at 28 February 2022 is as follows:

	Male Number/ Percentage	Female Number/ Percentage
Directors	6/67%	3/33%
Senior Managers	58/64%	32/36%
Other employees	1,913/75%	647/25%

Time Commitment

In line with its terms of reference, the Committee performs an annual review of the time required from the Chair, SID and Non-Executive Directors to perform their duties. As part of this process, the Committee reflects on a director's attendance at scheduled meetings and their availability at other times during the year. In the year under review, the Directors were available, often at short notice and outside regular working hours, to discuss matters that required a prompt decision, for example, the consideration and oversight of the various strategies employed during the year to navigate the impact of the COVID-19 pandemic upon the business.

Evaluation of the Committee

During FY2020, an external evaluation was carried out, meaning that the evaluation in FY2022 was carried out on an internal basis as part of the FY2022 internal Board evaluation process. An explanation of how this process was conducted, the conclusions arising from it and the outcome of that review can be found on page 98.

This report was approved by the Board of Directors on 17 May 2022.

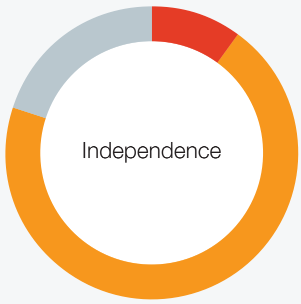
Stewart Gilliland
Chair of the Nomination Committee

Nomination Committee Report
(continued)

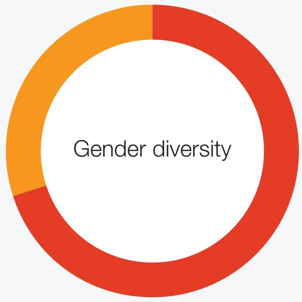
Diverse and Effective Board

The Board comprises 10 Directors, with a broad and complementary set of technical skills, educational and professional experience, nationalities, personalities, cultures and perspectives.

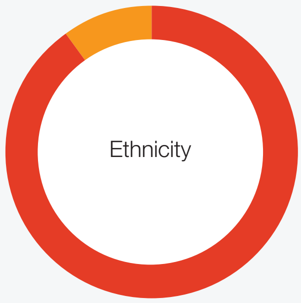
Board balance



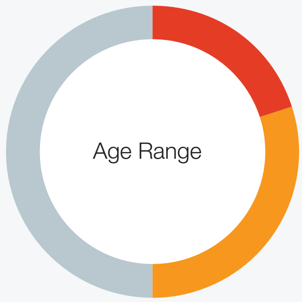
Chair	1
Independent	7
Non-independent	2



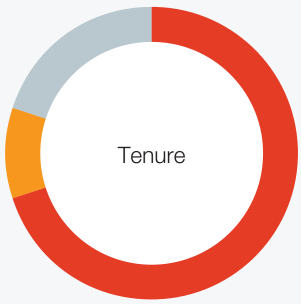
Male	7
Female	3



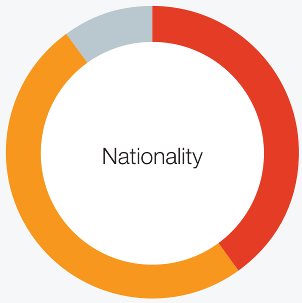
White	9
Indian	1



40-50	2
51-60	3
61-70	5



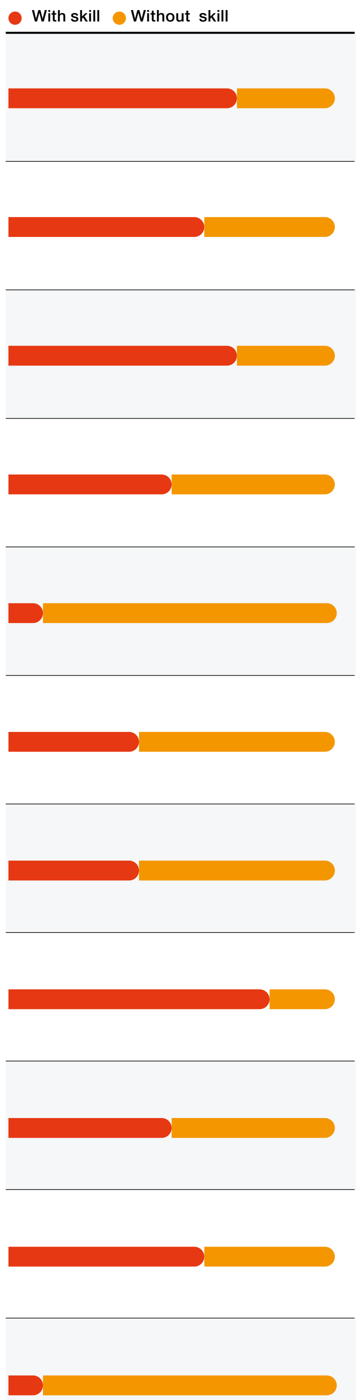
0-3 years	7
4-7 years	1
8-10 years	2



Irish	4
British	5
USA	1

Board Skills Matrix

Director	Executive Directors: David Forde	Executive Directors: Patrick McMahon	Non-Executive Directors: Stewart Gilliland	Vineet Bhalla	Jill Caseberry	Vincent Crowley	Ralph Findlay	Emer Finnan	Helen Pitcher	Jim Thompson
Independence				•	•	•	•	•	•	•
Core Industry	•	•	•			•	•		•	
Senior Executive	•	•	•	•		•	•	•		
Finance/Audit & Risk		•				•	•	•		•
Legal/Public Policy									•	
Manufacturing/ Supply Chain			•	•	•		•			
Communications/ Marketing/ Customer Service	•		•		•	•				
International Markets	•	•	•		•	•		•	•	•
UK and Ireland Pubs Exp	•	•	•		•		•			
M&A/Capital Markets	•	•	•				•	•		•
Digital/Technology				•						



Directors' Remuneration Committee Report

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Committee Report ('Report') for the year ended 28 February 2022.

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 2021, our revised Policy was approved by our shareholders on an advisory basis, with a vote in favour of over 90%. As no changes to the Policy are proposed this year, the Policy will not be subject to a vote at the 2022 AGM. Therefore, we have not included the full Policy in this report, but have included those parts that we think shareholders will find most useful. The full Policy is included in the Annual Report and Accounts for the year ended 28 February 2021, which is available on the Company's website at www.candcgroup.com.

Last year, shareholders showed a high level of support for our Report with over 90% of votes in favour of it. We hope that shareholders will demonstrate their support again this year.

Information on the membership of the Remuneration Committee and its main activities in FY2022 is set out on page 119.

Having taken into account a number of internal and external measures as well as the pay ratio analysis, the Committee believes the proposed remuneration decisions in this report appropriately reflect the needs of the business and long-term interests of shareholders. The Committee also believes the Policy operated as intended in terms of reflecting Company performance and the overall level of quantum delivered was considered appropriate given the business context.

Business context including Wider Workforce Remuneration

FY2022 has seen the reopening of the on-trade across our core markets and a return to profit and cash generation for the Group. However, the COVID-19 pandemic has continued to impact the lives of many of us as well as our financial performance (excluding exceptional items, FY2022 operating profit was €47.9m whereas FY2020 operating profit was €120.8m). It has, as a consequence, impacted on individuals' reward opportunities during the year both in terms of salary increases and bonus, and as a Committee we have been mindful of this, particularly having regard to the tenacity and tireless work of our colleagues who have navigated these challenges. We have taken all these factors into account, along with the impact on our shareholder experience, in all our considerations.

The Committee in the past year has been examining the financial and commercial impact for adopting, as a minimum pay rate, the real Living Wage (as promulgated by The Living Wage Foundation) for all employees (rather than the UK's National Living Wage). The Committee has also been engaged in considering the overall level of all colleague benefits, including pension contribution allowances.

As a consequence, and in conjunction with new pressures on colleague attraction and retention in light of the well publicised driver and warehouse shortages within the UK, salary increases were made for drivers and drivers' mates. In addition, we have moved colleagues to a base hourly rate significantly above the real Living Wage from 1 March 2022. Further, a 3.5% increase for senior management and the wider workforce has been approved with effect from 1 March 2022. This recognises the challenging period ahead, the commitment of our workforce and the aim to return the Company to growth.

As in previous years, I along with the rest of my Board colleagues remain committed to engaging with our employees on a wide range of topics, including remuneration and ensuring their views are shared with the Committee. A programme of meetings is currently being developed in that regard. My role as the Non-Executive Director responsible for engaging with HR is an invaluable resource when reviewing wider employee incentive arrangements. I plan during those meetings to outline our Company-wide remuneration policy and director and wider workforce pay and reward matters, sharing our aspirations around equitable rewards and discussing the increasing use of ESG measures in goal setting and shareholder expectations.

We announced on 29 July 2021 that Andrea Pozzi, our former Chief Operating Officer, would step down from the Board with effect from 1 September 2021. Andrea remains with the business in a new role managing our combined GB businesses, aligning management structures and guiding us through a significant change programme of simplification and integration. Andrea's remuneration to the end of August is included in the Single Total Figure of Remuneration on page 127. As he remained with the business, Andrea's existing incentive awards continued on their existing terms. Andrea did not earn a bonus for FY2022 and his LTIP granted in FY2020 with a three year performance period ended 28 February 2022 lapsed following the end of FY2022.

Executive Remuneration Outcomes for FY2022

Salary

As reported last year, Executive Directors' salaries remain unchanged for FY2022.

FY2022 Bonus

In light of continued market uncertainty, no annual bonus targets were set for the first half of the financial year. In the second half of the financial year, annual bonus targets were set for colleagues (excluding Executive Directors), however, due to the continuing restrictions on the drinks and hospitality industry and the impact of this on our performance, no annual bonus in respect of the year ended 28 February 2022 was able to be paid to any employees.

2019 LTIP Awards

The 2019 LTIP granted to Patrick McMahon before he joined the Board in July 2020 had a three-year vesting period which ended on 11 February 2022, with the performance conditions assessed over the three financial years ended at the end of FY2021. The threshold level of performance was not achieved and the award lapsed in full. Andrea Pozzi's LTIP granted in FY2020 with a three year performance period ended 28 February 2022 lapsed following the end of FY2022 as the threshold level of performance was not achieved, as explained above. David Forde did not hold any awards under the 2019 LTIP.

Long-Term Incentives Awarded in FY2022

In June 2021 the Committee made awards to the Executives under the LTIP. Performance measures and targets for the FY2022 LTIP awards were determined having regard to the uncertain and unprecedented economic environment associated with COVID-19, its already significant and disproportionate impact on the business and the industry compared to the broader economy and the associated forward looking continued uncertainty. The Committee determined that for the FY2022 LTIP, awards would vest subject to the satisfaction of performance metrics based on earnings per share, free cash flow and an environmental metric to give impetus to the Group's sustainability agenda and decarbonisation efforts, as set out below.

The vesting of the FY2022 LTIP awards will be subject to an assessment of the Company's underlying financial performance across the three-year performance period FY2022 – FY2024.

Weighting	Measure	Further detail
45%	Earnings per share	Threshold (25% vesting)– 22c Maximum – 27c By the end of year 3 target range (end of FY2024) rather than as a cumulative target.
35%	Free cash flow conversion	Threshold (25% vesting) – 65% Maximum – 75% By the end of year 3 target range (end of FY2024) rather than as a cumulative target.
20%	Environmental target	To reduce Scope 1 emissions and Scope 2 emissions* over the three financial years ending with FY2024 as follows: Threshold (25% vesting) – 6% reduction Maximum – 12% reduction *Definitions Scope 1 – direct emissions from owned or controlled sources, which includes emissions from company-owned or operated facilities and vehicles. Scope 2 – Indirect emissions from the generation of purchased energy e.g. electricity, steam, heat and cooling.

No award will vest until the end of the full three-year period, and Executive Directors' awards will then be subject to a further two year holding period.

Directors' Remuneration Committee Report
(continued)

FY2021 LTIP Awards

In the Report for FY2021, we explained that the LTIP awards for that year were subject to an assessment of the Company's underlying financial performance across the three-year performance period FY2021 – FY2023, along with three separate performance conditions aligned to the Company's key priorities for each of the three years. The separate performance condition for FY2021 was disclosed in the FY2021 report.

The performance condition for FY2022 is based on the Net Debt to EBITDA ratio for FY2022 as set out below.

Net Debt to EBITDA ratio	Vesting
Greater than 4.1x	0%
4.1x[1]	25%
3.8x[1]	100%

1. Straight line vesting between 4.1x and 3.8x

Details of the FY2023 condition will be disclosed in the FY2023 Directors' Remuneration Committee Report.

Implementation of the Remuneration Policy in FY2023

Our approach to the implementation of the Policy in FY2023 is set out on pages 120 to 125.

Rights Issue

In June 2021 the Board undertook a Rights Issue raising £151.2m to facilitate the Group's recovery from the impact of the pandemic and to materially improve the Company's ability to deliver long-term value to shareholders through providing the Group with the flexibility to take advantage of strategic and investment opportunities. We thank our shareholders for their support in the process.

In accordance with standard practice we have adjusted the number of shares subject to outstanding share awards and, where applicable, the exercise price, to reflect the impact of the Rights Issue.

Gender Pay Gap Disclosure

In April 2022 we published our latest 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.

Conclusion

I would like to express my appreciation to our shareholders for their continued support during FY2022 and ahead of the next AGM.

Helen Pitcher OBE
Chair of the Remuneration Committee
17 May 2022

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
Helen Pitcher (Chair)	1 March 2019	13	13
Vineet Bhalla	27 October 2021	2	2
Jill Caseberry[1]	1 March 2019	12	13
Jim Clerkin[2]	24 October 2019	10	11

1. Jill Caseberry was unable to attend the meeting on 16 September 2021 due to a prior engagement.
2. Jim Clerkin was unable to attend the meeting on 7 December 2021 due to a prior engagement.

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

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, the Chair, the Group CEO, the Group CFO, the Group Director of Human Resources, the interim Group Director of Human Resources, members of the finance team, HR and ESG teams, along with representatives from Clifford Chance solicitors and Deloitte, remuneration advisers, 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.

Main Activities in FY2022

- Approval of the FY2021 bonus and LTIP measures;
- Approval of the Directors' Remuneration Committee Report for the financial year ended 28 February 2021;
- Reviewing and consulting with shareholders on the revised Directors' Remuneration Policy and incorporation of their feedback, where applicable;
- Considering the impact of COVID-19 on the Executive and all employee remuneration arrangements, ensuring the alignment of executive compensation with the wider stakeholder experience;
- Approval of the FY2022 bonus and LTIP measures;
- Considering the Rights Issue in relation to employee share plans;
- Considering the results and implications of the UK gender pay gap report and reviewing and commenting on recommendations to address the gap and challenges faced by the sector;
- Examining the financial and commercial impact for adopting, as a minimum pay rate, the real Living Wage (as promulgated by The Living Wage Foundation) for all employees (rather than the UK's National Living Wage);
- Commencing a review to evaluate and grade each role, leading to the creation of a framework for consistent, transparent and appropriate compensation and benefits group wide;
- Considering and recommending to the Board the terms of Ralph Findlay's appointment as Chair;
- Considering the remuneration arrangements of Executive Committee members and senior management; and
- Considering the FY2023 remuneration structure.

External Advisers

The Committee seeks and considers advice from independent remuneration advisers where appropriate. During the year ended 28 February 2022, the Committee obtained advice from Deloitte LLP. Deloitte's fees for this advice amounted to £14,365 (excluding VAT) 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.

Committee Evaluation

The evaluation of the Committee was completed as part of the 2022 internal board evaluation process. An explanation of how this process was conducted, the conclusions arising from it and the action items identified are set out on page 98. The Committee has considered this in the context of the matters that are applicable to the Committee.

Remuneration at a glance

Remuneration Outcomes as at 28 February 2022

Element	David Forde	Patrick McMahon
Base salary as at 28 February 2022 – as set out in last year's Report, no changes were made to Executive Directors' salaries for FY2022	€690,000	€420,000
Pension (% of base salary)	5%	5%
Benefits	7.5%	7.5%
Annual Bonus	N/A[1]	N/A[1]
LTIP (% of max)	N/A[2]	N/A[2]

1 As noted above, neither Executive Director was eligible to earn a bonus in respect of FY2022.
2 Neither David Forde nor Patrick McMahon had an LTIP capable of vesting by reference to performance in FY2022.

Directors' Remuneration Committee Report
(continued)

Remuneration Policy

Introduction

The current Remuneration Policy for Directors was approved at the 2021 AGM. As no changes to the Policy are proposed this year, the Policy will not be subject to a vote at the 2022 AGM. Therefore, we have not included the full Policy in this report, but have included those parts that we think shareholders will find most useful; the full Policy is included in the Annual Report and Accounts for the year ended 28 February 2021, which is available on the Company's website at www.candcgroup.com.

Policy Table

Executive Directors

The table below sets out the Company's Remuneration Policy for Executive Directors.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Salary			
Reflects the individual's role, experience and contribution. Set at levels to attract, recruit and retain Directors of the necessary calibre.	Salaries are set by the Committee taking into account factors including, but not limited to: • scope and responsibilities of the role; • experience and individual performance; • overall business performance; • prevailing market conditions; • pay in comparable companies; and • overall risk of non-retention. Typically, salaries are reviewed annually, with any changes normally taking effect from 1 March.	While there is no prescribed formulaic maximum, any increases will take into account the outcome of pay reviews for employees as a whole. Larger increases may be awarded where the Committee considers it appropriate to reflect, for example: increases or changes in scope and responsibility; to reflect the Executive Directors' development and performance in the role; or alignment to market level. Increases may be implemented over such time period as the Committee determines appropriate.	None.
Benefits/cash allowance in lieu			
Ensures that benefits are sufficient to recruit and retain individuals of the necessary calibre.	The Group seeks to bring transparency to Directors' reward structures through the use of cash allowances in place of benefits in kind. The cash allowance can be applied to benefits such as a company car and health benefits. Group benefits such as death in service insurance are also made available. Other benefits may be provided based on individual circumstances including housing or relocation allowances, travel allowance or other expatriate benefits. Benefits and allowances are reviewed alongside salary.	There is no prescribed maximum monetary value of benefits. Benefit provision is set at a level which the Committee considers appropriate against the market and relative to internal benefit provision in the Group and which provides sufficient level of benefit based on individual circumstances.	None.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Pension/cash allowance in lieu			
Contributes towards funding later life cost of living.	Executive Directors may participate in the Company's defined contribution pension scheme or take a cash allowance in lieu of pension entitlement (or a combination thereof).	A contribution and/or cash allowance not exceeding the level available to the majority of the Group's workforce.	None.
Annual bonus			
Motivates employees and incentivises delivery of annual performance targets which support the strategic direction of the Company.	Bonus levels are determined after the year end based on performance against targets set by the Committee. The Committee has discretion to vary the bonus pay out should any formulaic output not reflect the Committee's assessment of overall business performance, or if the Committee considers the pay-out to be inappropriate in the context of other relevant factors including to avoid outcomes which could be seen as contrary to shareholder expectations. Up to 50% of any bonus earned will ordinarily be paid in cash with the remainder deferred into shares, for up to three years. Additional shares may be delivered in respect of deferred bonus award shares to reflect dividends over the deferral period. The number of additional shares may be calculated assuming the reinvestment of dividends on such basis as the Committee determines. Malus and clawback provisions will apply to the annual bonus. See the "Malus and clawback" section below for more details.	Maximum opportunity is 125% of base salary.	Performance is ordinarily measured over the financial year. The Committee has flexibility to set performance measures and targets annually, reflecting the Company's strategy and aligned with key financial, operational, strategic and/or individual objectives. The majority of the bonus will be based on financial measures, such as profit and cash. The balance of the bonus will be based on financial or strategic targets such as brand equity and our ESG goals. In the case of financial measures, 25% of the bonus will be earned for threshold performance increasing to 50% for on-target performance and 100% for maximum performance. For non-financial measures, the amount of bonus earned will be determined by the Committee between 0% and 100% by reference to its assessment of the extent to which the relevant metric or objective has been met.

Directors' Remuneration Committee Report
(continued)

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
LTIP			
Incentivises Executive Directors to execute the Group's business strategy over the longer term and aligns their interests with those of shareholders to achieve a sustained increase in shareholder value.	Awards are made in the form of nil-cost options or conditional share awards, the vesting of which is conditional on the achievement of performance targets (as determined by the Committee). Vested awards must be held for a further two year period before sale of the shares (other than to pay tax). This holding period can be operated on the basis that: • awards vest following the assessment of the applicable performance conditions but will not be released (so that the participant is entitled to acquire shares) until the end of a holding period of two years beginning on the vesting date; or • the participant is entitled to acquire shares following the assessment of the applicable performance conditions but that (other than as regards sales to cover tax liabilities) the award is not released (so that the participant is able to dispose of those shares) until the end of the holding period. The Committee retains discretion to adjust the outturn of an LTIP award, including to override the formulaic outcome of the award, in the event that performance against targets does not properly reflect the underlying performance of the Company, or if the Committee considers the pay-out to be inappropriate in the context of other relevant factors including to avoid outcomes which could be seen as contrary to shareholder expectations. Additional shares may be delivered in respect of vested LTIP award shares to reflect dividends over the vesting period and, if relevant, the holding period. The number of additional shares may be calculated assuming the reinvestment of dividends on such basis as the Committee determines.	Awards may be made up to 150% of salary in respect of any financial year. In exceptional circumstances the maximum award is 300% of salary in respect of any financial year.	Vesting is based on the achievement of challenging performance targets measured over a period of three years. Performance may be assessed against financial measures (including, but not limited to, EPS and Cash Conversion) and operational or strategic measures (which may include ESG measures) aligned with the Company's strategy, provided that at least 75% of the award is based on financial measures. For the achievement of threshold performance against a financial measure, no more than 25% of the award will vest, rising, ordinarily on a straight-line basis, to 100% for maximum performance; below threshold performance, none of the award will vest. For non-financial measures, the amount of the award that vests will be determined by the Committee between 0% and 100% by reference to its assessment of the extent to which the relevant metric or objective has been met.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Share-based rewards – all-employee plans			
Align the interests of eligible employees with those of shareholders through share ownership.	The C&C Profit Sharing Scheme is an all-employee share scheme and has two parts. Part A relates to employees in Ireland and has been approved by the Irish Revenue Commissioners ('the Irish APSS'). Part B relates to employees in the UK and is a HMRC qualifying plan of free, partnership, matching or dividend shares (or cash dividends) with a minimum three year vesting period for matching shares ('the UK SIP'). UK resident Executive Directors are eligible to participate in Part B only. There is currently no equivalent plan for Directors resident outside of Ireland or the UK.	Under the Company's Irish APSS, the maximum value of shares that may be allocated each year is as permitted in accordance with the relevant tax legislation (currently €12,700, which is the combined value for the employer funded and employee foregone elements). Under the Company's UK SIP the current maximum value of partnership shares that may be acquired is £750 per annum, with an entitlement to matching shares of £750 per annum. However, the Committee reserves the right to increase the maximum to the statutory limits (being £1,800 in respect of partnership shares, £3,600 in respect of matching shares and £3,600 in respect of free shares, or in any case such greater limit as may be specified by the tax legislation from time to time).	No performance conditions would usually be required in tax-advantaged plans.

Shareholding guidelines

In-service requirement

Executive Directors are required to build and maintain a personal shareholding of at least two times' salary.

Executive Directors are required to retain 50% of the after tax value of vested share awards until the shareholding guideline is met.

Shares subject to awards which have vested but which remain unexercised, shares subject to LTIP awards which have vested but not been released (i.e. which are in a holding period) and shares subject to deferred bonus awards count towards the shareholding requirement on a net of assumed tax basis.

Post-employment requirement

The Committee has adopted a post-employment requirement. Shares are subject to this requirement only if they are acquired from LTIP or deferred bonus awards granted after 1 March 2021. For the first year after employment the Executive Director is required to retain such of those shares as have a value equal to the "in-service" guideline, or their actual shareholding, if lower, and for a further year such of those shares as have a value equal to half of the "in-service" guideline or their actual shareholding, if lower.

Directors' Remuneration Committee Report
(continued)

Explanation of performance measures

Performance measures for the LTIP and annual bonus are selected by the Committee to reflect the Company's strategy. In the case of both the annual bonus and the LTIP, the majority of the award (at least 75% in the case of the LTIP) will be based on financial measures, with any balance based on operational or strategic measures which reward the Executive Directors by reference to the achievement of objectives aligned with future successful implementation of the Company's strategy. The Committee has discretion to set performance measures (and weightings where there is more than one measure) on an annual basis to take account of the prevailing circumstances. Measures and weightings may vary depending upon an Executive Director's area of responsibility.

Targets are set annually by the Committee having regard to the circumstances at the time and taking into account a number of different factors.

To the extent provided for in accordance with any relevant amendment power under the rules of the share plans or in the terms of any performance condition, the Committee may alter the performance conditions relating to an award or option already granted if an event occurs (such as a material acquisition or divestment or unexpected event) which the Committee reasonably considers means that the performance conditions would not, without alteration, achieve their original purpose. The Committee will act fairly and reasonably in making the alteration so that the performance conditions achieve their original purpose and the thresholds remain as challenging as originally imposed. The Committee will explain and disclose any such alteration in the next remuneration report.

Malus and clawback

In line with the UK Corporate Governance Code, malus and clawback provisions apply to all elements of performance-based variable remuneration (i.e. annual bonus and LTIP) for the Executive Directors. 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, material corporate failure, significant reputational damage, error in assessing a performance condition, 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 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.

Executive Directors

Service Contracts

Details of the service contracts of the Executive Directors in office during the year are as follows:

Name	Contract date	Notice period	Unexpired term of contract
David Forde	2 November 2020	12 months	n/a
Patrick McMahon	8 July 2020	12 months	n/a
Andrea Pozzi*	31 May 2017	12 months	n/a

*Andrea Pozzi stepped down from the Board on 1 September 2021.

Non-Executive Directors

The table below sets out the Company's Remuneration Policy for Non-Executive Directors.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Non-Executive Director fees			
Attract and retain high calibre individuals with appropriate knowledge and experience	Fees paid to Non-Executive Directors are determined and approved by the Board as a whole. The Committee recommends the remuneration of the Chair to the Board. Fees are reviewed from time to time and adjusted to reflect market positioning and any change in responsibilities. Non-Executive Directors are not eligible to participate in the annual bonus plan or share-based plans and, save as noted below, do not receive any benefits (including pension) other than fees in respect of their services to the Company. Non-Executive Directors may be eligible to receive certain benefits as appropriate such as the use of secretarial support, travel costs or other benefits that may be appropriate. If tax is payable in respect of any benefit provided, the Company may make a further payment to cover the tax liability.	Fees are based on the level of fees paid to Non-Executive Directors serving on Boards of similar-sized listed companies and the time commitment and contribution expected for the role. The Articles of Association provide that the ordinary remuneration of Directors (i.e. Directors' fees, not including executive remuneration) shall not exceed a fixed amount or such other amount as determined by an ordinary resolution of the Company. The current limit was set at the Annual General Meeting held in 2013, when it was increased to €1.0 million in aggregate.	Not applicable.
Additional Fees			
Provide compensation to Non-Executive Directors taking on additional responsibility	Non-Executive Directors receive a basic fee and an additional fee for further duties (for example chairship of a committee or Senior Independent Director responsibilities) or time commitments.		Not applicable.
Shareholding Guidelines			
Provide alignment of interest between Non-Executive Directors and shareholders	Non-Executive Directors build up their individual shareholding to 50% of their annual base fee within 3 years of their appointment or within 3 years from the date of approval of the Remuneration Policy, if later. An annual review against the guidelines is put in place, after Q4, which would allow 25% of the fee to be invested into stock if the current holding does not meet 50% of the annual base fee. The fee and the share price on the date of the fourth fee payment of the year is the test of whether the guideline is met.		Not applicable

Directors' Remuneration Committee Report
(continued)

Letters of appointment

Each of the Non-Executive Directors in office at 28 February 2022 was appointed by way of a letter of appointment. Each appointment was for an initial term of three years, renewable by agreement (but now subject to annual re-election by the members in General Meeting). The letters of appointment are dated as follows:

Non-Executive Director	Date of letter of appointment
Stewart Gilliland	17 April 2012 (Chair)
Vineet Bhalla	26 April 2021
Jill Caseberry	7 February 2019
Vincent Crowley	23 November 2015
Ralph Findlay	16 September 2021
Emer Finnan	4 April 2014
Helen Pitcher	7 February 2019
Jim Thompson	7 February 2019

The letters of appointment are each agreed to be terminable by either party on one month's notice and do not contain any pre-determined compensation payments in the event of termination of office or employment.

