C&C group plc

Annual Report **2021**

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, super-premium and craft ciders and beers, such as Heverlee, Menabrea, Five Lamps and Orchard Pig.

C&C exports its Magners and Tennent's brands to over 40 countries worldwide.

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

C&C is the No.1 independent drinks distributor to the UK and Ireland hospitality sectors. Operating under the Matthew Clark, Bibendum, Tennent's and Bulmers Ireland brands, the Group supplies over 34,000 pubs, bars, restaurants and hotels, and is a key route-to-market for local and international beverage companies.

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

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

View this report online
candcgroupplc.com or
candc.annualreport21.com

"With approximately 80% of C&C's pre COVID-19 revenue derived from the hospitality sector, the pandemic has presented an unprecedented challenge for C&C. The team have responded with immediate and decisive action to secure the near term: maximising liquidity; supporting our customer base; streamlining costs and responding to off-trade demand with a change in consumption dynamics. We have continued to execute our strategy and are well positioned as the hospitality sector reopens. I would like to extend my appreciation to every C&C colleague for their commitment and flexibility during this period."

David Forde
Group Chief Executive Officer

Financial Highlights

Results

Net Revenue

€736.9 m

Decrease of -56.1% on a constant currency basis

Operating Loss before Exceptional Items

€59.6m

Balance Sheet

Liquidity

€314.6m

Net Debt Including Leases

€441.9m

Net Debt Excluding Leases

€362.3m

Shareholder Return

Dividend Suspended

Contents

Business & Strategy

Chair's Statement	2
Vision, Purpose and Values	6
Divisional Structure	7
Our Engagement with Stakeholders	8
Group Chief Executive Officer's Review	10
Strategic Report - Group Strategy	22
Strategic Report - Business Model	24
Strategic Report - How we create sustainable value	28
Strategic Report - Key Performance Indicators	30
Strategic Report - Management of Risks and Uncertainties	32
Group Chief Financial Officer's Review	43
Responsibility Report	50

Governance

Directors' Report	68
Directors and Officers	74
Corporate Governance Report	76
Audit Committee Report	86
Environmental, Social and Governance Committee Report	92
Nomination Committee Report	94
Directors' Remuneration Committee Report	102
Statement of Directors' Responsibilities	133

Financial Statements

Independent Auditor's Report	134
Consolidated Income Statement	144
Consolidated Statement of Comprehensive Income	145
Consolidated Balance Sheet	146
Consolidated Cash Flow Statement	147
Consolidated Statement of Changes in Equity	148
Company Balance Sheet	149
Company Statement of Changes In Equity	150
Statement of Accounting Policies	151
Notes Forming Part of the Financial Statements	167
Financial Definitions	236

Shareholder and Other Information	238

Chair's Statement

"Continued health, safety, and wellbeing of our stakeholders remains our top priority."

Stewart Gilliland
Chair

This year marked a period of unprecedented turmoil in our world which is impacting the lives of all our stakeholders. COVID-19 has had an unparalleled impact on the hospitality sector and specifically C&C with the entire financial year impacted by continuously evolving national lockdowns and regional trading restrictions. During what has been one of the most challenging periods for the drinks industry the continued health, safety, and wellbeing of our stakeholders remains our top priority.

I would like to extend my appreciation to our colleagues for their continued support. They are core to the success of our business and the resilience we have displayed during FY2021. They have all had to rapidly adapt to a change in their working environment, whether working from home or within one of our distribution depots or manufacturing sites, whilst managing the various complications of COVID-19, such as home schooling. The impact of COVID-19 has meant that many of our customers have been unable to trade since March 2020 and others are navigating the impact of their third lockdown, closing their businesses and furloughing staff again. We have supported our customers throughout this period of uncertainty, displaying compassion and flexibility for those in the hospitality sector; and agility in meeting off-trade demand, fundamentally putting them at the centre of our decision making. Lastly, I would like to extend my sincere thanks to our supplier base for their support, which has been key in what we have been able to do in the hospitality sector whilst also meeting changes in demand dynamics in the off-trade.

Operating Results

The Group reacted quickly to the pandemic, displaying agility and resilience in navigating the near term challenges, while positioning the business to deliver on its strategy as and when normal trading conditions return. We worked swiftly to establish a safe, compliant and supportive working environment and took action to secure our short-term liquidity position. In addition, we tightly controlled our working capital, implementing a cost streamlining programme whilst accelerating optimisation of our distribution network and e-commerce offering. We responded quickly to the change in consumption dynamics meeting the increased off-trade sales, ensuring continuity of supply and continuing to tailor and develop our portfolio to meet consumer demand and preferences.

Our people are at the heart of our business and our decentralised business model puts them in the centre of the local communities we serve.”

Encouragingly, the inherent strength of our brand led distribution business model and the fundamental role the Group occupies in the infrastructure of the UK and Irish drinks market supported a strong return to profitability and cash generation on the easing of trade restrictions in July, August and September. However, the on-trade restrictions have been longer and tougher than anticipated with Ireland experiencing one of the longest hospitality sector lockdowns in the world and H2 FY2021 providing only 54 trading days out 181 where the on-trade was open across all of C&C’s core markets. The off-trade channel saw a temporary change in consumer consumption dynamics with considerable year-on-year growth. Reflecting the special affinity our core brands have with their local markets, we are pleased to report that Bulmers, Tennent’s and Magners performed strongly in FY2021, with each gaining volume share in the off-trade channel. However, with on-trade operating under restrictions for the period, the Group’s total net revenues declined by 56.1% against FY2020 on a constant currency basis, delivering a pre-exceptional operating loss of €59.6 million for FY2021.

The strength of our service offering and unrivalled scale and reach of our drinks distribution platform and the power of this route to market has driven significant distribution deals in FY2021. In Ireland we strengthened our partnership with Budweiser Brewing Group, beginning exclusive distribution of Budweiser, on the island of Ireland. With the addition of Budweiser, C&C now has exclusive distribution of Budweiser Brewing Group’s complete beer brand portfolio across Ireland. In the UK, we were chosen as exclusive distributor and representative of Tito’s Handmade Vodka, the #1 selling spirit brand in the USA. Most recently we agreed a new long-term partnership with Innis & Gunn to sell and distribute Scotland’s #1 craft beer in the UK and Ireland on-trade. The Group also received an 8% equity stake at only nominal cost as part of the agreement. Our commitment to becoming the preeminent brand led drinks distributor in our core markets has led to the divestment of non-core assets including the Tipperary Coolers business in Ireland and more recently the divestment of Vermont Hard Cider Company in the USA which completed in April 2021.

We were pleased that the UK and the European Union signed a Trade and Cooperation Agreement, which provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the UK and the European Union. The Brexit transition period formally ended on 31 December 2020 and to date we have had minimal disruption to our operations and supply chain.

People and Culture

Our people are at the heart of our business and our decentralised business model puts them in the centre of the local communities we serve. Their compassion, commitment and resourcefulness during this period of adversity has been extraordinary. We recognise that many colleagues have been placed on furlough for the many months and we thank those affected for their perseverance and patience. Through my role as interim Executive Chair until 2 November 2020, I had the pleasure of working day to day with the local management teams, gaining a deeper understanding of the challenges faced and our responses. The pandemic has presented both physical complications in our manufacturing sites and distribution network, in addition to challenges around employee wellbeing and engagement.

The Group has followed government policy, ensuring only essential staff attend their normal place of work and quickly established a safe and compliant working environment. Thanks to the excellent work of our colleagues and suppliers, the Group’s supply chain and production facilities remained fully operational throughout the period. A programme of stringent ongoing COVID-19 compliance health and safety audits has been put in place in our operational sites to ensure we provide the safest environment we can for our colleagues, business partners, customers and communities where we operate.

Chair's Statement (continued)

The Group has put in place a number of measures to ensure we are supporting our colleagues including the provision of impartial advice and information on physical and mental health, financial concerns as well as access to specific counselling services. As part of this we have established a network of thirty employee volunteer mental health first aiders who have been trained and qualified to support our wider team on wellbeing and mental health issues. In addition, we offered free flu vaccines to all employees. We remain committed to meaningful employee engagement and understanding the needs of our workforce and continued to conduct employee surveys throughout the pandemic to better tailor the initiatives and supports we have in place.

In supporting our local communities and those that need it most, our colleagues, including some of those on furlough, have worked with our suppliers, business partners and customers to deliver PPE to the NHS, care home workers and other essential workers. We have also made food, drink and sanitiser donations to food banks, charities and community groups across the UK and Ireland.

The Board recognises that the unique mix of our dedicated and passionate people, alongside the inherent strengths of the Group's business model, are the basis from which we will create and drive long-term shareholder value. Our colleagues' individual and collective contributions are greatly appreciated and we will continue to invest and build on the work completed in FY2021 to improve the working environment we provide our people.

Capital Allocation

As part of our actions around securing liquidity, we have postponed non-committed capital expenditure and significantly reduced discretionary spending, marketing and brand advertising. Capital investment has been focused into our ESG (Environmental, Social and Governance) initiatives which has included an investment to move Wellpark Brewery out of plastics during FY2022, removing 150 tonnes of plastic annually. We remain committed to continuing our investment into ESG and delivering an objective of increasing importance to our stakeholders.

As we announced on 30 April 2020 and as part of liquidity actions, the Board resolved it would suspend the payment of a dividend. We recognise the importance of dividends and we are determined to resume returning capital to Shareholders as and when the operating environment and resulting financial and cash flow performance of the Group permit us to do so.

Board

The past year has seen considerable evolution of the Board. I had the pleasure to work as interim Executive Chair for most of the year, stepping aside and back to my current role as Non-Executive Chair on 2 November 2020, when David Forde joined as Chief Executive Officer. In addition, Patrick McMahon was appointed to the role of Chief Financial Officer on 23 July 2020 following Jonathan Solesbury's decision to step down. These key appointments to our senior leadership team represent an exciting new era for C&C and which we believe will deliver long-term value for all our stakeholders. We also announced that Vineet Bhalla would be joining the Board as Independent Non-Executive Director on 26 April 2021. The result is a strengthened Board, with broader and more diverse skills and ethnicity.

In response to the impact of COVID-19 and the evolving situation, the Board put in place additional meetings to ensure the safe stewardship of the business and to support the management teams in navigating our responses. I would like to thank the Board for their additional time and commitment during FY2021.

We remain committed to maintaining the highest standards of governance principles and practice, an overview is included on pages 76 to 77.

Rights Issue

With approximately 80% of C&C's pre-COVID-19 net revenues derived from the on-trade, the prolonged and continued impact of lockdowns and on-trade trading restrictions has been considerable. To ensure the business is equipped with sufficient liquidity to manage further near term trading uncertainty and deleveraging of the balance sheet to ensure it is in a position to execute its proven long term strategy, we announced on 26 May 2021, a rights issue fundraising. The Board considered various alternative methods of optimising the Group's capital structure, however with the continued impact from COVID-19 expected through H1 FY2022, it concluded that the most appropriate course of action is to raise equity.

Conclusion

As we manage the economic and operational challenges presented by COVID-19 and position our business for the future, I am encouraged by the agility and resilience of our business and the responses we have put in place to protect all our stakeholders. The Group's business model has proven that it supports a strong return to profit and underlying cash generation, once trading restrictions in the on-trade are eased. There is continued momentum in the vaccine programmes within our core markets and a roadmap has been communicated by the respective governments for the easing of trade restrictions. With that in mind, and the rights issue announced on 26 May 2021, I look to FY2022 with optimism and believe C&C will emerge from the pandemic a stronger business and positioned well for the long-term to capitalise on the prospects that present themselves as trade resumes across the hospitality sector.

Stewart Gilliland
Chair

C&C GROUP
GROUP

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 as part of the fabric of the company.

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 preeminent 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

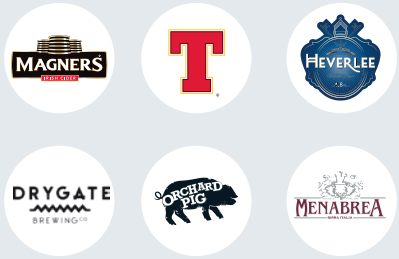
Play a role in every drinking occasion, delivering joy to our customers and consumers with remarkable brands and service.

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 beer brands across the Island of Ireland. As of July 2020, the Group also distributes 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.

Great Britain



C&C's GB division includes the sale of the Group's own branded products in Scotland, with Tennent's, Caledonia Best, Heverlee and Magners the main brands. This division includes the sale of the Group's portfolio of owned cider brands across the rest of GB, including Magners, Orchard Pig, K Cider, and Blackthorn which are distributed in partnership with 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.

Matthew Clark and Bibendum

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

International

C&C's International division manages the sale and distribution of the Group's own branded products, principally Magners and Tennent's outside of the UK and Ireland. The Group exports to over 40 countries globally, notably in continental Europe, Asia and Australia. The Group operates mainly through local distributors in these markets and regions. This division includes the sale of the Group's cider and beer products in the US and Canada

Our Engagement with Stakeholders

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. 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 79.

Key Stakeholders	Employees	Communities	Consumers
	Our colleagues who work in our business	**The people who live in the local communities around our sites and operations**	**The people who drink our products**
Area of Focus	• Health, safety and wellbeing • Investment in learning • Promotion of diversity and inclusion • Recognition and careers	• Fair employment and equal opportunities • Local causes and issues • Health, safety and wellbeing	• 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
Why we engage	Our people are at the heart of our businesses and key to our ongoing success. We want our people to thrive in a fair and inclusive work environment.	To build trust by operating responsibly and sustainably, and addressing issues that are material to our communities. To provide training opportunities and support to local people currently not in education, training or employment.	On occasions when consumers choose alcohol, we want them to “drink better, not more”.
How we engage	There are many ways we engage, including employee engagement surveys, employee forums with Non-Executive Directors, whistleblowing reports, online learning and informative and up-to-date employee communications.	We operate local employment training programmes including, in Wellpark, the Tennent’s training academy, to develop local people to work in our sites and also to work in the local Community. We partner with local charities and organisations to raise awareness and funds to help local causes.	Responsible advertising and marketing, active engagement and education to promote moderation and reduce the harmful use of alcohol.

Suppliers

Our partners who supply products and services

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

Working collaboratively to ensure our customers receive the best possible service and value for money. Identification of opportunities that offer profitable growth.

We regularly communicate with our suppliers, and 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 though 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 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.

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.

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

"Our ambition is to be the preeminent brand led drinks distribution platform in the UK and Irish markets."

David Forde
Chief Executive Officer

I had the pleasure of joining C&C Group in November 2020, and since then, I have been impressed by the dedication and adaptability of my colleagues, their passion for our brands and their continued commitment to protecting our stakeholders while delivering leading customer service during these challenging times.

The last twelve months have been unlike any other I have experienced in my career. The COVID-19 pandemic has created disruption on a global scale and presented unprecedented challenges and uncertainty for our industry. It has asked questions of us which we have never had to consider before and challenged us individually and collectively to look at what matters and find innovative responses. The pandemic has changed the way we work and communicate with each other and has rapidly accelerated trends in our sector, notably the adoption of technology by our customers and our business; with the majority of our colleagues, myself included, working remotely from home.

Despite the challenges, C&C has an inherently strong business model, with admired brands that embody provenance and have a real affinity with their markets, coupled with a leading distribution infrastructure of scale and reach. The strength of the Group's brand-led distribution model, and the fundamental role we occupy in the infrastructure of the UK and Irish drinks market, were evident with a return to profitability and underlying cash generation once trade restrictions were eased in July, August and September 2020. Despite the on-trade restrictions, our core brands have performed strongly in the off-trade, with all of them taking volume share during FY2021.

We have developed and implemented our strategy during FY2021 in pursuit of becoming the preeminent brand-led drinks distribution platform serving the UK and Irish drinks market: evolving our core brand offering; enhancing our wider portfolio; accelerating the adoption of technology and driving efficiencies into our distribution network and support functions. Core to this has been maintaining a customer centric view on delivering leading service, executed by our dedicated colleagues and supported by our suppliers and wider stakeholders. We are pleased with the progress we have made on our sustainability and social

We implemented a series of measures to streamline the business to create a more efficient cost base, maximise available cash flow, and maintain and strengthen the Group's liquidity position.”

responsibility objectives in FY2021, which form part of the fabric of our business model and daily decision making.

Response to COVID-19

Throughout the pandemic the Group's key priorities have been to protect all stakeholders and support our customers. We have ensured a safe, compliant and supportive working environment for those essential employees who cannot work from home, complying with the advice of national and devolved governments, in addition to health authorities. We supported our customers with various initiatives including: picking up excess stock in outlets; replacing old kegs for new; credit terms; loan moratoriums; ranging advice and promotions for the restart of trade; and order and delivery options in preparation for the eventual reopening of the hospitality sector.

Thanks to the collective dedication of all our team, the Group's supply chain and production facilities remained fully operational through the year and we continued to work with our partners to serve our off-trade customers.

We implemented a series of measures to streamline the business to create a more efficient cost base, maximise available cash flow, and maintain and strengthen the Group's liquidity position. These measures included maintaining constructive dialogue with lenders throughout the period and obtaining waivers of the existing financial covenants as outlined in detail in Note 20. In addition, we issued approximately €140 million of US private placement notes (the "USPP") in March 2020 to diversify, strengthen and extend the maturity of the Group's capital structure and sources of debt finance.

We also took action to address our fixed cost base by implementing a streamlining programme which is expected to deliver annualised savings of €18 million against the pre COVID-19 cost base. This included the acceleration of the optimisation of the English and Scottish distribution networks which is scheduled to be completed by June 2021, which will consolidate volumes from three separate networks into two, bringing all our final mile English distribution in house, driving ongoing efficiencies and, in turn, enhance future margins.

Focused on reducing discretionary expenditure, the Group has postponed the majority of non-committed capital expenditure and temporary salary reductions for the Senior Management team and the Board were implemented in the first half of the financial year. We also implemented various working capital initiatives, including the negotiation of temporary extensions to supplier payments terms and agreeing payment deferrals with the UK and Irish tax authorities, and paused the payment of dividends.

In addition, we have availed of various government support initiatives which have also helped to mitigate the impact of the pandemic. This included furlough schemes to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector.

Reflective of the focus on our core brand-led distribution model and to rationalise the Group structure, we disposed of certain non-core assets, including the disposal of the Tipperary Water Cooler business in October 2020 for a consideration of €7.4 million and Vermont Hard Cider Company in April 2021 for a consideration of USD 20 million.

Strategic development

Our ambition is to be the preeminent brand-led drinks distribution platform in the UK and Irish markets. Despite the unprecedented market environment since the end of February 2020, the Group has continued to take decisive steps to progress our ambition, focused on: strengthening our owned brand portfolio, complimenting this with agencies and 'equity for growth' investments; driving efficiencies into our network which will enhance margins; and developing our ecommerce offering.

Group Chief Executive Officer's Review (continued)

Addressing the growing consumer demand for 'no and low' alcohol alternatives, C&C launched the Tennent's Zero and Tennent's Light brand extensions which despite restrictions in the on-trade have outperformed expectations in the off-trade. In addition, our own hard seltzer brands have been launched in Ireland through Seven Summits and Shard in Scotland which is the UK's only draught seltzer. The strength of our final mile distribution continues to be reflected through the exclusive distribution deals completed during FY2021, including: extending our partnership with Budweiser Brewing Group in Ireland to include exclusive distribution of Budweiser; Tito's Handmade Vodka in the UK, the No.1 selling spirit brand in the USA[i]; and most recently exclusive distribution of Innis & Gunn, Scotland's No.1 craft beer[ii], into the IFT ('Independent Free Trade') across the on-trade in the UK and Ireland. As part of the Innis & Gunn deal we secured a long term manufacturing contract for our Wellpark Brewery and received an 8% equity stake at only the cost of nominal share capital along with a long-term incentive scheme which will make a number of additional shares available to the Group based on performance targets .

We accelerated the optimisation of the English and Scottish distribution networks by consolidating the volumes from three separate networks currently into two. This will rationalise our depot footprint and improve our service offering, bringing all final-mile distribution in house in England and, in turn, drive ongoing efficiencies and enhance future margins. Further, the optimisation work supports the Group's sustainability agenda by eliminating transport inefficiencies and reducing product miles travelled and CO_2 emissions. The network consolidation is due to be completed by June 2021.

The pandemic has accelerated the adoption of technology across business and wider society. We have witnessed increased momentum in pre COVID-19 trends within our business including ecommerce, where our customers' order preference has accelerated towards online rather than via our contact centres. We have accelerated development of our platforms, creating

new features to further enhance the customer journey including: real time stock information; guest checkout and automated online account setup. We will continue to leverage technology and its corresponding benefits to the advantage of our customer experience and service levels whilst driving the efficiencies throughout our organisation.

Financial Performance

C&C's reported net revenue for FY2021 of €736.9 million represents a decrease of 56.1% versus last year on a constant currency basis[iii]. With our Matthew Clark and Bibendum businesses almost exclusively exposed to the on-trade, the majority of the decline has been reflected in this division with FY2021 net revenue of €337.8 million, -69.0% versus last year on a constant currency basis[iii].

Our operating loss before exceptional items in the year was €59.6 million and our overall loss before interest, tax depreciation and amortisation was €28.8 million, this excluded an exceptional operating charge in the year of €25.2 million. The Group displayed robust liquidity and net debt management during FY2021, reporting €314.6 million and €441.9 million respectively. This represents a movement in liquidity and net debt of -€20.7 million and -€115.0 million respectively versus last year.