Annual Remuneration Report

Remuneration in detail for the Year ended 28 February 2022

Directors' Remuneration (Audited)

The following table sets out the total remuneration for directors for the year ended 28 February 2022 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 28 February 2022 and the prior year.

	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	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors																
David Forde	690	230	52	17	-	-	-	-	34	12	-	-	-	1,472	776	1,731
Patrick McMahon	420	255	33	19	-	-	-	-	21	13	-	-	-	-	474	287
Andrea Pozzi[1]	188	311	14	27	-	-	-	-	38	90	-	-	-	-	240	428
Jonathan Solesbury[2]	-	137	-	13	-	-	-	-	-	48	-	641	-	37	-	876
Total	1298	933	99	76	-	-	-	-	93	163	-	641	-	1,509	1,490	3,322

The remuneration for 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.

1. Figures for Andrea Pozzi are to 1 September 2021 (the date he left the Board).
2. Figures for Jonathan Solesbury are to 23 July 2020 (the date he left the Board) plus certain payments made to him in connection with the cessation of his employment on 31 August 2020 (as further described on page 125 in the 2021 Annual Report).

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").

Notes to Directors' Remuneration Table

(a) Salaries and fees

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

(b) Taxable benefits

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).

Patrick McMahon elected to participate in the Irish APSS during the year, an "all employee plan" for employees in Ireland. Under that plan, the Company awarded a number of "free" shares in connection with his purchase of "contributory" shares, as permitted by the legislation. The value of those shares at the date of the awards has been included in the taxable benefit column (€1,728). For more details on the Profit Sharing Scheme, please see page 123.

(c) Annual bonus

No bonus scheme was implemented in FY2022 for Executive Directors due to the unpredictability of COVID-19.

(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 May 2019 under the LTIP were subject to the performance conditions set out below. The threshold level of performance was not achieved and the awards lapsed in full subsequent to the year end.

Directors' Remuneration Committee Report
(continued)

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	33%		
Threshold		65%	25%
Maximum		75%	100%
Return on Capital Employed	33%		
Threshold		9.3%	25%
Maximum		10%	100%

(e) Pensions related benefits
No Executive Director accrued any benefits under a defined benefit pension scheme. Under their service contracts, the Group's current Executive Directors received a cash payment of 5% of base salary in order to provide their own pension benefits as disclosed in column (e) of the table. Andrea Pozzi's pension provision reflects his legacy arrangements as described in the FY2021 Directors' Remuneration Report.

(f) Termination payments
Jonathan Solesbury retired from the Board as Group Chief Financial Officer on 23 July 2020 and left the business on 31 August 2020. Payments made to him after 23 July 2020 were included in the FY2021 Report.

(g) Miscellaneous
The miscellaneous payments were described in the FY2021 Report.

Additional Information

Fees from external appointments
None

Payments to Former Directors and Payments for Loss of Office
There were no payments to former Directors or payments for loss of office in FY2022 other than payments made to Andrea Pozzi in connection with his ongoing employment by the Group following his stepping down from the Board with effect from 1 September 2021.

Directors' Shareholdings and Share Interests

Shareholding guidelines
Executive Directors are required to build up (and maintain) a minimum holding of shares in the Company. Under the Policy, the Executive Directors are expected to maintain a personal shareholding of at least two 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 28 February 2022 in the share capital of the Company are detailed below:

	28 February 2022 Total	1 March 2021 Total
Directors		
David Forde	48,092	-
Patrick McMahon	87,939	52,473
Total	136,031	52,473

The Executive Directors' progress towards satisfying the shareholding requirements is shown in the table below:

Director	Shareholding	Target value	Value as at 28 February 2022*
David Forde	48,092	€1,380,000	€121,453
Patrick McMahon	87,939	€840,000	€222,084

* The value is based on the number of shares multiplied by the closing share price on 28 February 2022, converted into Euro using a FX rate of 0.8355, being £2.11 (€2.53).

Company Secretary

	28 February 2022 Total	1 March 2021 Total
Mark Chilton *	22,693	18,005

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

Between 28 February 2022 and 12 May 2022, being the latest practicable date, Patrick McMahon acquired 242 shares under the Irish APSS. There were no other changes in the above Directors' or the Company Secretary's interests between these dates.

For more details on the Profit Sharing Scheme, please see page 123.

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

Share incentive plan interests awarded during year (Audited)

LTIP

The table below sets out the plan interests awarded to Executive Directors during the year ended 28 February 2022. Awards granted under the LTIP are subject to performance conditions as set out on page 117 measured over a performance period ending at the end of February 2024.

Executive Director	Type of award	Maximum opportunity	Number of shares	Face value (at date of grant in Euros)[2]	% of maximum opportunity vesting at threshold
David Forde	LTIP	150% of base salary	377,953	1,035,000	25%
Patrick McMahon	LTIP	150% of base salary	230,058	630,000	25%
Andrea Pozzi	LTIP	150% of base salary	204,910	561,000	25%

1. The LTIP awards were granted on 15 June 2021 in the form of nil cost options over €0.01 ordinary shares in the Company.
2. The face value of LTIP awards is based on the number of shares under award multiplied by the closing share price on 14 June 2021 (being the day before the date of grant) converted into Euro, being £2.352 (€2.738).

Directors' Remuneration Committee Report
(continued)

Directors' Interests in Options (Audited)

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

Directors	Date of grant	Exercise price	Plan	Exercise period	Total at 1 March 2021 (or date of appointment if later)	Awarded in year	Exercised in year	Lapsed in year	Total at 28 February 2022
David Forde	3/11/20	€0.00	Buy-out 1[1]	3/11/22-3/11/30	421,318	28,309[2]	-	-	449,627
	3/11/20	€0.00	Buy-out 2[1]	3/11/23-3/11/30	421,318	28,309[2]	-	-	449,627
	2/12/20	€0.00	LTIP	2/12/23 – 2/12/30	363,357	24,415[2]	-	-	387,772
	15/06/21	€0.00	LTIP	15/06/24 – 15/06/31	-	377,953	-	-	377,953
				Total	1,205,993	458,986	-	-	1,664,979
Patrick McMahon	11/02/19	€0.00	LTIP	11/02/22 – 28/02/29	124,794	-	-	(124,794)	-
	2/12/20	€0.00	LTIP	2/12/23 – 2/12/30	221,174	14,861[2]	-	-	236,035
	15/06/21	€0.00	LTIP	15/06/24 – 15/06/31	-	230,058	-	-	230,058
				Total	345,968	244,919	-	(124,794)	466,093
Mark Chilton	11/02/19	€0.00	LTIP	11/02/22 – 10/2/29	86,334	-	-	(86,334)	-
	16/06/21	€0.00	R&R	16/06/22 – 16/06/28	-	48,894	-	-	-
				Total	86,334	48,894	-	(86,334)	48,894

Key: LTIP – Long Term Incentive Plan approved in 2015;

1. During FY2021, David Forde was granted awards ("Buy-Out Awards") to replace remuneration forfeited upon his departure from his former employer. The Buy-Out Awards were granted in the form of nil cost options over €0.01 ordinary shares in the Company. The number of shares under award was determined by reference to the value of the forfeited remuneration.
2. The awards granted on 3 November 2020 and 2 December 2020 were adjusted in the year to reflect the impact of the Rights Issue in line with standard practice. The adjustment is shown as an additional number of shares "Awarded in year".

No 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 2022 was £2.11 (26 February 2021 (being the last working day): £2.58). The price of the Company's ordinary shares ranged between £2.03 and £2.98 during the year.

There was no movement in the interests of the Directors in options over the Company ordinary shares between 28 February 2022 and 17 May 2022.

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 28 February 2022 and the prior year. Stewart Gilliland was interim Executive Chair from 15 January 2020 until 2 November 2020, at which point he reverted to his role as Non-Executive Chair; given his role, his remuneration for the whole year is included in the following Single Total Figure of Remuneration Table.

Each Non-Executive Director agreed to waive their fees for the year in relation to their services on Stakeholder Engagement in FY2021 due to the outbreak of COVID-19. Fees are the only element of the Non-Executive Directors' remuneration in FY2021.

Year ended February	Salary/fees 2022 €'000	2021 €'000
Non-Executive Directors		
Vineet Bhalla[1]	54	-
Jill Caseberry	75	64
Jim Clerkin[2]	46	61
Vincent Crowley[3]	121	80
Emer Finnan[3]	126	84
Stewart Gilliland[4]	230	377
Helen Pitcher	93	82
Jim Thompson	90	71
Total	835	819

1. Vineet Bhalla was appointed to the Board on 26 April 2021.
2. Jim Clerkin left the Board on 27 October 2021.
3. An additional fee of €32,500 was paid to Vincent Crowley and Emer Finnan to reflect the significant additional time given to assisting the business on a number of projects particularly in relation to the Rights Issue. This included but was not limited to the preparation for and attendance at 15 additional sub-committee meetings.
4. The fees paid to Stewart Gilliland for the year ending 28 February 2021 reflect his appointment as Interim Executive Chair from 16 January 2020 until 2 November 2020. The fee paid to Stewart Gilliland for the year ending 28 February 2022 reflect his appointment as Non-Executive Chair.

Fees paid to Non-Executive Directors are determined and approved by the Board as a whole. The Committee recommends the remuneration of the Chair 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 €
Non-Executive Chair	230,000
Base fee	65,000
Senior Independent Director	15,000
Audit Committee Chair	25,000
Remuneration Committee Chair	20,000
ESG Committee Chair	20,000
Audit Committee member	5,000
ESG 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

Shareholding guidelines

Non-Executive Directors are required to build up (and maintain) a minimum holding of shares in the Company of at least 50% of their base fee, within three years of their appointment or within 3 years of the date approval of the 2021 Policy, if later.

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

The beneficial interests, including family interests, of the Non-Executive Directors in office at 28 February 2022 in the share capital of the Company are detailed below:

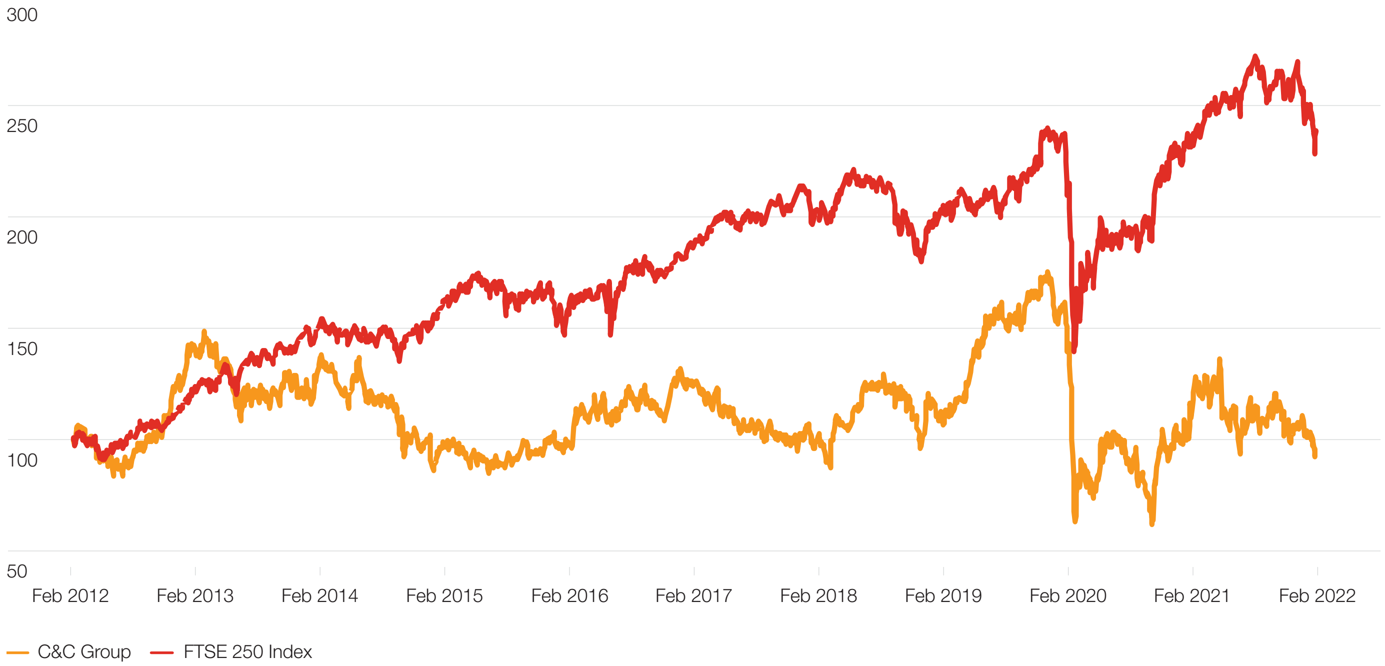
	28 February 2022 (or date of retirement from the board if earlier) Total	1 March 2021 (or date of appointment if later) Total
Directors		
Vineet Bhalla	10,000	-
Jill Caseberry	6,304	5,000
Vincent Crowley	25,216	20,000
Emer Finnan	10,028	7,954
Stewart Gilliland	166,089	129,165
Helen Pitcher	8,015	-
Jim Thompson	157,780	157,780
Total	383,432	319,899

There were no changes in the above Non-Executive Directors' share interests between 28 February 2022 and 17 May 2022.

Directors' Remuneration Committee Report
(continued)

Performance graph and table

Total shareholder return



This graph shows the value, at 28 February 2022, of £100 invested in the Company on 28 February 2012 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).

Chief Executive Officer

The following table sets out information on the remuneration of the Chief Executive Officer for the ten years to 28 February 2022:

		Total Remuneration €'000	Annual Bonus (as % of maximum opportunity)	Long term incentives vesting (as % of maximum number of shares)
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
FY2021	Stewart Gilliland (to 02/11/20)	301	N/A	N/A
FY2021	David Forde (from 02/11/20)	1,731	Nil	Nil
FY2022	David Forde	776	Nil	Nil

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

FY2020 and FY2021: Stephen Glancey retired as Group Chief Executive Officer on 15 January 2020 and Stewart Gilliland was appointed Interim Executive Chair from 16 January 2020 until 2 November 2020 when David Forde was appointed Chief Executive Officer. The salary, taxable benefits, annual bonus, long term incentives and pension figures are calculated for the period in office.

Total remuneration for David Forde in FY2021 includes the Buy-Out awards granted to compensate him for remuneration forfeited to join C&C as referred to in the FY2021 Report.

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

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, FY2021 and FY2022. For the wider workforce, the value of benefits provided in the year has not been included as the data is not readily available. In the view of the Company, this does not have a meaningful impact on the pay ratios.

Figures for earlier years are presented on the same basis as in the Directors' Remuneration Report for the prior year.

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 FY2022. In calculating the ratio, the Company determined full time equivalent annual remuneration for UK employees, employed in the business as at 28 February 2022. 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
2021	2,031,946 531,161	23,465 22,146	29,667 27,894	42,290 38,358
2022	776,250 690,000	26,759 25,281	34,125 31,511	45,338 41,613

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
2021	Option A	24.0:1	19.0:1	13.8:1
2022	Option A	27.3:1	21.9:1	16.6:1

Total Remuneration Ratios

Year	Method	25th percentile ratio	Median ratio	75th percentile ratio
2020	Option A	84.9:1	68.8:1	49.2:1
2021	Option A	86.6:1	68.5:1	48.0:1
2022	Option A	29.0:1	22.7:1	17.1:1

The Company believes that the median pay ratio for FY2022 is consistent with the pay, reward and progression policies for the UK employees. The change in the ratios between FY2021 and FY2022 are attributable to a number of factors including the FY2021 CEO remuneration being the aggregate of the Executive Chair's and CEO's remuneration and a significant proportion of employees being placed on furlough during FY2021, as a result of the COVID-19 pandemic.

Directors' Remuneration Committee Report
(continued)

Annual Percentage Change in Remuneration of Directors and Employees

The table below reports the annual percentage change in salary/fees and bonus of the Directors and employees between FY2020 and FY2022 in accordance with the UK Regulations. The UK Regulations also require that this disclosure be included in relation to benefits however due to the difficulty in obtaining this data, we have decided not to include benefits for the purpose of the calculation, consistent with our approach to the CEO Pay Ratio. The "average employee" disclosure shows the average percentage change in the same remuneration over the same period in respect of the Company's UK full time equivalent employees, by reported numbers. We have used the Company's UK full time equivalent employees as the comparator group for consistency with the approach to the CEO Pay Ratio calculation.

The average employee change has been calculated by reference to the mean of employee pay. Vineet Bhalla was appointed to the Board during FY2022 and, accordingly, has been excluded from the table below. Andrea Pozzi and Jim Clerkin left the Board during FY2022 and, accordingly, have been excluded from the table below.

		Average Employee	David Forde[4]	Patrick McMahon[4]	Stewart Gilliland[3]	Jill Caseberry	Vincent Crowley[5]	Emer Finnan[5]	Helen Pitcher	Jim Thompson
Salary/ Fees	FY2020 – FY2021[1,2]	(4.2%)	N/A	N/A	35.6%	(7.2%)	(7.0%)	(8.7%)	(3.5%)	2.9%
	FY2021 – FY2022	1.6%	0.0%	0.0%	(38.9%)	17.2%	50.6%	49.4%	13.4%	26.8%
Annual Bonus	FY2020 – FY2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY2021 – FY2022	0.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1. Due to the impact of COVID-19, a significant proportion of employees were placed on furlough during FY2021, resulting in a reduction in the salaries they earned.
2. Each Director took a voluntary reduction in salary in FY2021 due to the impact of COVID-19 which had an impact on the fees given for additional services. Jim Thompson's fee increased during FY2021 due to his appointment as Chair of the ESG Committee in September 2020.
3. The increase in Stewart Gilliland's salary/fee between FY2020 and FY2021 was not attributable to an increase in the remuneration paid for a role, but rather a change in role. Stewart was interim Executive Chair until 2 November 2020 when David Forde was appointed Chief Executive Officer, at which point Stewart reverted back to his position as Non-Executive Chair. Similarly, the decrease in Stewart Gilliland's salary/fee between FY2021 and FY2022 was not attributable to a decrease in the remuneration paid for a role, but rather the change in role as outlined above.
4. Each of David Forde and Patrick McMahon was appointed to the board during FY2021. For the purposes of the table above, their salary earned as a Director during that year has been annualised to determine the percentage change between FY2021 and FY2022. No bonus was earned by either Director in respect of FY2021 or FY2022.
5. An additional fee of €32,500 was paid to Vincent Crowley and Emer Finnan in FY2022 to reflect the significant additional time given to assisting the business on a number of projects particularly in relation to the Rights Issue.

Implementation of the Remuneration Policy in FY2023

Based on the continuation of the existing approach, the Committee intends to take the following approach to the implementation of the Policy for FY2023:

Salary

In line with the wider workforce, the Committee has agreed that executive salaries will increase by 3.5%.

Annual Bonus

The maximum opportunity will continue to be 100% of base salary. The operation of the annual bonus will continue broadly unchanged, reverting back to being based on full year targets, with 75% of the metrics for any bonus will be based on financial measures and the remainder on non-financial or strategic goals, including ESG measures.

Long-Term Incentives

The current intention is that awards of LTIPs will be made in late May / early June 2022. The Committee has yet to determine the performance measures, which may include EPS, free cash flow and return on capital employed along with an ESG based measure (with financial measures accounting for at least 75% of the awards). The Committee has determined that before the measures are set, it should review the first quarter's trading and the latest assessment of any continuing measures to control the pandemic. The measures will be confirmed in the regulatory announcement when the awards are made.

Non-Executive Directors

Following a review, the Board has agreed that non-executive base fees will increase by 3.1% in FY2023.

Chair Fee

On 16 September 2021, we announced the appointment of Ralph Findlay as a director and Chair designate. Ralph Findlay joined the Board on 1 March 2022 as a Non-Executive Director and will succeed Stewart Gilliland as Chair following the 2022 AGM. As a Non-Executive Director, Ralph Findlay receives a fee of €65,000, which takes account of the 3.1% increase as explained above, and on his appointment as Chair will receive a fee of €250,000, which is slightly higher than that paid to Stewart Gilliland, but takes into account that the chair fee had not increased for ten years.

Shareholder Voting at 2021 Annual General Meeting

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

Directors' Remuneration Report

AGM	For	Against	Withheld
2021	279,246,638	8,817,526	4,316

Directors' Remuneration Policy

AGM	For	Against	Withheld
2021	273,330,524	14,729,936	4,153

The Company is committed to ongoing shareholder dialogue and takes shareholder views into consideration when formulating remuneration policy and practice. To the extent that 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 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 2021, our Policy was approved by our shareholders on an advisory basis along with the 2021 Annual Remuneration Report.

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

Helen Pitcher OBE
Chair of the Remuneration Committee
17 May 2022

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 88 and 89 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 auditor is 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 auditor is 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 28 February 2022 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

David Forde
Group Chief Executive Officer

Patrick McMahon
Group Chief Financial Officer

17 May 2022

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of C&C Group plc ('the Company') and its subsidiaries ('the Group') for the year ended 28 February 2022, 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 28 February 2022;
- 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 154 to 170.

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, Accounting Standards including FRS 101 *Reduced Disclosure Framework* issued in the United Kingdom by the Financial Reporting Council.

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 28 February 2022 and of the Group's profit for the year then ended;
- the Company financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 28 February 2022;
- 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 FRS 101 *Reduced Disclosure Framework*; and as applied in accordance with the provisions of the Companies Act 2014;
- 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 issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

Risk assessment procedures

- Obtained an understanding of management's process for the use of the going concern basis of accounting;
- Considering whether events or conditions existed that may cast doubt on the entity's ability to continue as a going concern for a period not less than 12 months from the approval of the financial statements.

Management's process for assessing going concern

- In conjunction with our walkthrough of the Group's financial statement close process, we engaged with management early to ensure key factors were considered in their assessment including controls;
- Obtained management's board-approved forecasted cash flows and covenant calculations for the going concern period which covers a period of at least 12 months from the date the financial statements are authorised for issue along with the Group's assessment models for specific stressed scenarios;
- Using our understanding of the business and through inspection and testing, evaluated and determined, whether the forecasting model and methods adopted by management in assessing going concern were appropriately sophisticated to be able to make an assessment for the Group; and
- Considered the consistency of information obtained from other areas of the audit such as the forecasts used for impairment assessments.

Assumptions

- Considered past historical accuracy of management's forecasting;
- Tested the assumptions included in the model and stressed scenarios, noting that the model was prepared on a top-down basis, driven by volumes sold within each business unit and channel with different assumptions around reduction in revenue and cost inflation, we reviewed and challenged the key assumptions, corroborating to underlying available data;
- Tested the forecast models for each scenario to ensure that they were mathematically accurate; and
- Considered industry reports and market data for indicators of contradictory evidence, including a review of profit warnings within the sector.

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

Debt facilities / liquidity

- Performed a detailed review of all borrowing facilities to assess their continued availability to the Group through the going concern assessment period and to ensure completeness of covenants identified by management; and
- Verified the covenant waivers in place covering the August 2022 and February 2023 measurement dates. As a result of the Equity Raise, the Group's banking covenants were renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x for the August 2022 assessment date after which the Group returns to its original debt covenants of Net Debt/Adjusted EBITDA covenant to not exceed 3.5x and the Interest cover covenant to be not less than 3.5x.

Stress testing and Management's plans for future actions

- Performed sensitivity analysis assuming inflationary increases to operating costs in line with analyst forecasts and general economic sentiment, a change in revenue mix and reduction in revenue given the potential for changes in consumer behaviour as a result of the COVID-19 pandemic, which indicated that there was still liquidity headroom under these scenarios;
- Assessed the plausibility of management's stressed scenarios by evaluating the Group's actual performance in early FY23 and considering industry outlook analysis; and
- Evaluated management's ability to undertake mitigating actions to reduce cash outflows during the going concern assessment period to determine whether such actions are feasible.

Disclosures

Reviewed the Group's going concern disclosures in the financial statements to ensure they are in accordance with International Financial Reporting Standards.

Our key observations

We have observed that the Group has quickly recovered from the pandemic, returning to profitability in the latter part of the current year and generating operating cash flows of €33.0 million in the year ended 28 February 2022. The Group is not expected to be significantly impacted by Covid-19 in the going concern assessment period. Further, the Group has access to significant liquidity. The majority of the Group's long-term funding commitments mature after July 2024. At 28 February 2022, the Group has unrestricted cash and cash equivalents of €64.7 million and unused committed debt facilities of up to €374 million from a revolving bank credit facility expiring in July 2024.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group and Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's or the Company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 12 components and performed audit procedures on specific balances for a further 3 components • We performed specified procedures at a further 7 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 94.3% of the Group's Profit before Tax from continuing operations, 99.6% of the Group's Net Revenue and 95.8% of the Group's Total Assets • Components represent business units across the Group considered for audit scoping purposes
Key audit matters	• Going concern – presented in the '**Conclusions relating to going concern'** section above • Recoverability of on-trade receivable balances and advances to customers • Impairment assessment of goodwill and intangible brand assets • Assessment of the valuation of property, plant and equipment (PP&E) • Revenue recognition
Materiality	• Overall Group materiality was assessed to be €3.85 million which represents approximately 5% of the Group's Normalised Earnings based on the average profit before tax and pre-exceptional items for the years ended 28 February 2019 to 28 February 2022 excluding 28 February 2021. We refer to this materiality basis as 'Normalised Earnings' throughout. In our prior year audit, we adopted a materiality of €3.7 million based on 0.5% of the Group's Net Revenue.
What has changed?	• In the current year, our auditor's report includes an amendment to the key audit matter *Assessment of the valuation of property, plant and equipment (PP&E)*, where this key audit matter has been narrowed to exclude impairment assessment of equity accounted investments as the significant equity accounted investment is 'Held For Sale' at the year end.

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
Recoverability of on-trade receivable balances and advances to customers (Trade receivables 2022: €147.5m, 2021: €75.9m, advances to customers 2022: €43.0m, 2021: €42.1m) The Group has a risk through exposure to on-trade receivable balances and advances to customers who may experience financial difficulty given the ongoing COVID-19 pandemic and the withdrawal of government wage subsidies during the year. Refer to the Audit Committee Report (page 102); and Statement of Accounting Policies (pages 167 and 170); and Note 15 of the Consolidated Financial Statements (pages 203 to 204).	We have evaluated the process and key controls, designed and implemented by management, related to assessing recoverability of on-trade receivable balances and advances to customers. We have reviewed the model used by management in calculating the expected credit losses to ensure that it is compliant with IFRS 9 and adequately captures the additional risks in the current environment. We are satisfied that a consistent methodology tailored for local nuances has been applied in calculating expected credit losses. We have considered management's assumptions around the impact of the current environment on the debtor portfolios. Additionally, we have benchmarked the expected credit losses using information such as credit default swaps for comparable groups operating in the same sector and found these to be reasonable. Given the inherent level of uncertainty and the sensitivity of judgements and estimates, we reviewed all related disclosures of the key assumptions used and judgements made in estimating the Expected Credit Loss (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.

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
Impairment assessment of goodwill & intangible brand assets (2022: €656.5m, 2021: €646.0m) 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 cash-generating unit ('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. Refer to the Audit Committee Report (page 102); Statement of Accounting Policies (pages 161 to 162 and 169 to 170); and Note 12 of the Consolidated Financial Statements (pages 194 to 199).	We have evaluated the process and key controls, designed and implemented by management, related to the impairment assessment of goodwill & intangible brand assets. 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 carefully considered the determination of the Group's 6 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 evaluated 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 reasonably 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: • whether the discount rates lay within an acceptable range; • the level of headroom of the present value of cash flows over the CGU and asset carrying amounts; • 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 analyses on the outcome of the value-in-use models which indicated management's conclusions were appropriate; and • all disclosures are appropriate to the requirements of IAS 36.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Assessment of the valuation of property, plant and equipment (PP&E) (2022: €146.0m, 2021: €139.3m) 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 102); Statement of Accounting Policies (pages 158 to 159 and 169); and note 11 of the Consolidated Financial Statements (pages 189 to 193).	We have evaluated the process and key controls, designed and implemented by management, related to assessing the valuation of property, plant and equipment. For PP&E, we inspected the independent expert valuation reports 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 ensured the related valuation adjustments were correctly reflected and we re-calculated depreciation considering the useful lives of the assets. We considered the adequacy of management's disclosures in respect of the valuation and whether the disclosures appropriately communicate the underlying sensitivities. All of 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; • an outline of the procedures performed; • the judgements we focused on including the appropriateness of the depreciated replacement cost methodology; and • the results of our testing on the outcome of the valuations and in respect of the related disclosures.

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
Revenue recognition (2022: €1,438.1m, 2021: €736.9m) The Group generates revenue from a variety of geographies and across a large number of separate legal entities spread across the Group's two business segments. The Group's revenue particularly on supply, complex and non-standard customer contract 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 102); Statement of Accounting Policies (page 164); and note 1 of the Consolidated Financial Statements (pages 171 to 174).	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, classification of revenue and related disclosures in accordance with *IFRS 15: Revenue*. • In addition, we have discussed significant and complex customer contracts, discounts and the treatment of marketing contributions 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; • an outline of the procedures performed; and • 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 €3.85 million, which is approximately 5% of the Group's Normalised Earnings based on the average Profit before Tax and pre-exceptional items for the years ending 28 February 2019 to 28 February 2022 excluding 28 February 2021, (2021: €3.7 million based on 0.5% of the Group's Net Revenue). We believe that Normalised Earnings 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 Group's equity and debt stakeholders in the context of the Group which has not yet returned to a normalised level of profits.

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

Performance materiality
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% (2021: 50%) of our planning materiality, namely €1.93 million (2021: €1.85 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.

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 €0.193 million (2021: €0.18 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 15 (2021: 18) components covering entities across Ireland, UK and the US, which represent the principal business units within the Group. Of the 15 (2021: 18) components selected, we performed an audit of the complete financial information of 12 (2021: 10) components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 3 (2021: 8) 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 15 (2021: 18) components discussed above, we selected a further 7 (2021: 6) components where we performed procedures at the component level that were specified by the Group audit team in response to specific risk factors.

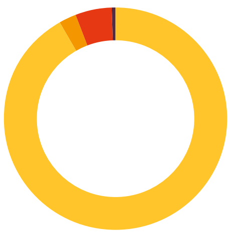
The reporting components where we performed audit procedures accounted for 99.6% (2021: 98.9%) of the Group's Profit/loss before Tax, 99.6% (2021: 99.6%) of the Group's Net Revenue and 95.9% (2021: 99.5%) of the Group's Total Assets.

For the current year, the full scope components contributed 91.8% (2021: 85.0%) of the Group's Profit /loss before Tax, 99.6% (2021: 97.0%) of the Group's Net Revenue and 95.8% (2021: 97.3%) of the Group's Total Assets. The specific scope component contributed 2.5% (2021: 13.7%) of the Group's Profit/loss before Tax, 0.0% (2021: 0.0%) of the Group's Net Revenue and 0.0% (2021: 0.5%) 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 5.3% (2021: 0.2%) of the Group's Profit/loss before Tax, 0.0% (2021: 2.6%) of the Group's Net Revenue and 0.1% (2021: 1.7%) 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 accounts tested for the Group.

Of the remaining components that together represent 0.4% (2021: 1.1%) of the Group's Profit/loss before Tax, none are individually greater than 5% (2021: 5%) of the Group's Profit/loss before Tax. 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.

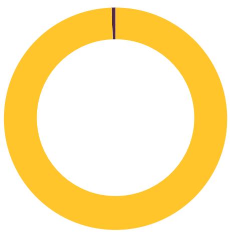
The charts below illustrate the coverage obtained from the work performed by our audit teams.

Profit before tax



91.8%	Full scope components
2.5%	Specific scope components
5.3%	Specified procedures
0.4%	Other procedures

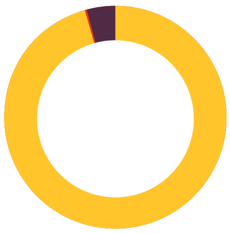
Net Revenue



99.6%	Full scope components
0.0%	Specific scope components
0.0%	Specified procedures
0.4%	Other procedures

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

Total Assets



95.8%	Full scope components
0.0%	Specific scope components
0.1%	Specified procedures
4.1%	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 global 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. During the current year's audit cycle, the Group audit team performed remote file reviews at Belfast, Glasgow and MCB. These visits involved discussing the audit approach and any issues arising with the component teams and holding discussions with local management and attending closing meetings.

The Group audit team interacted regularly with the component teams, where appropriate, during various stages of the audit, reviewed and evaluated the work performed by these teams, including review of key reporting documents, in accordance with the ISAs (Ireland) and were responsible for the overall planning, scoping and direction of the Group audit process. Senior members of the Group audit team also participated in component and divisional planning, interim and closing meeting calls during which the planning and results of the audits were discussed with the component auditors, local management and Group management. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Other 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 34 to 43) that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation (set out on page 35) in the annual report that they have carried out a robust assessment of the principal risks facing the Group and the Company, including those that would threaten its business model, future performance, solvency or liquidity.
- the directors' statement (set out on pages 43 to 44) 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 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 pages 44 to 45) 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 any uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- *Fair, balanced and understandable* (set out on page 96) – 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 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 100 to 105) – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee or 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 91) – 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

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- 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
- 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, to the best of our knowledge and belief, are 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 Balance Sheet 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 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, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. 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, 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 28 February 2021.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 136, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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 the parent 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 the parent Company or to cease operations, or has no realistic alternative but to do so.

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

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 C&C Group plc 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 Policies, 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 non-compliance with laws and regulations, a review of the reporting to the Audit Committee on compliance with regulations, enquiries of internal and external legal 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 5 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
17 May 2022

Consolidated Income Statement
For the financial year ended 28 February 2022

	Notes	Year ended 28 February 2022 Before exceptional items €m	Exceptional items (note 5) €m	Total €m	Year ended 28 February 2021 Before exceptional items €m	Exceptional items (note 5) €m	Total €m
Revenue	1	**1,796.1**	**-**	**1,796.1**	1,022.8	-	1,022.8
Excise duties		**(358.0)**	**-**	**(358.0)**	(285.9)	-	(285.9)
Net revenue	1	**1,438.1**	**-**	**1,438.1**	736.9	-	736.9
Operating costs	2	**(1,390.2)**	**10.6**	**(1,379.6)**	(796.5)	(25.2)	(821.7)
Group operating profit/(loss)	1	**47.9**	**10.6**	**58.5**	(59.6)	(25.2)	(84.8)
Profit on disposal	5	**-**	**4.5**	**4.5**	-	5.8	5.8
Finance income	6	**-**	**0.2**	**0.2**	-	-	-
Finance expense	6	**(16.1)**	**(6.7)**	**(22.8)**	(19.5)	(7.9)	(27.4)
Share of equity accounted investments' profit/(loss) after tax	13	**2.6**	**2.7**	**5.3**	(6.1)	(8.8)	(14.9)
Profit/(loss) before tax		**34.4**	**11.3**	**45.7**	(85.2)	(36.1)	(121.3)
Income tax (expense)/credit	7	**(6.2)**	**(2.4)**	**(8.6)**	14.4	2.4	16.8
Group profit/(loss) for the financial year		**28.2**	**8.9**	**37.1**	(70.8)	(33.7)	(104.5)
Basic earnings/(loss) per share (cent)	9			**9.9**			(31.1)
Diluted earnings/(loss) per share (cent)	9			**9.9**			(31.1)

All of the results are related to continuing operations.

Consolidated Statement of Comprehensive Income
For the financial year ended 28 February 2022

	Notes	2022 €m	2021 €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	**11.9**	(17.4)
Foreign currency recycled on disposal of subsidiary	6	**(0.2)**	-
(Loss)/gain relating to cash flow hedges	24	**(0.1)**	0.3
Items that will not be reclassified to Income Statement in subsequent years:			
Revaluation of property, plant & equipment	11	**2.5**	0.9
Deferred tax on revaluation of property, plant and equipment	22	**(0.6)**	(0.2)
Actuarial gain on retirement benefits	23	**32.8**	13.4
Deferred tax charge on actuarial gain on retirement benefits	22	**(4.3)**	(1.6)
Share of equity accounted investments' Other Comprehensive Income	13	**2.2**	(0.4)
Net gain/(loss) recognised directly within Other Comprehensive Income		**44.2**	(5.0)
Group profit/(loss) for the financial year		**37.1**	(104.5)
Total comprehensive income/(expense) for the financial year		**81.3**	(109.5)

Consolidated Balance Sheet
As at 28 February 2022

	Notes	2022 €m	2021 €m
ASSETS			
Non-current assets			
Property, plant & equipment	11	**214.0**	204.0
Goodwill & intangible assets	12	**656.5**	646.0
Equity accounted investments/financial assets	13	**1.3**	63.1
Retirement benefits	23	**37.6**	10.4
Deferred tax assets	22	**27.0**	24.6
Derivative financial assets	10	**4.3**	-
Trade & other receivables	15	**43.0**	41.8
		983.7	989.9
Current assets			
Inventories	14	**168.2**	121.3
Trade & other receivables	15	**186.3**	102.8
Cash		**64.7**	107.7
		419.2	331.8
Assets held for sale	16	**65.8**	13.9
		485.0	345.7
TOTAL ASSETS		**1,468.7**	1,335.6
EQUITY			
Capital and reserves			
Equity share capital	25	**4.0**	3.2
Share premium	25	**347.2**	171.3
Treasury shares	25	**(36.0)**	(36.5)
Other reserves	25	**98.3**	83.1
Retained income		**285.5**	225.0
Total Equity		**699.0**	446.1
LIABILITIES			
Non-current liabilities			
Lease liabilities	19	**59.8**	60.7
Interest bearing loans & borrowings	20	**219.4**	420.3
Retirement benefits	23	**-**	5.5
Provisions	18	**3.9**	6.5
Deferred tax liabilities	22	**30.2**	17.3
		313.3	510.3
Current liabilities			
Lease liabilities	19	**20.2**	18.9
Derivative financial liabilities	24	**0.1**	-
Trade & other payables	17	**386.1**	296.2
Interest bearing loans & borrowings	20	**36.6**	49.7
Provisions	18	**8.2**	6.2
Current income tax liabilities		**5.2**	5.8
		456.4	376.8
Liabilities directly associated with the assets held for sale		**-**	2.4
		456.4	379.2
Total liabilities		**769.7**	889.5
TOTAL EQUITY & LIABILITIES		**1,468.7**	1,335.6

On behalf of the Board

S Gilliland	**D Forde**	**DATE**
Chair	Chief Executive Officer	17 May 2022

Consolidated Cash Flow Statement
For the financial year ended 28 February 2022

	Notes	2022 €m	2021 €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Group profit/(loss) for the year		**37.1**	(104.5)
Finance income	6	**(0.2)**	-
Finance expense	6	**22.8**	27.4
Income tax expense/(credit)	7	**8.6**	(16.8)
(Profit)/loss on share of equity accounted investments	13	**(5.3)**	14.9
Impairment of intangible asset	12	**0.6**	0.3
Impairment of equity accounted investments	5,13	**6.4**	9.1
(Revaluation)/ impairment of property, plant & equipment	5	**(0.6)**	1.2
Depreciation of property, plant & equipment	11,19	**29.2**	28.2
Amortisation of intangible assets	12	**2.6**	2.6
Profit on disposal	5	**(4.5)**	(5.8)
Net profit on disposal of property, plant & equipment		**(1.6)**	(0.4)
Rights Issue costs recorded as exceptional	5	**2.6**	-
Charge for equity settled share-based payments	4	**1.5**	0.8
Pension contributions: adjustment from charge to payment	23	**0.3**	0.5
		99.5	(42.5)
(Increase)/decrease in inventories		**(43.6)**	18.2
(Increase)/decrease in trade & other receivables		**(84.0)**	39.6
Increase/(decrease) in trade & other payables		**89.6**	(97.2)
(Decrease)/increase in provisions		**(0.9)**	3.5
		60.6	(78.4)
Interest and similar costs paid		**(24.4)**	(23.4)
Income taxes (paid)/refunded		**(3.2)**	7.2
Net cash inflow/(outflow) from operating activities		**33.0**	(94.6)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment	11	**(14.9)**	(8.4)
Purchase of intangible assets	12	**(2.2)**	(1.6)
Net proceeds on disposal of property, plant & equipment		**2.3**	1.0
Sale of business – net of cash disposed	10	**12.9**	6.7
Cash outflow re acquisition of equity accounted investments/financial assets	13	**(0.3)**	(6.9)
Net cash outflow from investing activities		**(2.2)**	(9.2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options/equity interests		**0.7**	0.3
Proceeds from Rights Issue	5	**176.3**	-
Drawdown of debt		**49.5**	570.9
Repayment of debt		**(271.7)**	(464.0)
Payment of lease liabilities	19	**(21.9)**	(19.0)
Payment of issue costs	20	**-**	(1.4)
Payment of Rights Issue costs	5	**(9.2)**	-
Dividends paid	8	**-**	(0.4)
Net cash (outflow)/inflow from financing activities		**(76.3)**	86.4
Net decrease in cash		**(45.5)**	(17.4)
Reconciliation of opening to closing cash			
Cash at beginning of year		**107.7**	123.4
Translation adjustment		**2.5**	1.7
Net decrease in cash		**(45.5)**	(17.4)
Cash at end of financial year		**64.7**	107.7

A reconciliation of cash to net debt is presented in note 21 to the financial statements.

Consolidated Statement of Changes in Equity
For the financial year ended 28 February 2022

	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
At 29 February 2020	3.2	171.0	25.8	0.3	5.8	59.0	11.5	(36.6)	315.4	555.4
Loss for the financial year	-	-	-	-	-	-	-	-	(104.5)	(104.5)
Other comprehensive income/(expense)	-	-	-	0.3	-	(17.4)	0.9	-	11.2	(5.0)
Total comprehensive income/(expense)	-	-	-	0.3	-	(17.4)	0.9	-	(93.3)	(109.5)
Dividends on ordinary shares (note 8)	-	-	-	-	-	-	-	-	0.2	0.2
Exercised share options (note 25)	-	0.3	-	-	-	-	-	-	-	0.3
Reclassification of share-based payments reserve	-	-	-	-	(3.3)	-	-	-	3.3	-
Reclassification of cash flow hedge reserve	-	-	-	(0.6)	-	-	-	-	0.6	-
Sale of treasury shares/purchase of shares to satisfy employee share entitlements (note 25)	-	-	-	-	-	-	-	0.1	(0.1)	-
Equity accounted investment adjustment (note 13)	-	-	-	-	-	-	-	-	(1.1)	(1.1)
Equity settled share-based payments (note 4)	-	-	-	-	0.8	-	-	-	-	0.8
Total transactions with owners	-	0.3	-	(0.6)	(2.5)	-	-	0.1	2.9	0.2
At 28 February 2021	3.2	171.3	25.8	-	3.3	41.6	12.4	(36.5)	225.0	446.1
Profit for the financial year	-	-	-	-	-	-	-	-	**37.1**	**37.1**
Other comprehensive income/(expense)	-	-	-	**(0.1)**	-	**11.7**	**2.5**	-	**30.1**	**44.2**
Total comprehensive income/(expense)	-	-	-	**(0.1)**	-	**11.7**	**2.5**	-	**67.2**	**81.3**
Ordinary Share Capital Issued (note 25)	**0.8**	**175.5**	-	-	-	-	-	-	-	**176.3**
Share issue costs (note 5)	-	-	-	-	-	-	-	-	**(6.6)**	**(6.6)**
Exercised share options (note 25)	-	**0.4**	-	-	-	-	-	-	-	**0.4**
Reclassification of share-based payments reserve	-	-	-	-	**(0.4)**	-	-	-	**0.4**	-
Sale of treasury shares/purchase of shares to satisfy employee share entitlements (note 25)	-	-	-	-	-	-	-	**0.5**	**(0.5)**	-
Equity settled share-based payments (note 4)	-	-	-	-	**1.5**	-	-	-	-	**1.5**
Total transactions with owners	**0.8**	**175.9**	-	-	**1.1**	-	-	**0.5**	**(6.7)**	**171.6**
At 28 February 2022	**4.0**	**347.2**	**25.8**	**(0.1)**	**4.4**	**53.3**	**14.9**	**(36.0)**	**285.5**	**699.0**

*Other capital reserves include Other undenominated reserve of €0.9m and the capital reserve of €24.9m

Company Balance Sheet
As at 28 February 2022

	Notes	2022 €m	2021 €m
ASSETS			
Non-current assets			
Financial assets	13	**1,158.2**	985.4
		1,158.2	985.4
Current assets			
Trade & other receivables	15	**114.7**	118.6
Cash		**0.1**	0.7
		114.8	119.3
TOTAL ASSETS		**1,273.0**	1,104.7
EQUITY			
Equity share capital	25	**4.0**	3.2
Share premium	25	**1,048.2**	872.3
Other reserves	25	**4.2**	3.1
Retained income		**21.5**	44.7
Total equity		**1,077.9**	923.3
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	20	**143.4**	139.7
		143.4	139.7
Current liabilities			
Interest bearing loans & borrowings	20	**(0.9)**	4.7
Trade & other payables	17	**52.6**	37.0
		51.7	41.7
Total liabilities		**195.1**	181.4
TOTAL EQUITY & LIABILITIES		**1,273.0**	1,104.7

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 loss for the financial year is €17.0m (FY2021: €8.8m). In the current financial year, there were no dividends received from subsidiaries (FY2021: €76.6m).

On behalf of the Board

S Gilliland	**D Forde**	**DATE**
Chair	Chief Executive Officer	17 May 2022

Company Statement of Changes in Equity
For the financial year ended 28 February 2022

	Equity share capital €m	Share premium €m	Other undenominated reserve €m	Share-based payments reserve €m	Retained income €m	Total €m
Company						
At 29 February 2020	3.2	872.0	0.9	4.7	50.0	930.8
Loss for the financial year	-	-	-	-	(8.8)	(8.8)
Total comprehensive expense	-	-	-	-	(8.8)	(8.8)
Dividend on ordinary shares (note 8)	-	-	-	-	0.2	0.2
Exercised share options (note 25)	-	0.3	-	-	-	0.3
Reclassification of share-based payments reserve	-	-	-	(3.3)	3.3	-
Equity settled share-based payments (note 4)	-	-	-	0.8	-	0.8
Total transactions with owners	-	0.3	-	(2.5)	3.5	1.3
At 28 February 2021	3.2	872.3	0.9	2.2	44.7	923.3
Loss for the financial year	**-**	**-**	**-**	**-**	**(17.0)**	**(17.0)**
Total comprehensive expense	**-**	**-**	**-**	**-**	**(17.0)**	**(17.0)**
Ordinary Share Capital Issued (note 25)	**0.8**	**175.5**	**-**	**-**	**-**	**176.3**
Share issue costs (note 5)	**-**	**-**	**-**	**-**	**(6.6)**	**(6.6)**
Exercised share options (note 25)	**-**	**0.4**	**-**	**-**	**-**	**0.4**
Reclassification of share-based payments reserve	**-**	**-**	**-**	**(0.4)**	**0.4**	**-**
Equity settled share-based payments (note 4)	**-**	**-**	**-**	**1.5**	**-**	**1.5**
Total transaction with owners	**0.8**	**175.9**	**-**	**1.1**	**(6.2)**	**171.6**
At 28 February 2022	**4.0**	**1,048.2**	**0.9**	**3.3**	**21.5**	**1,077.9**

Statement of Accounting Policies
For the year ended 28 February 2022

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 28 February 2022 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 28 February 2022.

The Company and Group financial statements, together the "financial statements", were authorised for issue by the Directors on 17 May 2022.

The accounting policies applied in the preparation of the financial statements for the year ended 28 February 2022 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.

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and as applied in accordance with Companies Act 2014. The individual financial statements of the Company have been prepared in accordance with Financial Reporting Standard 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;
- 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 Group 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 equity settled share-based payments.

Changes in accounting policies and disclosures

IFRS 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 28 February 2022. 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 28 February 2022:

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Group has completed a review of the implications for the Group as a result of the move from LIBOR to SONIA, it has found that all contracts and agreements have been updated accordingly. As such the basis of interest calculations which previously referenced LIBOR will be correct from 1 January 2022 and no further work is required.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendments to IFRS 16

On 28 May 2020, the IASB issued *COVID-19 Related Rent Concessions* - amendment to IFRS 16 *Leases*. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for the change under IFRS 16 if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021, however earlier application is permitted. This amendment had no material impact on the consolidated financial statements of the Group.

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 28 February 2022 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)

Reference to the Conceptual Framework – Amendments to IFRS 3 (1 January 2022)

- In May 2020, the IASB issued Amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 *Levies*, if incurred separately. At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (1 January 2022)

- In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (1 January 2022)

- In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (1 January 2022)

- As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards.* The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (1 January 2022)

- As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial

Statement of Accounting Policies
For the year ended 28 February 2022 (continued)

liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements

- As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 *Agriculture*. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement ("PS") 2 (1 January 2023)

- In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Definition of Accounting Estimates - Amendments to IAS 8 (1 January 2023)

- In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current (1 January 2023)

- In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. However in July 2021, IASB tentatively decided to defer the effective date of the amendments to no earlier than 1 January 2024. The amendments are currently under assessment but are not expected to have a material impact on the Group.

IFRS 17 Insurance Contracts (1 January 2023)

- In May 2017, the IASB issued IFRS 17. It is expected to be effective for reporting periods beginning on or after 1 January 2023, with presentation of comparative figures required.

The Group will be unaffected by this standard given it does not issue insurance contracts.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

- In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted. The amendments are currently under assessment but are not expected to have a material impact on the Group.

Significant accounting policies

The significant accounting policies applied by the Group in the preparation of these financial statements are as follows:

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.

(i) Going concern basis

The Directors have adopted the going concern basis in preparing the financial statements after assessing the Group's principal risks including the risks associated with COVID-19.

Following the Rights Issue that the Group successfully completed in June 2021 in which the Group raised £151m (€176m) and as a consequence of COVID-19, the debt covenants for 31 August 2022 were renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x. Restrictions including a minimum liquidity requirement of €150.0m each month and a monthly gross debt limit of €700.0m also apply. The Group is on track to meet these amended covenants, which end in August 2022 and revert to the traditional covenant metrics (Net Debt: Adjusted EBITDA not exceeding 3.5:1 and Interest Cover not less than 3.5:1) for its FY2023 full year results. In fact, the Group is back within its traditional covenant metrics as at 28 February 2022. However the restrictions will continue to apply until the Group demonstrates compliance with the traditional covenant metrics at its FY2023 full year results, unless it can show Net Debt: Adjusted EBITDA not exceeding 3:1 and Interest Cover not less than 4:1 for its FY2023 half year results, in which case the restrictions will end at that point.

The proceeds from the Rights Issue of £151m (€176m), coupled with a return to profitability and cash generation following the easing of government restrictions around COVID-19 in our core markets and disciplined balance sheet management has led to net debt excluding leases and liquidity of €191m and €439m respectively at year end compared with €362m and €315m respectively in FY2021. The Group delivered a leverage of 3.4x Net Debt/EBITDA as at 28 February 2022 and as previously noted is back within its traditional covenant metrics.

The Group returned to profitability in May 2021 following the easing of government restrictions around COVID-19 in our core markets, with trading ahead of plan. However, renewed Government restrictions on the hospitality industry around the key Christmas trading period adversely impacted performance. With the lifting once again of restrictions towards the latter stages of FY2022, the Group's on-trade performance improved, providing a platform for a clean start to FY2023. Cost inflation pressures have grown over recent months and in response, the Group implemented a series of price increases which, alongside the previously announced €18.0m cost reduction programme and cost hedge positions taken, affords the Group a degree of protection from the inflationary environment as we enter into FY2023.

The Directors assessed the Group's cash flow forecasts for the period ending 31 August 2023 (the going concern "assessment period"). The Cashflows included various stress testing scenarios around higher costs, an evolving inflationary environment and reduced volumes, in part associated with the impact of the ongoing conflict in Ukraine, but even at FY2022 profit levels, which were significantly curtailed as a consequence of the COVID-19 restrictions, the Group would have sufficient headroom to covenants. The Group's cash flow forecasts assume the continuation of trading over the assessment period with no lockdowns or the reintroduction of COVID-19 restrictions.

Overall conclusion

The headroom on the covenants within the financing facilities have been reviewed in detail by management and assessed by the Directors. Given the successful Rights Issue in June 2021, the return to profitability in the Group's core markets, the price increases implemented, cost hedge positions taken and the disposal of the Group's share of Admiral Taverns in FY2023; the Group's cashflow forecasts demonstrate significant headroom on the covenants within the financing facilities. Given the quantum of headroom, the Directors have concluded that the covenants will be satisfied and therefore 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.

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 28 February 2022.

Statement of Accounting Policies
For the year ended 28 February 2022 (continued)

(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 reorganisation 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.

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 Income Statement and within equity in the Balance Sheet distinguished from Parent Company shareholders' equity, when relevant.

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 Income Statement reflects the Group's share of profit after tax of the related joint ventures. Investments in joint ventures are carried in the 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 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 receivable from associates reduce the carrying amount of the investment.