Our receivables purchase programme has contributed €45.0 million to closing cash, an outflow of €84.0 million on a constant currency basis[iii], driven by reduced revenues as a result of trading restrictions. Close management of working capital, supported by tax deferrals, has reduced working capital outflow in FY2021 to €44.7 million.

During FY2021, the Group secured covenant waivers from its lenders, this primarily resulted in the increase in net finance costs in the year by 38.4% to €27.4 million.

Capital Allocation

In strengthening the Group's liquidity position we have taken a number of actions to reduce the level of capital investment during FY2021, with total investment into the existing business standing at €10.0 million focused primarily on achieving our environmental targets and on optimising our operational footprint.

The Group has invested €7.8 million (£7.0 million) into the Wellpark Brewery which will remove the use of single use plastic at the site during calendar 2021, removing 150 tonnes of plastic annually. In addition, we have invested into an innovative carbon capture facility, the largest in Scotland, which will allow the brewery to store and

The Group has invested €7.8 million (£7.0 million) into the Wellpark Brewery which will remove the use of single use plastic at the site during calendar 2021, removing 150 tonnes of plastic annually.

utilise over 4,200 tonnes of CO_2 per year. These investments fit with a wider Tennent's brand campaign, "Life is bigger than beer" and the sustainability pledges that have been made as part of this.

We support the IFT with a customer loan book of €42.1 million, down from €44.7 million in the prior year, which is primarily secured by freehold assets and is conditional on the outlet procuring our products over the tenure of the agreement.

The Group provided liquidity support of €6.7 million into Admiral Taverns to support their tenants and the on-trade. Admiral Taverns now has sufficient liquidity to manage the near term challenges and deliver their strategy as trading resumes.

We remain committed to a clear and disciplined approach to capital allocation, focusing on the appropriate capital structure to deliver our strategy. Following trading re-establishing and when Group cash flow permits, we will reinstate our dividend.

Our Brands

Over the last twelve months we saw a significant and temporary shift in consumption dynamics from the on-trade to the off-trade, with the hospitality sector either locked down or under restrictions. Our net revenue derived in the on-trade shifted from approximately 80% in FY2020 to approximately 40% in FY2021. I am pleased to report that despite the obvious challenges in the on-trade, our brands have performed strongly in the off-trade where their provenance and affinity with consumers, preferencing the brands they know and trust, has driven volume share gains in all of our three core brands[iv],[v],[vi]. In the off-trade, and in line with consumers' purchasing habits, we have seen changes in pack mix with larger packs playing a more prominent role as consumers shop less frequently. This has also resulted in retailers rationalising their ranges. The trading challenges from the cancellation of key sporting events including the 2020 European Football Championships has been, in part, offset by the sustained period of warm weather we enjoyed through H1 FY2021.

In Scotland, our Tennent's brand has performed strongly with the underlying brand health reflected in Tennent's gaining both volume and value share in the off-trade[iv]. Tennent's off-trade volume and value share of 26.5% and 21.6% respectively as at 21 February 2021 represents growth of 1.1% and 0.7%[iv] with net revenue growth in the off-trade of 22.0% versus FY2020. We have continued to invest behind our 'Life is bigger than beer' campaign and deliver against the sustainability pledges which were made as part of this. In addition, there has been successful new product development in the year with the launch of Tennent's Zero and Tennent's Light, reflecting the commitment of the brand to the continuing changes in consumer preferences. The Zero and Light variants have secured over 1,500 listings in the off-trade during FY2021, with Tennent's Zero voted as the Scottish Local Retailer Product of the Year 2020, an award that is chosen by the retailers themselves. Our direct to convenience business in Scotland, which supplies our own portfolio and a range of third party products, has continued to establish itself with year on year volume growth of 70%.

In Great Britain, Magners has grown volume share of apple cider in the off-trade to 9.7% as at 21 February 2021 representing growth of +0.4%[vi]. Overall volumes in the cider category were aided by the sustained period of warm weather through spring and summer in 2020.

In Ireland, Bulmers' off-trade volume and value share of cider of 50.5% and 50.8% respectively as at February 2021 represents growth of 3.7% and 4.3%[vi] which in part was supported by the exceptionally good weather during spring and summer 2020. The introduction of Budweiser into our Irish portfolio, strengthens our position as the third biggest supplier of LAD to the off-trade[vi]. Lastly, as part of the 'no and low' trend emerging, we launched a hard seltzer brand in Ireland, Seven Summits, which is resonating well with consumers.

Group Chief Executive Officer's Review (continued)

The capability and effectiveness of our final mile distribution was reflected in the distribution deals we have secured and our ability to react to the easing of restrictions.

Performance of our brands outside the key markets of the UK and Ireland has been understandably challenging with these markets experiencing the same trading restrictions as the UK and Ireland, with volumes weighted to the on-trade, and significantly reduced tourism in our key European markets. As a consequence Magners and Tennent's reported volume declines versus FY2020 of -46.1% and -32.6% respectively.

Premiumisation remains a strategic focus for our business, however the performance of our super premium and craft brands during FY2021 has been disappointing, with it significantly impacted by the closure of the on-trade. Our super premium and craft portfolio has limited exposure in the off-trade unlike our local and core brands. With the lifting of restrictions in the on-trade we anticipate that our super premium and craft portfolio will recover quickly.

Distribution

With the on-trade either locked down or under restrictions throughout FY2021, trading in our distribution businesses has been significantly impacted. However, the capability and effectiveness of our final mile distribution was reflected in the distribution deals we have secured and our ability to react to the easing of restrictions, notably in July, August and September 2020. Central to this is the strength of our relationships, quality of our service and value of our proposition. During the period, we maintained market leading service levels, as reflected in our customer satisfaction index scores and On Time In Full ('OTIF') deliveries, and despite the global supply chain challenges presented by the pandemic we have minimised product range issues.

Our leading 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. We continued our development of our proprietary data assets during FY2021 and in addition we signed an agreement with SalesOut, a leading data company, to augment our in-house assets. Our data and insight capability provide a valuable advantage in driving the performance of our own brands. We will continue to leverage this asset to drive revenue and profit growth across our product range and attract complimentary agency brands or "equity for growth" brand partnerships.

Environmental, Social and Governance

The Group recognises its responsibility to society and the importance of our Environment, Social and Governance ("ESG") strategy and commitments, and the increasingly important role this plays in the decision making of our stakeholders. We are pleased with the progress made during FY2021 on our sustainability agenda including trialling electric vehicles and optimising our distribution network which will result in reducing fleet mileage. In addition, we developed our portfolio with the introduction of 'no and low' alcohol variants, and put in place health and wellbeing external support systems for our colleagues. Lastly, we have continued to develop our strategy and enhance transparency across all levels of the business, with an ESG board committee formed during FY2021 and the launch of an ESG strategy. We have created six pillars through which we will execute our ESG strategy: Reduce our Carbon Footprint; Sustainably Source our Products and Services; Ensure Alcohol is Consumed Responsibly; Enhance Health, Wellbeing and Capability of Colleagues; Build a more Inclusive, Diverse and Engaged C&C; and Collaborate with government and NGOs. Together these will support C&C in delivering to a better world.

Our ESG commitments and achievements have been discussed in more detail on pages 50 – 67.

reflex

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 four distinct divisions which are focused on the local markets they serve with their proposition tailored to meet our customers' needs. This structure harnesses the economies of scale in the back office, namely: procurement, finance and IT whilst remaining agile to adapt and react to market conditions and customer requirements.

Great Britain

€m Great Britain Constant currency[iii]	FY2021	FY2020	Change %
Net revenue	**206.8**	325.2	(36.4%)
- Price / mix impact			(12.8%)
- Volume impact			(23.6%)
Operating (loss)/profit[vii]	**(8.4)**	43.8	(119.2%)
Operating margin	**NM**	13.5%	
Volume – (kHL)	**2,007**	2,626	(23.6%)
- of which Tennent's	**690**	977	(29.4%)
- of which Magners	**480**	530	(9.4%)

Our Great Britain division's net revenue decreased 36.4% to €206.8 million in the year driven by the closure of the on-trade and volume moving into the lower margin off-trade channel. As a result, operating profit has reduced by €52.2 million[iii] to a loss of €8.4 million. Despite the trading challenges the division has made considerable steps towards strengthening its portfolio; optimising its cost base and positioning itself for emerging trends.

Wellpark Brewery remained open with minimal levels of disruption from COVID-19. We responded to the immediate switch in consumption dynamics to the off-trade and met the exceptional demand for our off-trade SKUs, which outperformed the market, whilst also maintaining the demand for our contract brewing and private label partners. We have continued our commitment to ESG with £7 million capital investment to remove single use plastic in our products, which will be completed in 2021. In addition we have installed CO_2 capture and storage facilities, significantly reducing the need to purchase CO_2. Further, we are a founding member of Circularity Scotland, affirming our commitment to the creation of an efficient and well-designed Deposit Return Scheme for Scotland that delivers the recycling and litter objectives and supports the country's ambitions for a more circular economy.

We ensured support for our on-trade customers putting in place measures that included: flexibility on credit terms; collection of old kegs and replacing them with new kegs; back to trade planning including, ranging, promotions and moratoriums on capital loan book repayments. As a response to the trend in customers moving towards ordering online, we continued the

development of our ecommerce offering for the Tennent's business in Scotland, enhancing our customer experience with the introduction of a new ordering platform. This platform provides improved functionality including an optimised ordering journey, a direct link to online support via web chat and the ability for the customer to self-manage their trading account, including the option to pay open invoices and apply credit notes. We believe orders will continue to move online as we further enhance our ecommerce offering. We forecast by the end of FY2022 that on-trade online orders will make up 70% of the revenue for the business in Scotland.

Significant work has been completed on the secondary distribution network in Scotland, rationalising its footprint and associated cost base. As a result, a new 50,000 square foot depot has been established in Edinburgh, Scotland's second largest city where Tennent's had no presence before. On the opening of the Edinburgh depot, we will close four existing depots in Scotland, including Matthew Clark's Glasgow depot, creating one final-mile logistics solution which will be fully operational by June 2021. This will yield ongoing efficiencies, improve customer service and optimise working capital by lowering overall stock levels. Our convenience direct to store model utilises this network, established in part following minimum unit pricing, and has performed strongly with overall volume growth of 70% versus FY2020. The growth has been aided by the development of an online platform and retailer loyalty scheme which also provides trade information, point of sale and incentives.

Ireland

€m Ireland Constant currency[iii]	FY2021	FY2020	Change %
Net revenue	**166.1**	226.3	(26.6%)
- Price / mix impact			(15.4%)
- Volume impact			(11.2%)
Operating (loss)/profit[vii]	**(4.9)**	40.2	(112.2%)
Operating margin	**NM**	17.8%	
Volume – (kHL)	**1,257**	1,416	(11.2%)
- of which Bulmers	**300**	366	(18.0%)

Our Ireland division's net revenue decreased 26.6% to €166.1 million[iii] in the year driven by the continued lockdowns with Ireland experiencing one of the longest hospitality sector lockdowns in the world. There was a shift in consumption dynamics with off-trade volumes +21.2% versus FY2020. While this provided a welcome revenue stream, the lower margin and pack mix pressures were not sufficient to offset the impact of the on-trade closures. As a result, operating profit has reduced by €45.1 million to a loss of €4.9 million[iii].

The Bulmers brand, despite sustained competitive pressure over the last few years, has performed strongly, aided by an exceptionally warm spring and early summer weather and consumers' desire for brands with provenance which they know and trust. As a consequence Bulmers off-trade volumes were +37.7% versus FY2020, with the brand taking both volume and value share in off-trade long alcoholic drinks ("LAD")[vi]. During the year we extended our partnership

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

with Budweiser Brewing Group in Ireland to include exclusive distribution of Budweiser. Budweiser Brewing Group and Bulmers Ireland have committed to investment in the brand, notably with new branding, packaging and a TV campaign with the new branding trialled in Ireland as one of the first worldwide territories. The introduction of Budweiser into our portfolio, strengthens our position as the third biggest supplier of LAD to the off-trade[vi].

Our Clonmel manufacturing site and distribution network remained fully operational over the last twelve months with minimal impact to our supply chain. We quickly established a safe and compliant environment for our colleagues who did not have the ability to work from home.

The business has ensured support for our customer base with measures including; providing flexibility with delivery days and order sizes; a 'new for old keg' replacement process; and C&C Hygiene, an initiative providing funding for pre-opening / start-up costs for our customers which is helping 500 on-trade customers. C&C Hygiene offers a central hub with safety standards and certification for the hospitality sector. The initiative also offers items to facilitate the safe opening and continuing operation including divider screens, hand sanitisers, signage and foot handles for doors.

We have continued to enhance our customer proposition and service by launching a new online ordering platform and customer portal system, 'Bulmers Direct'.

During the year we rebranded our Irish wine business Gilbeys to Bibendum Ireland. Bibendum Ireland which is the largest independent wine business in Ireland performed strongly, capitalising on a change in consumption dynamics, with total volumes up 7.9% in FY2021 versus 878k cases sold in FY2020.

Matthew Clark and Bibendum

Matthew Clark and Bibendum Constant currency[iii]	FY2021	FY2020	Change %
Net revenue	**337.8**	1,089.9	(69.0%)
- Price / mix impact			(5.7%)
- Volume impact			(63.3%)
Operating (loss)/profit[vii]	**(44.5)**	28.2	(257.8%)
Operating margin	**NM**	2.6%	
Volume – (cases k 9L)	**11,122**	30,344	
-Volume – (kHL)	**1,001**	2,731	(63.3%)

Net revenues for the combined Matthew Clark and Bibendum Division in FY2021 were €337.8m, a decrease of 69.0%[iii] versus FY2020 with the business almost exclusively an on-trade business. Operational gearing has generated a loss of €44.5 million[vii] in FY2021, however action has been taken on cost reduction during FY2021 and network optimisation due to complete by the end of June 2021, both of which will deliver ongoing savings against the pre-COVID cost base.

Matthew Clark and Bibendum demonstrated that, on the easing of restrictions in July to September, it was able to respond quickly and capitalise on customer and consumer demand with distribution points in the on-trade peaking at 82% of FY2020 levels for the equivalent period. In addition, we have been encouraged by our levels of new business and the value and security that customers place in us.

Our depot network has remained fully operational throughout the pandemic, servicing the increased demand of the off-trade and ensuring that we are positioned to react quickly as and when restrictions ease. The business generated alternative revenue streams during on-trade restrictions, deploying some of its fleet to support brand owners with delivery into the convenience channel.

We accelerated our network optimisation, transitioning the Bibendum's supply chain operations from a third-party logistics provider into the Matthew Clark network. We also closed the Matthew Clark depots in Scotland, transitioning this volume into the Tennent's depot network in Scotland. These initiatives will drive ongoing efficiencies through a lower cost to serve, delivering enhanced margins.

During FY2021, our Bibendum off-trade business performed strongly with net revenue growth of 19.3% versus FY2020. Walker and Wodehouse, our business which supplies independent wine retailers, also performed strongly with sales and gross profit increasing 25% and 43% respectively versus last year.

Matthew Clark and Bibendum have continued to support the hospitality industry through the lockdowns and trading restrictions with increased flexibility in delivery days and times; 'new for old keg' replacement process; availability of key lines secured with supply partners; new 'guest checkout' facility on our ecommerce platform and a simplified online process for new account openings.

Matthew Clark has seen an increase in ecommerce activity, with Matthew Clark Live, our ecommerce platform, showing an increase in orders with 18% of total sales versus 13% in FY2020 and an increase of 73% in users versus prior year. The successful launch of 'Guest Checkout', has enabled first time customers to order and receive stock without first setting up an account, 28% of guest users have subsequently gone on to setup a trading account with Matthew Clark. The business is well placed to meet the change in customer behaviour with our Matthew Clark Live ecommerce platform awarded, 'Best Business to Business' and 'Best Food & Drinks' ecommerce sites at the UK ecommerce Awards 2020.

Our Matthew Clark and Bibendum businesses have been encouraged with the resilience of our customer base, with over 95% of March 2020 closing debtor ledger of €110 million collected from customers as of the end of FY2021.

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

International

€m International Constant currency[iii]	FY2021	FY2020	Change %
Net revenue	**26.2**	37.0	(29.2%)
- Price / mix impact			4.3%
- Volume impact			(33.5%)
Operating (loss)/profit[vii]	**(1.8)**	6.4	(128.1%)
Operating margin	**NM**	17.3%	
Volume – (kHL)	**159**	239	(33.5%)

Net revenues of €26.2 million in FY2021 have decreased by 29.2% against FY2020[iii], this has been driven by reduced volumes and has resulted in an operating loss of €1.8 million versus a profit of €6.4 million on a constant currency in the prior year.

The effect of COVID-19 was noted in almost every market in APAC and EMEA, however each market responded differently to the pandemic and the impact on the International business has been varied as a result. Overall volume has declined, driven by on-trade closures in Central Europe and the reduced levels of tourism in the peak summer trading period. This has been mitigated somewhat through growth in Asia, and solid performances in the Nordics and ANZ (Australia and New Zealand).

Europe, Middle East and Africa

In the first wave of the pandemic Central Europe recorded a drop in volume, with most markets implementing social distancing restrictions and limiting access to the on-trade where the International business is most active. Secondary to this was an increased level of uncertainty as we moved into the summer when demand would usually be highest. The biggest challenge was the reduction in the number of British and Irish tourists travelling overseas to Spain and the Mediterranean region, which directly impacted performance. The changing restrictions, often implemented at short notice, added to the uncertainty and adversely impacted on willingness to place orders, with many of the on-trade premises in this region heavily reliant on overseas tourism.

As the year progressed there was some upside in 'winter sun' destinations' such as the UAE, but not enough to offset the declines elsewhere, and in the final quarter of the year the closure of the European ski resorts further reduced demand. Lockdowns across Central and Eastern Europe, combined with the introduction of a mass vaccination programme, resulted in a level of optimism in the final month, the benefit of which will be reflected in Q1 FY2022. Overall EMEA volumes were 48.7khl, -55.6%.

Asia Pacific

Following the easing of trade restrictions during FY2021, the region performed strongly for the remainder of the year, driven by the new distribution agreement for Magners in South Korea and growth in China (Magners and Tennent's). These two markets accounted for 64% of the total APAC volume, and have recorded combined growth of 125% year on year.

Australia and New Zealand volume was robust throughout the year, largely due to the relative success in containing the spread of COVID-19, but overall is down -30% compared to the prior year. Elsewhere, volume across the rest of Asia declined but this was driven by an ongoing decision to focus on larger markets that can deliver sustainable brand growth. Overall APAC volumes were 29.5khl, -2.9%.

North America

Total volumes in FY2021 were down 18.3% as a consequence of COVID-19 restrictions which varied in degree across the region. Woodchuck volumes, which historically over-index in the off-trade, were broadly insulated from these restrictions and volumes finished the year in growth +9.3%. The Magners brand however, felt the full effect of hospitality lockdown measures with volumes finishing -42.0% versus FY2020.

In March 2021, the Group announced the sale of its wholly owned US subsidiary, Vermont Hard Cider Company, to Northeast Kingdom Drink Group LLC for a total consideration of USD 20 million. This transaction completed in April 2021.

Strengthening our Capital Position

The duration and impact of the pandemic has been greater than initially expected and the Group has demonstrated its resilience, strength and agility over this period. As the pandemic evolved, the Group took significant and decisive action to protect the business and its liquidity position, which is reflected in the resilient financial results of the Group for the year ended 28 February 2021. However, the Group continues to face uncertainty driven by the significant lockdowns and trading restrictions implemented in the Group's key markets and their ongoing impact on the hospitality sector. As a result the Board has taken the decision, in the best interests of the Group and all of its stakeholders, to launch a Rights Issue which was announced on 26 May 2021. With approximately 80% of C&C's pre-COVID-19 net revenues derived from the on-trade, the prolonged and continued impact of lockdowns and on-trade trading restrictions has been considerable. To ensure the business is equipped with sufficient liquidity to manage further near term trading uncertainty and deleveraging of the balance sheet to ensure it is in a position to execute its proven long term strategy, we announced on 26 May 2021, a rights issue fundraising. The Board considered various alternative methods of optimising the Group's capital structure, however with the continued impact from COVID-19 expected through H1 FY2022, it concluded that the most appropriate course of action is to raise equity.

Summary and Outlook

FY2021 has presented an extraordinary set of circumstances which have challenged our business, and our industry, at every level. To date, we have navigated these challenges by acting quickly and decisively, putting in place responses to the near term challenges while positioning C&C to emerge from the pandemic stronger, more streamlined and primed to deliver on our ambition to be the preeminent brand led number one "final-mile" drinks distributor across our core markets. We will remain vigilant and continue to be flexible in our approach as the hospitality sector recovers from COVID-19.

Our portfolio has demonstrated its strength with our core brands growing market share during FY2021. We will build on this as the hospitality sector opens, targeting cider share growth and building our share in premium beer which we continue to see as a market opportunity.

Development of our portfolio will remain key as we complement with new agencies or equity for growth brands. Our system strength is reflected in the evolution of our award winning ecommerce platform and offering which positions us well to fulfil the change in ordering behaviour and meet the highest levels of customer service. Further we will continue to optimise our system through cost streamlining, infrastructure consolidation and the adoption of technology and the efficiencies therein. This will be delivered by our engaged and inspired colleagues, committed to our sustainability agenda.

Our first priority will continue to be protecting our stakeholders. Their health and wellbeing are of paramount importance to the success of C&C. We are continuously monitoring the evolving government and health authority guidance to ensure we provide the safest environment we can.