(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 freehold land & buildings) is recognised at estimated fair value with the changes in the value of the property reflected in Other Comprehensive Income in the case of a revaluation gain, 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 a 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 salvage value of 5% for other plant & machinery and 15% for storage tanks, over its expected useful life:

Land & Buildings	
Land	n/a
Buildings – ROI, US, Portugal	2 - 6% straight-line
Buildings – UK	2 - 3% straight-line

Plant & Machinery	
Storage tanks	2 - 7% straight-line
Other plant & machinery	6 - 32% reducing balance

Motor vehicles & 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 salvage value. The Group considers that such assets have a salvage value equal to 5% of cost for other plant & machinery and 15% for storage tanks, based on the expected scrap value of the associated assets. The salvage 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-generating 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 19)

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.

Statement of Accounting Policies
For the year ended 28 February 2022 (continued)

Group as a lessee
(i) Right-of-use assets
The Group recognises a right-of-use asset at the commencement date for contracts containing a lease. The commencement date is the date at which the asset is made available for use by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes 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 & equipment. The right-of-use asset is tested periodically for impairment if any impairment indicator is considered to exist.

(ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The commencement date is the date at which the asset is made available for use by the Group. Lease payments include fixed payments less any lease incentives receivable, 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 reasonably certain to exercise those options. Management applies judgement in determining whether it is reasonably certain that a renewal, termination or purchase option will be exercised.

The lease liability is initially measured at the present value 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. 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 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 an 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.

(iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases where the underlying asset value is low. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Business combinations (note 10)

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. This determination is made based on an assessment of the Group's power to affect the activities of the investment and the 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.

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 the acquisition 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 reassesses 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 CGUs 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.

Cloud software license agreements to use cloud software are treated as service contracts and expensed in the Income Statement, unless the Group has both the contractual right to take possession of the software anytime without significant penalty, and the ability to run the software independently of the host vendor. In such cases, the license agreement is capitalised as software within intangible assets.

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:

Trade relationship re Tennent's acquisition	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 non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Goodwill and intangible assets with indefinite lives: Note 12
- Intangible assets: Note 12
- Property, plant and equipment: Note 11
- Investments in associates and joint ventures: Note 13

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable

Statement of Accounting Policies
For the year ended 28 February 2022 (continued)

amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Income Statement in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income. For such properties, the impairment is recognised in Other Comprehensive Income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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.

Intangible assets with indefinite useful economic lives 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 23)

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.

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 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 23) 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 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.

Income tax (note 7 and note 22)

Current income tax

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

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 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,
- Taxable 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.

The Group offsets deferred tax assets and deferred tax liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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.

Statement of Accounting Policies
For the year ended 28 February 2022 (continued)

Revenue recognition

IFRS 15 *Revenue from Contracts with Customers* (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 the 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 specific significant items of income and expense within the Group results for the year. The Directors believe this provides a more useful analysis. These significant items are determined based on the following qualitative and quantitative framework. The Group considers items which are significant either because of their size or their nature, and which are non-recurring.

For items to be considered significant, it must initially meet at least one of the following criteria:

- Non-recurring items – these are events/transactions that are infrequent and unusual, or one-off in nature. These include items such as restructuring and integration projects, litigation costs and settlements, impairment of assets, COVID-19, acquisition related costs, and gains/losses from the sale of assets or businesses.
- Inconsistent items – these are items which are inconsistent amounts year on year (where applicable) such as revaluation gains/losses.
- For an item to be deemed exceptional, it must have a significant effect on C&C's profitability and should therefore be separately disclosed. For the purposes of FY2022 year-end, the Group determined a material amount that would influence the economic decisions of a user of the financial statements.

If an item meets at least one of the criteria, the Directors then exercise judgement evaluated based on the above criteria as to whether the item meets the Group definition of significant.

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.

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.

Assets held for sale

Non-current assets, or disposal groups comprising of assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets or employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies as applicable.

Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in the Income Statement. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

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 resale.

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 represented 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.

Following a business review and organisational structure change in FY2022, this has transitioned from four segment operating model (Ireland, Great Britain, Matthew Clark and Bibendum and International) to a two segment operating model. The Group has determined that its reportable segments are Ireland and Great Britain. The reportable segments reflect the way financial information is reviewed by the Group's CODM.

The previous reportable segments, as disclosed in the Group's FY2021 annual report have been realigned to follow the Group's new operating segments and how the business will be managed internally going forward. The Group has restated the operating segment information for the year ended 28 February 2021 accordingly.

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.

For further information on operating segments see note 1.

Statement of Accounting Policies
For the year ended 28 February 2022 (continued)

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 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 (the 'ESOS'),
- Long-Term Incentive Plan (the 'LTIP'),
- Recruitment and Retention Plan,
- Deferred Bonus Plan ('DBP'), and
- 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.

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 for 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.

Trade receivables are derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Cash

Cash in the Balance Sheet comprises of 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. The Group Credit Committee reviews debt collection trends and commercial market information to assess any significant change in credit risk.

Statement of Accounting Policies
For the year ended 28 February 2022 (continued)

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 derecognised 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 remeasured 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 24. Movements in the hedging reserve in shareholders' equity are shown in note 24. 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 Group 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 24. 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 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 IFRS 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 Group has considered the impact of climate change on the consolidated financial statements, including the carrying value of assets, the useful economic life of assets, and provisions. The significant judgements and estimates which have been applied, and which are expected to have a material impact, are as follows:

Significant judgements
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 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.

Valuation of property, plant and equipment
The Group values its freehold land & buildings and plant & machinery at market value/Depreciated Replacement Cost and consequently, carries out an annual valuation. The Group engages external valuers to value the Group's property, plant & 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 28 February 2022 by PricewaterhouseCoopers LLP to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow) and Portugal sites.

The key assumptions used to determine the fair value of the freehold land & buildings and plant & machinery and sensitivity analyses are provided in note 11.

Sources of estimation uncertainty
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,

Statement of Accounting Policies
For the year ended 28 February 2022 (continued)

forecasted volume, net revenue, operating profit) but these items involve inherent uncertainties described above, many of which are not under management's control. The Group also considered the potential impact of climate change. This is an area of estimation and judgement. 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 includes several key components such as, a reference rate (incorporating currency, economic environment and term of lease); a financing spread adjustment, an entity specific adjustment (if applicable) and a lease specific adjustment (if applicable, for example, a property lease compared to vehicle/other leases, and the term of the lease).

Please refer to note 19 for the carrying amounts of the right-of-use assets and the lease liability impacted.

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) 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 23 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 23.

Expected credit 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.

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 loss rates are determined based on the grouping of trade receivables sharing the same credit risk characteristics and past due days.

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.

Please refer to note 15 for the impact of the expected credit loss approach on the Group's trade receivables and advances to customers.

Provision for obsolete stock
As a result of COVID-19, the Group has provided for obsolete inventory with respect to inventory which has no alternate use or right of return to the supplier and/or where inventory has become obsolete due to COVID-19 restrictions in the on-trade.

Please refer to note 14 for details in relation to the provision for obsolete stock.

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 and soft drinks. Two operating segments have been identified in the current financial year; Ireland and Great Britain. In FY2021, the Group reported under four segments (Ireland, GB, MCB and International), however following a business review and organisational structure change in FY2022, this has been reduced to two for FY2022. The Group has restated the operating segment information for the year ended 28 February 2021 to conform with the current year presentation.

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.

The identified business segments are as follows:

(i) Ireland

This segment includes the financial results from 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, Seven Summits hard seltzer, Roundstone Irish Ale, Linden Village, Finches and Tipperary Water. The Group also operates the Bulmers Ireland drinks distribution business, a leading distributor of third party drinks to the licenced on and off-trade in Ireland. The Group distributes San Miguel, Tsingtao and Budweiser Brewing Group beer brands across the island of Ireland. Since July 2020, the Group has also distributed the Budweiser brand on an exclusive basis. Our primary manufacturing plant is located in Clonmel, Co. Tipperary, with major distribution and administration centres in Dublin and Culcavy, Northern Ireland.

(ii) Great Britain (GB)

This segment includes the financial results from 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 Budweiser Brewing Group. In addition, the division includes the Tennent's drinks distribution business in Scotland. The Group also distributes selected Budweiser Brewing Group brands in Scotland and the Tsingtao and Menabrea international beer brands across the UK. Our primary manufacturing plant and administration centre is located at the Wellpark Brewery in Glasgow.

In addition, this segment includes the financial results from the Matthew Clark and Bibendum distribution businesses. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers an unrivalled range of products, including beers, wines, spirits, cider and soft drinks. Matthew Clark and Bibendum also have a number of exclusive distribution agreements for third party products (mainly wines but also including spirits) into the UK market and also has a limited range of own brand wines. 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.

Together the Tennent's, Matthew Clark and Bibendum distribution businesses operate a nationwide distribution network serving the independent free trade and national accounts.

Further, this segment includes the financial results from 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 40 countries globally, notably in continental Europe, Asia and Australia. The Group operates mainly through local distributors in these markets and regions.

This segment also includes the sale of the Group's cider and beer products in the US and Canada. In April 2021, the business divested our wholly-owned US subsidiary, Vermont Hard Cider Company and its Woodchuck suite of brands.

The Group's 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.

Notes forming part of the financial statements
(continued)

1. SEGMENTAL REPORTING (continued)

(a) Analysis by reporting segment

	2022			2021*		
	Revenue €m	Net revenue €m	Operating profit €m	Revenue €m	Net revenue €m	Operating loss €m
Ireland	**338.3**	**224.3**	**16.7**	269.8	166.1	(4.9)
Great Britain	**1,457.8**	**1,213.8**	**31.2**	753.0	570.8	(54.7)
Total before exceptional items	**1,796.1**	**1,438.1**	**47.9**	1,022.8	736.9	(59.6)
Exceptional items (note 5)	**-**	**-**	**10.6**	-	-	(25.2)
Group operating profit/(loss)	**1,796.1**	**1,438.1**	**58.5**	1,022.8	736.9	(84.8)
Profit on disposal (note 5)			**4.5**			5.8
Finance income (note 6)			**0.2**			-
Finance expense (note 6)			**(16.1)**			(19.5)
Finance expense exceptional items (note 5)			**(6.7)**			(7.9)
Share of equity accounted investments' profit/(loss) before exceptional items (note 13)			**2.6**			(6.1)
Share of equity accounted investments' exceptional items (note 5)			**2.7**			(8.8)
Profit/(loss) before tax			**45.7**			(121.3)

* The Group has restated the operating segment information for the year ended 28 February 2021 to conform with the current year presentation.

The exceptional items in the current financial year are a €10.6m credit, of which €9.2m relates to Ireland and €1.4m relates to Great Britain. Of the exceptional items in the prior financial year charge of €25.2m, €8.3m loss related to Ireland and a €16.9m loss related to Great Britain.

Profit on disposal of €4.5m in the current financial year relates to Great Britain. Profit on disposal of €5.8m in the prior financial year related to Ireland.

The share of equity accounted investments' profit after tax before exceptional items of €2.6m (FY2021: €6.1m loss) relates to Great Britain. The share of equity accounted investments' exceptional items of €2.7m (FY2021: €8.8m loss) relates to Great Britain.

Total assets for the year ended 28 February 2022 amounted to €1,468.7m (FY2021: €1,335.6m).

(b) Other operating segment information

	2022			2021*		
	Tangible and intangible expenditure €m	Lease additions €m	Depreciation /amortisation / impairment / revaluation €m	Tangible and intangible expenditure €m	Lease additions €m	Depreciation / amortisation / impairment/ revaluation €m
Ireland	**7.3**	**4.1**	**6.2**	1.9	0.9	6.1
Great Britain	**5.9**	**19.0**	**25.6**	12.2	11.0	26.2
Total	**13.2**	**23.1**	**31.8**	14.1	11.9	32.3

* The Group has restated the operating segment information for the year ended 28 February 2021 to conform with the current year presentation.

1. SEGMENTAL REPORTING (continued)

(c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2022 €m	2021 €m	2022 €m	2021 €m
Ireland	**338.3**	269.8	**224.3**	166.1
Great Britain	**1,439.0**	726.1	**1,195.1**	544.6
International*	**18.8**	26.9	**18.7**	26.2
Total	**1,796.1**	1,022.8	**1,438.1**	736.9

* International as a geographic region consists of multiple countries that in aggregate represent 1% of Group revenue.

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
28 February 2022				
Property, plant & equipment	**73.4**	**135.9**	**4.7**	**214.0**
Goodwill & intangible assets	**157.6**	**473.7**	**25.2**	**656.5**
Equity accounted investments/financial assets	**0.4**	**0.7**	**0.2**	**1.3**
Total	**231.4**	**610.3**	**30.1**	**871.8**

	Ireland €m	Great Britain €m	International €m	Total €m
28 February 2021				
Property, plant & equipment	68.5	130.2	5.3	204.0
Goodwill & intangible assets	158.1	462.7	25.2	646.0
Equity accounted investments/financial assets	0.4	62.5	0.2	63.1
Total	227.0	655.4	30.7	913.1

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 principal activities and products. Principal activities and products is the primary basis on which management reviews its businesses across the Group. To aid in more useful analysis of the Group's business performance, the Group has introduced Branded and Distribution for the year ended 28 February 2022 to better reflect how the business is managed commercially and the distinct revenue sources which drive its performance as a brand-led distributor in the UK and Ireland.

Principal activities and products		2022	
Net revenue	Ireland €m	Great Britain €m	Total €m
Branded*	**78.3**	**170.1**	**248.4**
Distribution**	**139.8**	**1,005.5**	**1,145.3**
Co pack/Other	**6.2**	**38.2**	**44.4**
Total Group from continuing operations	**224.3**	**1,213.8**	**1,438.1**

* Branded defined as being brands either fully owned by C&C or sold by C&C as part of a long-term distribution deal, whereby C&C are responsible for the marketing as well as sale of the brand in the associated geography.

** Distribution defined as third-party brands sold through our distribution businesses and brands where C&C act as an exclusive agent for a brand in a specific geography.

Notes forming part of the financial statements
(continued)

1. SEGMENTAL REPORTING (continued)

Principal activities and products Net revenue	Ireland €m	2021*** Great Britain €m	Total €m
Branded*	48.6	133.4	182.0
Distribution**	114.0	394.2	508.2
Co pack/Other	3.5	43.2	46.7
Total Group from continuing operations	166.1	570.8	736.9

* Branded defined as being brands either fully owned by C&C or sold by C&C as part of a long-term distribution deal, whereby C&C are responsible for the marketing as well as sale of the brand in the associated geography.

** Distribution defined as third-party brands sold through our distribution businesses and brands where C&C act as an exclusive agent for a brand in a specific geography.

*** The Group has restated the disaggregated net revenue information for the year ended 28 February 2021 to conform with the current year presentation.

2. OPERATING COSTS

	2022 Before exceptional items €m	2022 Exceptional items (note 5) €m	2022 Total €m	2021 Before exceptional items €m	2021 Exceptional items (note 5) €m	2021 Total €m
Raw material cost of goods sold/bought in finished goods	**1,108.9**	**-**	**1,108.9**	562.1	-	562.1
Inventory write-down/(recovered) (note 14)	**1.1**	**(4.1)**	**(3.0)**	0.9	5.8	6.7
Employee remuneration (note 3)	**125.5**	**0.6**	**126.1**	101.6	6.8	108.4
Direct brand marketing	**17.7**	**-**	**17.7**	13.5	-	13.5
Other operating, selling and administration costs	**102.4**	**(11.1)**	**91.3**	86.6	2.7	89.3
Foreign exchange	**0.5**	**-**	**0.5**	(0.6)	-	(0.6)
Depreciation (note 11) (note 19)	**29.2**	**-**	**29.2**	28.2	-	28.2
Amortisation (note 12)	**2.6**	**-**	**2.6**	2.6	-	2.6
Net (profit)/loss on disposal of property, plant & equipment	**0.2**	**(1.8)**	**(1.6)**	0.3	(0.7)	(0.4)
Auditor's remuneration (a)	**1.5**	**-**	**1.5**	1.3	-	1.3
Impairment of intangible assets (note 12)	**0.6**	**-**	**0.6**	-	0.3	0.3
Impairment of equity accounted investment (note 13)	**-**	**6.4**	**6.4**	-	9.1	9.1
Net (revaluation)/impairment of property, plant & machinery (note 11)	**-**	**(0.6)**	**(0.6)**	-	1.2	1.2
Total operating expenses	**1,390.2**	**(10.6)**	**1,379.6**	796.5	25.2	821.7

(a) Auditor's remuneration: 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:

	EY Ireland 2022 €m	Other EY Offices 2022 €m	Total 2022 €m	EY Ireland 2021 €m	Other EY Offices 2021 €m	Total 2021 €m
Audit of the Group financial statements	**0.4**	**-**	**0.4**	0.5	-	0.5
Audit of subsidiaries	**0.4**	**0.3**	**0.7**	0.4	0.4	0.8
Non-audit services	**0.4**	**-**	**0.4**	-	-	-
Total	**1.2**	**0.3**	**1.5**	0.9	0.4	1.3

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 €0.4m of non-audit fees paid to Ernst & Young during the current financial year (FY2021: €nil) in respect of services in connection with the Rights Issue.

2. OPERATING COSTS (continued)

(b) Cyber security expenses: On 19 April 2021, the Group announced that it had experienced a cyber security incident within its Matthew Clark and Bibendum (MCB) operations. In response, certain IT systems and applications used in those business units were pro-actively shut down and were securely restored over the course of a number of weeks. By the end of May 2021, MCB was again using their IT systems and applications. The cyber security incident affected MCB only, with other Group business and production sites unaffected throughout the period.

The Group incurred €2.6m of costs in FY2022 as a direct result of the cyber security incident in April. These costs primarily related to specialist advisory fees incurred to investigate and respond to the incident (€1.1m) and subsequent improvements and additional protection tools to enhance the security of the IT systems (€1.5m). Following the incident affecting Matthew Clark and Bibendum IT systems in April 2021, the Group has reviewed its information security and cyber preparedness policies and procedures, enhanced its Information Technology systems and controls, including the appointment of a Technology and Transformation Director and Group Head of IT. As a demonstration of the Group's commitment to tackling cyber security, it is currently pursuing Cyber Essentials Plus accreditation from the National Cyber Security Centre (NCSC).

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:

	2022 Number	2021 Number
Sales & marketing	**435**	519
Production & distribution	**1,454**	1,536
Administration	**852**	895
Total	**2,741**	2,950

The actual number of persons employed by the Group as at 28 February 2022 was 2,822 (FY2021: 2,653).

The aggregate remuneration costs of these employees can be analysed as follows:

	2022 €m	2021 €m
Wages, salaries and other short-term employee benefits, net of government grants (a)	**106.7**	82.9
Restructuring costs (note 5)	**0.6**	6.8
Social welfare costs	**10.3**	10.7
Retirement benefits – defined benefit schemes (note 23)	**0.7**	0.9
Retirement benefits – defined contribution schemes, including pension related expenses	**5.5**	5.8
Equity settled share-based payments (note 4)	**1.5**	0.8
Other non-equity settled share-based payments and PRSI accrued with respect to share-based payments	**0.8**	0.5
Charged to the Income Statement	**126.1**	108.4
Actuarial gain on retirement benefits recognised in Other Comprehensive Income (note 23)	**(32.8)**	(13.4)
Total employee benefits	**93.3**	95.0

Directors' remuneration

	2022 €m	2021 €m
Directors' remuneration (note 28)	**4.1**	2.0

Notes forming part of the financial statements
(continued)

3. EMPLOYEE NUMBERS & REMUNERATION COSTS (continued)

(a) Government grants and assistance

In the current financial year, wages and salaries amounting to €106.7m (FY2021: €82.9m) are stated net of wage subsidies received by the Group from the Irish and UK governments. These wage subsidies are offset against the related wages and salaries expense over the period in which they were incurred. During FY2022, the Group availed of wage subsidies of €1.7m from the Irish government and €2.9m (£2.5m) from the UK government.

	2022 €m	2021 €m
Temporary Wage Subsidy Scheme (Ireland)	-	1.3
Employment Wage Subsidy Scheme (Ireland)	**1.7**	2.9
Coronavirus Job Retention Scheme (UK)	**2.9**	21.9
Grants related to income	**4.6**	26.1

The Group has availed of the Irish and UK government schemes as a direct consequence of the COVID-19 pandemic. The Group has availed of the Temporary Wage Subsidy Scheme from 1 April 2020 to 31 August 2020 and the Employment Wage Subsidy Scheme from 1 September 2020 to 7 June 2021 in Ireland and the Coronavirus Job Retention Scheme in the UK from 1 April 2020 to 14 July 2021. The Group no longer avails of any wage subsidy schemes.

The Temporary Wage Subsidy Scheme was available to employers who lost a minimum of 25% of turnover as a result of the COVID-19 pandemic and who kept employees on their payroll during this time. The scheme was replaced by the Employment Wage Subsidy Scheme from 1 September 2020 with similar conditions to the preceding scheme, but with a turnover decline of 30% required compared to a similar period in FY2020.

In the UK, the Group availed of the Coronavirus Job Retention Scheme. Up to 30 June 2020, the scheme only applied to furloughed employees and employees still working in the Group were not eligible. From 1 July 2020, the UK government introduced a flexible furlough scheme where employees can work part time and an employer can claim subsidies which are passed on to employees for the hours not worked. In order to be eligible for the scheme, employees must have been on at least a three week furlough period prior to 10 June 2020.

In the current financial year, the Group was in compliance with all the conditions of the respective schemes. The grant income received has been offset against the related costs in operating costs in the Income Statement.

Government assistance

In addition, the Group received financial assistance by way of commercial rates waivers and deferrals of tax liabilities from the Irish and UK governments.

In Ireland the Group benefitted from a commercial rates waiver of €0.3m in FY2022 (FY2021: €1.0m).

Under the warehousing of tax liabilities legislation introduced by the Financial Provisions (COVID-19) (No. 2) Bill 2020 and Finance Act 2020 (Act 26 of 2020), VAT liabilities of €11.0m (FY2021: €19.1m) and payroll tax liabilities of €3.2m (FY2021: €1.3m) relating to FY2022 have been deferred. Payments made to the Irish tax authorities in respect of deferred tax liabilities during FY2022 totalled €14.5m for VAT and €2.1m for payroll taxes. No comparable payments were made in FY2021.

At the end of FY2022, the deferred VAT liabilities totalled €15.6m (FY2021: €19.1m) and deferred payroll liabilities totalled €2.5m (FY2021: €1.3m), mainly related to new FY2022 deferrals. It is envisaged that the deferred balances will be paid in full by September 2022, subject to any unforeseen COVID-19 implications over this time.

In the UK, no additional tax liabilities were deferred during FY2022 (FY2021: €57.0m (£49.6m)). Payments made to the UK tax authorities in respect of deferred tax liabilities during FY2022 totalled €32.7m (£27.9m) for VAT (FY2021: €nil (£nil)) and €15.0m (£12.8m) for Excise Duties (FY2021: €40.3m (£36.1m)).

3. EMPLOYEE NUMBERS & REMUNERATION COSTS (continued)

VAT liabilities of €0.2m (£0.1m) were deferred at the end of FY2022 (FY2021: €32.2m). Excise duty liabilities of €10.5m (£8.8m) were deferred at the end of FY2022 (FY2021: €24.8m), included in the Euro equivalent closing balances is a retranslation loss of €1.4m. Both the deferred VAT liabilities and the deferred excise duties are mainly related to new FY2022 deferrals and will be repaid in FY2023.

4. SHARE-BASED PAYMENTS

Equity settled awards

The Group has an established equity settled **Executive Share Option Scheme ("ESOS")** in place 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 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 the 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 2% per annum, 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 2017 have achieved their performance conditions and therefore vested in full. Options granted in 2018 did not meet their performance conditions in FY2021 and therefore were deemed to have lapsed in the prior year.

The Group also has an established **Long-Term Incentive Plan ("LTIP")** 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. All such awards granted from June 2017 to December 2019 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, on average, over the three year performance period, at which case 25% of this element of the award would vest. If the FCF is 75% on average, 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 is 10% then 100% of this element of the award would vest.

In all three components of the performance conditions of the LTIP there is straight-line vesting between both points and no reward for below threshold performance. Options granted in 2017 have achieved their performance conditions and therefore vested in full. The performance conditions for options granted in May 2018, February 2019, May 2019 and December 2019 were deemed to be no longer capable of achieving their performance conditions and were therefore deemed to have lapsed in the prior year.

The vesting of LTIP awards granted in December 2020 will be subject to an assessment of the Group's underlying financial performance across the three-year period FY2021 – FY2023. Each award will also be subject to the following three separate performance conditions:

- 30% of the award was subject to FY2021 liquidity, which was defined as the Group's cash on hand plus availability from the Group's Revolving Credit Facility as at 28 February 2021. If liquidity was €250.0m, 25% of this element of the award would have vested and if liquidity was €300.0m, 100% of this element of the award would have vested. This condition was achieved in full in relation to FY2021 liquidity.
- 35% of the award is subject to FY2022 Net Debt to FY2022 EBITDA ratio, with a minimum threshold of 4.1 and a maximum threshold of 3.8 required. This condition was achieved in full in relation to FY2022 Net Debt to FY2022 EBITDA ratio.
- 35% of the award is subject to FY2023 financial measures. The details of these measures will be determined by the Board by no later than the start of the FY2023 performance period. The targets will be disclosed in the Group's FY2023 Annual Report.

Threshold vesting in respect of any year will be no more than 25%, but subject to the overriding three-year financial performance assessment. No award will vest until the end of the full three year performance period, and Executive Directors' awards will then be subject to a further two-year holding period.

Notes forming part of the financial statements
(continued)

4. SHARE-BASED PAYMENTS (continued)

The vesting of LTIP awards granted in June 2021 will be subject to the following performance conditions assessed across the three-year performance period FY2022 - FY2024. In each case, threshold vesting will be 25% of the maximum.

- 45% of the award is subject to certain EPS targets being met, with a minimum threshold set of 22c and a maximum of 27c. This is to be achieved by the end of the year 3 target range (end of FY2024) rather than as a cumulative target.
- 35% 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 a minimum threshold of 65% conversion and a maximum threshold of 75% by the end of the year 3 target range (end of FY2024) rather than as a cumulative target.
- 20% of the award is subject to the performance condition that certain environmental targets are met. To give impetus to the Group's de-carbonisation efforts, a target has been set to reduce its Scope 1 emissions (being direct emissions from owned or controlled sources, which includes emissions from company-owned or operated facilities and vehicles) and Scope 2 emissions (being indirect emissions from the generation of purchased energy e.g. electricity, steam, heat and cooling) over the three financial years ending with FY2024, with a threshold of a 6% reduction set and a maximum of a 12% reduction.

Following the appointment of David Forde as Group Chief Executive Officer, the Group made an award of 842,636 shares to David on 3 November 2020 **("Buy-Out Awards"**). These shares were to compensate David for remuneration which he forfeited from his previous employment upon joining the Group. Reflecting the fact that the forfeited remuneration bought out was guaranteed cash-based remuneration, the closing share price on the day before the date of grant was used to calculate the number of shares to ensure the value was equal to the remuneration forfeited. The award will vest in respect of 50% of the shares in November 2022 **("Buy-Out 1")** and 50% of the shares in November 2023 **("Buy-Out 2")**. After sales of shares to cover tax, David Forde will be required to retain 50% of the shares acquired in satisfaction of the Group's Executive Director shareholding requirement.

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 in the Company 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. Upon 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.

The Group also has a **Deferred Bonus Plan ("DBP")** under the terms of which options to purchase shares in C&C Group plc at nominal cost are granted to certain members of management. Awards under this plan are subject to a continuous employment performance condition only.

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. 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 up to five years.

The Group held 696,476 matching shares (1,392,646 partnership and matching) in trust at 28 February 2022 (FY2021: 564,152 matching shares (1,128,304 partnership and matching shares held)).

4. SHARE-BASED PAYMENTS (continued)

In FY2020 the Group, recognising that some employees of Matthew Clark and Bibendum ("MCB"), which the Group acquired in FY2019, 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. In the current financial year, these awards were granted with immediate vesting to participants who were still employees of the Group on the date of grant.

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 Jun 21	LTIP options granted Dec 20	Buy-Out 1 options granted Nov 20	Buy-Out 2 options granted Nov 20	R&R options granted Jun 21	R&R options granted May 21	R&R options granted Nov 20	R&R options granted Oct 20	DBP options granted Oct 20
Fair value at date of grant	€2.70	€2.47*	€1.51*	€1.51*	€2.70	€2.90	€1.51*	€1.85*	€1.85*
Exercise price	-	-	-	-	-	-	-	-	-
Risk free interest rate	0.16%	-	-	-	0.02%	-	-	-	-
Expected volatility	38.9%	36.8%	38.3%	34.6%	44.7%	n/a	41.0%	37.8%	37.8%
Expected term until exercise –years	3	3	2	3	1	Immediate	1.5	2	2
Dividend yield	-	-	-	-	-	-	-	-	-

* The Group completed a successful Rights Issue in June 2021 at a discounted price of £1.86. The number of options/equity Interests granted and the fair value at date of grant were rebased following the Rights Issue.

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. Due to the Group not paying dividends in the current financial year dividend yield has been set to zero. For LTIP, DBP and the Buy-Out awards, the participants are entitled to receive dividends, and therefore the dividend yield has been set to zero to reflect this.

Notes forming part of the financial statements
(continued)

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 deemed outstanding at 28 February 2022**	Grant price €	Market value at date of grant €	Fair value at date of grant* €	Expense / (income) in Income Statement 2022 €m	Expense / (income) in Income Statement 2021 €m
Executive Share Option Scheme								
1 June 2017	3 years	840,568	156,699	3.40	3.364	0.307	**-**	-
13 November 2017	3 years	246,211	-	2.93	2.880	0.219	**-**	-
31 May 2018	3 years	939,466	-	2.99	2.99	0.255	**-**	(0.1)
Long-Term Incentive Plan								
1 August 2017	3 years	500,534	93,522	-	3.069	2.876	**-**	0.1
13 November 2017	3 years	164,140	-	-	2.880	2.880	**-**	0.1
31 May 2018	3 years	626,311	-	-	2.990	2.990	**-**	(0.6)
11 February 2019	3 years	478,343	-	-	3.05	3.05	**-**	(0.4)
23 May 2019	3 years	605,249	-	-	3.71	3.71	**-**	(0.3)
12 December 2019	3 years	293,961	-	-	4.66	4.66	**-**	(0.1)
2 December 2020	3 years	824,888	824,888	-	2.54	2.47	**0.7**	0.2
15 June 2021	3 years	812,921	812,921	-	2.74	2.70	**0.5**	-
Buy-Out Award								
3 November 2020	2-3 years	899,254	899,254	-	1.685	1.51	**0.6**	0.2
Recruitment & Retention Plan								
30 October 2015	2 years	490,871	7,689	-	3.60	3.20	**-**	-
12 May 2016	1.5-2.5 years	194,003	-	-	4.041	3.54	**-**	-
1 August 2017	1.8 years	65,585	17,750	-	2.8172	2.64	**-**	-
11 February 2019	2-3 years	477,081	6,008	-	3.05	2.47 – 2.77	**(0.7)**	0.4
12 December 2019	2.5 years	476,052	204,255	-	4.66	4.00	**(0.2)**	0.8
18 February 2020	2 years	60,171	60,171	-	4.52	3.91	**0.1**	0.1
22 October 2020	2 years	17,826	17,826	-	1.98	1.85	**-**	-
3 November 2020	1.5 years	149,041	149,041	-	1.61	1.51	**0.2**	0.1
27 May 2021****	Immediate	196,963	139,255	-	2.93	2.90	**-**	0.3
15 June 2021	1 year	170,230	170,230	-	2.74	2.70	**0.3**	-
Deferred Bonus Plan								
11 February 2019	2 years	14,420	-	-	3.05	2.88	**-**	-
22 October 2020	2 years	17,826	17,826	-	1.98	1.85	**-**	-
		9,561,915	3,577,335				**1.5**	0.8
Partnership and Matching Share Schemes		1,392,646***					**0.7**	0.7

* The Group completed a successful Rights Issue in June 2021 at a discounted price of £1.86. The number of options/equity Interests granted and the fair value at date of grant were rebased following the Rights Issue.
** Excludes awards that are deemed to be not capable of achieving their performance conditions as at 28 February 2022.
*** Includes both partnership and matching shares.
**** Previously named 'MCB compensation awards'.

The amount charged to the Income Statement includes a credit of €0.9m (FY2021: €1.5m), being the reversal of previously expensed charges on equity settled option schemes where the non-market performance conditions were deemed no longer capable of being achieved or the employee has left the Group.

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:

	2022 Number of options/ equity Interests	2022 Weighted average exercise price €	2021 Number of options/ equity Interests	2021 Weighted average exercise price €
Outstanding at beginning of year	**3,160,858**	**0.30**	4,788,136	1.00
Granted	**1,380,647***	**-**	1,788,653	-
Exercised	**(265,749)**	**1.61**	(1,002,587)	0.29
Forfeited/lapsed	**(698,421)**	**-**	(2,413,344)	1.47
Outstanding at end of year	**3,577,335**	**0.15**	3,160,858	0.30

* The granted value of shares includes the shares allotted in FY2022 as a result of the number of options/equity Interests granted and the fair value at date of grant being rebased following the Rights Issue.

The aggregate number of share options/equity Interests exercisable at 28 February 2022 was 420,923 (FY2021: 469,977).

The unvested share options/equity Interests (excluding those awards which are not deemed capable of vesting) outstanding at 28 February 2022 have a weighted average vesting period outstanding of 1.4 years (FY2021: 1.9 years). The weighted average contractual life outstanding of vested and unvested share options/equity Interests (excluding those which are not deemed capable of vesting) is 5.9 years (FY2021: 6.6 years).

The weighted average market share price at date of exercise of all share options/equity Interests exercised during the year was £2.55 or €2.97 euro equivalent (FY2021: €2.48); the average share price for the year was £2.45 or €2.87 euro equivalent (FY2021: €2.41); and the market share price as at 28 February 2022 was £2.11 or €2.52 euro equivalent (28 February 2021: £2.58 or €2.96 euro equivalent).

5. EXCEPTIONAL ITEMS

	2022 €m	2021 €m
COVID-19 (a)	**17.5**	(4.6)
Restructuring costs (b)	**1.2**	(8.1)
Impairment of equity accounted investment (c)	**(6.4)**	(9.1)
Reversal of impairment/(impairment) of property, plant & equipment (d)	**0.6**	(1.2)
Rights Issue costs (e)	**(2.6)**	-
Other (f)	**0.3**	(2.2)
Operating profit/(loss) exceptional items	**10.6**	(25.2)
Profit on disposal (g)	**4.5**	5.8
Finance income (h)	**0.2**	-
Finance expense (i)	**(6.7)**	(7.9)
Share of equity accounted investments' exceptional items (c)	**2.7**	(8.8)
Included in profit/(loss) before tax	**11.3**	(36.1)
Income tax (charge)/credit (j)	**(2.4)**	2.4
Included in profit/(loss) after tax	**8.9**	(33.7)

Notes forming part of the financial statements
(continued)

5. EXCEPTIONAL ITEMS (continued)

(a) COVID-19
The Group has continued to account for the ongoing COVID-19 pandemic as an exceptional item and has realised an exceptional credit of €17.5m from operating activities at 28 February 2022 (FY2021: charge of €4.6m). The Group reviewed the recoverability of its debtor book and advances to customers and booked a credit of €7.9m with respect to its provision against trade debtors (FY2021: €6.1m) and a credit of €5.5m with respect to its provision for advances to customers (FY2021: charge of €1.2m). The Group also realised an exceptional credit of €4.1m with respect to inventory (FY2021: charge of €5.8m), this related to inventory that had previously been deemed at risk of obsolescence in FY2021, all as a consequence of the COVID-19 restrictions.

In the prior financial year, the Group also incurred costs of €1.7m with respect to a provision for lost kegs, €0.3m with respect to the write off of an IT intangible asset where the project was not completed due to COVID-19 and a net credit of €0.6m with respect to the release of a trade provision. Other costs of €2.3m were incurred, which included site improvement costs, impairment of brand dispense equipment and an excess holiday accrual all directly linked to the pandemic.

(b) Restructuring costs
A credit of €1.2m relating to restructuring costs was incurred in the current financial year. This included severance costs of €0.6m, all of which arose as a consequence of the optimisation of the delivery networks in England and Scotland. In addition, the Group realised a credit of €1.8m in relation to the profit on disposal of a property, as a direct consequence of the optimisation project.

Restructuring costs of €8.1m were incurred in the prior financial year. These included severance costs of €6.8m, of which €4.9m was incurred with respect to the restructuring of the Group as a consequence of the COVID-19 pandemic and €1.9m arose as a consequence of the optimisation of the delivery networks in England and Scotland. The Group also incurred additional costs of €2.0m with respect to the optimisation of the delivery networks in England and Scotland which was offset by a credit of €0.7m relating to the profit on disposal of a property as a direct consequence of the optimisation project.

(c) Equity accounted investments' exceptional items
On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). The sale of the shares will be completed and the consideration will be paid in three tranches during FY2023, subject only to FCA approval. Admiral Taverns was classified as an asset held for sale as at 24 February 2022.

The net impact of exceptional items in relation to Admiral is a charge of €3.7m (FY2021: €17.7m). The Group continued to equity account for this investment up until this date, with the Group recognising a credit of €2.7m with respect to its share of Admiral Taverns' exceptional items (FY2021: €8.8m charge). This included a credit of €4.1m with respect to the Group's share of the revaluation gain arising from the fair value exercise to value Admiral's property assets (FY2021: €7.0m loss). The Group also recognised an exceptional charge of €1.4m (FY2021: €1.8m) in relation to its share of other exceptional items for the year, including the Group's share of acquisition costs of €1.4m incurred with respect to Admiral Taverns' acquisition of Hawthorn. The Group also recognised its share of other exceptional items for the year of €0.5m, primarily relating to restructuring costs. This was offset by a release from the expected loss provision with respect to the recoverability of Admiral Taverns' debtor book as a consequence of COVID-19 of €0.5m.

As a result of the same property valuation exercise, a gain of €2.2m with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income (FY2021: €0.4m loss).

5. EXCEPTIONAL ITEMS (continued)

Also in the current financial year, the Group assessed the carrying value of its equity accounted investment as a result of its classification as an asset held for sale as at 24 February 2022 and recognised an impairment charge of €6.4m (FY2021: €8.9m). This impairment charge reverses previously accumulated gains and losses in relation to the application of equity accounting for the Admiral Taverns investment, to reflect the recoverable value of the Group's investment in line with the agreed consideration of £55.0m (€65.9m at date of classification as held for sale, €65.8m at year-end rate).

In the prior financial year, the Group also recorded an impairment charge of €0.2m with respect to the carrying value of its investment in Drygate Brewing Company Limited.

(d) Reversal of impairment of property, plant & equipment

Property (comprising freehold land & buildings) and plant & machinery are valued at fair value on the Consolidated 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) and Portugal sites. Using the valuation methodologies, this resulted in a net revaluation gain of €0.6m (FY2021: €1.2m net loss) accounted for in the Consolidated Income Statement and a gain of €2.5m (FY2021: €0.9m) accounted for within Other Comprehensive Income.

(e) Rights Issue costs

The Group completed a successful Rights Issue in June 2021 issuing 81,287,315 New Ordinary Shares at 186 pence per New Ordinary Share, raising gross proceeds of £151.2m (€176.3m). Attributable costs of €9.2m were incurred, of which €6.6m was debited directly to Equity and €2.6m was recorded as an exceptional charge in the Group's Condensed Consolidated Income Statement.

(f) Other

During the current financial year €0.3m was released against a provision for legal disputes (FY2021: €2.2m charge).

(g) Profit on disposal

During the current financial year, as outlined in further detail in note 10, the Group completed the sale of its wholly owned US subsidiary, Vermont Hard Cider Company to Northeast Kingdom Drinks Group, LLC on the 2 April 2021 for a total consideration of €17.5m (USD 20.5m) (comprised of cash proceeds of €13.4m (€12.9m net cash impact on disposal) and promissory notes of €4.1m at the date of transaction), realising a profit of €4.5m on disposal.

During the prior financial year, the Group disposed of its Tipperary Water Cooler business for an initial consideration of €7.4m, realising a profit of €5.8m on disposal.

(h) Finance income

The Group earned finance income of €0.2m (FY2021: €nil) relating to promissory notes issued as part of the disposal of the Group's subsidiary Vermont Hard Cider Company.

(i) Finance expense

The Group incurred costs of €6.7m (FY2021: €7.9m) during the current financial year directly associated with continued covenant waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers, negotiated in the prior year due to the impact of COVID-19.

(j) Income tax (charge)/credit

The tax charge in the current financial year, with respect to exceptional items amounted to €2.4m (FY2021: €2.4m credit).

Notes forming part of the financial statements
(continued)

6. FINANCE INCOME AND EXPENSE

	2022 €m	2021 €m
Recognised in Income Statement		
Finance expense:		
Interest expense	**(9.4)**	(13.1)
Other finance expense	**(3.4)**	(2.9)
Interest on lease liabilities	**(3.3)**	(3.5)
Total finance expense	**(16.1)**	(19.5)
Exceptional finance expense:		
Interest expense	**(6.7)**	(7.9)
Total exceptional finance expense	**(6.7)**	(7.9)
Exceptional finance income:		
Interest income	**0.2**	-
Total exceptional finance income	**0.2**	-
Net finance expense	**(22.6)**	(27.4)

	2022 €m	2021 €m
Recognised directly in Other Comprehensive Income		
Foreign currency translation differences arising on the net investment in foreign operations	**11.9**	(17.4)
Foreign currency recycled on disposal of subsidiary	**(0.2)**	-
Net income/(expense) recognised directly in Other Comprehensive Income	**11.7**	(17.4)

7. INCOME TAX

(a) Analysis of expense/(credit) in year recognised in the Income Statement

	2022 €m	2021 €m
Current tax:		
Irish corporation tax	**2.3**	2.3
Foreign corporation tax	**2.0**	(4.0)
Adjustment in respect of previous years	**(1.4)**	(2.0)
	2.9	(3.7)
Deferred tax:		
Irish	**0.5**	0.6
Foreign	**2.2**	(14.2)
Adjustment in respect of previous years	**3.1**	0.2
Rate change impact	**(0.1)**	0.3
	5.7	(13.1)
Total income tax expense/(credit) recognised in Income Statement	**8.6**	(16.8)
Relating to continuing operations		
– continuing operations before exceptional items	**6.2**	(14.4)
– continuing operations exceptional items	**2.4**	(2.4)
Total	**8.6**	(16.8)

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:

	2022 €m	2021 €m
Profit/(loss) before tax	**45.7**	(121.3)
Less: Group's share of equity accounted investments' (profit)/loss after tax	**(5.3)**	14.9
Adjusted profit/(loss) before tax	**40.4**	(106.4)
Tax at standard rate of corporation tax in the Republic of Ireland of 12.5%	**5.1**	(13.3)
Actual tax expense/(credit) is affected by the following:		
Expenses/(non-taxable income) not deductible for tax purposes	**1.7**	(4.8)
Adjustments in respect of prior years	**1.7**	(1.8)
Income taxed at rates other than the standard rate of tax	**5.8**	(4.1)
Group relief (received)/surrendered	**(4.4)**	0.5
Other	**0.2**	-
(Recognition)/non-recognition of deferred tax assets	**(1.5)**	6.7
Total income tax expense/(credit)	**8.6**	(16.8)

Notes forming part of the financial statements
(continued)

7. INCOME TAX (continued)

(b) Deferred tax recognised directly in Other Comprehensive Income

	2022 €m	2021 €m
Deferred tax arising on revaluation of property, plant & machinery reflected in revaluation reserve	**0.6**	0.2
Deferred tax arising on movement of retirement benefits	**4.3**	1.6
Total deferred tax charge	**4.9**	1.8

(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. Under Finance Act 2021, the current UK corporation tax of 19% will increase to 25% from 1 April 2023. It is expected that Ireland will enact a minimum corporation tax rate of 15%, for groups with annual consolidated revenue in excess of €750m, towards the end of 2022 or the start of 2023. The Group is actively monitoring these developments.

8. DIVIDENDS

	2022 €m	2021 €m
Dividends charged to Income Statement:		
Final: €nil dividend paid (FY2021: €nil dividend paid)	**-**	-
Interim: €nil dividend paid (FY2021: €nil dividend paid)	**-**	-
Credit with respect to share-based payments dividend entitlements	**-**	(0.2)
Total equity dividends	**-**	(0.2)
Settled as follows:		
Paid in cash	**-**	-
Scrip dividend	**-**	-
(Credit)/charge with respect to share-based payments dividend entitlements	**-**	(0.2)
	-	(0.2)

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 incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends during the vesting period. The Deferred Bonus Plan and the Buy-Out Awards also accrue dividends during the vesting period. In the prior financial year, a credit of €0.2m was a consequence of dividend accruing share-based payment awards deemed to have lapsed and their related dividend accrual being released.

Also in the prior financial year, a payment of €0.4m was made to recipients of dividend accruing share based payment awards, where the award was exercised in the prior financial year and the resulting dividends accrued over the vesting period were paid.

Due to the continued impact of COVID-19, no interim dividend was paid and no final dividend is being declared with respect to FY2022. Total dividends for the prior financial year was €nil. Total dividends of €nil (final dividend with respect to FY2021 and interim dividend with respect to FY2022) were recognised as a deduction from the retained income reserve in the year ended 28 February 2022 (FY2021: €nil). In the prior financial year, a credit of €0.2m was recorded as a consequence of dividend accruing share-based payment awards deemed to have lapsed and their related dividend accrual being released.

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

	2022 Number '000	2021 Number '000
Number of shares at beginning of year	**320,480**	319,495
Shares issued in respect of options exercised	**147**	985
Shares issued in respect of Rights Issue	**81,287**	-
Number of shares at end of year (note 25)	**401,914**	320,480

	2022 Number '000	2021 Number '000
Weighted average number of ordinary shares (basic)*	**374,560**	336,236**
Adjustment for the effect of conversion of options	**1,374**	-
Weighted average number of ordinary shares, including options (diluted)	**375,934**	336,236**

* Excludes 10.7m treasury shares (FY2021: 10.8m).

** During the current financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 *Earnings Per Share* requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result.

Profit/(loss) attributable to ordinary shareholders

	2022 €m	2021 €m
Group profit/(loss) for the financial year	**37.1**	(104.5)
Adjustment for exceptional items, net of tax (note 5)	**(8.9)**	33.7
Earnings/(loss) as adjusted for exceptional items, net of tax	**28.2**	(70.8)

	Cent	Cent
Basic earnings/(loss) per share restated*		
Basic earnings/(loss) per share	**9.9**	(31.1)
Adjusted basic earnings/(loss) per share	**7.5**	(21.1)
Diluted earnings/(loss) per share restated*		
Diluted earnings/(loss) per share	**9.9**	(31.1)
Adjusted diluted earnings/(loss) per share	**7.5**	(21.1)

* During the current financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 *Earnings Per Share* requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result.

Basic earnings/(loss) per share is calculated by dividing the Group profit/(loss) for the financial year by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Group and accounted for as treasury shares (FY2022: 10.7m shares, FY2021: 10.8m shares).

Diluted earnings/(loss) 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.

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 (FY2022: 499,828, FY2021: 1,930,864). 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.

Notes forming part of the financial statements
(continued)

10. BUSINESS COMBINATIONS/DIVESTMENTS AND NON-CONTROLLING INTERESTS

The Group completed the sale of its wholly owned US subsidiary, Vermont Hard Cider Company (VHCC) to Northeast Kingdom Drinks Group LLC on the 2 April 2021 for a total consideration of €17.5m (USD 20.5m) comprised of cash proceeds of €13.4m (€12.9m net cash impact on disposal) and promissory notes of €4.1m (USD 4.8m), realising a profit of €4.5m on disposal (note 5). The sale was completed on 2 April 2021. VHCC was previously classified as a disposal group held for sale as at 28 February 2021.

The net identifiable assets disposed were as follows:

	Asset value on disposal €m
Non-current assets	
Property, plant & equipment	5.8
Leased right-of-use assets	0.2
Non-current assets	**6.0**
Current assets	
Inventories	4.1
Trade & other receivables	4.2
Current assets	**8.3**
Current liabilities	
Lease liabilities	(0.2)
Trade & other payables	(2.0)
Current liabilities	**(2.2)**
Total net identifiable assets disposed	**12.1**
Total consideration	17.5
Net identifiable assets disposed	(12.1)
Working capital adjustment	(0.6)
Foreign currency recycled on disposal of subsidiary	0.2
Transaction costs incurred	(0.5)
Profit on disposal	**4.5**
Satisfied by:	
Cash consideration received	13.4
Non-cash consideration received	4.1*
Total consideration	**17.5**
Analysis of cash flows on disposal:	
Cash consideration received	13.4
Cash and cash equivalents outflow	(0.5)
Net cash inflow	**12.9**

The cumulative foreign exchange gain recognised in other comprehensive income in relation to VHCC was €0.2m. This was reclassified out of the Currency Translation Reserve via the Consolidated Statement of Comprehensive Income and recognised in the Consolidated Income Statement as part of the profit on disposal.

*As at 28 February 2022, the non-cash consideration which relates to the promissory notes issued on the date of transaction at €4.1m (USD 4.8m) were revalued to €4.3m, with a translation adjustment of €0.2m recognised.

Year ended 28 February 2021

In the prior financial year, the Group disposed of €1.3m of net assets with respect to its non-core Tipperary Water Cooler business for an initial consideration of €7.4m, with further consideration potentially being dependent on further revenue targets being achieved. Transaction costs of €0.3m were also incurred (included in the cash flows from operating activities) resulting in a profit on disposal of €5.8m.

10. BUSINESS COMBINATIONS/DIVESTMENTS AND NON-CONTROLLING INTERESTS (continued)

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 29 February 2020	98.5	195.3	67.2	361.0
Translation adjustment	(1.3)	(1.2)	(1.1)	(3.6)
Additions	0.4	10.4	1.7	12.5
Revaluation/(impairment) of property, plant & machinery	3.2	(3.5)	-	(0.3)
Assets held for sale	(5.1)	(2.6)	(0.3)	(8.0)
Disposal of subsidiary (note 10)	-	-	(5.7)	(5.7)
Group transfer reclassification	(7.1)	7.1	-	-
Disposals	-	-	(5.9)	(5.9)
At 28 February 2021	88.6	205.5	55.9	350.0
Translation adjustment	**1.9**	**2.7**	**1.7**	**6.3**
Additions	**3.2**	**5.7**	**2.2**	**11.1**
Revaluation of property, plant & machinery	**3.1**	**-**	**-**	**3.1**
Group transfer reclassification	**(0.5)**	**0.5**	**-**	**-**
Disposals	**(1.4)**	**(0.3)**	**(0.3)**	**(2.0)**
At 28 February 2022	**94.9**	**214.1**	**59.5**	**368.5**
Depreciation				
At 29 February 2020	16.8	143.2	54.3	214.3
Translation adjustment	(0.2)	(0.7)	(0.8)	(1.7)
Disposals	-	-	(5.3)	(5.3)
Assets held for sale	(0.4)	(1.8)	(0.2)	(2.4)
Disposal of subsidiary	-	-	(4.8)	(4.8)
Charge for the year	2.1	4.7	3.8	10.6
At 28 February 2021	18.3	145.4	47.0	210.7
Translation adjustment	**0.4**	**1.5**	**1.5**	**3.4**
Disposals	**(0.8)**	**(0.2)**	**(0.3)**	**(1.3)**
Charge for the year	**2.3**	**4.2**	**3.2**	**9.7**
At 28 February 2022	**20.2**	**150.9**	**51.4**	**222.5**
Net book value				
At 28 February 2022	**74.7**	**63.2**	**8.1**	**146.0**
At 28 February 2021	70.3	60.1	8.9	139.3

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
28 February 2022				
Leased right-of-use assets				
At 28 February 2022, net carrying amount (note 19)	**34.0**	**3.3**	**30.7**	**68.0**
Total property, plant & equipment	**108.7**	**66.5**	**38.8**	**214.0**
28 February 2021				
Leased right-of-use assets				
At 28 February 2021, net carrying amount (note 19)	30.3	0.9	33.5	64.7
Total property, plant & equipment	100.6	61.0	42.4	204.0

Cash outflow with respect to property, plant & equipment was €14.9m (FY2021: €8.4m) primarily due to a decrease in closing capital accruals as at 28 February 2022. No depreciation is charged on freehold land which had a book value of €18.2m at 28 February 2022.

Valuation of freehold land & buildings and plant & machinery - 28 February 2022

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 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.

For specialised assets, comprising the production facilities at Clonmel, Wellpark Brewery and Portugal the Depreciated Replacement Cost approach has been applied to value land & buildings. The Depreciated Replacement Cost approach was also used to derive fair value for the plant & machinery at the Group's manufacturing facilities given their specialised nature.

The result of these external valuations, as at 28 February 2022, was an increase in the value of freehold land & buildings of €3.1m of which €0.6m was credited to the Income Statement and €2.5m was credited to Other Comprehensive Income.

For all other items of land & buildings and plant & machinery the Group completed an internal assessment of the appropriateness of their carrying value. Assisted by a market overview provided by the valuation team from PricewaterhouseCoopers LLP, with respect to the geographic locations of the Group's assets, the Group concluded that the carrying value was appropriate at 28 February 2022 and no adjustment was recorded in this regard.

Valuation of freehold land & buildings and plant & machinery - 28 February 2021

In the prior financial year, the Group also 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 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.

For specialised assets, comprising the production facilities at Clonmel, Wellpark Brewery and Portugal the Depreciated Replacement Cost approach has been applied to value land & buildings. The Depreciated Replacement Cost approach was also used to derive fair value for the plant & machinery at the Group's manufacturing facilities given their specialised nature.

11. PROPERTY, PLANT & EQUIPMENT (continued)

The result of these external valuations, as at 28 February 2021, was an increase in the value of freehold land & buildings of €3.2m of which €2.3m was credited to the Income Statement and €0.9m was credited to the revaluation reserve via Other Comprehensive Income. The value of plant & machinery decreased by €3.5m which was expensed to the Income Statement as there was no previously recognised gain in the revaluation reserve against which to offset.