We look to FY2022 with optimism as progress with the COVID-19 vaccine programme will see on-trade restrictions continue to ease. The Group continues to play an integral role in the UK and Ireland drinks market with its infrastructure being crucial for customers and brand owners. Our business model's inherent strengths, together with reduced operating costs, will support a stronger return to trading cash flows, profitability and the creation of long-term value for our shareholders.

David Forde
Chief Executive Officer

(i) Tito's number 1 spirit in USA (IRI Period Ended 04 October 2020).
(ii) I&G number Scotland's # 1 craft beer (CGA Scotland MAT week ended 21.03.20).
(iii) FY2020 comparative adjusted for constant currency (FY2020 translated at FY2021 F/X rates).
(iv) IRI, MAT to week ended 21.02.21.
(v) Nielsen, Volume Share of Cider, Off-Trade including Dunnes and Discounters, MAT February 2021.
(vi) Nielsen, Volume Share of Long Alcoholic Drinks, Off-Trade including Dunnes and Discounters, MAT February 2021.
(vii) Before exceptional items.

Strategic Report - Group Strategy

The core of the Group's strategy is driving an integrated, brand-led approach with leading route-to-market capability and having the critical strength and scale to deliver for both our on and off-trade customers.

The primary pillars of the Group's strategy are:

Strategic pillars	Medium term strategic goals	Measurement
Invest and grow our portfolio of leading local, super-premium and craft beer and cider brands.	• Brand and product investment to build value of key brands over the long-term. • Leverage key brand strength and market position to grow our portfolio of super-premium and craft brands. • Successful brand development and launches to meet changes in consumer demand. • Build on “partnership for equity" brand relationship to provide route to market access.	• Cash generation and conversion • Revenue growth • Enhanced margins • Share growth and brand health scores
Strengthen the Group's position as the preeminent brand-led, "final-mile" drinks distribution business in the UK and Ireland.	• Continue the optimisation of the Matthew Clark and Bibendum businesses. • Deliver unrivalled portfolio strength, value and service to the UK and Irish hospitality sectors. • Commercialising the unrivalled data and insight on the hospitality sector.	• Margin expansion at Matthew Clark and Bibendum
Ensure the efficient allocation of capital to enhance growth and Shareholder returns.	• Strengthen its key capabilities across digital and technology to improve the customer journey and drive efficiencies. • Committed to delivering on its ESG objectives which form part of the integrated strategy. • Target balance sheet leverage of below 2.0 X net debt / EBITDA. • Selective acquisitions to fuel sustainable, profitable growth and/ or cash returns to shareholders.	• Net Debt/EBITDA • Balance Sheet strength • EPS growth • ROCE

With the challenges presented by COVID-19 in FY2021, the focus for the Group has been around securing the near term of the business, ensuring the health and wellbeing of our stakeholders, supporting our customers and maximising available liquidity. The Group's performance from an operational and financial perspective during the COVID-19 pandemic has demonstrated the important role the Group has to play in the success of the UK and Ireland on-trade channel and demonstrated C&C’s structural importance to the sector. Despite the challenges, we have continued to develop and execute our strategy through FY2021 to put ourselves in a position of strength as the hospitality sector returns during FY2022.

Achievements during FY2021

Strategic Goals

- Our core brands demonstrated their continuing strength in FY2021 by growing off-trade volume share.
- Tennent's off-trade volume and value share of lager of 26.5% and 21.6% respectively as at 21 February 2021 represents growth of 1.1% and 0.7%.
- Bulmers off-trade volume and value share of cider of 50.5% and 50.8% respectively as at 28 February 2021 represents growth of 3.7% and 4.3%.
- Magners' volume share of apple cider in the off-trade has grown to 9.7% as at 21 February 2021 representing growth of +0.4%.

Brand and product investment to build value of key brands over the long-term.

- Demonstrated the strength of the Group's brand led distribution model, and the fundamental role it occupies in the infrastructure of the UK and Irish drinks market, with a return to profitability and underlying cash generation when trade restrictions were eased in July, August and September 2020. This was underpinned by a market leading NPS score.

Deliver unrivalled portfolio strength, value and service to the UK and Irish hospitality sectors.

- Exclusive distribution deals completed during FY2021, including: extending our partnership with Budweiser Brewing Group in Ireland to include exclusive distribution of Budweiser; Tito's Handmade Vodka in the UK, the #1 selling spirit brand in the USA; and most recently Innis & Gunn, Scotland's #1 craft beer, where C&C received an 8% equity stake at only the cost of nominal share capital, in return for supplying Innis & Gunn with access to the independent free trade in its core markets.

Build on "partnership for equity" brand relationship to provide route to market access.

- Meeting growing consumer demand for 'no and low' alcohol alternatives, C&C launched the Tennent's Zero and Tennent's Light brand extensions which have outperformed expectation in the off-trade. In addition, our own hard seltzer brands have been launched in Ireland through Seven Summits and Shard in Scotland which is the UK's only draught seltzer.

Successful brand development and launches to meet changes in consumer demand.

- Optimisation of the English and Scottish distribution delivery networks, consolidating the volumes from three separate networks into two, bringing all English final mile distribution in house. In turn, rationalising our depot footprint, improving our service offering and driving ongoing efficiencies and enhanced future margins. Further, the optimisation work supports the Group's sustainability agenda by eliminating transport inefficiencies and reducing product miles travelled and CO_2 emissions.

Continue the optimisation of the Matthew Clark and Bibendum businesses.

- As a response to COVID-19, taking action to address our fixed cost base with a cost streamlining programme to deliver annualised savings of €18 million against the pre COVID-19 cost base.

Strengthen key capabilities across digital and technology to improve the customer journey and drive efficiencies.

- Diversified and strengthened the Group's capital structure and sources of debt finance by issuing approximately €140 million of US private placement notes in March 2020.

Target balance sheet leverage of less than 2.0 X net debt / EBITDA.

- Improving the customer experience with our Tennent's Direct and Matthew Clark Live ecommerce platform as customers accelerate their use of technology, developing: real time stock information; guest checkout and automated online account setup. With the Matthew Clark Live platform awarded, 'Best Business to Business' and 'Best Food & Drinks' ecommerce sites at the UK eCommerce Awards 2020. In addition, we continued to develop our proprietary data assets during FY2021, signing an agreement with SalesOut, a leading data company, to augment our in-house assets.

Strengthen key capabilities across digital and technology to improve the customer journey and drive efficiencies.

- Invested €7.8 (£7.0) million into our Wellpark Brewery which will eliminate the use of the single use plastic at the site during 2021, removing 150 tonnes of plastic annually. A further €3.0 (£2.7) million has been invested into an innovative carbon capture facility, the largest in Scotland, which will allow the brewery to store and utilise over 4,200 tonnes of CO_2 per year.

Committed to delivering on ESG objectives which form part of the integrated strategy.

- Divestment of non-core assets including the Tipperary Water Coolers business in Ireland. Post year-end we completed the disposal of Vermont Hard Cider Company in the USA for a total consideration of USD 20 million which has been applied to reduce net debt.

Selective acquisitions to fuel sustainable, profitable growth and/or cash returns to shareholders.

Strategic Report - Business Model

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 are highly cash generative and form part of the fabric of the respective drinks markets, and despite the on-trade challenges, have built momentum in the off-trade.

Scotland's favourite beer

Tennent's is Scotland's favourite beer, delivering share growth in the off-trade over the last 12 months.

Ireland's No.1 Cider

Bulmers is Ireland's No.1 cider, delivering share growth in the off-trade over the last 12 months.

The lasting appeal of these brands is underpinned by continued brand and marketing investment, where they have continued to evolve as consumer preferences and consumption habits have changed notably on the emergence of no and low % variants.

No.3 Cider in the UK

Magners is the No.3 apple cider in the UK, delivering share growth in apple cider in the off-trade over the last 12 months.

Complemented by super-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 super-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

Route-to-market

C&C's route-to-market platform occupies a fundamental role in the infrastructure of the UK and Ireland hospitality sectors.

Benefits for Customers

C&C gives its on-trade customers access to an unrivalled portfolio of local, premium and third-party brands combined with intimate product expertise and insight into evolving consumer tastes.

With over 13,000 SKUs, C&C's distribution platform provides a comprehensive "one stop shop" for licensed premises owners.

Our national distribution network and economies of scale provide unparalleled coverage, service and value to the benefit of our customers.

C&C's balance sheet ensures stability, certainty of supply and access to credit.

Benefits for C&C

Route-to-market ownership broadens C&C into a multi-beverage business.

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.

Route-to-market complements C&C's portfolio of local champion brands.

Benefits for Suppliers

C&C provides a unique route-to-market platform for local and international brand owners, with unrivalled market access to over 34,000 licensed premises across the UK and Ireland.

C&C allies intimate knowledge of local and regional markets, with national coverage and economies of scale.

C&C takes approximately 1 million orders per year across 13,000 SKUs generating unrivalled insight and data for brand-owners on the ever evolving consumer and customer trends.

C&C provides an open-access, stable platform to all brand-owners, large and small.

Scale

BULMERS IRELAND · BIBENDUM · BIBENDUM · Matthew Clark · TENNENT'S

No.1
Drinks distributor on Island of Ireland

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

No.1
Drinks distributor in Scotland and GB

Our operational footprint can reach over 99% of the UK population on a next day delivery basis.

Strategic Report - How we create sustainable value

Our ambition, to be the preeminent, “final-mile” brand-led drinks distribution platform in the UK and Irish drinks markets, is supported by our sustainability agenda.

Manufacture

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. By 2025, 100% of the power across our sites will be provided by renewable sources.

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.

Improve sustainable packaging
The Group has made excellent progress on its ambitious target to be out of single-use plastics by 2022, reducing the environmental impact and ecological footprint of our products. We are the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates.

The Group 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 50 - 51

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.

Responsible drinking 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.

ESG Pillars 3 6
see pages 50 - 51

C&C is the No.1 independent drinks distributor to the UK and Ireland hospitality sectors, occupying a fundamental role in the infrastructure of the UK and Irish drinks market as key route-to-market partner for local and international beverage brand owners.

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.

Distribute

With the on-trade either locked down or under restrictions throughout FY2021, trading in our distribution businesses have been significantly impacted. However, the inherent strengths of our final mile distribution were reflected in the distribution deals we have secured and our ability to react to the easing of restrictions, notably in July, August and September 2020.

One stop shop
With over 13,000 SKUs, C&C's distribution platform provides a comprehensive "one stop shop" for licensed premises owners.

Final Mile distribution
We have accelerated the optimisation of the English and Scottish delivery networks which is scheduled to be completed in June 2021. This will consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in-house, driving on-going efficiencies and in turn enhance future margins.

Enhanced logistics
Electric vehicles 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 at the Matthew Clark Park Royal depot. In Scotland, we are investigating alternative fuel types for vehicles; electric for Wellpark-Cambuslang trips and hydrogen for longer distance inter-depot trips.

ESG Pillar 1
see page 50

Strategic Report - Key Performance Indicators

With approximately 80% of C&C's revenues derived from the hospitality sector which throughout FY2021 has either been in lockdown or trading under restrictions, the impact on the Group and results reported has been significant. As such, the key focus of the business has been on securing the near term through renegotiation of our banking covenants and a number of liquidity actions (detailed in the CEO and CFO Statements), with net debt and liquidity forming the key financial metrics during FY2021.

Despite the challenges, we remain committed to our business model and believe our core brands, critical infrastructure and relative position of strength in the market leaves C&C well positioned as the hospitality sector reopens. As such we view that the Key Performance Indicators ("KPIs") reported in FY2020 will become the focus for the Board as trading builds over FY2022 and FY2023, for completeness these have been included separately below as a comparative.

Our priority remains the health and wellbeing of our stakeholders alongside continuing to deliver against our sustainability and social responsibility objectives.

Strategic Priority	KPI	Definition (see also financial definitions on pages 236 and 237)	Performance	FY2021 Focus	Links to other Disclosures
To ensure the appropriate level of financial gearing	Net debt	Net debt (net debt comprises borrowings (net of issue costs) less cash and excluding lease liabilities) as part of renegotiated covenants	FY19 €301.6m FY20 €233.6m FY21 €362.3m		Group CFO Review page 43
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	FY19 €322.9m FY20 €335.3m FY21 €314.6m		Group CFO Review page 43
To achieve the highest standards of environmental management	Reduction in CO_2 emissions	Tonnes of CO_2 emissions	FY19 38,092t[i),(ii)] FY20 32,729t[i),(ii)] FY21 26,865t[ii)]	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 50
	Waste recycling	Tonnes of waste sent to landfill	FY19 0t FY20 0t FY21 0t	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 50
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	FY19 1.02 FY20 0.52 FY21 0.54	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 50

Comparative KPIs against those reported in FY2020.

Strategic Priority	KPI	Definition (see also financial definitions on pages 236 and 237)	Performance	FY2020 Focus	Links to other Disclosures
To enhance earnings growth	Operating (loss)/profit	Operating (loss)/profit (before exceptional items)	FY19 €104.5m FY20 €120.8m FY21 (€59.6m)*	To seek continuing growth, through revenue enhancement, acquisition synergies and cost control	Group CFO Review page 43
	Operating Margin	Operating (loss)/profit (before exceptional items), as a percentage of net revenue	FY19 6.6% FY20 7.0% FY21 (8.1%)*		
To enhance earnings growth	Adjusted diluted (loss)/ earnings per share	Attributable (loss)/ earnings before exceptional items divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY19 26.6c FY20 29.6c FY21 (22.9c)*	To achieve adjusted diluted EPS growth in real terms	Group CFO Review page 43
	Basic (loss)/ earnings per share	Attributable (loss)/ earnings divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY19 23.4c FY20 2.9c** FY21 (33.8c)*	To achieve EPS growth in real terms	Group CFO Review page 43
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)	FY19 €96.9m FY20 €155.1m FY21 (€91.2m)*	To generate improved operating cash flows	Group CFO Review page 43
	Free Cash Flow Conversion Ratio	The conversion ratio is the ratio of free cash flow as a percentage of EBITDA (before exceptional items)	FY19 80.8% FY20 101.0% FY21 NM		
To ensure the appropriate level of financial gearing and profits to service debt	Net debt: EBITDA	The ratio of net debt (net debt comprises borrowings (net of issue costs) less cash less IFRS 16 Leases) to Adjusted EBITDA (excluding IFRS 16 Leases)	FY19 2.51x FY20 1.77x FY21 NM	Move towards medium term target of 2.0 times Net Debt/EBITDA (excluding IFRS 16 leases)	Group CFO Review page Page 43
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	FY19 15.31c FY20 5.5c FY21 -*	The Group will continue to seek to enhance shareholder returns	
	Dividend Payout Ratio	Dividend cover is Dividend/ Adjusted diluted EPS	FY19 57.6% FY20 18.6% FY21 -*		

* COVID-19 is having a material impact on current year KPIs.
** Basic earnings per share was impacted by exceptional items in the prior financial year.

Reference - Strategic Report - Key Performance Indicators
(i) FY19 and FY20 figures have been restated to include emissions for the wider C&C, previously only core C&C (pre Matthew Clark and Bibendum acquisition) was disclosed to allow year-on-year comparison.
(ii) 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. Specific annual reviews of the risks and fundamental controls of each business unit are undertaken on an ongoing basis, the results and recommendations of which are reported to and analysed by the Audit Committee with a programme for action agreed by the business units.

Internal Controls and Risk Management

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

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

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

- the review of each operating division's period end reporting package by the Group Finance function;
- the challenge and review of the financial results of each operating division with the management of that division by the Group Chief Financial Officer;
- the review of any internal control weaknesses highlighted by the external auditor, the Group Chief Financial Officer, Head of Internal Audit, 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 34 to 40 represent the principal uncertainties that the Board believes may impact the Group's ability to effectively deliver its strategy and future performance. The register of risks includes the impact of COVID-19 which is addressed in greater detail on page 34. 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 41 to 42.

COVID-19

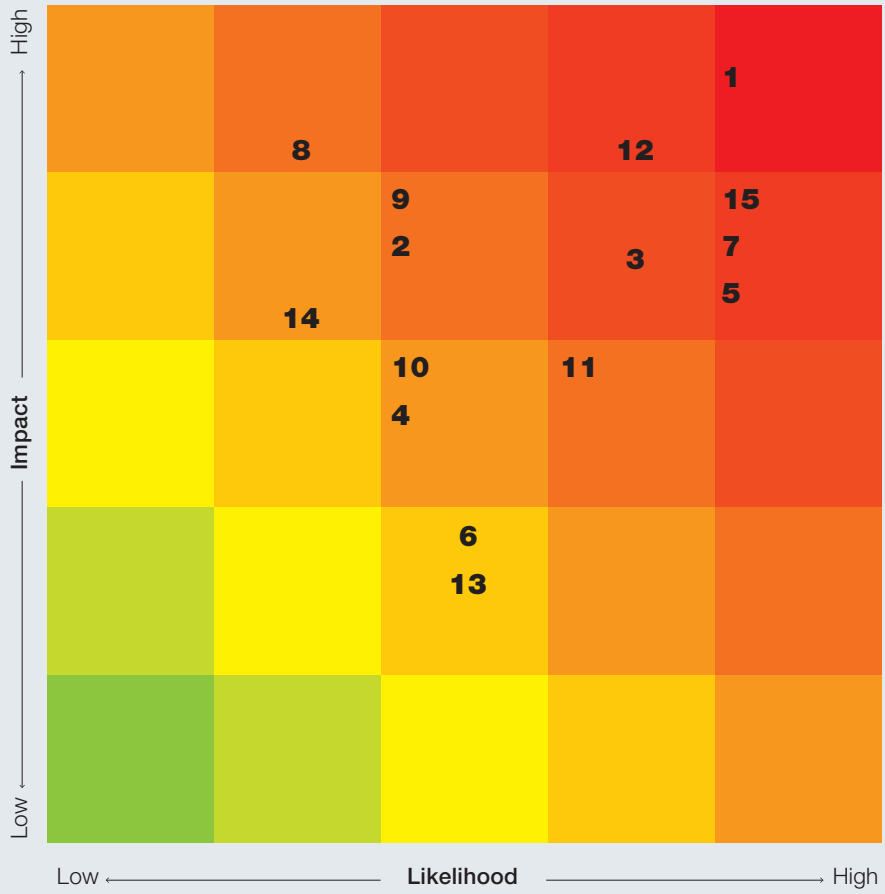
Prior to the start of FY2021 on 1 March 2020, COVID-19 began to have an impact on global economies and on businesses generally. This impact has increased significantly since then. Similar to businesses across many sectors and specifically the drinks industry, government imposed restrictions, while necessary to slow the spread of COVID-19, have had a significant impact on many of the Group's outcomes, principally the on-trade, as well as the Group's employees, many of whom have been furloughed. Our primary concern is for the welfare of our people, their families and the communities in which we operate. To that end, we have followed the advice from the respective governments at all times and will continue to do so to protect our people and our operations.

The Audit Committee and the Board have assessed the potential impact of COVID-19 on the business and worked closely with the executive team to put in place measures to protect the business and its prospects, in the best interests of all stakeholders. The Board continues to closely monitor the impact of, and developments in respect of, COVID-19 and the guidance of governments and health authorities; and is overseeing all business continuity actions being undertaken by the Group's management team.

As the pandemic continues into FY2022, it drives increasing risk trends which are detailed below.

One principal risk category was split into two standalone principal risks – Information Technology; and Cyber Security and Data Protection – reflecting the increase in online trade and increased frequency of cyber-attacks in the sector.

Principal Risk Matrix



Risks

1. COVID-19
2. Regulatory / Social Attitude Changes to Alcohol
3. Economic & Political
4. Sustainability & Climate Change
5. Change in Customer Dynamics &Group Performance
6. People & Culture
7. Health & Safety
8. Product Quality & Safety
9. Supply Chain Operations & Costs
10. Information Technology
11. Cyber Security & Data Protection
12. Business Growth, Integration and Change Management
13. Compliance with Laws &Regulations
14. Brand & Reputation
15. Financial & Credit

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement ● New ■ No change ▲ Increasing ▼ Decreased

Risk & Uncertainties

Impact	Mitigation	Risk Trend
COVID-19		▲
The Group is exposed both to the immediate impact of the COVID-19 pandemic and the uncertainty created by the continuing measures taken by governments to minimise the spread and mitigate the impact of coronavirus on society. The Group's business units have been significantly disrupted by the Irish and UK governments passing legislation to close pubs, bars, restaurants and clubs, there is a significant risk to our on-trade business and the overall viability of the hospitality industry. Operations may be impacted as staff self-isolate if they or anyone within their homes develop symptoms. In addition, employees may be required to be temporarily or permanently furloughed during the period. Where there is a COVID-19 impact on the other principal risks contained within this table, we have provided an explanation of what the impact is and the mitigations.	The Group acted quickly to respond to the emergence of the COVID-19 virus to protect the health and wellbeing of employees and the interests of all stakeholders; and ensure, as a minimum, it is in compliance with local government and health authority guidelines. The Group has implemented its business continuity planning and restricted all unnecessary access to its operations in line with government and health service guidelines and consistent with industry best-practice. All travel has been suspended unless business critical, gatherings (such as customer tastings) are suspended and visitors are no longer allowed on site. Staff are also not allowed to move between production facilities to minimise exposure risk. The Group is ensuring that all employees who can work from home are doing so safely. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing. The Group has strengthened its financial position through renegotiating the timing of term loan repayment, securing covenant waivers from lenders and diversifying our sources of funding through the successful issue of approximately €140 million of US private placement notes. In May 2021, the Group announced an equity raise to strengthen the balance sheet and reduce leverage to deal with the challenging environment and ensure the Group remains resilient in the event of further negative developments in the pandemic. The Group has suspended all unnecessary capital expenditure, reduced marketing spend, reduced other operating costs and implemented a range of working capital controls to protect liquidity including furloughing all non-essential employees. The Group has put in place measures to help affected customers including in the course of the pandemic, a three month holiday on capital and interest repayments to loan customers, full credit or 'new for old' on un-broached kegs, together with a dedicated helpline to offer advice and guidance around government support initiatives that have been introduced and how to access them, as well as assistance and advice in relation to hygiene measures. The Group will continue to monitor guidance from governments and health authorities and implement measures in line with best practice.	