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 right-of-use assets)				
Carrying value at 28 February 2022 post revaluation	**74.7**	**63.2**	**8.1**	**146.0**
Carrying value at 28 February 2022 pre revaluation	**71.6**	**63.2**	**8.1**	**142.9**
Gain on revaluation	**3.1**	**-**	**-**	**3.1**

28 February 2022 classified within:	
Income Statement	**0.6**
Other Comprehensive Income	**2.5**

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Net book value (pre right-of-use assets)				
Carrying value at 28 February 2021 post revaluation	70.3	60.1	8.9	139.3
Carrying value at 28 February 2021 pre revaluation	67.1	63.6	8.9	139.6
Gain/(loss) on revaluation	3.2	(3.5)	-	(0.3)

28 February 2021 classified within:	
Income Statement	(1.2)
Other Comprehensive Income	0.9

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 right-of-use assets, 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	**15.5**	**-**	**-**	**15.5**
Freehold land & buildings measured at Depreciated Replacement Cost	**59.2**	**-**	**-**	**59.2**
Plant & machinery measured at Depreciated Replacement Cost	**63.2**	**-**	**-**	**63.2**
At 28 February 2022	**137.9**	**-**	**-**	**137.9**

	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	14.7	-	-	14.7
Freehold land & buildings measured at Depreciated Replacement Cost	55.6	-	-	55.6
Plant & machinery measured at Depreciated Replacement Cost	60.1	-	-	60.1
At 28 February 2021	130.4	-	-	130.4

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 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 & 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	€50–€150 (FY2021: no change from current year price) per hectare	€59–€1,169 (FY2021: €64- €1,119) per square metre	
	Portugal	€40 (FY2021: no change from current year price) per hectare	€100 - €585 (FY2021: €96- €571) per square metre	
	United Kingdom	£275- £325 (FY2021: £175- £225) per acre	£254 to £1,593 (FY2021: £251- £1,524) per square metre	

The significant unobservable inputs used in the Depreciated Replacement Cost measurement of freehold land & buildings and plant & machinery are as follows:

Gross replacement cost adjustment	Increase in gross replacement cost of 0% (FY2021: 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% (FY2021: 0% to 100%). The weighted average obsolescence factor by site is as follows: Cidery, Ireland – 21%; Brewery Scotland – 4% and Cidery, Portugal – 0%
Physical and functional obsolescence adjustment factor	Adjustment for changes to physical and functional obsolescence ranging from 64% to 86% (FY2021: 63% to 85%)

The carrying value of depot freehold land & buildings would increase/(decrease) by €0.8m 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 €2.9m if the economic obsolescence adjustment factor was (decreased)/increased by 5%. The estimated carrying value of the same land & buildings would increase/(decrease) by €1.1m 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 by €2.5m if the economic obsolescence adjustment factor was decreased by 5%. If the economic obsolescence adjustment increased by 5% the value would increase by €2.5m. If the gross replacement cost was increased by 2% the carrying value of the Group’s plant & machinery would increase by €0.9m. If the gross replacement cost decreased by 2% the carrying value of the Group’s plant & machinery would decrease by €0.9m.

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 29 February 2020	602.9	324.1	39.2	966.2
Additions	-	-	1.6	1.6
Translation adjustment	(3.1)	(2.2)	(0.3)	(5.6)
At 28 February 2021	599.8	321.9	40.5	962.2
Additions	**-**	**-**	**2.2**	**2.2**
Translation adjustment	**6.5**	**4.5**	**0.5**	**11.5**
At 28 February 2022	**606.3**	**326.4**	**43.2**	**975.9**
Amortisation and impairment				
At 29 February 2020	76.2	214.6	22.5	313.3
Impairment charge for the year	-	-	0.3	0.3
Amortisation charge for the year	-	-	2.6	2.6
At 28 February 2021	76.2	214.6	25.4	316.2
Impairment charge for the year	**-**	**-**	**0.6**	**0.6**
Amortisation charge for the year	**-**	**-**	**2.6**	**2.6**
At 28 February 2022	**76.2**	**214.6**	**28.6**	**319.4**
Net book value				
At 28 February 2022	**530.1**	**111.8**	**14.6**	**656.5**
At 28 February 2021	523.6	107.3	15.1	646.0

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 29 February 2020	154.5	59.8	180.9	9.2	16.0	106.3	526.7
Translation adjustment	-	(0.7)	(0.3)	-	-	(2.1)	(3.1)
At 28 February 2021	154.5	59.1	180.6	9.2	16.0	104.2	523.6
Translation adjustment	**-**	**1.5**	**0.7**	**-**	**-**	**4.3**	**6.5**
At 28 February 2022	**154.5**	**60.6**	**181.3**	**9.2**	**16.0**	**108.5**	**530.1**

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.

12. GOODWILL & INTANGIBLE ASSETS (continued)

In line with IAS 36 *Impairment of Assets* goodwill is allocated to each cash generating unit (CGU) 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.

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 FY2010, Waverley wine brands acquired during FY2013 and the Matthew Clark and Bibendum brands acquired during FY2019.

The Tennent's, Gaymers, Waverley wine brands and Matthew Clark and Bibendum 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 28 February 2022 amounted to €76.6m (FY2021: €73.5m) and has an indefinite life which is subject to annual impairment testing. The movement in the current financial year is due to translation adjustment.

The carrying amount of brands with indefinite lives are allocated to operating segments as follows:

	Ireland €m	Great Britain €m	Total €m
At 29 February 2020		109.5	109.5
Impairment charge for the year	-	-	-
Translation adjustment	-	(2.2)	(2.2)
At 28 February 2021	-	107.3	107.3
Translation adjustment	**-**	**4.5**	**4.5**
At 28 February 2022	**-**	**111.8**	**111.8**

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.

Notes forming part of the financial statements
(continued)

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	Total €m
Cost			
At 29 February 2020	6.8	32.4	39.2
Additions	0.2	1.4	1.6
Translation adjustment	-	(0.3)	(0.3)
At 28 February 2021	7.0	33.5	40.5
Additions	**0.1**	**2.1**	**2.2**
Translation adjustment	**-**	**0.5**	**0.5**
At 28 February 2022	**7.1**	**36.1**	**43.2**
Amortisation and impairment			
At 29 February 2020	2.8	19.7	22.5
Impairment charge for the year	-	0.3	0.3
Amortisation charge for the year	0.6	2.0	2.6
At 28 February 2021	3.4	22.0	25.4
Impairment charge for the year	**-**	**0.6**	**0.6**
Amortisation charge for the year	**0.6**	**2.0**	**2.6**
At 28 February 2022	**4.0**	**24.6**	**28.6**
Net book value			
At 28 February 2022	**3.1**	**11.5**	**14.6**
At 28 February 2021	3.6	11.5	15.1

In the current financial year, the Group wrote off IT intangible assets of €0.6m relating to cloud software licence agreements treated as service contracts. In the prior financial year, the Group wrote off an IT intangible asset where the project was not completed, as a direct consequence of COVID-19 of €0.3m.

Other intangible assets comprise the fair value of trade relationships acquired as part of the acquisition of Matthew Clark and Bibendum in FY2019, 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. Also included within other intangible assets are software and licences.

The amortisation charge for the year ended 28 February 2022 with respect to intangible assets was €2.6m (FY2021: €2.6m).

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 (CGU), 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 projections for years one and two which were then projected out for years three, four and five.
- 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's assessment of anticipated market conditions for each CGU. The Group's cash flow forecasts assume the continuation of trading with no lockdowns or the reintroduction of COVID-19 restrictions. Cost inflation pressures have grown over recent months and in response, the Group implemented a series of price increases which, alongside the previously announced €18.0m cost reduction programme and cost hedge positions taken, affords the Group a degree of protection from the inflationary environment as the Group enters into FY2023. The Group took into account historical experience and in particular the Group's experience over the last twelve month period. The Group also considers 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.

A terminal growth rate of 1.75%-2.00% (FY2021: 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 5.92%-6.68% (FY2021: 7.11%-8.41%); these rates are in line with the Group's estimated pre-tax weighted average cost of capital for the two main geographies in which the Group operates (Ireland and Great Britain), arrived at using the Capital Asset Pricing Model as adjusted for asset and country specific factors.

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

The Group has performed the detailed impairment testing calculations by cash generating units with the following discount rates being applied:

Market	Discount rate 2022	Discount rate 2021	Terminal growth rate 2022	Terminal growth rate 2021
Ireland	**6.68%**	8.41%	**2.00%**	2.00%
Scotland	**6.12%**	7.56%	**2.00%**	2.00%
C&C Brands	**6.12%**	7.56%	**2.00%**	2.00%
North America	**5.92%**	7.11%	**1.75%**	1.75%
Export	**6.12%**	7.56%	**2.00%**	2.00%
Matthew Clark Bibendum (MCB)	**6.12%**	7.56%	**2.00%**	2.00%

The impairment testing carried out at year end identified headroom in the recoverable amount of all the Group's goodwill and intangible assets (FY2021: €nil impairment charge).

Significant goodwill amounts

The goodwill allocated to Ireland, C&C Brands and MCB CGU's amount to 29% (FY2021: 30%), 34% (FY2021: 34%) and 20% (FY2021: 20%) of the total carrying amount of goodwill respectively.

	Ireland		C&C Brands		MCB	
	2022	2021	2022	2021	2022	2021
Goodwill allocated to the cash generating unit at balance sheet date	**154.5**	154.5	**181.3**	180.6	**108.5**	104.2
Discount rate applied to the cash flow projections (real pre-tax)	**6.68%**	8.41%	**6.12%**	7.56%	**6.12%**	7.56%

Sensitivity analysis

In the current financial year, the impairment testing carried out as at 28 February 2022 identified headroom in the recoverable amount of the brands and goodwill compared to their carrying values.

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.

12. GOODWILL & INTANGIBLE ASSETS (continued)

The value-in-use calculations indicate significant headroom in respect of all 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 €102m. The table below identifies the impact of a movement in the key inputs with respect to C&C Brands.

	2022		2021	
	Movement %	Increase/ (decrease) on headroom €m	Movement %	Increase/ (decrease) on headroom €m
Increase/(decrease) in operating profit	**2.5/(2.5)**	**8.3/(8.3)**	2.5/(2.5)	6.9/(6.9)
Increase in discount rate	**0.25**	**(19.6)**	0.25	(12.0)
Decrease in discount rate	**(0.25)**	**22.1**	(0.25)	13.1
Increase in terminal growth rate	**0.25**	**18.9**	0.25	10.6
Decrease in terminal growth rate	**(0.25)**	**(16.8)**	(0.25)	(9.7)

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/financial assets – Group

	Joint ventures		Associates		
	Admiral Taverns €m	Drygate Brewing Company Limited €m	Whitewater Brewing Company Limited €m	Other €m	Total €m
Investment in equity accounted investments/financial assets					
Carrying amount at 1 March 2020	82.8	0.3	0.4	0.4	83.9
Purchase price paid	6.7	-	-	0.2	6.9
Share of loss after tax	(6.0)	(0.1)	-	-	(6.1)
Share of exceptional loss after tax	(8.8)	-	-	-	(8.8)
Impairment of equity investment	(8.9)	(0.2)	-	-	(9.1)
Equity accounted investment asset adjustment	(1.1)	-	-	-	(1.1)
Share of Other Comprehensive Income	(0.4)	-	-	-	(0.4)
Translation adjustment	(2.2)	-	-	-	(2.2)
Carrying amount at 28 February 2021	62.1	-	0.4	0.6	63.1
Purchase price paid	**-**	**-**	**-**	**0.3**	**0.3**
Share of profit after tax	**2.6**	**-**	**-**	**-**	**2.6**
Share of exceptional profit after tax (note 5)	**2.7**	**-**	**-**	**-**	**2.7**
Impairment of equity investment	**(6.4)**				**(6.4)**
Share of Other Comprehensive Income	**2.2**	**-**	**-**	**-**	**2.2**
Translation adjustment	**2.7**	**-**	**-**	**-**	**2.7**
Classified as asset held for sale (note 16)	**(65.9)**	**-**	**-**	**-**	**(65.9)**
Carrying amount at 28 February 2022	**-**	**-**	**0.4**	**0.9**	**1.3**

Notes forming part of the financial statements
(continued)

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 2022* €m	Joint ventures 2022 €m	Associates 2022 €m	Admiral Taverns 2021* €m	Joint ventures 2021 €m	Associates 2021 €m
Non-current assets	**668.4**	**2.5**	**3.4**	379.4	2.4	3.2
Current assets	**74.9**	**0.9**	**1.5**	36.1	0.8	1.4
Non-current liabilities	**(466.3)**	**(1.7)**	**(2.2)**	(239.0)	(1.7)	(2.1)
Current liabilities	**(105.9)**	**(1.5)**	**(0.8)**	(27.2)	(1.3)	(0.7)
Net assets	**171.1****	**0.2**	**1.9**	149.3	0.2	1.8
Revenue	**127.3**	**2.7**	**1.2**	42.7	2.5	0.3
Profit/(loss) before tax	**4.9**	**(0.2)**	**(0.1)**	(37.9)	(0.2)	-
Other Comprehensive Income	**4.4**	**-**	**-**	(0.8)	-	-

* Included in the current assets for Admiral Taverns is cash and cash equivalents of €32.0m (FY2021: €15.0m). Admiral Taverns also has depreciation and amortisation of €13.7m (FY2021: €10.0m), net interest costs of €29.0m (FY2021: €16.8m) and a tax credit of €5.9m (FY2021: €7.5m).

** Net assets of €171.1m by the Group's share in equity at 24 February 2022 of 48.85% amounts to €83.6m however the percentage ownership of the Group has changed multiple times since the original investment and therefore the weighted share of net assets attributable to the Group at 24 February 2022 was €81.7m. The Group also booked an impairment charge of €8.9m in the prior financial year which translated at FY2022 rates is €9.4m and an impairment charge in the current financial year of €6.4m.

A listing of the Group's equity accounted investments is contained in note 29.

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 (€42.4m 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 FY2020, Admiral management disposed of 2% of their shareholding which in turn increased C&C's shareholding from 46.65% to 47.7%. In the prior financial year, the Group made an equity investment in Admiral Taverns for €6.7m (£6.0m). Also, during the prior financial year, Admiral management disposed of 2.4% of their shareholding which in turn increased C&C's shareholding from 47.7% to 48.85%.

On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). The sale of the shares will be completed and the consideration will be paid in three tranches during FY2023, subject only to FCA approval. Admiral Taverns was classified as an asset held for sale as at 24 February 2022. The Group continued to equity account for this investment up until this date.

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (continued)

In the current financial year, the share of profit before exceptional items of Admiral Taverns attributable to the Group was €2.6m (FY2021: €6.0m loss). The Group also recognised a credit of €2.7m with respect to its share of Admiral Taverns' exceptional items (FY2021: €8.8m charge). This included a credit of €4.1m with respect to the Group's share of the revaluation gain arising from the fair value exercise to value Admiral's property assets (FY2021: €7.0m loss). The Group also recognised an exceptional charge of €1.4m (FY2021: €1.8m) in relation to its share of other exceptional items for the year, including the Group's share of acquisition costs of €1.4m incurred with respect to Admiral Taverns' acquisition of Hawthorn. The Group also recognised its share of other exceptional items for the year of €0.5m, primarily relating to restructuring costs. This was offset by a release from the expected loss provision with respect to the recoverability of Admiral Taverns' debtor book as a consequence of COVID-19 of €0.5m.

As a result of the same property valuation exercise, a gain of €2.2m with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income (FY2021: €0.4m loss).

Also in the current financial year, the Group assessed the carrying value of its equity accounted investment as a result of its classification as an asset held for sale as at 24 February 2022 and recognised an impairment charge of €6.4m (FY2021: €8.9m). This impairment charge reverses previously accumulated gains and losses in relation to the application of equity accounting for the Admiral Taverns investment, to reflect the recoverable value of the Group's investment in line with the agreed consideration of £55.0m (€65.9m at date of classification as held for sale, €65.8m at year-end rate).

In the prior financial year, the Group also recognised its share of an adjustment to the net asset allocation between the joint venture partners and the minority shareholder of €1.1m resulting from the repurchase of shares from the minority shareholder.

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.

In the prior financial year, in light of the impact of COVID-19 on the hospitality and pub industry the Group assessed the carrying value of its investment in Drygate Brewing Company Limited at 28 February 2021 and recorded an impairment charge of €0.2m (£0.2m) within exceptional operating costs.

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, the Group made an additional investment into Jubel Ltd of €0.3m (£0.2m), the additional subscription of shares in Jubel maintained the Group's existing percentage shareholding of 8.4%.

During the prior financial year, the Group made a 1% investment in an English entity Bramerton Condiments Limited for €0.1m (£0.1m) and a 50% investment in 3 Counties Spirits Limited for €nil consideration. The Group also acquired an 8% shareholding in Innis & Gunn Holdings Limited at €nil cost. Share subscription costs of €0.1m (£0.1m) were incurred in this regard.

Notes forming part of the financial statements
(continued)

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (continued)

The Group has a 33% investment in CVBA Braxatorium Parcensis of €0.2m. The Group also has an equity investment in Shanter Inns Limited, CVBA Braxatorium Parcensis, 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

	2022 €m	2021 €m
Equity investment in subsidiary undertakings at cost		
At beginning of year	**985.4**	984.6
Capital contribution in respect of share options granted to employees of subsidiary undertakings	**1.5**	0.8
Capital contribution in respect of the Rights Issue	**171.3**	-
At end of year	**1,158.2**	985.4

The total expense of €1.5m (FY2021: €0.8m) 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 Consolidated Balance Sheet. Details of subsidiary undertakings are set out in note 29.

14. INVENTORIES

	2022 €m	2021 €m
Group		
Raw materials & consumables	**37.6**	38.4
Finished goods & goods for resale	**130.6**	82.9
Total inventories at lower of cost and net realisable value	**168.2**	121.3

Inventory write-down recognised within operating costs before exceptional items amounted to €1.1m (FY2021: €0.9m). The inventory write-down in the current and prior financial year was with respect to breakages and write off of damaged and obsolete stock. The Group realised an exceptional credit of €4.1m with respect to inventory (FY2021: €5.8m charge), this related to recoveries on inventory that had been deemed at risk of obsolescence as a consequence of the COVID-19 restrictions.

15. TRADE & OTHER RECEIVABLES

	Group 2022 €m	Group 2021 €m	Company 2022 €m	Company 2021 €m
Amounts falling due within one year:				
Trade receivables	**147.5**	75.9	**-**	-
Amounts due from Group undertakings	**-**	-	**114.7**	118.6
Advances to customers	**4.6**	3.8	**-**	-
Prepayments and other receivables	**34.2**	23.1	**-**	-
	186.3	102.8	**114.7**	118.6
Amounts falling due after one year:				
Advances to customers	**38.4**	38.3	**-**	-
Prepayments and other receivables	**4.6**	3.5	**-**	-
	43.0	41.8	**-**	-
Total	**229.3**	144.6	**114.7**	118.6

Amounts due from Group undertakings are a combination of interest bearing and interest free receivables 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 €84.1m to Group cash (FY2021: €45.0m) at 28 February 2022. The Group's debtors would therefore have been €84.1m higher (FY2021: €45.0m) had the programme not been in place. The Group's trade receivables programme is not recognised on the Consolidated Balance Sheet as it meets the de-recognition criteria under IFRS 9 *Financial Instruments*.

The aged analysis of trade receivables and advances to customers analysed between amounts that were not past due and amounts past due at 28 February 2022 and 28 February 2021 were as follows:

	Trade receivables Gross 2022 €m	Trade receivables Impairment 2022 €m	Advances to customers Gross 2022 €m	Advances to customers Impairment 2022 €m	Total Gross 2022 €m	Total Impairment 2022 €m	Total Gross 2021 €m	Total Impairment 2021 €m
Group								
Not past due	**127.6**	**(2.0)**	**46.1**	**(5.2)**	**173.7**	**(7.2)**	107.5	(10.8)
Past due:								
Past due 0-30 days	**5.0**	**(0.3)**	**-**	**-**	**5.0**	**(0.3)**	5.8	(1.0)
Past due 31-120 days	**9.6**	**(0.3)**	**0.4**	**(0.1)**	**10.0**	**(0.4)**	13.6	(3.7)
Past due 121-365 days	**7.9**	**(0.3)**	**0.7**	**(0.3)**	**8.6**	**(0.6)**	9.0	(4.9)
Past due more than one year	**7.8**	**(7.5)**	**3.2**	**(1.8)**	**11.0**	**(9.3)**	9.8	(7.3)
Total	**157.9**	**(10.4)**	**50.4**	**(7.4)**	**208.3**	**(17.8)**	145.7	(27.7)

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.

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 and in particular the Group's view of how COVID-19 and related restrictions impacted particular customer segments over the last twelve month period and how they are expected to impact them going forward, historical information on payment patterns including the payment patterns over the last twelve month period, terms of payment and the impact of government schemes coming to an end as markets reopened. COVID-19 had and continues to have a material impact on the assessment of credit losses of the Group's receivables balances. The Group recorded an exceptional credit of €7.9m with respect to the Group's receivables balances in the current financial year (FY2021: €6.1m) 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 repayment patterns including the repayment patterns over the last twelve month period and the impact of government schemes coming to an end as markets reopened. The credit risk on advances to customers can be reduced through the value of security and/or collateral given. In the current and prior financial year, COVID-19 had a material impact on the assessment of credit losses with regard to advances to customers at year end and the Group recorded an exceptional credit of €5.5m (FY2021: charge of €1.2m) in this regard (note 5).

Trade receivables are on average receivable within 32 days (FY2021: 33 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 24.

The movement in the allowance for impairment in respect of trade receivables and advances to customers during the year was as follows:

	Trade receivables 2022 €m	Advance to customers 2022 €m	Total 2022 €m	Total 2021 €m
Group				
At beginning of year	**16.4**	**11.3**	**27.7**	40.0
Recovered during the year	**(7.9)**	**(5.5)**	**(13.4)**	(11.4)
Provided during the year	**3.1**	**1.5**	**4.6**	5.3
Derecognised on disposal	**(0.5)**	**-**	**(0.5)**	(0.2)
Written off during the year	**(1.9)**	**-**	**(1.9)**	(5.1)
Translation adjustment	**1.2**	**0.1**	**1.3**	(0.9)
At end of year	**10.4**	**7.4**	**17.8**	27.7

At 28 February 2022, regarding the impact of the expected credit loss model on trade receivables and advances to customers, the Group has provided for expected credit losses over the next twelve months of €5.7m (FY2021: €6.2m) and expected lifetime losses of €12.1m (FY2021: €21.5m).

16. ASSET HELD FOR SALE

On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). The sale of the shares will be completed and the consideration will be paid in three tranches during FY2023, subject only to FCA approval. Admiral Taverns was classified as an asset held for sale as at 24 February 2022. The Group assessed the carrying value of its equity accounted investment as a result of its classification as an asset held for sale as at 24 February 2022 and recognised an impairment charge of €6.4m. This impairment charge reverses previously accumulated gains and losses in relation to the application of equity accounting for the Admiral Taverns investment, to reflect the recoverable value of the Group's investment in line with the agreed consideration of €65.8m (£55.0m).

The equity accounted investment in Admiral Taverns was previously presented within the Great Britain reportable segment in note 1 in accordance with IFRS 8 *Operating Segments*.

	2022 €m
Asset held for sale	
Equity accounted investment	**65.9**
Translation adjustment	**(0.1)**
At 28 February 2022	**65.8**

The cumulative foreign exchange gain recognised in other comprehensive income in relation to the asset held for sale as at 24 February 2022 was €2.7m.

In the prior financial year, the Group classified its wholly owned US subsidiary, Vermont Hard Cider Company ("VHCC") as a disposal group held for sale, as at 28 February 2021. On 2 April 2021, the Group completed the sale of VHCC for a total consideration of €17.5m (USD 20.5m) (see note 10).

17. TRADE & OTHER PAYABLES

	Group		Company	
	2022 €m	2021 €m	2022 €m	2021 €m
Trade payables	**206.8**	135.2	**-**	-
Payroll taxes & social security	**6.5**	4.1	**-**	-
VAT	**32.3**	41.4	**-**	-
Excise duty	**46.2**	40.0	**-**	-
Accruals	**94.3**	75.5	**2.9**	3.1
Amounts due to Group undertakings	**-**	-	**49.7**	33.9
Total	**386.1**	296.2	**52.6**	37.0

Amounts due to Group undertakings are a combination of interest bearing and interest free payables and are all payable on demand.

The Group's exposure to currency and liquidity risk related to trade & other payables is disclosed in note 24.

Company

The Company has entered into financial guarantee contracts to guarantee the indebtedness of the liabilities of certain of its subsidiary undertakings. As at 28 February 2022, 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 27.

Notes forming part of the financial statements
(continued)

18. PROVISIONS

	Restructuring 2022 €m	Dilapidation 2022 €m	Other 2022 €m	Total 2022 €m	Total 2021 €m
At 1 March	**2.0**	**3.8**	**6.9**	**12.7**	9.2
Translation adjustment	**-**	**0.2**	**0.1**	**0.3**	-
Charged during the year	**0.6**	**1.6**	**0.9**	**3.1**	13.8
Released during the year	**-**	**(0.1)**	**(0.8)**	**(0.9)**	(2.2)
Utilised during the year	**(2.4)**	**(0.1)**	**(0.6)**	**(3.1)**	(8.1)
At end of year	**0.2**	**5.4**	**6.5**	**12.1**	12.7

Classified within:		
Current liabilities	**8.2**	6.2
Non-current liabilities	**3.9**	6.5
	12.1	12.7

Restructuring
Restructuring costs of €0.6m were incurred in the current financial year (FY2021: €8.1m). These related to severance costs of €0.6m (FY2021: €4.9m) which were incurred with respect to the restructuring of the Group as a consequence of the COVID-19 pandemic. In the prior year an additional €1.9m severance costs arose as a consequence of the optimisation of the delivery networks in England and Scotland. Also in the prior year, the Group incurred additional costs of €2.0m with respect to the optimisation of the delivery networks in England and Scotland which was offset by a credit of €0.7m relating to the profit on disposal of a property as a direct consequence of the optimisation project. €2.4m of these costs were paid during the year (FY2021: €6.2m) with €0.2m outstanding at year end (FY2021: €2.0m).

Dilapidation
The Group has a dilapidation provision of €5.4m at 28 February 2022 (FY2021: €3.8m). The Group's dilapidation provision at 28 February 2022 is with respect to dilapidation costs for leased depots of €5.1m (FY2021: €3.5m) and a €0.3m dilapidation provision for the leased fleet (FY2021: €0.3m).

Other
A significant proportion of the Other provision balance of €6.5m relates primarily to a provision with respect to lost kegs and a legal provision which was settled post year end. The remainder of this provision is in respect of costs associated with the cyber security incident within the Group's Matthew Clark and Bibendum operations.

Other provisions carried forward from FY2021 relate to provisions for 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. 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.

19. 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 2020, net carrying amount	35.2	1.3	40.2	76.7
Translation adjustment	(0.8)	-	(0.9)	(1.7)
Additions	2.7	-	9.2	11.9
Remeasurement	(1.0)	-	(2.9)	(3.9)
Disposals	-	-	(0.1)	(0.1)
Disposal of subsidiary	-	-	(0.4)	(0.4)
Asset held for sale	(0.2)	-	-	(0.2)
Depreciation charge for the year	(5.6)	(0.4)	(11.6)	(17.6)
At 28 February 2021	30.3	0.9	33.5	64.7
Translation adjustment	**1.1**	**-**	**1.3**	**2.4**
Additions	**0.4**	**-**	**22.7**	**23.1**
Reclassification	**-**	**3.1**	**(3.1)**	**-**
Remeasurement	**7.2**	**(0.3)**	**(4.8)**	**2.1**
Disposals	**-**	**-**	**(4.8)**	**(4.8)**
Depreciation charge for the year	**(5.0)**	**(0.4)**	**(14.1)**	**(19.5)**
At 28 February 2022	**34.0**	**3.3**	**30.7**	**68.0**

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Leased liabilities				
At 1 March 2020, net carrying amount	(49.3)	(1.3)	(42.7)	(93.3)
Translation adjustment	1.0	-	1.0	2.0
Additions to lease liabilities	(2.7)	-	(9.2)	(11.9)
Remeasurement	1.0	-	2.9	3.9
Disposals	-	-	0.1	0.1
Disposal of subsidiary	-	-	0.4	0.4
Payments*	8.7	0.5	13.3	22.5
Asset held for sale	0.2	-	-	0.2
Discount unwinding	(1.9)	-	(1.6)	(3.5)
At 28 February 2021	(43.0)	(0.8)	(35.8)	(79.6)
Translation adjustment	**(1.8)**	**(0.2)**	**(1.2)**	**(3.2)**
Additions to lease liabilities	**(0.4)**	**-**	**(22.7)**	**(23.1)**
Reclassification	**-**	**(3.1)**	**3.1**	**-**
Remeasurement	**(6.5)**	**0.4**	**5.2**	**(0.9)**
Disposals	**-**	**-**	**4.9**	**4.9**
Payments*	**8.5**	**0.5**	**16.2**	**25.2**
Discount unwinding	**(1.6)**	**-**	**(1.7)**	**(3.3)**
At 28 February 2022	**(44.8)**	**(3.2)**	**(32.0)**	**(80.0)**

* Payments are apportioned between finance charges €3.3m (FY2021: €3.5m) and payment of lease liabilities €21.9m (FY2021: €19.0m) in the Cash Flow Statement

Notes forming part of the financial statements
(continued)

19. LEASES (continued)

Lease liabilities classified within:

	Total 2022 €m	Total 2021 €m
Current liabilities	**(20.2)**	(18.9)
Non-current liabilities	**(59.8)**	(60.7)
	(80.0)	(79.6)

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 28 February 2022		As at 28 February 2021	
	Discounted €m	Undiscounted €m	Discounted €m	Undiscounted €m
Within one year	**(20.2)**	**(23.1)**	(18.9)	(21.7)
Between one and two years	**(14.7)**	**(16.9)**	(17.4)	(19.5)
Between two and three years	**(11.9)**	**(13.5)**	(10.5)	(12.2)
Between three and four years	**(10.4)**	**(11.6)**	(8.1)	(9.4)
Between four and five years	**(7.0)**	**(7.9)**	(7.3)	(8.3)
After five years	**(15.8)**	**(18.4)**	(17.4)	(19.8)
Total	**(80.0)**	**(91.4)**	(79.6)	(90.9)

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 Income Statement as incurred:

	2022 €m	2021 €m
Expense relating to short-term leases (included in operating costs)	**1.5**	0.7
Total	**1.5**	0.7

20. INTEREST BEARING LOANS & BORROWINGS

	Group		Company	
	2022 €m	2021 €m	2022 €m	2021 €m
Current liabilities				
Unsecured loans repayable by one repayment on maturity	**0.7**	0.8	**0.7**	0.8
Unsecured loans repayable by instalment	**(37.4)**	(50.6)	**0.1**	(5.6)
Private Placement notes repayable by one repayment on maturity	**0.1**	0.1	**0.1**	0.1
	(36.6)	(49.7)	**0.9**	(4.7)
Non-current liabilities				
Unsecured loans repayable by one repayment on maturity	**(75.0)**	(241.3)	**1.0**	1.8
Unsecured loans repayable by instalment	**-**	(37.5)	**-**	-
Private Placement notes repayable by one repayment on maturity	**(144.4)**	(141.5)	**(144.4)**	(141.5)
	(219.4)	(420.3)	**(143.4)**	(139.7)
Total borrowings	**(256.0)**	(470.0)	**(142.5)**	(144.4)

20. INTEREST BEARING LOANS & BORROWINGS (continued)

Group and Company

Outstanding borrowings of the Group and Company are net of unamortised issue costs. During the prior financial year, the Group completed the successful issue of new US Private Placement ("USPP") notes and incurred additional issue costs of €1.4m in this regard. All unamortised issue costs are being amortised to the Income Statement over the remaining life of the multi-currency revolving facilities agreement, the Euro term loan and the US Private Placement notes to which they relate. The value of unamortised issue costs at 28 February 2022 was €2.9m (FY2021: €3.9m) of which €0.9m (FY2021: €1.0m) is netted against current liabilities and €2.0m (FY2021: €2.9m) is netted against non-current liabilities.

Terms and debt repayment schedule

Group	Currency	Nominal rates of interest at 28 February 2022	Year of maturity	2022 Carrying value €m	2021 Carrying value €m
Unsecured loans repayable by one repayment on maturity	Multi	Euribor/Sonia + 2.4%	2024	**76.0**	243.1
Unsecured loans repayable by instalment	Euro	Euribor + 2.85%	2022	**37.5**	82.5
Unsecured loans repayable by instalment	GBP	Sonia + 2.0%	2021	**-**	5.7
Private Placement notes repayable by one repayment on maturity	Euro/GBP	1.6%-2.74%	2030/2032	**145.4**	142.6
				258.9	473.9

Company	Currency	Nominal rates of interest at 28 February 2022	Year of maturity	2022 Carrying value €m	2021 Carrying value €m
Unsecured loans repayable by instalment	GBP	Sonia + 2.0%	2021	**-**	5.7
Private Placement notes repayable by one repayment on maturity	Euro/GBP	1.6%-2.74%	2030/2032	**145.4**	142.6
				145.4	148.3

Borrowing facilities

Group

The Group manages its borrowing requirements by entering into committed loan facility agreements and in the prior financial year also completed the successful issue of new USPP notes which diversifies the Group's sources of debt finance.

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. In FY2020 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. In the prior financial year, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment is now payable on 12 July 2022.

In March 2020, the Group completed the successful issue of new USPP notes. The unsecured notes, denominated in both Euro and Sterling, 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 however a waiver of the prepayment was successfully negotiated in addition to a waiver of a July 2020 repayment, as a consequence of COVID-19, which now becomes payable with the last instalment in July 2022.

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/Sonia 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.

Notes forming part of the financial statements
(continued)

20. INTEREST BEARING LOANS & BORROWINGS (continued)

Under the terms of the USPP, the Group pays a margin of 1.6% with respect to €19.0m USPP notes with a 10 year tenure; 1.73% with respect to €57.0m USPP notes with a 12 year tenure and 2.74% with respect to £58.0m notes with a 10 year tenure. A waiver fee is payable with respect to the covenant waivers secured during the current and previous financial year, including a reduced EBITDA fee payable while EBITDA is below €120.0m and a below investment grade fee payable when the Group's credit rating is below investment grade. The maximum payable under the three components is capped at 1.5%.

The Group had further financial indebtedness in the form of non-bank debt of €5.7m at 28 February 2021, which was fully repaid in the current financial year with the last instalment paid on 3 April 2021.

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

All bank loans drawn are unsecured and rank pari passu. All borrowings of the Group are guaranteed by a number of the Group's subsidiary undertakings. The USPP allows the early prepayment of the notes at any time subject to the payment of a make whole amount to compensate the note holders for the interest that would have been received on the notes had they not been prepaid early.

All borrowings of the Group at 28 February 2022 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 Euro term loan and multi-currency revolving credit facility drawn debt at 28 February 2022.

The Company is a borrower with respect to the Group's USPP notes of €145.4m (FY2021: €142.6m) as at 28 February 2022. Under the terms of the USPP, the Company pays a margin of 1.6% with respect to €19.0m notes with a 10 year tenure, 1.73% with respect to €57.0m notes with a 12 year tenure and 2.74% with respect to £58.0m notes with a 10 year tenure. A waiver fee is payable with respect to the covenant waivers secured during the current and previous financial year, including a reduced EBITDA fee payable while EBITDA is below €120.0m and a below investment grade fee is payable when the Group's credit rating is below investment grade. The maximum payable under the three components is capped at 1.5%.

The Company was also a borrower with respect to the Group's non-bank debt of €5.7m at 28 February 2021, which was fully repaid in the current financial year with the last instalment paid on 3 April 2021.

Covenants

As outlined previously, as a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021, and these have been extended up to, but not including, the August 2022 test date. Conditional on a Minimum Equity Raise, the Group's banking covenants were also renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x. The Minimum Equity Raise was defined as the receipt of at least £125.0m of gross cash proceeds from the issuance of new ordinary shares in the Company including in such proceeds the gross amount received by the Company upon issuance of any right to acquire any new ordinary shares in the Company. The Company successfully raised gross cash proceeds of £151m (€176m) in June 2021.

As part of the agreement reached to waive the debt covenants, a minimum liquidity requirement and a gross debt restriction have been put in place. Following the successful Rights Issue, the minimum liquidity requirement and gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 28 February 2023 or earlier if compliance can be demonstrated, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month. A monthly gross debt cap of €750.0m in FY2021 was also applied which will continue through FY2022 but was reduced to €700.0m in June 2021 post the successful Rights Issue. The minimum liquidity requirement and a gross debt restriction can be lifted earlier in certain circumstances.

The Group complied with these new minimum liquidity and gross debt requirements during the financial year.

20. INTEREST BEARING LOANS & BORROWINGS (continued)

The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants (before the current waivers were secured):

- Interest cover: The ratio of EBITDA to net interest for a period of twelve 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 twelve months ending on a half-year date will not exceed 3.5:1

The Company and Group also had covenants with respect to its non-bank financial indebtedness (before the current waivers were secured).

- Interest cover: The ratio of EBITDA to net interest for a period of twelve 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 twelve months ending on a half-year date will not exceed 3.5:1

There is no effect on the Group's covenants as a result of implementing IFRS 16 *Leases* as all covenants are calculated on a pre IFRS 16 *Leases* adoption basis.

Further information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in note 24.

21. ANALYSIS OF NET DEBT

	1 March 2021 €m	Translation adjustment €m	Additions/ disposals/ remeasurement €m	Cash Flow, net €m	Non-cash changes €m	28 February 2022 €m
Group						
Interest bearing loans & borrowings	**(470.0)**	**(7.2)**	**-**	**222.2**	**(1.0)**	**(256.0)***
Cash	**107.7**	**2.5**	**-**	**(45.5)**	**-**	**64.7**
Net debt excluding leases	**(362.3)**	**(4.7)**	**-**	**176.7**	**(1.0)**	**(191.3)**
Lease liabilities (note 19)	**(79.6)**	**(3.2)**	**(19.1)**	**25.2**	**(3.3)**	**(80.0)**
Net debt including leases	**(441.9)**	**(7.9)**	**(19.1)**	**201.9**	**(4.3)**	**(271.3)**

* Interest bearing loans & borrowings at 28 February 2022 are net of unamortised issue costs of €2.9m.

	1 March 2020 €m	Translation adjustment €m	Additions/ disposals/ remeasurement €m	Cash Flow, net €m	Non-cash changes €m	28 February 2021 €m
Group						
Interest bearing loans & borrowings	(357.0)	(6.3)	-	(105.5)	(1.2)	(470.0)*
Cash	123.4	1.7	-	(17.4)	-	107.7
Net debt excluding leases	(233.6)	(4.6)	-	(122.9)	(1.2)	(362.3)
Lease liabilities (note 19)	(93.3)	2.0	(7.3)	22.5	(3.5)	(79.6)
Net debt including leases	(326.9)	(2.6)	(7.3)	(100.4)	(4.7)	(441.9)

* Interest bearing loans & borrowings at 28 February 2021 are net of unamortised issue costs of €3.9m.

	1 March 2021 €m	Translation adjustment €m	Cash Flow, net €m	Non-cash changes €m	28 February 2022 €m
Company					
Interest bearing loans & borrowings	**(144.4)**	**(3.0)**	**5.9**	**(1.0)**	**(142.5)***
Cash	**0.7**	**-**	**(0.6)**	**-**	**0.1**
	(143.7)	**(3.0)**	**5.3**	**(1.0)**	**(142.4)**

* Interest bearing loans & borrowings at 28 February 2022 are net of unamortised issue costs of €2.9m.

Notes forming part of the financial statements
(continued)

21. ANALYSIS OF NET DEBT (continued)

	1 March 2020 €m	Translation adjustment €m	Cash Flow, net €m	Non-cash changes €m	28 February 2021 €m
Company					
Interest bearing loans & borrowings	(13.9)	(2.4)	(126.9)	(1.2)	(144.4)*
Cash	-	-	0.7	-	0.7
	(13.9)	(2.4)	(126.2)	(1.2)	(143.7)

* Interest bearing loans & borrowings at 28 February 2021 are net of unamortised issue costs of €3.9m.

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 €1.0m (FY2021: €1.2m). The non-cash changes for the Group's lease liabilities in the current financial year relate to discount unwinding of €3.3m (FY2021: €3.5m).

As outlined in further detail in note 27, 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 28 February 2022.

22. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	2022			2021		
	Assets €m	Liabilities €m	Net (liabilities)/assets €m	Assets €m	Liabilities €m	Net assets/ (liabilities) €m
Group						
Property, plant & equipment	**2.6**	**(12.8)**	**(10.2)**	2.1	(8.7)	(6.6)
Intangible assets	**7.2**	**(9.4)**	**(2.2)**	5.3	(6.1)	(0.8)
Retirement benefits	**0.2**	**(6.3)**	**(6.1)**	0.7	(2.5)	(1.8)
Trade related items & losses	**17.0**	**(1.7)**	**15.3**	16.5	-	16.5
	27.0	**(30.2)**	**(3.2)**	24.6	(17.3)	7.3

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.

€16.5m of deferred tax assets have been recognised at the end of FY2022 in respect of tax losses that require future taxable profits to arise in excess of profits arising from the reversal of existing temporary differences. Following a forecasting exercise, the Group is estimating sufficient future taxable profits to recognise these deferred tax assets.

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. The cumulative value of such tax losses is €43.1m (FY2021: €49.6m). 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. With the sale of Vermont Hard Cider Company, the losses in connection with this business expired in 2021/2022 and the majority of the remaining losses are due to expire in 2035/2038.

Company

The Company had no deferred tax assets or liabilities at 28 February 2022 or at 28 February 2021.

22. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES (continued)

Analysis of movement in net deferred tax (liabilities)/assets

	1 March 2021 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Translation adjustment €m	28 February 2022 €m
Group					
Property, plant & equipment: ROI	**0.4**	**(0.6)**	**-**	**-**	**(0.2)**
Property, plant and equipment: other	**(7.0)**	**(2.2)**	**(0.6)**	**(0.2)**	**(10.0)**
Trade related items & losses	**16.5**	**(1.5)**	**-**	**0.3**	**15.3**
Intangible assets	**(0.8)**	**(1.4)**	**-**	**-**	**(2.2)**
Retirement benefits	**(1.8)**	**-**	**(4.3)**	**-**	**(6.1)**
	7.3	**(5.7)**	**(4.9)**	**0.1**	**(3.2)**

From 1 April 2023, the UK corporation tax is expected to increase from 19% to 25%. An assessment on the expected unwind of UK deferred tax assets and UK deferred liabilities has been calculated resulting in a €0.1m credit to the Income Statement and a charge to Statement of Other Comprehensive Income of €0.5m, which is included in Property, plant and equipment: other.

	1 March 2020 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Translation adjustment €m	28 February 2021 €m
Group					
Property, plant & equipment: ROI	0.7	(0.3)	-	-	0.4
Property, plant and equipment: other	(6.1)	(0.5)	(0.2)	(0.2)	(7.0)
Trade related items & losses	0.9	14.8	-	0.8	16.5
Intangible assets	0.1	(0.9)	-	-	(0.8)
Retirement benefits	(0.2)	-	(1.6)	-	(1.8)
	(4.6)	13.1	(1.8)	0.6	7.3

23. 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 (FY2021: no active members). There are 51 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (FY2021: 52 active members) and 2 active members in the NI defined benefit pension scheme (FY2021: 2 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.

Notes forming part of the financial statements
(continued)

23. RETIREMENT BENEFITS (continued)

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 recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2020. 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 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 €418,000 per annum commencing in 2021 and increasing at a rate of 1.4% each year thereafter. This will be reviewed at the next actuarial valuation, which is due in the normal course of events at 1 January 2024. 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.

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 S3PMA CMI 2019 1.5% (males) and S3PFA CMI 2019 1.5% (females) for the ROI schemes and S3PMA CMI 2020 1.5%(males) and S3PFA CMI 2020 1.5% (females) 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:

23. RETIREMENT BENEFITS (continued)

Future life expectations at age 65		ROI 2022 No. of years	ROI 2021 No. of years	NI 2022 No. of years	NI 2021 No. of years
Current retirees – no allowance for future improvements	Male	**22.5-23.3**	22.6-23.5	**22.4**	22.6
	Female	**24.2-25.1**	24.5-25.4	**24.2**	24.5
Future retirees – with allowance for future improvements	Male	**23.2-24.1**	23.5-24.3	**24.0**	24.4
	Female	**25.2-26.0**	25.5-26.3	**26.0**	26.3

Scheme liabilities

The average age of active members is 51 and 50 years (FY2021: 50 and 51 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 13 to 22 years (FY2021: 14 to 23 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 28 February 2022 and 28 February 2021 are as follows:

	2022 ROI	2022 NI	2021 ROI	2021 NI
Salary increases	**0.0%-2.6%**	**4.0%**	0.0%-2.3%	3.6%
Increases to pensions in payment	**2.0%**	**2.0%**	1.6%-1.7%	1.9%
Discount rate	**1.8%-2.0%**	**2.6%**	1.3%-1.5%	2.2%
Inflation rate	**1.6%-1.7%**	**3.6%**	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 €6.9m (FY2021: €9.7m) while an increase in inflation/salary increase expectations of 0.25% would increase the valuation of liabilities by €7.4m (FY2021: €9.5m). 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 Income Statement

	2022 ROI €m	2022 NI €m	2022 Total €m	2021 ROI €m	2021 NI €m	2021 Total €m
Analysis of defined benefit pension expense:						
Current service cost	**(0.7)**	**-**	**(0.7)**	(0.8)	-	(0.8)
Interest cost on scheme liabilities	**(2.6)**	**(0.2)**	**(2.8)**	(1.9)	(0.2)	(2.1)
Interest income on scheme assets	**2.6**	**0.2**	**2.8**	1.8	0.2	2.0
Total (expense)/income recognised in Income Statement	**(0.7)**	**-**	**(0.7)**	(0.9)	-	(0.9)

Notes forming part of the financial statements
(continued)

23. RETIREMENT BENEFITS (continued)

Analysis of amount recognised in Other Comprehensive Income:

	2022 ROI €m	2022 NI €m	2022 Total €m	2021 ROI €m	2021 NI €m	2021 Total €m
Actual return on scheme assets	**13.4**	**0.7**	**14.1**	6.1	-	6.1
Expected interest income on scheme assets	**(2.6)**	**(0.2)**	**(2.8)**	(1.8)	(0.2)	(2.0)
Experience gains and losses on scheme liabilities	**12.2**	**-**	**12.2**	2.7	-	2.7
Effect on changes in financial assumptions	**5.9**	**0.3**	**6.2**	6.5	0.1	6.6
Effect of changes in demographic assumptions	**2.9**	**0.2**	**3.1**	-	-	-
Total income/(expense)	**31.8**	**1.0**	**32.8**	13.5	(0.1)	13.4
Scheme assets	**195.1**	**14.4**	**209.5**	187.1	13.7	200.8
Scheme liabilities	**(164.0)**	**(7.9)**	**(171.9)**	(187.5)	(8.4)	(195.9)
Deficit in scheme	**-**	**-**	**-**	(5.5)	-	(5.5)
Surplus in scheme	**31.1**	**6.5**	**37.6**	5.1	5.3	10.4

(b) Impact on Balance Sheet

The retirement benefits deficit at 28 February 2022 and 28 February 2021 is analysed as follows:

Analysis of net pension deficit:

	2022 ROI €m	2022 NI €m	2022 Total €m	2021 ROI €m	2021 NI €m	2021 Total €m
Investments quoted in active markets						
Bid value of assets at end of year:						
Equity*	**35.7**	**2.9**	**38.6**	40.0	2.9	42.9
Bonds	**120.9**	**11.4**	**132.3**	107.9	10.8	118.7
Alternatives	**23.1**	**-**	**23.1**	26.5	-	26.5
Cash	**2.4**	**0.1**	**2.5**	0.2	-	0.2
Investments unquoted						
Property	**13.0**	**-**	**13.0**	12.5	-	12.5
	195.1	**14.4**	**209.5**	187.1	13.7	200.8
Actuarial value of scheme liabilities	**(164.0)**	**(7.9)**	**(171.9)**	(187.5)	(8.4)	(195.9)
Deficit in the scheme	**-**	**-**	**-**	(5.5)	-	(5.5)
Surplus in the scheme	**31.1**	**6.5**	**37.6**	5.1	5.3	10.4
Surplus/(deficit) in the scheme	**31.1**	**6.5**	**37.6**	(0.4)	5.3	4.9
Related deferred tax asset (note 22)	**-**	**-**	**-**	0.7	-	0.7
Related deferred tax liability (note 22)	**(4.0)**	**(2.1)**	**(6.1)**	(0.7)	(1.8)	(2.5)
Net pension surplus/(deficit)	**27.1**	**4.4**	**31.5**	(0.4)	3.5	3.1

*The defined benefit pension schemes have a passive self-investment in C&C Group plc of €nil (FY2021: €nil).

The alternative investment category includes investments in various asset classes including equities, commodities, currencies and funds. The investments are managed by fund managers.

23. RETIREMENT BENEFITS (continued)

Reconciliation of scheme assets

	2022 ROI €m	2022 NI €m	2022 Total €m	2021 ROI €m	2021 NI €m	2021 Total €m
Assets at beginning of year	**187.1**	**13.7**	**200.8**	186.8	14.1	200.9
Movement in year:						
Translation adjustment	**-**	**0.6**	**0.6**	-	(0.3)	(0.3)
Expected interest income on scheme assets	**2.6**	**0.2**	**2.8**	1.8	0.2	2.0
Actual return less interest income on scheme assets	**10.8**	**0.5**	**11.3**	4.3	(0.2)	4.1
Employer contributions	**0.4**	**-**	**0.4**	0.4	-	0.4
Member contributions	**0.2**	**-**	**0.2**	0.1	-	0.1
Benefit payments	**(6.0)**	**(0.6)**	**(6.6)**	(6.3)	(0.1)	(6.4)
Assets at end of year	**195.1**	**14.4**	**209.5**	187.1	13.7	200.8

The expected employer contributions to fund defined benefit scheme obligations for year ending 28 February 2022 is €0.4m.

The scheme assets had the following investment profile at the year-end:

	2022 ROI	2022 NI	2021 ROI	2021 NI
Investments quoted in active markets				
Equities	**18%**	**20%**	21%	21%
Bonds	**62%**	**80%**	58%	79%
Alternatives	**12%**	**-**	14%	-
Cash	**1%**	**-**	-	-
Investments unquoted				
Property	**7%**	**-**	7%	-
	100%	**100%**	100%	100%

Reconciliation of actuarial value of scheme liabilities

	2022 ROI €m	2022 NI €m	2022 Total €m	2021 ROI €m	2021 NI €m	2021 Total €m
Liabilities at beginning of year	**187.5**	**8.4**	**195.9**	200.2	8.6	208.8
Movement in year:						
Translation adjustment	**-**	**0.4**	**0.4**	-	(0.2)	(0.2)
Current service cost	**0.7**	**-**	**0.7**	0.8	-	0.8
Interest cost on scheme liabilities	**2.6**	**0.2**	**2.8**	1.9	0.2	2.1
Member contributions	**0.2**	**-**	**0.2**	0.1	-	0.1
Actuarial (gain)/loss immediately recognised in equity	**(21.0)**	**(0.5)**	**(21.5)**	(9.2)	(0.1)	(9.3)
Benefit payments	**(6.0)**	**(0.6)**	**(6.6)**	(6.3)	(0.1)	(6.4)
Liabilities at end of year	**164.0**	**7.9**	**171.9**	187.5	8.4	195.9

Notes forming part of the financial statements
(continued)

24. 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 28 February 2022/28 February 2021 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 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-worthy parties. Treasury activities are performed within strict terms of reference that have been approved by the Board. See currency risk section for further details.

(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				
28 February 2022				
Financial assets:				
Cash	64.7	-	64.7	64.7
Trade receivables	147.5	-	147.5	147.5
Advances to customers	43.0	-	43.0	43.0
Financial liabilities:				
Interest bearing loans & borrowings	-	(256.0)	(256.0)	(258.9)
Derivative contracts	-	(0.1)	(0.1)	(0.1)
Trade & other payables	-	(386.1)	(386.1)	(386.1)
Provisions	-	(12.1)	(12.1)	(12.1)
	255.2	(654.3)	(399.1)	(402.0)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Group				
28 February 2021				
Financial assets:				
Cash	107.7	-	107.7	107.7
Trade receivables	75.9	-	75.9	75.9
Advances to customers	42.1	-	42.1	42.1
Financial liabilities:				
Interest bearing loans & borrowings	-	(470.0)	(470.0)	(473.9)
Trade & other payables	-	(296.2)	(296.2)	(296.2)
Provisions	-	(12.7)	(12.7)	(12.7)
	225.7	(778.9)	(553.2)	(557.1)

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Company				
28 February 2022				
Financial assets:				
Cash	**0.1**	**-**	**0.1**	**0.1**
Amounts due from Group undertakings	**114.7**	**-**	**114.7**	**114.7**
Financial liabilities:				
Interest bearing loans & borrowings	**-**	**(142.5)**	**(142.5)**	**(145.4)**
Amounts due to Group undertakings	**-**	**(49.7)**	**(49.7)**	**(49.7)**
Accruals	**-**	**(2.9)**	**(2.9)**	**(2.9)**
	114.8	**(195.1)**	**(80.3)**	**(83.2)**

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Company				
28 February 2021				
Financial assets:				
Cash	0.7	-	0.7	0.7
Amounts due from Group undertakings	118.6	-	118.6	118.6
Financial liabilities:				
Interest bearing loans & borrowings	-	(144.4)	(144.4)	(148.3)
Amounts due to Group undertakings	-	(33.9)	(33.9)	(33.9)
Accruals	-	(3.1)	(3.1)	(3.1)
	119.3	(181.4)	(62.1)	(66.0)

Notes forming part of the financial statements
(continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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.

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.

(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) 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 possible, by offsetting the foreign currency input costs against the same foreign currency receipts, creating a natural hedge. When the remaining net currency exposure is material, 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. At 28 February 2022 the Group had €22.2m of forward foreign currency cash flow hedges outstanding (FY2021: €nil).

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.

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.

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

	2022 €m	2021 €m
Derivatives		
Cash flow hedges – currency forwards	**(0.1)**	-
Total	**(0.1)**	-

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.