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 Political		▲
Our business, financial results and operations may be adversely affected by economic or political instability and/or uncertainty, in particular relating to the impact of the COVID-19 pandemic. The Group may also be impacted by the UK's exit from the European Union. The Group's performance is also impacted by potential recessions, inflation, exchange rates, taxation rates and social unrest. The full extent of the financial impacts of COVID-19 on economies is as yet unknown. The stress placed on political systems to combat the social and economic impacts of COVID-19 may result in increased political instability in some countries.	The Board and management will continue to consider the impact on the Group's businesses, monitor developments and engage with the UK, Irish and Scottish governments to help ensure a manageable outcome for our businesses. The Group took a number of immediate measures to respond to the impact of the emergence of COVID-19, some of which continue to be in operation to mitigate its ongoing impact. 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.	

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement ● New ■ No change ▲ Increasing ▼ Decreased

Impact	Mitigation	Risk Trend
Sustainability and Climate Change		▲
Failure to implement policies and meet required sustainability and ethical standards and social perceptions could significantly impact C&C's reputation as well as potentially impact future growth.	The Group seeks to operate as efficiently and sustainably as possible. There are objectives in place to continually reduce emissions in line with the Paris Agreement. The Group is seeking to continually reduce waste levels and also the use of single use plastics. The Group continues to be proactive in conserving water usage and minimising energy usage. Both Clonmel and Wellpark sites continue to be ISO 14001 accredited for an effective environmental management system. The Group ensures strong overall corporate social responsibility of suppliers is reviewed and assessed both on an ongoing basis and as part of new tenders to ensure sustainability and ethical practices are a fundamental part of the supply chain.	
Customer and Consumer Dynamics and Group Performance		▲
Consumer preference may change, new competing brands may be launched and competitors may increase their marketing or change their pricing policies. Failure to respond to competition and/or changes in customer preferences could have an adverse impact on sales, profits and cash flow within the Group. COVID-19 may have an impact on the viability of a certain cohort of the Group's customers and on underlying consumer behaviour and preferences.	Through diversification, innovation and strategic partnerships, we are developing our product portfolio to enhance our offering of niche and premium products to satisfy changing consumer requirements including the production of low and non-alcoholic variants of our brands. The Group has a programme of brand investment, innovation and product diversification to maintain and enhance the relevance of its products in the market. The Group also operates a brand-led model in our core geographies with a comprehensive range to meet consumer needs. In order to specifically assist customers manage the impact of COVID-19, the Group has given 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 have been introduced and how to access them as well and assistance and advice in relation to hygiene measures.	
People and Culture		■
The Group's performance is dependent on the skills and experience of its high-performing colleagues throughout the business, which could be affected by their loss or the inability to recruit or retain them. Failure to continue to evolve our culture, diversity and inclusion could impact our reputation and delivery of our strategy. The closure of the on-trade and substantial parts of the business during the year has had a significant impact on the Company's workforce.	The Group seeks to mitigate this risk through appropriate training, remuneration policies and succession planning. The Group also seeks to ensure good employee relations through engagement and dialogue. In respect of the impact of COVID-19 on employees, the Group has implemented an extensive range of measures to provide the safest working environment possible for our people. These measures include reducing all unnecessary access to the Group's operating facilities and ensuring that all employees who can work from home are doing so. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing. The Group employed a number of measures to retain as many members of the workforce as possible including through the use of government furlough schemes.	

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 are responsible for ensuring that the Group complies with all health, safety and environmental y laws and regulations with ongoing monitoring, reporting and training. The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover. The Group has specific business continuity plans and a range of measures to protect the business and the health and wellbeing of employees including strict safety, hygiene and two metre social distancing measures. The safety and wellbeing of our employees has been, and continues to be, our overriding priority. Executive Management are monitoring events closely with regular Board oversight evaluating the impact and designing appropriate response strategies.	
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.	
Supply Chain Operations and Costs		■
Circumstances such as the prolonged loss of a production or storage facility, disruptions to its supply chains or critical IT systems and reduced supply of raw materials may interrupt the supply of the Group's products, adversely impacting results and reputation. COVID-19 also poses the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities. Also, there is a risk of increased input costs due to poor harvests and price of inputs.	The Group seeks to mitigate the operational impact of such an event through business continuity plans, which are tested regularly to ensure that interruptions to the business are prevented or minimised and that data is protected from unauthorised access, contingency planning, including involving the utilisation of third party sites and the adoption of fire safety standards and disaster recovery protocols. The Group seeks to mitigate the financial impact of such an event through business interruption and other insurance covers. The Group has enacted specific business continuity plans including a range of measures to protect the integrity of production and distribution facilities and increased packaging capacity to meet increased take home demand. To date we have maintained strong levels of service into our customer base. We have taken action to ensure our facilities are staffed sufficiently, that our production plans optimise the capacity available at each of our sites and that we prioritise the SKUs that current consumer demand requires. The Group is also working closely with its suppliers to protect the integrity and consistency of supply of raw materials. The Group seeks to minimise input risks through long-term or fixed price supply agreements. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.	

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement ● New ■ No change ▲ Increasing ▼ Decreased

Impact	Mitigation	Risk Trend
Information Technology		■
The Group relies on 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 coronavirus 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.	
Cyber and Information Security and Data Protection		▲
Failure of our IT infrastructure or key IT systems may result in loss of information, inability to operate effectively, financial or regulatory penalties, loss of financial control and negatively impact our reputation. Failure to comply with legal or regulatory requirements relating to data security (including cybersecurity) or data privacy in the course of our business activities, may result in reputational damage, fines or other adverse consequences, including criminal penalties and consequential litigation, adverse impact on our financial results or unfavourable effects on our ability to do business. COVID-19 also poses specific IT risks including the potential for key personnel to contract the virus, the Group's IT support services being unable to discharge their obligations due to the impact of the virus on their own operations or an increase in the number of malicious emails sent to colleagues working from home. The risk level continues to rise as more employees work from home and this has led to an increase in the risk of malware and phishing attacks across all organisations.	The Group's IT security controls including gateway firewalls, intrusion prevention systems, security incident monitoring and virus scanning have, where appropriate, been reviewed, tested and updated during the year. Regular communications are sent out to colleagues containing advice on IT security particularly in relation to home working and phishing emails. The Group's approach is one of ongoing enhancement of controls as threats evolve with the target being to align controls, and in particular to implement any new services or changes to the environment. The Group also has a suite of information security policies in place including data protection (GDPR) and electronic information and communications. The Group has enacted specific business continuity plans including co-ordination with key third party IT suppliers and consideration of keyman risk for the Group's IT personnel. We have implemented configuration changes to block phishing emails, increased awareness campaigns to help our people identify these types of attacks, and increased frequency of penetration testing. The recent incident affecting Matthew Clark and Bibendum IT systems has emphasised the need for continued focus on information security. The Group has commenced a detailed review of its information security and cyber preparedness policies and processes.	

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 Group has in place permanent legal and compliance functions that ensure the Group is aware of all new regulations and legislation, providing updated documentation, training and communication across the Group. The Group has a code of conduct, which is approved by the Board and supported by a wide range of policies, including modern slavery, anti-bribery and corruption and diversity. The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management. As part of our ongoing process of continuous improvement, we have expanded our web-based learning platform to provide increased engagement on key regulatory and compliance topics for our employees and to communicate our standards and expectations clearly. Internal Audit regularly reviews internal controls and analyses financial transactions to mitigate the risk of error or fraud.	

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement ● New ■ No change ▲ Increasing ▼ Decreased

Impact	Mitigation	Risk Trend
Brand and Reputation		■
The Group faces considerable risk if we are unable to uphold high levels of consumer awareness, retain, attract key associates and sponsorships for our brands and inadequate marketing investment to support our brands. Maintaining and enhancing brand image and reputation through the creation of strong brand identities is crucial for sustaining and driving revenue and profit growth. The closure of on-trade outlets and a reduction in the Group's marketing and brand advertising due to COVID-19 may impact the Group's brand health scores.	To mitigate this risk, C&C has defined values and goals for all our brands. These form the foundation of our product and brand communication strategies. Central to all our brand image initiatives is ensuring clear and consistent messaging to our targeted consumer audience. Executive Management, Group Legal and internal/external PR consultants work together to ensure that all sponsorship and affiliations are appropriate and protect the position of our brands. The Group is monitoring the impact of the rapidly changing trading environment on the Group's brands and will make necessary investment decisions to protect the Group's brand health scores and reputation.	
Financial and Credit		▲
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

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of this report. That expectation factors in the current and expected impact of COVID-19 on the financial performance and cash flows of the Group. Please refer to the "Going Concern" section of the Audit Committee Report on pages 87 to 88 of this Annual Report for further detail. The going concern assessment indicated that even in a reasonable worst case scenario the Group, absent the impact of the potential rights issue, has sufficient access to liquidity to operate over this assessment period and to satisfy the Group's minimum liquidity and gross debt covenant requirements. Accordingly, we continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

Viability Statement

As set out in Provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group and its ability to meet its liabilities as they fall due over the medium-term. Specifically, the Directors have assessed the viability of the business over a two-year period to February 2023. The assessment period has been adjusted to reflect the unique aspects of on-trade reopening within the Group's core markets in England, Scotland and Ireland over the coming months and to align with the working capital statement prepared in contemplation of the proposed rights issue. The Directors intend to return to a three-year assessment period next year. 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 two-year period to February 2023 .

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 2021 and subsequently updated in April 2021 in the light of the recent partial re-openings of hospitality in UK nations. The Directors acknowledge the heightened uncertainty of the Group's strategic plans in the current environment and as a result have considered a range of different scenarios. 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

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

- The business model can be evolved for significant changes in market structure or government policy over the two year period;
- Two years is the reporting period applicable to the launch of the rights issue announced on 26 May 2021;
- For major investment projects two years is considered by the Board to be a reasonable time horizon for an assessment of the outcome; and
- Furthermore, beyond this period, performance is impacted by global macroeconomic and other considerations, which become increasingly difficult to predict, a good example of which is the impact of the current COVID-19 pandemic.

Viability Assessment and COVID-19

In assessing the impact of COVID-19 pandemic the Directors considered a base case scenario and a reasonable worst case scenario, both of which exclude any upside from the potential rights issue. Key metrics such as cash flow, including working capital and the restoration of working capital improvements following the expected outflows in FY2022, interest cover, liquidity, covenant compliance and headroom in covenants, were subject to sensitivity testing by flexing a number of the key financial assumptions in order to assess the impact of the Group's Principal Risks 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.

The Group's scenarios assume:

- The base case projection assumes on-trade recovery in England and Scotland continuing from April and May 2021 respectively, Ireland's on-trade recovery commencing from June 2021,
- The pace of recovery is assumed to be similar across each territory once on-trade restrictions are eased, with gradual improvement to volumes,
- The reasonable worst case projection assumes the same timeline for re-opening of the on-trade as the base case; however volumes are projected to hold flat at modest levels for the remainder of the summer as many on-trade restrictions are assumed to remain in place over that period and then build more gradually from that point,
- The reasonable worst case projection contains linked working capital assumptions reflecting a more challenged supplier credit environment,

Strategic Report - Management of Risks and Uncertainties (continued)

- An assumption that after an extended lock-down, the on-trade reopens with volumes that do not recover above 90% in the base case scenario and 80% in the reasonable worse case scenario of the comparable FY2020 period for the rest of the two year period.

The base case and reasonable worst case scenarios also consider:

- Taking action in addressing its fixed cost base with a cost reduction programme expected to deliver annualised savings of €18 million.
- Accelerated the optimisation of the English and Scottish delivery networks which is scheduled to be completed in June 2021. This will consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in house, driving ongoing efficiencies and in turn enhanced future margins.
- Postponing non-committed capital expenditure; temporary management salary reductions and prioritising any discretionary spending.
- Renegotiating the timing of term loan repayment, securing covenant waivers from lenders and the issuing of approximately €140 million of US private placement notes.
- Implementing various working capital initiatives, including the negotiation of temporary extensions to supplier payments terms and agreeing deferrals with the UK and Irish tax authorities.
- Availing of government furlough schemes to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector over the past 12 months; and,
- Pausing the payment of dividends.

Based on the facts available at the time of reporting, the Directors believe the conclusions reached in the viability testing remain appropriate.

As the pandemic emerged, in order to strengthen the Group's financial position at March 2020, the Group increased funding sources through issuing of approximately €140 million US private placement notes. As at 28 February 2021, the Group had total undrawn committed credit facilities of €206.9 million, and €107.7 million cash net of overdrafts.

In May 2021, the Group announced a rights issue raise to strengthen the balance sheet and reduce leverage to deal with the challenging environment and ensure the Group remains resilient in the event of further negative developments in the pandemic.

The Audit Committee reviews the output of the viability assessment in advance of final evaluation by the Board. Having reviewed the 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.

Strategic Report Approval

The Strategic Report, outlined on pages 2 to 67, (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 26 May 2021.

Mark Chilton
Company Secretary

Group Chief Financial Officer's Review

Results For The Year

COVID-19 and related restrictions have had an unprecedented impact on the drinks and hospitality sector, impacting all of the Group's stakeholders and it has had a material impact on our results for the year ended 28 February 2021.

C&C is reporting net revenue of €736.9 million, operating loss[(i)] of €59.6 million, liquidity[(ii)] of €314.6 million and net debt[(iii)] excluding IFRS 16 *Leases,* of €362.3 million. Net debt[(iii)] including IFRS 16 *Leases* was €441.9 million. The Group returned to profitability and underlying cash generation once trade restrictions were eased in July, August and September 2020. Our core brands performed strongly in FY2021, with Bulmers, Magners and Tennent's each gaining market share[(vii)] in the off-trade channel.

Patrick McMahon
Group Chief Financial Officer

The Group's performance in FY2021 has been profoundly 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 €736.9 million was down 56.1%.

Our core brands performed strongly in the off-trade channel with Bulmers, Magners and Tennent's all gaining market share[(vii)] however, the impact of the lockdowns and restrictions in the on-trade resulted in the Group reporting an operating loss for the year of €59.6 million[(i)], down from a profit of €118.6 million in the prior year[(i)(iv)]. The Group returned to profitability and underlying cash generation once trade restrictions were eased in July, August and September 2020.

Cash and liquidity have been a key focus for the Group throughout FY2021. In March 2020, the Group announced the successful issue of approximately €140 million of US Private Placement notes ("USPP"). The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. Post year end, the Group announced a rights issue, as outlined in further detail below, thus ensuring the business has the optimum capital structure and financing to emerge from COVID-19 in a position of strength to pursue its strategy.

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 as outlined in detail below.

During the current financial year, the Group extended the repayment period of its term loan and implemented various working capital initiatives, including the negotiation of temporary extensions to suppliers, and UK and Irish tax authorities' payments terms. Payment of dividends were paused and the Group availed of Government furlough schemes across the UK and Ireland to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector.

Post year end, the Group has also announced that the outcome of a cost reduction programme it had undertaken would deliver annualised savings of €18 million against its pre COVID-19 cost base.

Group Chief Financial Officer's Review (continued)

Accounting Policies

As required by European Union ('EU') law, the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and as applied in accordance with the Companies Act 2014, applicable Irish law and the Listing Rules of the UK Listing Authority. Details of the basis of preparation and the accounting policies are outlined on pages 151 to 166.

Finance Costs, Income Tax and Shareholder Returns

Net finance costs before exceptional items of €19.5 million were incurred in the financial year (FY2020: €19.8 million). The Group successfully negotiated financial covenant waivers as a consequence of the impact of COVID-19 with its lenders. Exceptional finance costs of €7.9 million were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with the covenant waivers.

Income tax credit for the year was €14.4 million (FY2020: charge €12.3 million) excluding exceptional items and equity accounted investments' tax credit/charge. The credit primarily arises due to the recognition of a deferred tax asset on the losses incurred by the Group in the financial year.

Due to the emergence of COVID-19, no final dividend is being declared and no interim dividend was paid. In the current financial year, a payment of €0.4 million was made to recipients of dividend accruing share-based payment awards. A credit of €0.2 million 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. In the prior financial year, total dividends to ordinary shareholders amounted to €48.1 million, of which €29.7 million was paid in cash, €18.1 million or 37.6% was settled by the issue of new shares and €0.3 million was accrued with respect to LTIP dividend entitlements.

Exceptional items

Total exceptional items, before the impact of taxation, of €36.1 million 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 charge of €4.6 million from operating activities at 28 February 2021 in this regard. The Group reviewed the recoverability of its debtor book and advances to customers and booked a credit of €6.1 million with respect to its provision against trade debtors and a charge of €1.2 million with respect to its provision for advances to customers. The Group incurred exceptional charges of €5.8 million with respect to inventory, this related to inventory that became obsolete, all as a consequence of the COVID-19 restrictions. The Group incurred costs of €1.7 million with respect to a provision for lost kegs, €0.3 million with respect to the write off of an IT intangible asset where the project will now not be completed, due to COVID-19 and a net credit of €0.6 million with respect to the release of a trade provision. Other costs of €2.3 million were incurred, which included site improvement costs, impairment of brand dispense equipment and an excess holiday accrual all directly linked to the pandemic.

Restructuring costs

Restructuring costs of €8.1 million were incurred in the current financial year. These included severance costs of €6.8 million, of which €4.9 million was incurred with respect to the restructuring of the Group as a consequence of the COVID-19 pandemic and €1.9 million arose as a consequence of the optimisation of the delivery networks in England and Scotland. The Group also incurred additional costs of €2.0 million with respect to the optimisation of the delivery networks in England and Scotland which was offset by a credit of €0.7 million relating to the profit on disposal of a property as a direct consequence of the optimisation project.

Equity accounted investments' exceptional items

The hospitality and pub industry in the United Kingdom have been significantly curtailed by lockdowns and trading restrictions since March 2020. The Group assessed the carrying value of its equity accounted investments at 28 February 2021, in light of the underutilisation of their pub assets as a direct consequence of such lockdowns, and recorded an impairment charge of €8.9 million with respect to its carrying value of its investment in Admiral Taverns and €0.2 million with respect to the carrying value of its investment in Drygate Brewing Company Limited.

The Group also incurred €8.8 million with respect to its share of Admiral Taverns' exceptional items. These included a charge of €7.0 million with respect to the Group's share of the revaluation loss arising from the fair value exercise to value Admiral's property assets at 28 February 2021. As a result of the same valuation exercise, a loss of €0.4 million with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income. The Group also recognised €1.8 million with respect to its share of Admiral's other exceptional items for the year, including €0.8 million with respect to a provision against trade debtors as a consequence of COVID-19, €0.5 million with respect to an Asbestos provision and €0.5 million in relation to other charges directly attributable to COVID-19.

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 loss of €1.2 million accounted for in the Consolidated Income Statement and a gain of €0.9 million accounted for within Other Comprehensive Income.

Other
Other exceptional costs of €2.2 million were incurred by the Group in the year with respect to provision against legal disputes.

Profit on disposal
During the current financial year, as outlined in further detail in note 10, the Group disposed of its Tipperary Water Cooler business for an initial consideration of €7.4 million, realising a profit of €5.8 million on disposal.

Exceptional finance charges
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 €7.9 million were incurred in the year directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers.

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 is equipped with the optimum capital structure and financing to emerge from the COVID-19 pandemic in a position of strength, we announced on 26 May 2021 a rights issue as outlined in more detail below.

The Group manages its borrowing requirements by entering into committed loan facility agreements. In July 2018, the Group amended and updated its committed €450 million multi-currency five year syndicated revolving loan facility and executed a three-year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank and Ulster Bank. 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 current 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 whether or not the rights issue is achieved. Conditional on a Minimum Equity Raise[(viii)] being achieved, the debt covenants for 31 August 2022 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.

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. Where the Minimum Equity Raise[(viii)] is not achieved, 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 31 August 2022 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150 million each month (except for July 2021 and December 2021 when the minimum amount of liquidity is €120 million, June 2022 when the minimum amount of liquidity is €80 million and July 2022 when the minimum amount of liquidity is €100 million). A monthly gross debt cap of €750 million in the current financial year applied which will continue during FY2022.

Where the Minimum Equity Raise[(viii)] is achieved, 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 any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150 million each month. A monthly gross debt cap of €750 million in the current financial year also applied which will continue during FY2022 but will reduce to €700 million post a Minimum Equity Raise[(viii)] being achieved. 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.

The Group maintains a £200 million receivables purchase facility.

Cash generation

Summary cash flow for the year ended 28 February 2021 is set out in the table below. Overall liquidity remains robust. The reduction in the Group's receivables purchase programme, as a direct consequence of reduced trading, is a primary driver of the working capital outflow in the year. The contribution to year end Group cash from the receivables purchase programme was €45.0 million compared to €131.4 million (€129.0 million on a constant currency basis[(iv)]) at 29 February 2020 - a cash outflow of €84.0 million[(iv)]. Partly offsetting the impact of the receivables purchase programme, during the year the Group engaged with the UK and Irish tax authorities to secure deferrals on certain tax payments due, and as at 28 February 2021 this amounted to €77.4 million.

Group Chief Financial Officer's Review (continued)

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

	2021 €m	2020 €m
Operating (loss)/profit	**(84.8)**	29.8
Exceptional items	**25.2**	91.0
Operating (loss)/profit before exceptional items	**(59.6)**	120.8
Amortisation and depreciation charge	**30.8**	32.8
Adjusted EBITDA[v]	**(28.8)**	153.6

Table 2 – Cash flow summary

	2021 €m	2020 €m
Adjusted EBITDA[v]	**(28.8)**	153.6
Working capital	**(44.7)**	47.9
Advances to customers	**1.2**	(4.2)
Net finance costs excluding exceptional finance costs	**(18.0)**	(17.4)
Tax refunded/(paid)	**7.2**	(8.0)
Pension contributions paid	**(0.4)**	(0.4)
Tangible/intangible expenditure	**(10.0)**	(19.8)
Net proceeds on disposal of property plant & equipment	**1.0**	0.4
Exceptional items paid	**(12.4)**	(9.5)
Other*	**1.3**	3.0
Free cash flow[vi]	**(103.6)**	145.6
Free cash flow[vi]	**(103.6)**	145.6
Exceptional cash outflow	**12.4**	9.5
Free cash flow[vi] excluding exceptional cash outflow	**(91.2)**	155.1
Reconciliation to Group Condensed Cash Flow Statement		
Free cash flow[vi]	**(103.6)**	145.6
Net proceeds from exercise of share options/equity interests	**0.3**	0.4
Shares purchased under share buyback programme	**-**	(23.0)
Drawdown of debt	**570.9**	192.6
Repayment of debt	**(464.0)**	(280.7)
Payment of lease liabilities	**(19.0)**	(18.6)
Payment of issue costs	**(1.4)**	(0.5)
Disposal of subsidiary/equity investment	**6.7**	5.1
Cash outflow re acquisition of equity accounted investments/financial assets	**(6.9)**	(11.2)
Dividends paid	**(0.4)**	(29.7)
Net decrease in cash	**(17.4)**	(20.0)

* Other relates to share options add back, pension contributions: adjustment from charge to payment and net profit on disposal of property, plant & equipment.

Retirement Benefits

In compliance with IFRS, the net assets and actuarial liabilities of the various defined benefit pension schemes operated by the Group companies, computed in accordance with IAS 19 *Employee Benefits*, are included on the face of the 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 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. As a result of these updated valuations the Group has committed to contributions of 27.5% of pensionable salaries for the Group's staff defined benefit scheme. There is no funding requirement with respect to the Group's executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to these surpluses when the scheme concludes.

There are 2 active members in the NI scheme and 52 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 2021, the retirement benefits computed in accordance with IAS 19 *Employee Benefits* amounted to a net surplus of €4.9 million gross of deferred tax (€5.5 million deficit with respect to the Group's staff defined benefit pension scheme, €5.1 million surplus with respect to the Group's executive defined benefit pension scheme and a €5.3 million surplus with respect to the Group's NI defined benefit pension scheme) and a net surplus of €3.1 million net of deferred tax.

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

	€m
Net deficit at 1 March 2020	**(7.9)**
Translation adjustment	**(0.1)**
Employer contributions paid	**0.4**
Credit to Other Comprehensive Income	**13.4**
Charge to Income Statement	**(0.9)**
Net surplus at 28 February 2021	**4.9**

The decrease in the deficit from €7.9 million at 29 February 2020 to a surplus of €4.9 million at 28 February 2021 is primarily due to an actuarial gain of €13.4 million 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 foreign currency exchange rate risk, commodity price fluctuations, interest rate risk, creditworthiness and liquidity risk in relation to its counterparties.

The Board of Directors set the treasury policies and objectives of the Group, the implementation of which are monitored by the Audit Committee. 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 Matthew Clark and Bibendum 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 exposure is material, we manage it by hedging an appropriate portion for a period of up to two years ahead. Forward foreign currency contracts are used to manage this risk in a non-speculative manner when the Group's net exposure exceeds certain limits as set out in the Group's treasury policy. In the current financial year, the Group hedged a portion of its Euro payables exposure in Matthew Clark and Bibendum however the Group had no hedges in place at 28 February 2021.

The average rate for the translation of results from Sterling currency operations was €1:£0.8959 (year ended 29 February 2020: €1:£0.8721) and from US Dollar operations was €1:$1.1602 (year ended 29 February 2020: €1:$1.1132).

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.

Applying the realised FY2021 foreign currency rates to the reported FY2020 revenue, net revenue and operating profit[i] is shown in the table below:

Table 3–Constant currency comparatives

	Year ended 29 February 2020 €m	FX transaction €m	FX translation €m	Year ended 29 February 2020 €m
Revenue				
Matthew Clark and Bibendum	1,262.7	-	(33.5)	1,229.2
Ireland	327.1	-	(1.8)	325.3
Great Britain	516.9	-	(13.7)	503.2
International	38.8	-	(0.9)	37.9
Total	**2,145.5**	**-**	**(49.9)**	**2,095.6**
Net revenue				
Matthew Clark and Bibendum	1,119.6	-	(29.7)	1,089.9
Ireland	227.7	-	(1.4)	226.3
Great Britain	334.1	-	(8.9)	325.2
International	37.9	-	(0.9)	37.0
Total	**1,719.3**	**-**	**(40.9)**	**1,678.4**
Operating profit[i]				
Matthew Clark and Bibendum	29.0	-	(0.8)	28.2
Ireland	40.5	-	(0.3)	40.2
Great Britain	44.9	0.1	(1.2)	43.8
International	6.4	-	-	6.4
Total	**120.8**	**0.1**	**(2.3)**	**118.6**

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. Net debt including leases comprises borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 Leases.
(iv) FY2020 comparative adjusted for constant currency (FY2020 translated at FY2021 F/X rates).
(v) Adjusted EBITDA is (loss)/earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' (loss)/profit after tax. A reconciliation of the Group's operating (loss)/profit to EBITDA is set out on page 46.
(vi) 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 €45.0m (FY2020: €131.4m reported/€129.0m 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.
(vii) IRI, MAT to week ended 21.02.21. Nielsen, Volume Share of Cider, Off-Trade including Dunnes and Discounters, MAT February 2021. Nielsen, Volume Share of Long Alcoholic Drinks, Off-Trade including Dunnes and Discounters, MAT February 2021.
(viii) "Minimum Equity Raise" means the receipt by the Company of at least £125.0 million 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.

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.

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.

Rights Issue

On 26 May 2021, the Group has announced a rights issue. The rights issue is intended, alongside the other actions that the Group has already announced and implemented, to reduce leverage and improve the Group's overall liquidity position thereby 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 as normalised trading conditions return.

The Board has considered a number of different scenarios and assumptions and the impact these might have on the Group's financial position in deciding on the appropriate quantum. These included the potential length of the current lockdown, the impact of ongoing restrictions, the unwinding of temporary working capital supports from government and tax authorities, potential economic impact on demand through the recovery and the likelihood of any further waves of lockdown. Taking these into consideration, the Board believes that a rights issue will not only reduce the Group's leverage but allow it to continue to deliver upon its strategy.

Efficient capital allocation is a central pillar of the Group's strategy. The Board continues to believe that financial strength and balance sheet flexibility is a source of competitive advantage for the Group in the long-term and that a leverage profile of less than 2.0 times Net Debt/Adjusted EBITDA is appropriate for the Group as normalised trading conditions return.

Patrick McMahon
Group Chief Financial Officer

Responsibility Report

Delivering to a better world!

In FY2021, to enhance our commitment to Sustainability, we established a Board Environmental, Social and Governance ('ESG') Committee and created a dedicated ESG team, across the Group, to champion and embed our ESG principles in everything that we do.

Following a materiality assessment and an exercise to consider stakeholders' interests, C&C has developed a Sustainability Framework, which forms part of the C&C business strategy, to guide our ESG initiatives under 6 pillars which support the UN Sustainable Development Goals ('SDGs'). Whilst the Company is fully committed to the path to progress, we recognise that we are in the early stages of our journey. We expect to give a further update on the delivery of our ESG strategy in the FY2022 Annual Report.

2

Sustainably Source our Products & Services

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

1

Reduce our Carbon Footprint

- Optimisation of our manufacturing facilitates
- Streamlining our logistics operations
- Increasing the recyclable rate for our brands
- Improve sustainable packaging
- Piloting electric vehicle distribution

3

Ensure Alcohol is Consumed Responsibly

- Introduction of 0% and low alcohol variants
- Reducing ABV and calories of our brands
- Active support for industry programmes, such as Drinkaware
- Support to relevant charities

What ESG means to C&C

Environmental: the Group's impact on the natural environment and its adaptation to climate change including greenhouse gas emissions, energy consumption, generation and use of renewable energy, biodiversity and habitat, impact on water resources and the status of water bodies, pollution, resources efficiency, the reduction and management of waste, and the environmental impact of the Group's supply chain.

Social: the Group's interactions with employees, customers, suppliers, other stakeholders and the communities in which it operates and the role of the Group in society, workplace policies, ethical procurement, any social or community projects undertaken by the Group.

Governance: the ethical conduct of the Group's business including its corporate governance framework (such as compliance with the UK Corporate Governance Code 2018), business ethics policies and codes of conduct, counterparty due diligence, onboarding policies and procedures, the management of bribery, corruption and money laundering risk, the transparency of reporting and financial and tax transparency.

4

Enhance Health, Wellbeing & Capability of colleagues

- Safety first!
- Health & Wellbeing external support systems
- Remote working
- Alcohol awareness training
- Embed key codes including anti-bribery and corruption, learning and development programmes

6

Collaborate with Government & NGOs

- Leading Deposit Return Scheme ('DRS') Implementation In Scotland
- Collaborating on Minimum Unit Pricing ('MUP') implementation in Ireland
- Portman membership
- Drinkaware support

5

Build a more Inclusive, Diverse & Engaged C&C

- Diversification of Board composition
- Establishment of ESG Committee and ESG Team
- Company-wide Inclusion and Diversity measurement
- Formal inclusion and diversity training to people managers across the Group
- Employee engagement tracking

Responsibility Report (continued)

Environmental

1

Reduce our Carbon Footprint

We will deliver continuous year on year improvements in our carbon performance.

A detailed review of our global energy consumption and GHG emissions data for the last four years can be found below within our Streamlined Energy and Carbon Reporting ('SECR') disclosure. In addition, in FY2022, we will work with the Science Based Targets Initiative to set approved science based carbon reduction targets to meet the goals of the Paris Agreement and limit global warming to well below 2°C. This entails reducing our Scope 1 and 2 emissions by 35% and our Scope 3 emissions by 25% by 2030. We have also pledged to be a carbon-neutral business by 2050. In addition to these targets, we will also include key climate change related risk indicators into our risk management processes.

In 2021, we established a working group to consider and assess the climate related risks and opportunities most pertinent to the Company. Work is now underway in order to align with the recommendations of the Taskforce for Climate-related Financial Disclosure ('TCFD') and disclose all key non-financial indicators and guidance in line with the Sustainability Accounting Standards Board ('SASB') Framework by FY2022.

Optimising our Manufacturing Sites

Conservation of Energy

Our Energy Consumption position is set out below.

kWh	FY2018	FY2019	FY2020	FY2021
Natural Gas	79,819,000	80,579,000	88,630,000	83,199,000
LPG	4,653,000	1,979,000	2,332,000	3,556,000
LNG	6,228,000	6,107,000	5,591,000	5,007,000
Diesel	4,555,000	31,137,000	33,257,000	15,329,000
Petrol	-	-	450,000	111,000
Kerosene/Fuel Oil	707,000	64,000	65,000	209,000
Wood	13,414,000	3,991,000	-	-
Biogas	1,308,000	83,000	83,000	7,735,289
Electricity	34,586,000	40,695,000	41,401,000	41,187,738
(of which, renewables)	*799,000*	*799,000*	*14,737,000*	*14,946,029*
Total Scope 1	**109,376,000**	**123,857,000**	**130,325,000**	**107,411,000**
Total Scope 2	**34,586,000**	**40,695,000**	**41,401,000**	**41,187,738**

Notes on changes in Scope:
1. FY2018 / FY2019 petrol data not available.
2. FY2018/ / FY2019 Wood utilisation at Fruitissima (Portugal).
3. FY2019 - main changes due to acquisition of Mathew Clark Bibendum, and in-housing of Tennent's distribution, with associated depots and transport fleet.
4. Plant investments / changes of fuel at plants (e.g. VHCC switch to LNG, Frutíssima (Portugal) switch away from wood to gas).
5. FY2021 now includes full Biogas for Clonmel and Wellpark.

The Group has employed various practices to conserve its use of energy. These include:

- From 1 April 2021, 100% of the electricity, used in Wellpark, Clonmel and our UK depot network is provided by renewable sources. This has been achieved four years ahead of our target.
- Biogas energy: anaerobic digestion technology at Wellpark Brewery and Clonmel generated 1,088,000M3 of biogas across both sites (7.7% of heat requirements at Wellpark and 12% at Clonmel).
- By August 2021, we will have a fully operational 2MWH mounted solar panel array on two large roof areas at Clonmel, these will contribute 5-10% of the site energy demand at a reduced and fixed rate tariff over the next 20 years.
- Pasteurisation control system: on-the-can pasteuriser at Wellpark Brewery delivered a 10% reduction in steam usage year-on-year, as well as further improving the finished product quality.
- Wellpark also benefited from the installation of Variable Speed Drives in our electric motors, where possible. It is anticipated that these will save 30,000 kwh of electricity in 2021.
- At Clonmel we are undertaking a number of initiatives, including:
  - Installation of a new boiler which increased efficiency from 78% to 92% saving 7,660 kwh.
  - Fitting thermostatic relief valves to radiators in the new manufacturing unit increased efficiency from 25% to 30% on each radiator.
  - Ammonia chilling plants energy upgrade, saving of 76,642KWh from March 2019.
  - LED lights for south tank farm and west tank farm, which will see savings of 10,900KW.

Responsibility Report (continued)

Carbon Emissions

We assess and manage climate change related risks and opportunities, including the impact on the availability and security of our sources of raw materials, such as aquifers, orchards and maltings.

We actively monitor our carbon emissions and have participated in the external, global disclosure system, Carbon Disclosure Project ('CDP') Climate Change Programme, since 2012. The Group was awarded a B rating in 2020.

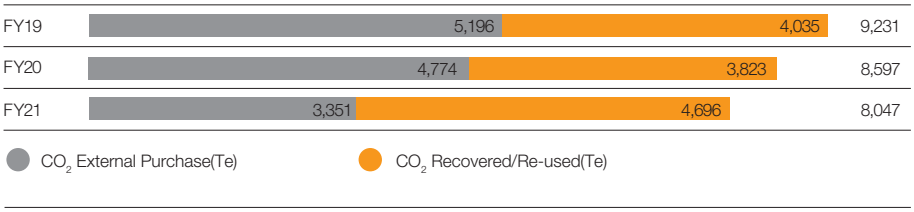
In November 2020, Tennent's Wellpark brewery in Glasgow, commissioned an innovative carbon capture facility, the largest in Scotland. Consisting of two tanks that store approximately 4,000 tonnes of CO_2 per year and remove 100,000kms of road transport emissions. A similar carbon capture facility has been operating at Clonmel since 2008. 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.

Given our sourcing of apples from orchards across the British Isles, the offset in carbon absorption means that the plant in Clonmel is effectively carbon neutral (for Scope 1 and 2 emissions).

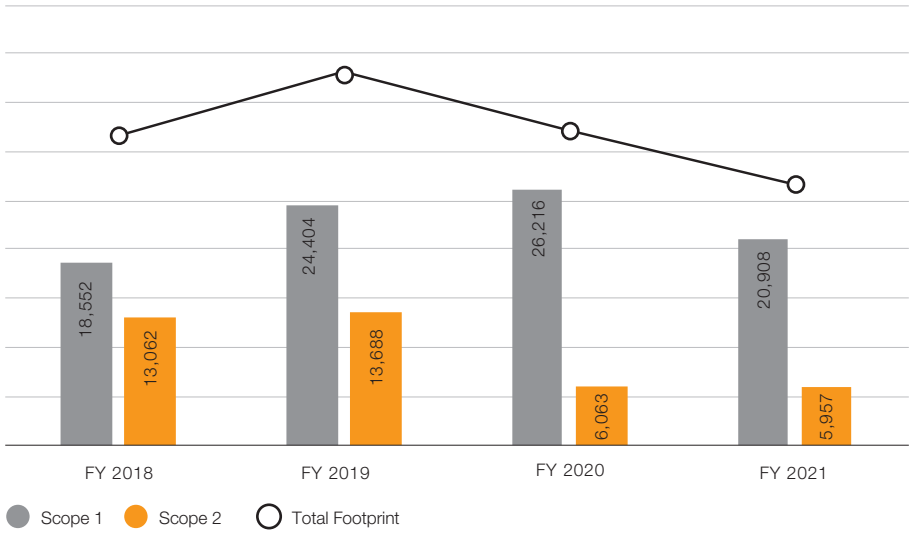
Over the last 3 years we have improved carbon dioxide capture to 60%. In FY2022, it is forecast that we will be approximately 95% self-sufficient in CO_2 at our manufacturing sites.

Our Streamlined Energy and Carbon Reporting (SECR) is detailed opposite.

Carbon Dioxide Capture and Re-Use (te)



Scope 1 and 2 Market Based Emissions (t CO_2e)



Location-Based Emissions

	Total C&C FY2018	Total C&C FY2019	Total C&C FY2020	Total C&C FY2021
Net Revenue (M Euro)	548	1,575	1,719	737
Production volume (Hectolitres)	4,296,586	4,388,761	4,396,981	3,803,970
Scope 1 (tCO_2e)	18,552	24,404	26,216	20,908
Scope 2 (tCO_2e)	13.062	13,688	12,768	10.681
Total Scope 1 & 2 (tCO_2e)	31,614	38,092	38,984	31,589
Scope 3 (tCO_2e)	205,442	221,976	718,088*	Note 1
Total Footprint (tCO_2e)	**237,056**	**260,068**	**757,072**	**Note 1**

* Main changes due to acquisition of Mathew Clark, and in-housing of Tennent's distribution, with associated depots and transport fleet

Emissions Intensity

	Total C&C FY2018	Total C&C FY2019	Total C&C FY2020	Total C&C FY2021
Scope 1 and 2 tCO_2e per M EURO	**57.69**	**24.19**	**22.68**	**42.86**
Scope 1 and 2 kgs CO_2e per HL produced	**7.36**	**8.68**	**8.87**	**8.30**

Market-Based Emissions

	Total C&C FY2018	Total C&C FY2019	Total C&C FY2020	Total C&C FY2021
Net Revenue (M Euro)	548	1,575	1,719	737
Production volume (Hectolitres)	4,296,586	4,388,761	4,396,981	3,803,970
Scope 1 (tCO_2e)	18,552	24,404	26,216	20,908
Scope 2 (tCO2e)	13062	13,688	6,063	5957
Total Scope 1 & 2 (tCO_2e)	31,614	38,092	32,279	26,865
Scope 3 (tCO_2e)	205,442	221,976	718,088*	Note 1
Total Footprint (tCO_2e)	**237,056**	**260,068**	**32,279**	**Note 1**

Emissions Intensity

	Total C&C FY2018	Total C&C FY2019	Total C&C FY2020	Total C&C FY2021
Scope 1 and 2 tCO_2e per M EURO	**57.69**	**24.19**	**18.78**	**36.45**
Scope 1 and 2 kgs CO_2e per HL produced	**7.36**	**8.68**	**7.34**	**7.06**

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.
*FY20 now includes all scope 3 emissions in our reporting.
Note 1: FY2021 Scope 3 data is made available during FY2022 and will therefore be included in next year's Annual Report and Accounts.

Given our sourcing of apples from orchards across the British Isles, the offset in carbon absorption means that the plant in Clonmel is effectively carbon neutral.”

Tonnes CO2e	Clonmel *	Wellpark	Matthew Clark	VHCC **	Frutissima	Group Fleet & Offices	Total C&C 2020-21	Total C&C 2019-20	Change YoY
Scope 1	4698	10589	2542	1067	1903	109	20908	26216	-20%
Scope 2 - location based	4684	4521	782	275	405	14	10681	12768	-16%
Scope 2 - market based	0	4521	782	249	405	0	5957	6513	-9%

* Adjusted to reflect the local electricity factors from Sustainable Energy Authority Ireland SEAI (Ireland) and Environmental Protection Agency EPA (US).
** Vermont Hard Cider Company was disposed by the Group of in April 2021.
Note:
1. Location based reporting method involves using an average emission factor that relates to the grid on which energy consumption occurs (using mostly grid-average emission factor data).
2. Market-based method reflects emissions from electricity that companies have purposefully chosen (e.g. recognises the procurement of renewable power).