	2022 €m	2021 €m
Hedging reserves		
Opening balance 1 March	**-**	0.3
Change in fair value of hedging recognised in Other Comprehensive Income for the year	**(0.1)**	0.3
Reclass to retained earnings	**-**	(0.6)
Closing balance 28 February – continuing hedges	**(0.1)**	-

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.

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.

No ineffectiveness was recognised in the Income Statement in the current or prior financial year.

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 28 February 2022 is as follows:

	Euro €m	Sterling €m	USD €m	CAD/AUD €m	NZD €m	SGD €m	Not at risk €m	Total €m
Group								
Cash	5.7	2.3	3.3	0.3	0.1	0.1	52.9	64.7
Trade receivables	3.5	0.1	1.4	0.4	0.2	-	141.9	147.5
Advances to customers	-	-	-	-	-	-	43.0	43.0
Interest bearings loans & borrowings	-	-	-	-	-	-	(256.0)	(256.0)
Lease liabilities	-	-	-	-	-	-	(80.0)	(80.0)
Trade & other payables	(13.7)	(14.5)	(3.1)	(0.3)	(1.1)	-	(353.4)	(386.1)
Provisions	-	-	-	-	-	-	(12.1)	(12.1)
Gross currency exposure	(4.5)	(12.1)	1.6	0.4	(0.8)	0.1	(463.7)	(479.0)

Notes forming part of the financial statements
(continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

	Sterling €m	Not at risk €m	Total €m
Company			
Cash	**-**	**0.1**	**0.1**
Interest bearing loans & borrowings	**-**	**(142.5)**	**(142.5)**
Net amounts due to Group undertakings	**20.0**	**45.0**	**65.0**
Accruals	**(1.2)**	**(1.7)**	**(2.9)**
Total	**18.8**	**(99.1)**	**(80.3)**

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 28 February 2021 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	6.2	4.3	2.3	1.8	0.1	0.3	0.8	91.9	107.7
Trade receivables	2.5	3.9	1.3	0.4	-	-	-	67.8	75.9
Advances to customers	-	-	-	-	-	-	-	42.1	42.1
Interest bearing loans & borrowings	-	-	-	-	-	-	-	(470.0)	(470.0)
Lease liabilities	-	-	-	-	-	-	-	(79.6)	(79.6)
Trade & other payables	(12.6)	(39.7)	(2.4)	(0.6)	(0.9)	-	-	(240.0)	(296.2)
Provisions	-	-	-	-	-	-	-	(12.7)	(12.7)
Gross currency exposure	(3.9)	(31.5)	1.2	1.6	(0.8)	0.3	0.8	(600.5)	(632.8)

	USD €m	Sterling €m	Not at risk €m	Total €m
Company				
Cash	-	-	0.7	0.7
Interest bearing loans & borrowings	-	(5.7)	(138.7)	(144.4)
Net amounts due to Group undertakings	(0.4)	(30.1)	115.2	84.7
Accruals	-	(1.6)	(1.5)	(3.1)
Total	(0.4)	(37.4)	(24.3)	(62.1)

A 10% strengthening in the Euro against all currencies noted above, based on outstanding financial assets and liabilities at 28 February 2022, would have a €1.4m positive impact (FY2021: €2.9m) on the Income Statement. A 10% weakening in the Euro against all currencies noted above would have a €1.7m negative effect (FY2021: €3.6m) on the Income Statement. This analysis assumes that all other variables, in particular interest rates, remain constant.

24. 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		Company	
	2022 €m	2021 €m	2022 €m	2021 €m
Variable/fixed rate instruments				
Interest bearing loans & borrowings	**(258.9)**	(473.9)	**(145.4)**	(148.3)
Cash	**64.7**	107.7	**0.1**	0.7
	(194.2)	(366.2)	**(145.3)**	(147.6)

The Group exposure to interest rate risk arises principally from its long-term debt obligations. A 0.25% increase/decrease in Euribor and Sonia rates would result in a €0.1m (FY2021: €1.9m) impact on the Income Statement, over the duration of the tenure, with respect to the interest charge on interest bearing loans & borrowings.

The USPP notes were issued in March 2020 with a fixed interest rate for Euro and GBP notes (except in relation to the Covid margin), the notes have maturity dates ranging from 2030 to 2032.

(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 in the prior financial year (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 28 February 2022, the Group's year end cash had benefited by €84.1m (FY2021: €45.0m) 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 *Financial Instruments*.

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 financial year, the Group did not exercise their right to take possession of any material collateral that would require disclosure. At 28 February 2022, the Group held collateral of €1.3m (FY2021: €2.7m) on financial assets that are credit impaired and recognised no expected credit loss on financial assets of €6.3m (FY2021: €9.8m) due to collateral.

Notes forming part of the financial statements
(continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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.

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 27.

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		Company	
	2022 €m	2021 €m	2022 €m	2021 €m
Trade receivables	**147.5**	75.9	**-**	-
Advances to customers	**43.0**	42.1	**-**	-
Amounts due from Group undertakings	**-**	-	**114.7**	118.6
Cash	**64.7**	107.7	**0.1**	0.7
	255.2	225.7	**114.8**	119.3

The ageing of trade receivables and advances to customers together with an analysis of movement in the Group's 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.

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 2 year cash projections; and (c) keeps refinancing options under review. In addition, the Group maintains an overdraft facility that is unsecured.

Cash and liquidity have been a key focus for the Group throughout FY2022. On 26 May 2021, the Group announced a Rights Issue, the Group successfully completed the Rights Issue in June 2021 raising gross cash proceeds of £151m (€176m). As a result of this, the Group reduced leverage, improving the Group's overall liquidity position and providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy.

In March 2020, the Group completed the successful issue of the new USPP notes. The unsecured notes, denominated in both Euro and Sterling, 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 however, as a consequence of COVID-19, a waiver of the prepayment was successfully negotiated in addition to a waiver of a July 2020 repayment which now becomes payable with the last instalment in July 2022.

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.

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

In FY2020 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. During the prior financial year, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment is now payable on 12 July 2022.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility. At 28 February 2022 the Group had €113.5m drawn down from the term loan and multi-currency revolving facilities (FY2021: €325.6m), €145.4m drawn down from Private Placement notes (FY2021: €142.6m) and €nil from its non-bank financial indebtedness (FY2021: €5.7m).

As outlined previously, as a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021, and these have been extended up to, but not including, the August 2022 test date. Conditional on a Minimum Equity Raise, the Group's banking covenants were also renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x. The Minimum Equity Raise was defined as the receipt of at least £125.0m of gross cash proceeds from the issuance of new ordinary shares in the Company including in such proceeds the gross amount received by the Company upon issuance of any right to acquire any new ordinary shares in the Company. The Company successfully raised gross cash proceeds of £151m (€176m) in June 2021.

As part of the agreement reached to waive the debt covenants, a minimum liquidity requirement and a gross debt restriction have been put in place. Following the successful Rights Issue, the minimum liquidity requirement and gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 28 February 2023 or earlier if compliance can be demonstrated, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month. A monthly gross debt cap of €750.0m in FY2021 was also applied which will continue through FY2022 but was reduced to €700.0m in June 2021 post the successful Rights Issue. The minimum liquidity requirement and gross debt restriction can be lifted earlier in certain circumstances.

The Group complied with these new minimum liquidity and gross debt requirements during the financial year.

The Company and Group had further financial indebtedness in the form of non-bank debt of €5.7m at 28 February 2021, which was fully repaid in the current financial year with the last instalment paid on 3 April 2021.

All bank loans drawn 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. The USPP allows the early prepayment of the notes at any time subject to the payment of a make whole amount to compensate the note holders for the interest that would have been received on the notes had they not been prepaid early.

All borrowings of the Company and Group at 28 February 2022 are repayable in full on change of control of the Group.

The Company and the Group complied with all covenants at each reporting date in the current and prior financial year. There is no effect on the Group's covenants as a result of implementing IFRS 16 *Leases* in FY2020 as all covenants are calculated on a pre IFRS 16 Leases adoption basis.

Notes forming part of the financial statements
(continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

During the current financial year, the Group also implemented various working capital initiatives, including availing of Government furlough schemes across the UK and Ireland up to and including May 2021, the Group discontinued the use of furlough in June 2021 when the business returned to profit. The Group repaid €47.7m (£40.7m) of tax deferrals to the UK tax authorities and €16.6m of tax deferrals to the Irish tax authorities in FY2022, with €10.7m (£8.9m) to the UK tax authorities and €18.1m to the Irish tax authorities remaining to be repaid in FY2023. The Group successfully completed an operating cost reduction plan which delivered €18.0m in annualised savings against its pre COVID-19 cost base.

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						
2022						
Interest bearing loans & borrowings	**(256.0)**	**(294.6)**	**(40.6)**	**(2.7)**	**(5.3)**	**(246.0)**
Trade & other payables	**(386.1)**	**(386.1)**	**(386.1)**	**-**	**-**	**-**
Lease liabilities	**(80.0)**	**(86.3)**	**(10.8)**	**(10.9)**	**(16.3)**	**(48.3)**
Provisions	**(12.1)**	**(12.1)**	**(2.0)**	**(5.1)**	**(1.1)**	**(3.9)**
Total contracted outflows	**(734.2)**	**(779.1)**	**(439.5)**	**(18.7)**	**(22.7)**	**(298.2)**
Group						
2021						
Interest bearing loans & borrowings	(470.0)	(531.6)	(35.3)	(29.3)	(49.9)	(417.1)
Trade & other payables	(296.2)	(296.2)	(296.2)	-	-	-
Lease liabilities	(79.6)	(90.9)	(10.9)	(10.8)	(19.5)	(49.7)
Provisions	(12.7)	(12.7)	(3.6)	(2.6)	(3.3)	(3.2)
Total contracted outflows	(858.5)	(931.4)	(346.0)	(42.7)	(72.7)	(470.0)
Company						
2022						
Interest bearing loans & borrowings	**(142.5)**	**(173.5)**	**(1.6)**	**(1.6)**	**(3.2)**	**(167.1)**
Amounts due to Group undertakings	**(49.7)**	**(49.7)**	**(49.7)**	**-**	**-**	**-**
Accruals	**(2.9)**	**(2.9)**	**(2.9)**	**-**	**-**	**-**
Total contracted outflows	**(195.1)**	**(226.1)**	**(54.2)**	**(1.6)**	**(3.2)**	**(167.1)**
2021						
Interest bearing loans & borrowings	(144.4)	(178.6)	(7.3)	(1.6)	(3.1)	(166.6)
Amounts due to Group undertakings	(33.9)	(33.9)	(33.9)	-	-	-
Accruals	(3.1)	(3.1)	(3.1)	-	-	-
Total contracted outflows	(181.4)	(215.6)	(44.3)	(1.6)	(3.1)	(166.6)

25. SHARE CAPITAL AND RESERVES

	Authorised Number	Allotted and called up Number	Authorised €m	Allotted and called up €m
At 28 February 2022				
Ordinary shares of €0.01 each	**800,000,000**	**401,913,690***	**8.0**	**4.0**
At 28 February 2021				
Ordinary shares of €0.01 each	800,000,000	320,480,164**	8.0	3.2
At 29 February 2020				
Ordinary shares of €0.01 each	800,000,000	319,495,110**	8.0	3.2

* Inclusive of 10.7m (3%) treasury shares.
** Inclusive of 10.8m (3%) treasury shares.

All shares in issue carry equal voting and dividend rights.

Reserves
Group

	Allotted and called up Ordinary Shares 2022 '000	2021 '000
As at 1 March	**320,480**	319,495
Shares issued in respect of options exercised	**147**	985
Shares issued in Rights Issue	**81,287**	-
As at 28 February	**401,914***	320,480*

* Includes 9.025m shares bought by the Group during the financial year ended 28 February 2015 which continue to be held as Treasury Shares and Ordinary Shares held by the Trustee of the Employee Trust as outlined below.

	Ordinary Shares held by the Trustee of the Employee Trust 2022 '000	2021 '000	Other Treasury Shares 2022 '000	2021 '000	Total Treasury Shares 2022 '000	2021 '000
As at 1 March	**1,766**	1,785	**9,025**	9,025	**10,791**	10,810
Shares disposed of or transferred to Participants	**(121)**	(19)	**-**	-	**(121)**	(19)
As at 28 February	**1,645**	1,766	**9,025**	9,025	**10,670**	10,791

Movements in the year ended 28 February 2022
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 2022 continue to be included in the treasury share reserve. During the financial year, 121,382 shares were sold by the Trustees and are no longer accounted for as treasury shares.

Movements in the year ended 28 February 2021
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 2021 continued to be included in the treasury share reserve. During the prior financial year, 18,532 shares were sold by the Trustees and are no longer accounted for as treasury shares.

Notes forming part of the financial statements
(continued)

25. SHARE CAPITAL AND RESERVES (continued)

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 presentational purposes in the Group financial statements, has been netted against the share premium in the Balance Sheet.

The current financial year movement primarily relates to the completion of the Rights Issue. This led to an increase in the Group's share premium of €175.5m. Also during the current year there was the exercise of share options equating to €0.4m (FY2021: €0.3m).

Share premium – Company
The share premium, as stated in the Company Balance Sheet, represents the premium recognised on shares issued and amounts to €1,048.2m as at 28 February 2022 (FY2021: €872.3m).

The current year movement primarily relates to the completion of the Rights Issue. This led to an increase in the Company's share premium of €175.5m. Also during the current year there was the exercise of share options equating to €0.4m (FY2021: €0.3m).

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.

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.

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) and Portugal sites. Using the valuation methodologies, this resulted in a net revaluation gain of €0.6m accounted for in the Income Statement and a gain of €2.5m accounted for within the revaluation reserve via Other Comprehensive Income.

25. SHARE CAPITAL AND RESERVES (continued)

During the prior 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) and Portugal sites. Using the valuation methodologies, this resulted in a net revaluation loss of €1.2m accounted for in the Income Statement and a gain of €0.9m accounted for within the revaluation reserve via Other Comprehensive Income.

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 of long-term debt and equity. 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.

On 26 May 2021, the Group announced a Rights Issue, the Group successfully completed the Rights Issue in June 2021 raising gross cash proceeds of £151m (€176m). As a result of this, the Group reduced leverage, improving the Group's overall liquidity position and providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy.

In March 2020, the Group completed the successful issue of the new USPP notes. The unsecured notes, denominated in both Euro and Sterling, 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 however, as a consequence of COVID-19, a waiver of the prepayment was successfully negotiated in addition to a waiver of a July 2020 repayment which now becomes payable with the last instalment in July 2022.

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.

In FY2020 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. During the prior financial year, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment is now payable on 12 July 2022.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility. At 28 February 2022 the Group had €113.5m drawn down from the term loan and multi-currency revolving facilities (FY2021: €325.6m), €145.4m drawn down from Private Placement notes (FY2021: €142.6m) and €nil from its non-bank financial indebtedness (FY2021: €5.7m).

Notes forming part of the financial statements
(continued)

25. SHARE CAPITAL AND RESERVES (continued)

As outlined previously, as a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021, and these have been extended up to, but not including, the August 2022 test date. Conditional on a Minimum Equity Raise, the Group's banking covenants were also renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x. The Minimum Equity Raise was defined as the receipt of at least £125.0m of gross cash proceeds from the issuance of new ordinary shares in the Company including in such proceeds the gross amount received by the Company upon issuance of any right to acquire any new ordinary shares in the Company. The Company successfully raised gross cash proceeds of £151m (€176m) in June 2021.

As part of the agreement reached to waive the debt covenants, a minimum liquidity requirement and a gross debt restriction have been put in place. Following the successful Rights Issue, the minimum liquidity requirement and a gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 28 February 2023 or earlier if compliance can be demonstrated, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month. A monthly gross debt cap of €750.0m in FY2021 was also applied which will continue through FY2022 but was reduced to €700.0m in June 2021 post the successful Rights Issue. The minimum liquidity requirement and the gross debt restriction can be lifted earlier in certain circumstances.

The Group complied with these new minimum liquidity and gross debt requirements during the financial year.

In respect of the financial year ended 28 February 2022, due to the ongoing impact of COVID-19, no final dividend is being declared and no interim dividend was paid (FY2021: €nil). Total dividend for the year is €nil (FY2021: €nil).

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.

26. COMMITMENTS

(a) Capital commitments

At the year end, the following capital commitments authorised by the Board had not been provided for in the consolidated financial statements:

	2022 €m	2021 €m
Contracted	**2.8**	5.7
Not contracted	**14.2**	5.0
	17.0	10.7

The contracted capital commitments at 28 February 2022 are with respect of contracts that support the Group in achieving its environmental targets and optimising its operational footprint.

26. COMMITMENTS (continued)

(b) Other commitments

At the year end, the value of contracts placed for future expenditure was:

2022	Apples** €m	Glass €m	Marketing €m	Barley*** €m	Sugar/ glucose €m	Aluminium €m	Total* €m
Payable in less than one year	**4.4**	**2.2**	**3.1**	**8.4**	**-**	**2.8**	**20.9**
Payable between 1 and 5 years	**8.9**	**-**	**5.9**	**0.6**	**-**	**-**	**15.4**
Payable greater than 5 years	**6.0**	**-**	**-**	**-**	**-**	**-**	**6.0**
	19.3	**2.2**	**9.0**	**9.0**	**-**	**2.8**	**42.3**

* Commitment obligations range from between 1 year to 24 years.
** In the current financial year, the Group exited some commitments regarding Apples and the value of some of the continuing Apple commitments were also revised downwards in line with the latest estimate of their cost of completion.
*** In the current financial year, the commitments with respect to Barley were revised downwards due to the change in the open market price and consequently the option for the Group to resell its commitment to the market.

2021	Apples €m	Glass €m	Marketing €m	Barley €m	Sugar/ glucose €m	Aluminium €m	Total* €m
Payable in less than one year	6.3	1.7	3.0	7.1	6.3	-	24.4
Payable between 1 and 5 years	12.1	-	7.5	14.3	-	-	33.9
Payable greater than 5 years	17.9	-	-	-	-	-	17.9
	36.3	1.7	10.5	21.4	6.3	-	76.2

* Commitment obligations range from between 1 year to 24 years.

Where the Group has hedged an Input cost, but a market exists for the Group to resell that input cost in the open market, then the Group does not classify that as a commitment.

27. GUARANTEES 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 consider these to be insurance arrangements and account 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 20, the Group has a euro term loan, US Private Placement notes and a multi-currency revolving facility in place at year end. The Company has US Private Placement notes 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 28 February 2022. The actual loans outstanding for the Group at 28 February 2022 amounted to €258.9m (FY2021: €473.9m).

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) Limited 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.

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 28 February 2022 and as a result such subsidiaries are exempt from certain filing provisions.

Notes forming part of the financial statements
(continued)

28. 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 29. 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		Associates	
	2022 €m	2021 €m	2022 €m	2021 €m
Net revenue	**1.3**	0.9	**0.5**	0.1
Trade & other receivables	**0.5**	0.2	**-**	-
Purchases	**0.9**	0.3	**0.5**	0.2
Trade & other payables	**0.1**	-	**-**	-
Loans	**1.5**	1.5	**0.9**	1.0

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.

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) and are covered for death in service by an insurance policy. Executive Directors may also benefit from medical insurance under a Group policy (or the Group offers a cash alternative). No other non-cash benefits are provided. Non-Executive Directors do not receive share-based payments nor post-employment benefits.

28. RELATED PARTY TRANSACTIONS (continued)

Details of key management remuneration, charged to the Income Statement, are as follows:

	2022 Number	2021 Number
Number of individuals	**10**	10

	€m	€m
Salaries and other short-term employee benefits	**2.3**	1.9
Post-employment benefits	**0.1**	0.2
Equity settled share-based payment charge/(credit) and related dividend accrual	**1.7**	(0.7)
Pay in lieu of notice	**-**	0.6
Total	**4.1**	2.0

During the current and prior 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 from and sells stock to St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director; and
- Also in the current financial year, the Group sold and purchased stock from Britvic plc, of which Emer Finnan is a Non-Executive Director.

All transactions with related parties involve the normal supply of goods or services and are priced on an arm's length basis.

For the purposes of the Section 305 of the Companies Act 2014, the aggregate gains by Directors on the exercise of share options during FY2022 was €nil (FY2021: €0.6m).

(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:

	2022 €m	2021 €m
Dividend income	**-**	76.6
Expenses paid on behalf of and recharged by subsidiary undertakings to the Company	**(2.8)**	(2.1)
Equity settled share-based payments for employees of subsidiary undertakings	**1.5**	0.8
(Injection)/drawdown of cash funding and other movements with subsidiary undertakings	**(16.9)**	49.3

Notes forming part of the financial statements
(continued)

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS

	Notes	Nature of business	Class of shares held as at 28 February 2022 (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
C&C Finco Limited	(b) (n) (o)	Financing company	Ordinary
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
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
Incorporated and registered in England and Wales			
Bibendum Group Limited	(l)	Holding company	Ordinary
Bibendum PLB (Topco) Limited	(k)	Holding company	Ordinary
C&C Management Services (UK) Limited	(k)	Provision of management services	Ordinary
Magners GB Limited	(k)	Cider and beer	Ordinary

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2022 (100% unless stated)
Matthew Clark Bibendum (Holdings) Limited	(k)	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) (p)	Wine	Ordinary
C&C IP UK Limited	(k)	Licensing activity	Ordinary
The Wondering Wine Company Limited	(k) (p)	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

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

Vermont Hard Cider Company Holdings, Inc.	(h)	Holding company	Common Stock
Wm. Magner, Inc.	(h)	Cider	Common Stock

Incorporated and registered in Singapore

C&C International (Asia) Pte. Ltd.	(j)	Sales & Marketing	Ordinary

Notes forming part of the financial statements
(continued)

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2022 (100% unless stated)
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) (q)	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) (q)	Non-trading	Ordinary
Gleeson Wines & Spirits Limited	(b) (n)	Non-trading	Ordinary
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) (q)	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) (q)	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

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2022 (100% unless stated)
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 Profit Sharing Trustee (NI) Limited	(c)	Non-trading	Ordinary

Incorporated and registered in England and Wales

A2 Contractors Limited	(k)	Non-trading	Ordinary
Bibendum Limited	(k)	Non-trading	Ordinary
Bibendum Wine Limited	(l) (p)	Non-trading	Ordinary
Catalyst-PLB Brands Limited	(k)	Non-trading	Ordinary
Chalk Farm Wines Limited	(k)	Non-trading	Ordinary
Elastic Productions 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 27).
(o) Immediate subsidiary of C&C Group plc.
(p) Entities that have availed of the audit exemption set out within Section 479A of the Companies Act 2006.
(q) Struck off on 31st March 2022.

Notes forming part of the financial statements
(continued)

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

Equity accounted investments

	Notes	Nature of business	Class of share held as at 28 February 2022
Joint venture			
Beck & Scott (Services) Limited (Northern Ireland)	(a)	Wholesale of drinks	Ordinary, 50%
Brady P&C Limited (England)	(b)(l)	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%
3 Counties Spirits Limited (Ireland)	(e)	Spirits	Ordinary, 50%
Associate			
CVBA Braxatorium Parcensis	(f)	Brewing	33.33%
Shanter Inns Limited (Scotland)	(g)	Public houses	Ordinary, 33%
Whitewater Brewing Co. Limited (Northern Ireland)	(h)	Brewing	Ordinary, 25%
Financial asset			
Jubel Limited	(i)	Brewing	Ordinary, 8%
Innis & Gunn Holdings Limited	(j)	Brewing	8%
Bramerton Condiments Limited	(k)	Food and beverage	Ordinary, 1%

Notes: (a) – (k)
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) Gilligan & Co, Silversprings House, Saint Patrick's Road, Clonmel, Co. Tipperary, E91 NT32, Ireland.
(f) 3001 Leuven-Heverlee, Abdij van Park 7, Belgium.
(g) 230 High Street, Ayr, KA7 1RQ, Scotland.
(h) Lakeside Brae, Castlewellan, Northern Ireland, BT31 9RH.
(i) Office 311 Edinburgh House, 170 Kennington Lane, London, England, SE11 5DP.
(j) 6 Randoplh Crescent, Edniburgh, EH3 7TH.
(k) 5th Floor 14-16 Dowgate Hill, London, England, EC4R 2SU.
(l) On 17 May 2022, the Group announced the sale of its joint venture investment in Brady P&C Limited ("Admiral Taverns"), to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). Admiral Taverns was classified as an asset held for sale as at 24 February 2022.

30. POST BALANCE SHEET EVENTS

On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). The sale of the shares will be completed and the consideration will be paid during FY2023, subject only to FCA approval. Admiral Taverns was classified as an asset held for sale as at 24 February 2022.

There were no other events affecting the Group that have occurred since the year end which would require disclosure or amendment of the consolidated financial statements.

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Directors on 17 May 2022.

Financial Definitions

Adjusted earnings	Profit/(loss) 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/(loss) 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/(loss) 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/(loss) before tax for continuing activities before exceptional items and excluding the Group's share of equity accounted investments' profit/(loss) after tax
EPS	Earnings/(loss) per share
EU	European Union
Exceptional	Significant items of income and expense within the Group results for the year which by virtue of their size or 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). For the purposes of segmental reporting, GB includes all sales executed and managed outside the Island of Ireland.
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, for the same period

Export	Sales in territories outside of Ireland, Great Britain and North America
LAD	Long Alcoholic Drinks
Liquidity	Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility
Net debt	Net debt comprises borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 *Leases*
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/(loss)	Profit/(loss) 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
Operating margin	Operating margin is based on operating profit/(loss) before exceptional items and is calculated as a percentage of net revenue
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 28 February 2022 was ordinary 800,000,000 ordinary shares at €0.01 each. The issued share capital at 28 February 2022 was 401,913,690 ordinary shares of €0.01 each.

Euroclear Bank

Following the migration in March 2021 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 CREST settlement system to the replacement system, Euroclear Bank, the Company's shares are held and transferred in certificated form (that is, represented by a share certificate) or in electronic form indirectly through the Euroclear System or through CREST in CDI (CREST Depository Interest) form. 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	2022	2021
Share price at year end	£2.11	£2.58

	2022 Number	2021 Number
No of Shares in issue at year end	401,913,690	320,480,164
Market capitalisation 28 February	£848m	£827m
Share price movement during the financial year		
– high	£2.98	£3.36
– low	£2.03	£1.45

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.

Due to COVID-19 and the impact this had on global economies and on business generally, the Board concluded it was not appropriate to pay an interim dividend or a final dividend for FY2022.

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 Link Registrars to obtain a mandate form. Tax vouchers will be sent to the shareholder's registered address under this arrangement.

Holders through Euroclear Bank

Investors who hold their shares via Euroclear Bank or (in CDI form) through CREST will automatically receive dividends in Euro unless they elect otherwise.

Certificated shareholders

Shareholders who hold their shares in certificated 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

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.

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 1110, Maynooth, Co. Kildare (if delivered by post) or;
Block C, Maynooth Business Campus, Maynooth, County Kildare, W23 F854, Ireland (if delivered by hand)
Tel: +353 1 553 0050
Fax: +353 1 224 0700
Email: enquiries@linkgroup.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
Davy House, 49 Dawson Street, Dublin 2, D02 PY05

Barclays Bank plc
5 The North Colonnade, Canary Wharf, London E14 4BB

Numis Securities Limited
10 Paternoster Square, London, EC4M 7LT

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

C&C group plc

Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702.
www.candcgroupplc.com