Waste Reduction

The Group has a long term objective of sending zero waste to landfill. In FY2021 our main manufacturing sites at Clonmel and Wellpark again both achieved this target. We will 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.
- Within the Matthew Clark business, we have been maximising the use of return journeys when the vehicles are empty and backhauling cardboard and plastic to main depots. The cardboard and plastic are baled and sent for recycling. This not only negates the need for a standalone recycling service, but it also protects the quality of the recycled materials and ensures maximum recycling rates are achieved.
- 100% of by-products are recycled for use as animal feed or organic compost. Over 15,000 tonnes of spent grain and apple pomace were used as animal feed in 2020, with the remainder of our waste either recycled or sent for energy recovery.
- In Scotland in 2021 we will introduce bailing of can waste, which should reduce associated vehicle movements by 90%.
- We continue to improve the quality of the loading on the wastewater discharged from our sites in Clonmel and Wellpark and this has improved by more than 90% in the last 2 years.

Responsibility Report (continued)

Optimising 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. During FY2021, we reported for the first full year the carbon emissions associated with our transport fleet through CDP. The Group has an "End-to-End" supply chain model in the UK and Ireland, with circa 360 vehicles in operation. This allows efficiencies to be identified across every stage of the product journey.

As mentioned in the CEO's Review, the optimisation of C&C's English and Scottish delivery networks, is scheduled to be completed in FY2022. This will consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in-house, which will drive on-going efficiencies. In Scotland, this will save approximately 600,000 km/annum and 300 to 400 tonnes of CO_2 emissions, while in England this will save approximately 1.39m kms/annum and approximately 800 tonnes of CO_2 emissions.

Our Fleet

A Group-wide logistics forum has been established to discuss sustainability requirements for our fleet in order to deliver a unified approach and share learnings across the Group to reduce delivery miles and carbon footprint.

All new vehicles leased or purchased must meet the EURO 6 standard and 93% of our fleet are currently EURO 6. We are reviewing the profile of our fleet whilst also investigating opportunities to reduce its impact such as alternative fuel source vehicles (compressed natural gas/liquefied natural gas hydrogen/electric) and amending 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).

Across Tennent's and Matthew Clark we have introduced 34 solar-assisted trucks into the 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% and lowering CO_2 emissions by four tonnes per vehicle annually.

Driving efficiencies

We are eliminating the need for secondary loads, by introducing direct delivery of orders from manufacturing sites to customer premises. In FY2021, we further increased the level of direct deliveries from the Clonmel and Wellpark sites, which has seen a reduction in the number of loads delivered by over 200.

By working in collaboration with raw material and third-party drinks suppliers we are reducing empty running of trucks. Vehicles delivering to C&C's operational sites are backloaded with outbound customer deliveries.

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.

As part of tender discussions with providers and through ongoing operational initiatives we will look to first measure our carbon impact and then, through consolidation and direct routing, reduce it. An example of this is in our Clonmel manufacturing site where we measure the efficiency of container utilisation by identifying opportunities to reload import containers with export orders therefore reducing the empty running of containers to and from the port.

Increasing the Recyclable Rate for our Brands and Improve Sustainable Packaging

Our lightweight can programme at Wellpark and Clonmel, further optimising the material used, has removed 260 tonnes of aluminium from the supply chain. As an interim measure whilst moving out of plastic, we introduced a hi-cone plastic ring, which has a 50% recycled content which saw 20 tonnes less of virgin plastic used.

In Clonmel, we have adopted a number of initiatives including installation of a compactor for recyclables to increase payload and to reduce truck movements of recyclables by 75%.

The Group has made excellent progress on its ambitious programme to be out of single-use plastics (shrink and hi and

mid cone rings) on the packaging of our canned products by 2022, reducing the environmental impact and ecological footprint of our products. We are the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates. The Group is committed to utilising sustainable packaging. Due to COVID-19 restrictions on the on-trade, in FY2021, 9% of the total volume produced by C&C was in 100% returnable and reusable packaging formats.

The decision to be out of plastics has required significant capital investment of €11.5 million in the Wellpark and Clonmel production sites, which focused on the canning operations. The Group's new primary packaging material will be cardboard which is fully and easily recyclable.

At Wellpark in March 2020, under Phase 1 of the out of single-use plastics initiative, Tennent's moved from shrink wrap to FEC (cardboard) packaging on 10, 12 and 15 packs. In January 2021, Tennent's announced Phase 2 of the project that brought about significant equipment and infrastructure changes at Wellpark. When the work is complete, by summer 2021, all Tennent's canned product will be in fully recyclable cardboard, removing 150 tonnes of plastic from Tennent's Lager can packs, including more than 100 million plastic rings. The investment also recognises the future market changes e.g. the Deposit Return Scheme ('DRS') introduction in Scotland, planned for July 2022.

The out of single-use plastics work in Clonmel, commenced in January 2021, is expected to complete in September this year. This work will again see plastic packaging removed from our Bulmers, Magners and our other cider branded products and replaced with recyclable cardboard, removing a further 150 tonnes of plastic.

In Clonmel, we have also reduced the amount of plastic in polyethylene terephthalate ('PET') wrap by avoiding double wrapping pallets. This reduces the amount of plastic used by 10 tonnes per annum. While reducing the amount of plastic in PET preforms sees a reduction of 72 tonnes of plastic used. Reduced polymer usage in the wastewater treatment plant, results in a 20% reduction in polymer usage per annum.

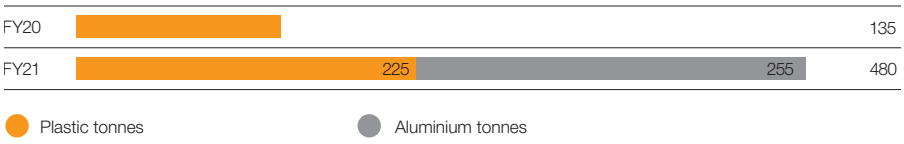
Matthew Clark is working with suppliers to rescue plastic used in packaging and ensure green initiatives are recorded. The British Retail Consortium process ensures that all suppliers are ISO14001 certified or have an environment management system that shows carbon reduction plans.

Piloting Electric Vehicle Distribution

Electric vehicles 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. 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.

During the year, two eight tonne diesel forklifts were replaced with new gas powered trucks, saving 14 tonnes of CO_2 per annum.

Reductions in Plastics and Aluminium Packaging



Responsibility Report (continued)

2

Sustainably source our Products & Services

Collaboration with our Apple and Barley Growers

The Group recognises 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 a major supplier's contract to assess the supplier's track record in environmental management, health and safety, sustainability, diversity and overall corporate social responsibility. For the second year, Matthew Clark was the headline sponsor of the 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.

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 member 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.

In FY2021, we donated circa 12,000 tonnes of surplus apples at Clonmel to Ixora Energy, who converted this to biomethane in order to supply over 300 homes with renewable gas for the next 12 months. The bio-fertiliser from these apples will also replace fossil fuel fertiliser to grow potatoes, wheat and vegetables in an area the size of 200 football pitches.

In Scotland, Tennent's lager is produced using 100% Scottish malt. We seek to support the growers of our key raw materials such as barley and wheat through entering into long-term supply arrangements, 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.

Achieving the highest sourcing standards

In 2020, Bibendum launched the Vivid Charter to identify and promote best practice in sustainability throughout our wine supply base. By capturing and sharing these case studies, we will look to inspire all our wine suppliers to adopt sustainable practices across their operations.

Source Water Optimisation and Water Usage Reduction

COVID-19 has impacted on our plans around water optimisation and usage reduction and we will therefore not meet our water ratio target of 2.5:1 by 2022.

We continue to strive to deliver continuous improvements in our water usage. Solutions to tackle water optimisation and water usage reduction include:

- Anaerobic Digestion (Water Treatment) plants are now fully operational at both Wellpark and Clonmel and have reduced our sites' wastewater emissions and improved the quality of our wastewater discharged by 80%.
- A new can rinsing system using de-ionised air was commissioned in Clonmel in early 2020, and reduced the water consumption by more than 17 million litres per annum.
- Pasteurisation control system at Wellpark: has reduced water consumption in the canning operation by 14 million litres per annum.
- The Clonmel site commenced a three-year groundwater protection programme in 2018 to upgrade the site drainage and wastewater network. This will protect the water sources of the surrounding Tipperary countryside.

C&C submitted a response for the CDP Water Security questionnaire for the first time in August 2020, and secured a C rating. The CDP water security questionnaire provides data users and the companies themselves with an 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 2020 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. As this is C&C's first year completing the water security questionnaire, we have begun the process of 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 are reducing the Water Ratio of hectolitres extracted versus hectolitres produced.

	FY2020	FY2021	% Change
Water Usage Ratio	3.21:1	3.27:1	1.2%
Water Usage (m cubic metres)	1.48	1.31	(11.5%)

Despite the challenges of COVID-19 and the resulting shift in SKU format to packaged product to meet demand in the off trade and an overall reduction in production volumes, we have worked at improving our total consumption of water at Clonmel, which has delivered a reduction of 41 million litres per annum. At Wellpark, the recovery and re-use of bottle rinse water reduced consumption by 7 million litres per annum.

The introduction of Anaerobic Digestion capability at both Clonmel and Wellpark has delivered a 3,120te COD improvement in the quality of wastewater generated at our sites over the last 3 years.

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

Social

3

Ensure Alcohol is Consumed Responsibly

Introduction of 0% and Low Alcohol 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.

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, being 3.5% ABV, based on our award-winning Gluten Free Tennent's, made from 100 per cent Scottish grown cereals and fresh highland water from Loch Katrine. Tennent's Light is only 114 calories per pint, 66 calories per bottle and is further evidence of not just our efforts to evolve our offerings with changing demand but our commitment to providing healthier alternatives to existing beers.
- Tennent's Zero is our new, 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 and reduced calorie intake.
- Magners and Bulmers Zero are the light, 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 details of our products, we voluntarily display calorie information and the Chief Medical Officer guidelines on the packaging of our major brands in the UK and Ireland.

Responsibility Report (continued)

Reducing ABV & Calories of Our Brands

In February 2021, as part of our ongoing commitment to the promotion of responsible drinking and moderate consumption of our products, to ensure they are enjoyed safely by consumers, we announced our decision to reduce the alcohol content of K Cider from 8.0% to 7.5% ABV. This measure will see the removal of c.4.8m units of alcohol and 360m kcal from the UK marketplace.

Support for Industry programmes

We are funders and active members of Drinkaware, which performs the valuable role of equipping consumers with information about responsible alcohol consumption. We also support Best Bar None ('BBN') 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 a member of the European Cider and Fruit Wine Association.

Support to Relevant Charities

In FY2022, we will review our approach to charitable giving to ensure this is aligned to the Group's purpose, vision and values. The Group is committed to the communities in which it operates and undertakes a range of initiatives that benefit our local communities. Examples of our commitment to the community are set out below.

Ireland

During FY2021, our donations and charity activity was heavily influenced by COVID-19. Those supported included local and national hospitals, charities who manufactured and distributed PPE to frontline workers and our local women's refuge 'Cuan Saor'. In recognition of the impact of the pandemic on older members of our community we made donations to Age Action and ALONE. Our sports and social site charity for 2020 in Ireland was Carrick on Suir River Rescue who provide a voluntary service on our site adjoining River Suir.

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. Bulmers Clonmel has placed over 35 long term unemployed persons in fully paid work placement positions since 2018.

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.

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

Scotland

The Group supports a diverse range of sporting, charitable and community projects across Scotland and has endeavoured to use its support of sports to generate opportunities for community engagement and charitable fundraising.

Tennent's looked to support key workers and those most in need during the COVID-19 pandemic. Working with our third party suppliers, we identified a range of products including thousands of cases of water, juice, soft drinks and crisps that we have been able to distribute amongst a range of deserving causes and groups throughout central Scotland, including 32 Trussel Trust Foodbanks and Lightburn Hospital in Glasgow.

During the first lockdown in early 2020, C&C Group's in-house marketing agency, Badaboom, supported Glasgow venue, SWG3's ViseUp campaign as the logistics and distribution partner. Over 30,000 items of PPE were produced by a network of schools including Kelvinside Academy and Caldervale High School and delivered by Badaboom team members to NHS workers in hospitals, care homes, clinics and surgeries across Scotland.

To support the Scottish and Northern Ireland hospitality sector re-opening in the summer of 2020, Tennent's offered hundreds of thousands of complimentary pints of Tennent's Lager and Tennent's Light to consumers under its "Dedicated to You" campaign, encouraging footfall in around 2,000 licenced venues across Scotland and Northern Ireland. The campaign also, promoted the safe reopening of pubs, social distancing and responsible consumption.

Tennent's also supported the Copper Rivet Distillery in Kent with the provision of high alcohol waste beer for distillation into hand sanitiser. Tennent's is providing 90,000 litres of high strength beer, (which the Distillery converted into hand sanitiser for distribution to frontline services including the British Transport Police (Scotland) and the Metropolitan Police).

Tennent's has partnered with spirit producer, Glasgow Distillery Company, to produce almost 11,000 bottles of hand sanitiser in support of the on-trade as it reopened in Spring 2021.

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.

England

In 2021, Matthew Clark, has partnered 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, whether by offering vital supplies for local residents, cooking hot meals for the elderly or keeping people connected through online quizzes or chats.

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

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 ensuring Heverlee is as bound to the Abbey's future as we are indebted to its past.

Responsibility Report (continued)

4

Enhance Health, Wellbeing & Capability of Colleagues

Supporting our colleagues has never been more important. We continue to learn from experiences during FY2021 and the global pandemic and recognise the requirement to further adapt and improve.

Our main priority continues to 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

The global COVID-19 pandemic introduced a new element into our risk management system. As a result of horizon scanning the new emerging threat; risk assessments, controls and training were introduced across all of our operations at an early stage. This enabled the Group to respond faster to the pandemic, protect its employees and deliver a COVID-19 secure manufacturing and logistics supply chain.

The business invested in new technology to help in the fight against the pandemic. We installed thermal detection systems measuring body temperatures as employees arrived at work. Door handles that automatically release sanitising gel when the user pulls the door open, were fitted across all operations. This ensured regular sanitising of hands whilst reducing the potential for contact transmission. Daily compliance audits ensured that social distancing, hygiene measures and face coverings were being fully adhered to. In addition, those staff who were capable of working from home, were deployed to do so. They were supported with homeworking risk assessments, the provision of additional equipment and routine information aimed at maintaining mental health and wellbeing. We developed an in-house mobile app for the reporting of potential symptoms and test results which provided the leadership team with real time data for the monitoring and early identification of any potential workplace transmissions. This allowed the Company to review existing controls and where necessary, implement further controls to protect our colleagues.

We have ongoing COVID-19 monitoring and reporting in place across the Group. This covers a number of parameters including; colleagues displaying symptoms, those contacted by Track and Trace, tests carried out and status, colleagues isolating and any colleague displaying symptoms who was in close proximity to fellow workers (less than 2 metres) for more than 15 minutes. Our monitoring highlighted that 63 (circa 2%) of colleagues have contracted COVID-19. All colleagues who had contracted COVID-19 *have recovered and are now back at work.*

COVID-19 continues to have a substantial impact on all of our operations. Manufacturing increased productivity across a range of lines whereas unfortunately a number of the logistics depots supplying hospitality were scaled down. Nevertheless, the management of health, safety and welfare continued and we delivered improvements where possible. Combined with the intense activity of managing COVID-19, the Group was still able to deliver

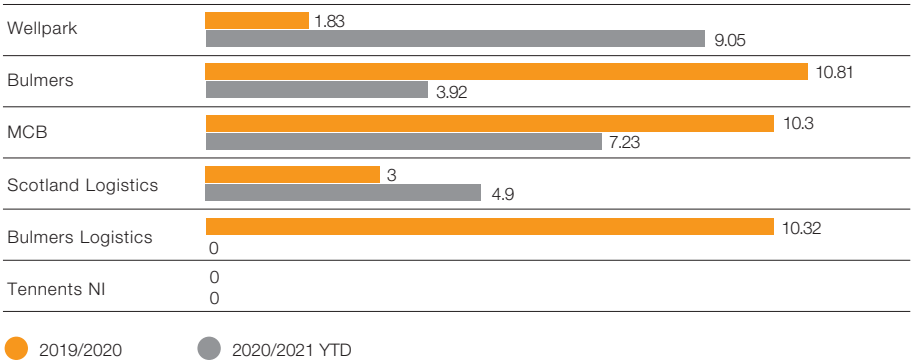
some positive results in general health and safety. Overall a 30% reduction in RIDDORs (over 7 day lost time events) was achieved. In addition, we observed a further reduction in Lost Time Accidents (1 day to 7 days absence) by 29%. This achieved an impressive 39% reduction in all accidents compared to the previous year.

The increase in FY2021 RIDDOR incidents in Wellpark and Scotland Logistics is due to higher number of contractors on site. Briefings for contractors visiting sites have been improved. Over the last year, there has also been an increase in Lost Time Accidents per 100 employees at Clonmel (FY2021: 1.76, FY2020: 0.62)

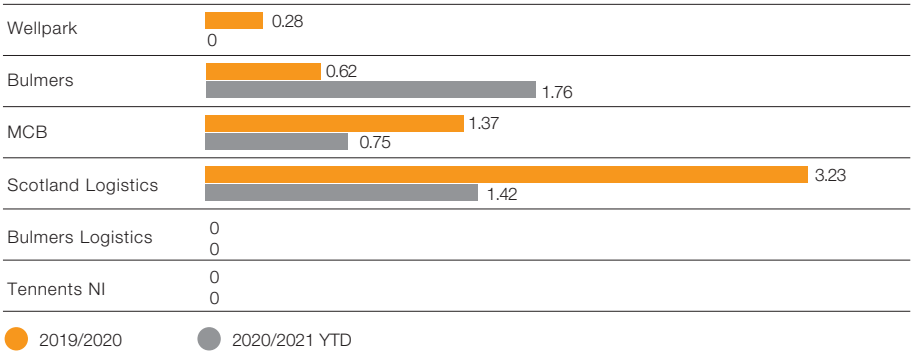
In 2021, we will launch our revised Health and Safety Strategy under our 'Vision Zero' initiative. Vision Zero assumes that all accidents and work-related ill-health are preventable. It is our ambition and commitment to create an even safer and healthier work environment by continuing to reduce all accidents, harm and work-related diseases and continually promote excellence in health, safety and wellbeing. Vision Zero is a value-based vision, implying that work should not negatively affect an employee's health, safety or wellbeing and should, if possible, help to enhance colleagues' competences and employability.

Physical health and ways to have fun and be healthy outside of work have been encouraged. Towards the end of the year, a Tennent's to Tito's social challenge involved colleagues across the Group clocking activity miles (through running, cycling or walking) with the aim of collectively contributing enough miles to travel from the Tennent's Brewery in Glasgow, via other C&C locations, to Tito's in Austin, Texas.

RIDDOR - 2020/21 Incidents x100,000 / hrs



Lost Time Accident Incident Rate - 2021/21 Incidents x 100 / employees



Responsibility Report
(continued)

Emphasis on promoting mental health awareness and encouraging positive mental health increased during FY2021.”

Throughout the pandemic C&C has supported colleagues' financial wellness in a variety of ways. Salaries for colleagues who are furloughed/laid-off have been maintained to a sum equivalent to 80% of monthly earnings. This has been achieved by “topping up” payment from the various government schemes as needed. Benefits, such as Life Assurance, and benefit allowances have been maintained at pre-furlough/lay off terms. C&C has provided support for longer term financial wellbeing by continuing employer pension contributions at 100% of pre-furlough/layoff levels.

While we endeavour to assist our colleagues' financial wellbeing in practical and tangible ways where possible, we also recognise the needs are unique to individual circumstances. To assist colleagues in supporting themselves in this area we have promoted awareness of financial wellbeing and made a variety of resources available, including via our new learning platforms.

Emphasis on promoting mental health awareness and encouraging positive mental health increased during FY2021, with more leaders visibly demonstrating their commitment to mental health and a greater number of colleagues coming forward in sharing their personal experiences and becoming trained mental health first aiders.

Additional awareness activities took place around World Mental Health Awareness Day, Time to Talk Day (UK), Valentine's Day (Bulmers Ireland and Tennent's Northern Ireland) and International Women's Day.

New learning resources were made available on topics such as suicide awareness, domestic abuse awareness, resilience, alcohol awareness, responsible drinking and understanding what organisational and external support was available.

All business areas launched refreshed communication channels for colleagues in and away from work due to the pandemic. These aimed to maintain connectivity and social wellbeing, keep colleagues up to date with changes and matters impacting their business area and minimise anxiety.

Remote Working

To safeguard colleague health and wellbeing and protect the integrity of our production and distribution facilities, through the year, we have maintained a policy that all colleagues who can work from home, do so. This has been supported with a series of measures, including risk assessments and provision of equipment, to help adjust to what is a new situation for most of us. We regularly communicated key resources that aid personal wellbeing. With so many schools closed during the pandemic in the UK and Ireland, we offered support to our colleagues who have children in school. To facilitate the return to work we produced short films to familiarise and educate returning staff with the increased safety measures and layouts put in place across all sites.

Primary channels of communication have varied throughout the Group, as business areas have disparate colleague groups which COVID-19 has impacted differently. Across the Group, there has been greater focus on communication channels such as e-newsletters, all-hands video meetings, departmental Zoom and MS Teams meetings than in previous years.

In February 2021, we launched ‘Our Forum’, an additional channel to allow colleagues to stay connected and build engagement across the Group. During these sessions, the Managing Director, a designated Non-Executive Director and representative from the ESG Team discussed how the Board and Senior Management worked together and answered questions raised in the Colleague Engagement Survey. ‘Our Forum’ is part of our ongoing commitment to understanding colleagues' views and covered topics including plans post COVID-19; corporate strategy; health and safety; training and development and flexible and remote working.

The sessions enable the Non-Executive Directors to have a direct understanding of topics important to colleagues and allows them to feedback to the Board on key issues and learnings. The Board is hopeful that, once COVID-19 restrictions are lifted, there will be greater in-person interaction for the 'Our Forum' sessions during FY2022.

Embed Key Codes

In June 2020, circa 450 colleagues across the Group completed online policy compliance training, created by legal specialists, DWF Advantage, on:

- The Bribery Act;
- Fraud prevention;
- Cyber security;
- Cyber crime;
- Information security at C&C;
- Modern Slavery;
- Whistleblowing with confidence; and
- Financial crime compliance.

In February 2021, two additional courses were added: Updated C&C Policies and Competition Law. During FY2022, the online compliance training will be cascaded throughout the workforce.

Learning and Development Programmes

A learning management platform was introduced across all business areas. This enabled on-demand online resources to be offered to all colleagues, including those away from work, and who do not commonly use company information technology systems. In addition to wellbeing, COVID-19, and diversity and inclusion topics, online learning content has been made available to provide development to sales teams and support organisational change programmes.

We have continued with most formal professional qualifications and training, although some apprenticeships requiring on the job learning experience have been deferred until FY2022 as work, and the associated experiences required, have not been available. Professional development has continued within central and support services functions, including Finance, Marketing and HR, as well as some sales and operational areas. Leadership and management development and the 'Raising the Bar' initiative has continued in Tennent's, which included a focus on behavioural and diversity and inclusion related topics. Similarly, in Matthew Clark, a suite of internal management training interventions was delivered across a range of behavioural and employee relations topics. In Bulmers, continued participation in Enterprise Ireland funded Lean projects has allowed many colleagues to receive Green Belt training (which entails product improvement through waste removal).

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

A learning management platform was introduced across all business areas. This enabled on-demand online resources to be offered to all colleagues, including those away from work, and who do not commonly use company information technology systems.

Governance

5

Build a more Inclusive, Diverse and Engaged C&C

Diversity and Inclusion

Global events in 2020, including the prominence of the Black Lives Matter movement, is creating an increased focus on strong diversity policies and fair employment practices. Like other organisations which consider themselves wholly equitable and equal opportunities employers, we recognise the need for greater effort in these areas. We have introduced a Diversity, Inclusion and Wellbeing Policy across C&C Group, supplemented by shared learning resources. Diversity and Inclusion are a focus for our Executive Committee, who have received external coaching to support them in leading inclusion in a more meaningful way.

To evolve our approach, we intend to understand more about the demographic and intersectional make up of our colleagues, their in-depth views on diversity and inclusion topics and evaluate the fairness of HR practices through improved insight. Understanding more about our colleagues and their views requires input from as many colleagues as possible and unfortunately plans have been delayed due to the majority of colleagues being out of work during COVID-19. This will be resumed in FY2022.

Employee Engagement Tracking

We view colleague engagement as the output of the relationship between colleagues and C&C Group, i.e. how they feel about their own experiences and interactions, as well as the culture and connection they feel with their respective business areas. We benchmark colleague

Responsibility Report (continued)

engagement against other organisations and internally over time. Overall engagement improved during FY2021 within the Group and when compared to peers.

During FY2021, despite a high number of colleagues not being at work, we increased colleague engagement surveying across the Group to understand the impact of COVID-19. This included emphasis on C&C Group's management of the situation, a greater focus on health and wellbeing, as well as support provided to colleagues.

Feedback has been used by business areas to understand what is working well, as well as where they could improve. COVID-19 has impacted different business areas in various ways and local action plans have been adopted in response to feedback received. Communication, and a desire to understand more about the Group's strategy, was a common focus across the Group. Within business areas, targeted action has included a focus on improving support for those balancing competing demands, such as home-schooling and providing the opportunity for informal learning for those working at home.

During FY2021, Non-Executive Directors increased their engagement with colleagues to better understand and represent their interests in the boardroom and extend their role in governing our corporate culture.

The approach also aimed to improve colleague experience and engagement, and the 'Our Forum' initiative (see page 64) was launched. When COVID-19 restrictions are eased, there will be greater in-person, including informal, interaction between Non-Executive Directors and colleagues across the Group.

Confidential Whistleblowing Helpline

C&C has an external, independently hosted and confidential hotline, where our people can share any concern or suspicion related to ethical or compliance related wrongdoing in the Group.

We use all our internal channels to encourage colleagues to raise their concerns on anything to do with how C&C is conducting its business and its adherence to our policies and codes. We constantly reassure colleagues that this is a safe and confidential way to raise concerns.

In FY2021, there were 35 instances of colleagues utilising our confidential whistleblowing hotline to raise concerns.

Human Rights

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

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

Anti-Bribery and Corruption

Our Anti-Bribery and Corruption Policy and accompanying training materials, 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 FY2021, no incidences of bribery or corruption were uncovered across the Group.

Tax

The Group takes its responsibilities as a corporate citizen seriously. This includes respecting and complying with local tax laws and paying the required and appropriate levels of tax in the different countries where we operate. We claim the allowances and deductions that we are properly entitled to, for instance, on the investment and employment that we bring to our communities. We benefit from having always been an Irish company, established in the Republic of Ireland's corporate tax environment, with our major cider production unit located in Clonmel and the Group is headquartered in Dublin. The majority of the Group's profits are earned in the Republic of Ireland and the UK, which both have competitive corporation tax rates compared with the European average. In the Republic of Ireland and the UK, we remit substantial amounts of duty on alcohol production. The Company was grateful for the decision of the Irish Revenue and the HMRC to defer tax liabilities during the outbreak of COVID-19.

Protecting Customer and other Stakeholder Data

The Group's wholly owned subsidiary, Matthew Clark Bibendum Limited ('MCB'), became aware in April 2021 that it was the subject of a cyber-security incident, which impacted both Matthew Clark and Bibendum. MCB responded quickly, enacting its cyber-security response plan, and took steps to protect its IT systems. A

leading forensic information technology firm and legal counsel were engaged to assist MCB investigate the incident and restore its IT systems as quickly and as safely as possible. The issue did not affect the IT systems of the wider C&C Group, which continued to operate as normal.

The Group has a number of IT security controls in place including gateway firewalls, intrusion prevention systems, security incident monitoring and virus scanning. Regular communications are sent out to colleagues containing advice on IT security particularly in relation to home working. The Group's approach is one of ongoing enhancement of controls as threats evolve with the target being to align controls, and in particular to implement any new services or changes to the environment.

The Group also has a suite of information security policies in place including Data Protection ('GDPR') and Electronic Information and Communications. The Group has enacted specific business continuity plans including co-ordination with key third party IT suppliers and consideration of keyman risk for the Group's IT personnel.

We have implemented configuration changes to block phishing emails, increased awareness campaigns to help our people identify these types of attacks, and are identifying areas for further improvement in the development of our awareness campaigns.

The recent incident affecting Matthew Clark and Bibendum IT systems has emphasised the need for continued focus on information security. The Group has commenced a detailed review of its information security and cyber preparedness policies and processes.

6

Collaborate with Government & NGOs

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 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 new administrator will work collaboratively with producers, retailers, the hospitality industry and wholesalers to deliver a scheme to collect more than 90% of used drinks containers.

Collaborate on Minimum Unit Price Implementation in Ireland

We look forward to the planned 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 impact as it has had in Scotland in tackling the availability of strong, cheap alcohol and its correlation with harmful drinking. We will continue to work with the Irish Government and all relevant bodies around the implementation of minimum unit price legislation.

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.

Other

In March 2020, Tennent's worked with the Scottish Government and NHS Scotland to educate drinkers around the weekly alcohol consumption guidelines of 14 units. Support for this campaign involved advertising in our trade wholesale brochure, "One Stop" was distributed to circa 4,500 customers, a donation of advertising assets were made at Celtic Park, such as the match programme, concourse TV screens and in game perimeter LED boards. This messaging was viewed by circa 150,000 fans at matches and by TV and digital broadcast audiences of circa 2m viewers.

Directors' Report

The Directors present the Annual Report and audited Consolidated Financial Statements of the Group for the year ended 28 February 2021.

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	Although the risks associated with environmental matters are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for our business.
Social and Employee matters	Diversity 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 36 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 24 to 27	
Non-Financial key performance indicators		Please refer to page 30	

Dividends

Due to the emergence 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 FY2021. For the previous financial year ending 29 February 2020, an interim dividend of 5.50 cent per share was paid on 13 December 2019. No final dividend was paid for FY2020 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
Andrea Pozzi	Chief Operating Officer	2017
Vineet Bhalla	Independent Non-executive Director	2021
Jill Caseberry	Independent Non-Executive Director	2019
Jim Clerkin	Independent Non-Executive Director	2017
Vincent Crowley	Independent Non-Executive Director	2016
Emer Finnan	Independent Non-Executive Director	2014
Helen Pitcher	Independent Non-Executive Director	2019
Jim Thompson	Independent Non-Executive Director	2019

* 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 26 February 2021 (being the last working day) was £2.58 (29 February 2020: £3.28). The price of the Company's ordinary shares ranged between £1.45 and £3.36 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 21 and the Strategic Report on pages 2 to 67.
2. The principal risks and uncertainties which the Company and the Group faces are set out in the Strategic Report on pages 2 to 67 and which have been updated to reflect the risks posed by COVID-19.
3. The key performance indicators relevant to the business of the Group, including environmental and employee matters, are set out in the Strategic Report on pages 30 to 31 and in the Group Chief Financial Officer's Review on pages 43 to 49; and further information in respect of environmental and employee matters is set out in the Responsibility Report on pages 50 to 67.
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 43 to 49 and note 24 to the financial statements.

The Group's Viability Statement is contained in the Strategic Report on pages 41 to 42.

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 76 to 85.

Directors' Report
(continued)

Substantial Interests

As at 28 February 2021 and 14 May 2021, 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 2021	% at 28 February 2021	No. of ordinary shares held as notified at 14 May 2021	% at 14 May 2021
Artemis Investment Management LLP	46,564,845	14.95%	46,564,845	14.52%
FMR LLC	26,823,505	8.61%	26,823,505	8.37%
Silchester International Investors LLP	15,465,170	4.99%	15,465,170	4.82%
Investec Asset Management Limited	15,391,039	4.98%	15,391,039	4.80%
FIL Limited	13.051,606	4.19%	13,051,606	4.07%
BlackRock, Inc.	12,222,351	3.94%	14,829,887	4.76%
Brandes Investment Partners, L.P.	12,063,059	3.89%	12,063,059	3.76%
JNE Partners LLP	9,583,419	3.07%	9,583,419	2.99%

As far as the Company is aware, other than as stated in the table above, no other person or company had at 28 February 2021 or 14 May 2021, 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 23 July 2020, 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 2021 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 2022 and the date 18 months after the passing of the resolution, whichever is earlier.

At the Annual General Meeting held on 23 July 2020 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 2021 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 2022 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 14 May 2021, being the latest practicable date, options to subscribe for a total of 2,730,762 ordinary shares (excluding Recruitment and Retention Awards) are outstanding, representing 0.88.% of the Company's total voting rights. If the authority to purchase ordinary shares were used in full, the options would represent 0.98% 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 14 May 2021, being the latest practicable date, the Company has an issued share capital of 320,626,375 ordinary shares of €0.01 each and an authorised share capital of 800,000,000 ordinary shares of €0.01 each.

At 28 February 2021, the trustee of the C&C Employee Trust held 1,766,325 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 2021, a subsidiary of the Group held 9,025,000 shares in the Company, which were acquired under the authority granted to the Company. These shares are not included in the TVR Calculation and are accounted for as treasury shares.

Details of employee share schemes, and the rights attaching to shares held in these schemes, can be found in note 4 (Share-Based Payments) to the financial statements and the Report of the Remuneration Committee on Directors' Remuneration on pages 102 to 132.

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 70.

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 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.

Directors' Report
(continued)

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") will be put to our shareholders on an advisory basis at this year's AGM. Details of the Policy are set out on pages 109 to 123.

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 in line with best practice. Further details are set on page 90.

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 26 May 2021, the Group announced a rights issue. The rights issue is intended, alongside the other actions that the Group has already announced and implemented, to reduce leverage and improve the Group's

overall liquidity position thereby 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 as normalised trading conditions return.

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 whether or not the rights issue is successful. Conditional on a Minimum Equity Raise being achieved, the debt covenants for 31 August 2022 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. 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, both in the scenario of a Minimum Equity Raise being achieved or a Minimum Equity Raise not being achieved. Please refer to Note 20 for further details.

Post year end the Group announced that the outcome of a cost reduction programme it had undertaken would deliver annualised savings of €18m against its pre COVID-19 cost base.

On 2 April 2021, the Group completed the sale of its wholly owned US subsidiary, Vermont Hard Cider Company ("VHCC") to Northeast Kingdom Drinks Group, LLC for a total consideration of USD 20 million. VHCC was classified as a disposal group, held for sale, as at 28 February 2021.

In April 2021, the Group's wholly owned subsidiary, Matthew Clark Bibendum Limited ("MCB"), were the subject of a cybersecurity incident, which impacted both Matthew Clark and Bibendum. MCB responded quickly, enacting its cybersecurity response plan, and taking steps to protect its IT systems. Additionally, C&C engaged a leading forensic information technology firm and legal counsel to assist the Group in investigating the incident and restoring the IT systems as quickly and as safely as possible. As part of the cybersecurity response plan, the Group contacted all stakeholders on the actions the Group had taken and notified the relevant authorities, including the Information Commissioner's Office. This incident did not affect the IT systems of the wider C&C Group, which continued to operate as normal. The recent incident affecting Matthew Clark and Bibendum IT systems has emphasised the need for continued focus on information security. The Group has commenced a detailed review of its information security and cyber preparedness policies and processes.

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 144 to 235.
Principal risks & uncertainties including risks associated with recent emergence of COVID-19	Principal Risks & Uncertainties – pages 32 to 42.
Directors' remuneration, including the interests of the directors and secretary in the share capital of the Company	Directors' Remuneration Report – pages 102 to 132.
Long-Term Incentive Plan, share options and equity settled incentive schemes	Directors' Remuneration Report – pages 102 to 132.
Significant subsidiary undertakings	Financial Statements – Note 29.
Director biographies and Board composition	Directors and Officers – pages 74 to 75.
Audit Committee Report	Pages 86 to 91.

The Directors' Report for the year ended 28 February 2021 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

26 May 2021

Directors and Officers

1. Stewart Gilliland

Chair

Stewart Gilliland (64) 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 Audit 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 Limited. He is a former Non-Executive Director of Booker Group plc, Mitchells & Butlers plc, Sutton & East Surrey Water plc, Vianet Group plc and Tulip Limited.

2. David Forde

Group Chief Executive Officer

David Forde (53) 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 (41) 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.

4. Andrea Pozzi

Group Chief Operating Officer

Andrea Pozzi (49) is the Group's Chief Operating Officer with responsibility for the Group's manufacturing, logistics, procurement and IT functions as well as leading the Group's businesses in Great Britain and the export business. He joined C&C in 2010 and has had a number of roles within the Group, including Group Manufacturing Director and Managing Director International (EMEA and GB). Before joining C&C, Andrea held various management positions with the Carlsberg Group, Scottish & Newcastle and Masterfoods.

5. Vineet Bhalla

Independent Non-Executive Director

Vineet Bhalla (48) 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 also currently holds a Non-Executive Director 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.

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
Jim Clerkin

ESG Committee
Jim Thompson (Chair)
Jill Caseberry
Helen Pitcher
Patrick McMahon
Andrea Pozzi

Senior Independent Director
Vincent Crowley

6. Jill Caseberry

Independent Non-Executive Director

Jill Caseberry (56) 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 and a member of the Remuneration Committee 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.

7. Jim Clerkin

Independent Non-Executive Director

Jim Clerkin (66) was appointed as a Non-Executive Director of the Company in April 2017. Jim has over 40 years' experience in the beer, wines, champagne and spirits industry. He has worked in the industry in Ireland, UK, France, Canada, Mexico and the United States at senior levels including managing director and CEO roles. He brings a wealth of experience and knowledge of global drinks to the Board including by way of his roles at Guinness Ireland, Diageo and Allied Domecq for North America. In 2008, Jim was asked to take over the Moet Hennessy (LVMH) wine and spirits business in the US as President and CEO. In 2015, the territory was extended to include North America. In 2020, he was appointed to a new role as President of Strategic Development and advisor to the global CEO. Jim has also served on the Board of the Distilled Spirits Council USA for twelve years. In additional to his professional career, Jim has also been the Chair of Co Operation Ireland (USA) which is a renowned peace and reconciliation charity.

8. Vincent Crowley

Independent Non-Executive Director

Vincent Crowley (66) 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.

9. Emer Finnan

Independent Non-Executive Director

Emer Finnan (52) 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. 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.

10. Helen Pitcher OBE

Independent Non-Executive Director

Helen Pitcher (63) was appointed a Non-Executive Director of the Company in February 2019, Chair of the Remuneration Committee in March 2019 and a member of the ESG Committee in September 2020. 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 OneHealth 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 KidsOut (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.

11. Jim Thompson

Independent Non-Executive Director

Jim Thompson (60) was appointed a Non-Executive Director of the Company, and 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.

12. Mark Chilton

Company Secretary & Group General Counsel

Mark Chilton (58) 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 76 to 85.

Corporate Governance Report

Dear Shareholder,

On behalf of the Board I am pleased to present the FY2021 Corporate Governance Report. This provides an overview of the Board's activities during the year, along with our governance arrangements.

Throughout FY2021, we have focused our efforts on implementing and delivering the strategy through Board agendas, cognisant of our purpose to play a role in every drinking occasion, delivering joy to our customers and consumers. For almost the whole of the year, the Group's key markets have been heavily impacted by the unprecedented impact of COVID-19. As a Board, we have been focused on taking the necessary steps to successfully guide the Company through this period of uncertainty and ensure we are well positioned for the recovery, work which has been underpinned by our robust governance framework.

Board Activities and Response to COVID-19

The COVID-19 pandemic has created one of the most challenging operating environments for the Group in its long history, with unprecedented levels of disruption across the Group's key markets. The duration of the pandemic's impact has been greater than initially expected. However, in these unpredictable conditions, the Group has been able to demonstrate its resilience, strength and agility. Since the pandemic emerged in early 2020, the Group has adapted quickly and taken significant, prudent actions to protect the business and its liquidity position, focusing on factors within its control with the aim of navigating the pandemic as safely as possible and positioning its business as well as possible for a future normalisation. Throughout this time, the Board's primary concern has been the welfare and health and safety of the Group's employees, their families and the communities in which the Group operates. To that end, the Group has followed the advice from the respective governments and relevant authorities and sought to comply with applicable regulations at all times and will continue to do so to protect its people and operations.

The Group has taken a series of proactive steps to mitigate, where possible, the negative financial and operational impacts of the COVID-19 pandemic, including:

- obtaining waivers of the existing financial covenants under its financing arrangements;
- cancelling all discretionary expenditure;
- placing a significant number of employees on a temporary furlough and reducing salaries across the Group including senior management and the Board in the first half of the financial year ended 28 February 2021;
- postponing the majority of non-committed capital expenditure;
- re-deployment of resources to capture growth opportunities in the off-trade channel;
- rationalising the Group structure, reflecting the Group's focus on its core brand-led distribution model, through the disposal of certain non-core assets, including the disposal of the Tipperary Water Cooler business in October 2020 for an initial cash consideration of €7.4 million and the disposal of the Vermont Hard Cider Company in April 2021 for a consideration of USD 20 million;
- implementing various working capital initiatives, including the negotiation of temporary extensions to supplier payments terms and agreeing tax deferrals with the UK and Irish tax authorities;
- continuing to progress with restructuring and optimisation of work streams across the Group, including the integration of the Group's distribution platforms in Scotland and England;
- pausing the payment of dividends; and
- further optimising its brand-led distribution model in the first quarter of the financial year ending 28 February 2022 by implementing significant cost reduction and optimisation programmes that will enhance margins post recovery.

We have needed to call on the extensive skills and experience of the entire Board when navigating the uncertain 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. The Board and our company secretarial team during this time have worked tirelessly in order to ensure the best outcome for all stakeholders.

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 79.

Remuneration Policy

Our proposed Remuneration Policy, which is intended to apply for the coming three years, will be put to shareholders for their approval at this year's AGM. The proposed policy has been designed so that there continues to be close alignment between executive reward and the delivery of our business strategy. Details of the proposed policy, the outcome of the shareholder consultation process that has been undertaken and the implementation of the current policy during the year can be found in the Directors Remuneration Report on pages 102 to 132.

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.

As part of its remit the Nomination Committee ('the Committee') reviews the Group's policies on workforce diversity and inclusion, their objectives, and link to the Company's strategy. The Group has always operated open and inclusive hiring and staff management practices.

During the year, the Committee recommended, and the Board endorsed, the adoption of a new Diversity and Inclusion Policy, which is published on the Company's website. In reviewing the Group's policy, the Committee was satisfied it supported the development of a more diverse workforce within the business and were 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. More details on workforce diversity can be found on pages 99 to 100.

At the fiscal year-end, 30% of the Board's membership was female. The Committee was fully aware, however, that this level reduced with the appointment of Vineet Bhalla, which was an important step to deepen the skills and diversify the ethnicity of the Board. While at the date of this report, we have a stronger and more diverse Board overall, we recognise that the gender composition of the Board is below the level expected and it is our intention to address that as soon as practicable and by no later than the end of February 2022. Further details can be found in the Nomination Committee Report on page 100.

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.

On 9 July 2020, we announced that David Forde would be joining the Company as our new CEO and that Patrick McMahon would become CFO in succession to Jonathan Solesbury, who informed the Board of his intention to retire. We are very grateful to Jonathan for his significant contribution to C&C, particularly his support in helping manage the Company through the unparalleled challenges of COVID-19, in which he played a critical role. I am delighted that we have been able to attract a candidate of the calibre of David Forde to the role of CEO and that through succession planning, we had a candidate of the quality of Patrick McMahon internally for the role of CFO. These appointments represent an exciting new era for C&C, which we believe will deliver long term value for all of our stakeholders.

We also announced that Vineet Bhalla would be joining the Board on 26 April 2021. The result is a strengthened Board, with broader and more diverse skills, ethnicity and gender.

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 FY2021 was carried out on an internal basis as part of the FY2021 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 84.

UK Corporate Governance Code

The Corporate Governance Report, which incorporates by reference the Responsibility Report, the Audit Committee Report, the Nomination Committee Report (which contains the Diversity Report) and the Remuneration Report, describes how the Company has complied with the provisions of the Code. Further details on the Company's compliance with the Code during FY2021 can be found on page 78.

As Stewart was an interim Executive Chair for a large part of the year, the Board determined it appropriate that I would author the introduction to the Corporate Governance report for FY2021.

Vincent Crowley
Senior Independent Director

Corporate Governance Report (continued)

Compliance with the UK Corporate Governance Code

The Board considers that the Company has, throughout FY2021 complied with the provisions of the Code with the exception of the period when the Company was non-compliant with provision 9 of the Code whereby the roles of chair and chief executive should not be exercised by the same individual. This was due to the appointment of Stewart Gilliland as interim Executive Chair following the retirement of Stephen Glancey as CEO, reflecting the circumstances of the CEO's departure and the need to ensure an orderly and successful transition. Upon David Forde joining the Company on 2 November 2020, Stewart Gilliland reverted to the role of Non-Executive Chair. At that time of the announcement of David Forde's appointment, 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 98 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 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 whereby Directors (including Non-Executive Directors) receive formal induction and familiarisation with the Group's business operations and systems on appointment, including trips to manufacturing sites with in-depth explanations of the processes involved at the site.

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 on pages 22 to 23.

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 Company'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 FY2021, 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 81. Employee surveys formed the basis of questions raised with the Non-Executive Directors, including the Company's response to the COVID-19 pandemic, and views on what the Company 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 Company's culture is based upon being open, humble, respectful, but 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 • Riddors	• Results of employee engagement surveys • Employee turnover rates • Gender pay gap disclosures • Reports on progress on diversity and inclusion • Training investment per head	• 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.

Corporate Governance Report
(continued)

Key decision	Stakeholders
Dividend	
In May 2020, the Company announced that the Board had decided not to recommend an interim or a final dividend for the year under review. In reaching this decision, the Board considered the importance of a dividend to the Company's shareholders, the need to preserve the Company's liquidity and the exceptional circumstances that COVID-19 represented. The Board will keep future dividends under review and will restart payments when it is appropriate to do so.	• Shareholders • Governments and regulators
Board Director and Executive Committee salary reduction	
During the year, a range of actions to mitigate risks was implemented. As a result of the COVID-19 pandemic, a significant proportion of the workforce was affected by a range of cost mitigation measures, which included reduced salary, reduced working hours, furloughing arrangements and, in some cases, redundancy. Mindful of the wider employee context and in support of the Company's culture, which is rooted in fair and equitable treatment for all stakeholders, the interim Executive Chair, the Executive and Non-Executive Directors and the Executive Committee all agreed to take temporary reductions in their fees and base salaries. Reductions remained in place for a period of 5 months.	• Employees • Shareholders
Disposal of the Tipperary Water Cooler business	
In October 2020, the Board approved the sale of our Tipperary Water Cooler business, receiving an initial €7.4 million in respect of disposal proceeds. In deciding whether the disposal supported the long term success of the Company, and with due regard to the interests of the Company'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 Tipperary Water Cooler business. It was determined, at the time the decision was made, that the employees of the Tipperary Water Cooler business 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 Company 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 Company'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 Company's wider stakeholder community and was accordingly approved by the Board.	• Employees • Customers • Suppliers • Shareholders • Governments and regulators

Division of Responsibilities

It is the Company'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). In January 2020, the Chair became the interim Executive Chair for a temporary period. Upon the appointment of a new Chief Executive Officer, David Forde on 2 November 2020, the Chair, Stewart Gilliland reverted back to a Non-Executive role.

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.

Senior Independent Director

Vincent Crowley is the Senior Independent Non-Executive Director. In addition to his role and responsibilities as an Independent Non-Executive Director, the Senior Independent Director is available to shareholders where concerns have not been resolved through the normal channels of communication and for when such contact would be inappropriate, which is of particular importance during the period that the Non-Executive Chair is serving 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 86 to 91, the Nomination Committee Report is on pages 94 to 101 and the Remuneration Report is on pages 102 to 132.

Workforce Engagement

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

Business Area	Non-Executive Director
Matthew Clark	Jim Thompson
Commercial Scotland	Jill Caseberry
Commercial Ireland	Helen Pitcher
HR	
Commercial International	Emer Finnan
Finance	
Bibendum	Jim Clerkin
Operations	Vincent Crowley

Corporate Governance Report (continued)

Board Meetings in FY2021

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 16 Board meetings, 11 Audit Committee meetings, 11 Nomination Committee meetings and 10 Remuneration Committee meetings held in the year under review.

All Directors holding office at the time attended the 2020 AGM.

Director	Number of Meetings Attended*	Maximum Possible Meetings	% of Meetings Attended
Executive			
David Forde[1]	4	4	100
Patrick McMahon[1]	6	6	100
Jonathan Solesbury	10	10	100
Andrea Pozzi[2]	15	16	94
Non-Executive			
Stewart Gilliland	16	16	100
Jill Caseberry	16	16	100
Jim Clerkin[3]	15	16	94
Vincent Crowley	16	16	100
Emer Finnan	16	16	100
Helen Pitcher[4]	15	16	94
Jim Thompson[5]	15	16	94

1. Meetings attended by David Forde and Patrick McMahon from date of their appointment.
2. Andrea Pozzi was unable to attend a meeting due to a urgent business meeting.
3. Jim Clerkin was unable to attend one unscheduled meeting due to the meetings being called at short notice and his inability to re-arrange his schedule.
4. Helen Pitcher was unable to attend a meeting due to a prior commitment made before joining the Board.
5. Jim Thompson was unable to attend one unscheduled meeting due to the meeting being called at short notice and his inability to re-arrange his schedule.

Board activity during FY2021

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 upon areas on specific subject areas. A summary of the key activities covered during FY2021 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 Group's full year FY2020 and half year FY2021 results as well as trading updates;
- Approved the Group's 2020 Annual Report (including a fair, balanced and understandable assessment) and 2020 AGM Notice;
- Received updates from the COO and senior management on the Group's sustainability framework;
- Reviewed the Group's debt, capital and funding arrangements and approved the private placement;

Leadership and People

- Continued to focus on the composition, balance and effectiveness of the Board, including the appointment of a new CEO, CFO and Independent Non-Executive Director.
- Appointed Spencer Stuart to lead the search for the recruitment of a new Chair;
- Considered progress towards greater diversity in the workforce;

Safety

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

Internal Control and Risk Management

- Reviewed the Group's risk management framework and principal risks and uncertainties;
- Reviewed and confirmed the Group's Viability Statement and going concern status;
- Reviewed and validated the effectiveness of the Group's systems of internal controls and risk management;
- Reviewed updates on the information and cyber security control environment in light of 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 Board evaluation action plan;
- Conducted an internal Board evaluation covering the Board's effectiveness, with the outcome discussed by the Board;

- Received regular reports from the Chairs of the Audit, Nomination, Remuneration and ESG Committees; and
- Approved the Group's updated competition policy.

Objectives and Controls

The Group's strategic objectives are set out on pages 22 to 23 and a summary of performance against the Group's KPIs is at pages 30 to 31. 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 32 to 42, to manage the key risks to the Group's business.

Business Model and Risks

The Group's Business model is set out on pages 24 to 27. The Risk Management Report on pages 32 to 42 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

Following the appointment of David Forde as Group Chief Executive Officer and Patrick McMahon as Group Chief Financial Officer, the Board consists of the Chair, three Executive Directors and seven independent Non-Executive Directors.

Over half of the Board comprises independent Non-Executive Directors and the composition of all Board Committees complies with the Code. 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 74 and 75.

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 99 to 100.

Time Commitment

Following the Board evaluation process, detailed further on page 84, the Board has considered the individual Directors attendance, their contribution and their external appointments and is satisfied that each of the Directors is able to allocate sufficient time to devote to the role.

Development

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

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

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

Corporate Governance Report (continued)

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.

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 FY2021 are set out below:

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

FY2021 Board and Committee internal evaluation

As set out earlier in this report, the Board's activities during the year were dominated by the unique challenges posed by the pandemic. As a result, a shorter and more targeted evaluation was undertaken for 2021, seeking feedback from Board members on how they felt the Board had collectively responded to these challenges and how it should evolve its approach in future, in addition to consideration of progress against the Board action plan.

Board and Committee Evaluation Process

The review was conducted through a questionnaire, which sought Directors feedback on a variety of matters including COVID-19, 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 2021.

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 67 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 133 and a statement on the Group as a going concern and the Viability Statement are set out on pages 41 to 42.

Risk Management

Please refer to pages 32 to 42 for information on the risk management process and the Group's principal risks and uncertainties.

Internal Control

Details on the Group's internal control systems are set out on pages 89 to 90.

Internal Audit

Details of the Internal Audit function are provided within the Audit Committee report on page 90.

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 86 to 91.

Remuneration

For further information on the Group's compliance with the Code provisions relating to remuneration, please refer to the Directors' Remuneration Report on pages 102 to 132 for the level and components of remuneration. Shareholders approved the Group's current Remuneration Policy at the 2018 AGM. The Policy is designed to promote the long term success of the Group.

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

Section	Disclosure Locations
Board Leadership and Purpose	Details on how the Board promotes the long-term success of the Company are set out in our Strategic Report on pages 2 to 67 and throughout this Corporate Governance Report on pages 76 to 85. Our purpose and values are set out on pages 6 to 7. Relations with shareholders are described on page 9. Our whistleblowing programme is described on page 66.
Division of Responsibilities	Pages 74 to 75 gives details of the Board and Management Team. The Board governance structure is detailed on pages 76 to 85.
Composition, Succession and Evaluation	Details on appointments and our approach to succession are set out in the Nomination Committee report on pages 94 to 101. Details on the external evaluation are set out on page 84.
Audit, Risk and Internal Control	The Audit Committee Report can be found on pages 86 to 91, with further detail on the principal risks to the business in the Risk Report on pages 32 to 42.
Remuneration	The Company's Remuneration Policy can be found in the FY2018 Annual Report. The Remuneration Committee Report can be found on pages 102 to 132.

Constructive Use of the Annual General Meeting

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

For the 2021 Annual General Meeting, your attention is drawn to details set out in the notice of meeting. While the company was obliged to hold a virtual AGM in 2020, it is hoped that Government and Public Health restrictions will allow the hosting of an in-person AGM this year. The Company believes an in-person AGM is important to allow shareholders meet with and engagement with the Board and other shareholders. Given government and health authority guidance on COVID-19 is still evolving, shareholders are encouraged to monitor the Company's website and regulatory news for updates in relation to the AGM.

In compliance with the Code, at the Annual General Meeting, the 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 26 May 2021.

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 FY2021. This 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

The Committee throughout the year continued to play a key role in assisting the Board in fulfilling its oversight responsibility. Its activities included reviewing and monitoring the integrity of financial information, key accounting judgements and related disclosures, audit quality and the robustness of the Group's risk management and system of internal controls. In discharging its duties, the Committee works to a structured agenda closely linked to the events in the Company's reporting cycle.

The Committee's work was supported by the Group's well established risk and financial management structures. The exceptional and unprecedented challenges posed by the COVID-19 pandemic and the impact on the Group's businesses has tested the robustness of those structures and the established working processes between management and the Committee.

I am pleased to report that the Group's risk and financial management structures have operated effectively during the year under review. I would like to thank my colleagues and fellow Board members for their contribution and counsel over the past 12 months, which enabled the Committee to fulfil its role in providing effective scrutiny and challenge.

As in previous years, the Committee's primary focus was on the integrity of the Group's financial reporting processes. In considering 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, asset impairment testing, the valuation of property, plant and equipment and revenue recognition. Careful consideration was given to the Group's viability disclosures and its ability to continue as a going concern, with particular scrutiny being given to the reports prepared and assumptions used by management to support those statements.

There were eleven 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

COVID-19 has had a profound impact on the sectors in which we operate, and on the Group, and we continue to respond to the challenges and opportunities that this brings. 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 in the year ahead.

On behalf of the Board.

Emer Finnan
Chair of the Audit Committee
26 May 2021

Role and Responsibilities of the Committee

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

In accordance with the Code, the Board requested that the Committee advise it whether it believes the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

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

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 74 and 75 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 FY2021. In addition there were six ad hoc meetings. All members of the Committee attended every meeting. The quorum necessary for the transaction of business by the Committee is two, each of whom must be a Non-Executive Director. Only members of the Committee have the right to attend Committee meetings, however, during the year, Stewart Gilliland (in his capacity as Chair), David Forde, Group Chief Executive Officer, Jonathan Solesbury, Group Chief Financial Officer and his successor as Group Chief Financial Officer, Patrick McMahon, the Head of Internal Audit together with members of the Internal Audit team, Director of Group Finance, and representatives from 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)	2 July 2014	11	11
Vincent Crowley	22 March 2016	11	11
Jim Thompson	1 March 2019	11	11

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 the evidence and assumptions supporting the adoption of the going concern basis for the FY2021 financial statements.

In assessing the impact of the COVID-19 pandemic on the Going Concern Statement and Viability Statement, the Committee considered a base case scenario, along with a reasonable worse case scenario, both of which exclude any upside from the potential rights issue. The Committee assessed the Group's cash flow forecasts for the period ending 31 August 2022 (the going concern "assessment period"). It also assessed the assumptions relating to the profitability and cash generation of the business. The key assumption in the assessment is the phased reopening of the on-trade business in the Company's main markets of England, Scotland and Ireland based on available Government advice and roadmaps.

Audit Committee Report (continued)

The Group's scenarios are outlined below:

- The base case projection assumes on-trade recovery in England and Scotland continuing from April and May 2021 respectively, Ireland's on-trade recovery commencing from June 2021.
- The pace of recovery is assumed to be similar across each territory once on-trade restrictions are eased, with gradual improvement to volumes.
- In aggregate on-trade volumes over the assessment period are projected to be approximately 79% of FY2020 in the base case scenario over the assessment period.
- The reasonable worst case projection assumes the same timeline for re-opening of on-trade as the base case; however volumes are projected to hold flat at modest levels for the remainder of the summer as many on-trade restrictions are assumed to remain in place over that period and then build more gradually from that point.
- The reasonable worst case projection contains linked working capital assumptions reflecting a more challenged supplier credit environment.

The going concern base case and reasonable worse case scenarios also consider the achievement of cost saving measures, the Group's financing facilities, the use of temporary government supports and projected dividend payments. The Group benchmarked the impacts of both scenarios against the monthly liquidity and gross debt covenant waiver tests through the going concern assessment period. The Group has obtained waivers on its original covenant requirements up to, but not including, the August 2022 test date whether or not the rights issue is successful. The headroom on the covenants within the financing facilities have been reviewed in detail by management and assessed by the Committee. Refinancing activities, including the extension of facilities, and the covenant waivers obtained on the Group's debt, have been reviewed by the Committee, in addition to Going Concern and Viability Statement reports which include details of the projected revenue and profitability and the related impact on projected cash flows.

Having considered these factors, the Committee and the Board have concluded that monthly liquidity and gross debt covenant waiver tests will be satisfied under both the base case and reasonable worse cast scenarios (without any benefit of the proposed rights issue) 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.

In making this assessment, the Committee and Board considered the continued impact of COVID-19 and in particular the assumptions in respect of forecasted level of the on-trade business in each of the Group's main trading locations. While it was recognised that COVID-19 continues to have a negative impact on the on-trade business, given the actions available to management, the Committee and the Board do not expect any reasonably anticipated deterioration in the forecasted revenues to impact the Group's ability to continue as a going concern.

The Committee also reviewed the Viability Statement. The viability period has been reduced from previous reports, from a three-year period, to a two-year period to align with the working capital statement prepared in contemplation of the proposed rights issue. This two-year period to February 2023 was considered appropriate for this year only given the continued uncertainty of COVID-19. The scenario workings assessing the ability of the Group to continue trading for this two-year period are consistent with the going concern assumptions above, projected out to February 2023 and assume that the Group will seek to have the necessary financing requirements in place in the absence of the potential rights issue throughout the viability period.

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 FY2021 financial statements, please see 'Going Concern' on page 41 and 'Viability Statement' on pages 41 to 42. The Directors' Going Concern statement is set out on page 41.

Recoverability of Trade Receivables and Advances to Customers

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

Asset impairment testing

The Committee considered the carrying value of goodwill, intangible assets and equity accounted investments 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. This included the recognition of an impairment with respect to the Group's carrying value of its investment in Admiral Taverns of €8.9 million and an impairment of €0.2 million with respect to its carrying value of its investment in Drygate Brewing Company Limited.

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 2021 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 2021 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; 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 a group's financial statements is for the Annual Report and Accounts to be fair, balanced and understandable. The coordination and review of Group wide contributions into the Annual Report and Accounts follows a well established and documented process, which is performed in parallel with the formal process undertaken by the External Auditor.

The Committee received a summary of the approach taken by management in the preparation of the FY 2021 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 2021 Annual Report and Accounts taken as a whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Internal Controls and Risk Management Systems

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

In order to keep the Committee abreast with latest developments, the Head of Internal Audit reported to each meeting on developments and emerging risks to internal control systems and on the evolution of our principal risks. The Committee reviewed the updated principal risks, their evolution during the year, and the associated risk appetites and metrics in light of business changes and performance, challenging and confirming their alignment to the achievement of the Group's strategic objectives. This included consideration of the impact of COVID-19 and Brexit. 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 reclassification of two risks, namely Information Technology, and Cyber and Information Security and Data Protection. Those changes to our risk profile were then approved by the Board. The Group's principal risks and uncertainties are set out on pages 32 to 42.

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.

Audit Committee Report (continued)

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 direction and focus having regard to imposed working restrictions and the placing on furlough of a number of our colleagues. As national lockdowns were imposed, the team took a risk based approach to the rest of the year, while at the same time establishing new ways of working. A number of high risk audits were conducted remotely and others were deferred into FY2022 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 FY2022 audit plan has considered all existing and emerging risks and what was deferred from FY2021, incorporating both elements where appropriate. The ability to achieve the FY2022 Internal Audit plan in spite of continued lockdown and social distancing restrictions has also been considered, with additional resources deployed when able.

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 2020, 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 2021, 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 performed, 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 FY2021 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 has been the same since that date. The external audit had not been tendered since then.

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

The Committee confirmed compliance 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.

EY provided no non-audit services in FY2021.

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 FY2021, 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 2021 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 84. 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 26 May 2021.

Emer Finnan
Chair of the Audit Committee

Environmental, Social and Governance Committee Report

Dear Shareholder

I am pleased to present the first Environmental, Social and Governance ("ESG") Committee report covering the work of the Committee during FY2021. This 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

Corporate responsibility is central to the Company's strategy and forms an integral part of how C&C operates. To reflect C&C's ongoing commitment to operating a sustainable business, the Board has established a new committee, the ESG Committee. The Terms of Reference of the Committee was constituted by resolution of the Board of Directors of the Company in July 2020 to assist the Board in defining the Group's strategy relating to ESG matters.

Following the Board's decision to establish the Committee, a Head of ESG was appointed to lead the Company towards our vision relating to ESG targets. To support the Head of ESG, applications were sought internally for ESG Champions from each business unit who were passionate about ESG and how our business influences these areas.

Interviews were then held by the Company Secretary and Head of ESG, with the first ESG Champions appointed in September 2020, when the ESG Committee was established. The ESG Champions have attended both Committee meetings held during FY2021. Our vision is for the ESG Champions to be 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.

Since appointment, the Head of ESG, with the support of the Champions and in collaboration with the Board, has worked to establish the Company's purpose, vision and values, KPIs and timelines that follow legal and regulatory requirements.

Furthermore and as part of our commitment to continual improvement, a review of material ESG factors relevant to the beverages and distribution sectors was undertaken in the year. The purpose of the review was to calibrate our existing position and ensure that any new and material issues of importance to those sectors are captured. Moreover, to provide a basis for strategy formulation, we reviewed international guidance and non-financial standards published by the UN Sustainable Development Goals ('UN SDGs'), the Sustainability Accounting Standards Board ('SASB') and the World Economic Forum ('WEF'). The results of the work were then discussed and used to form opinion, recognise best practice and provide clear direction on our ESG strategy in FY2022. ESG objectives, which relate to the six pillars of our Sustainability Framework as detailed on pages 50 to 51, are defined annually and reviewed on an ongoing basis.

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 culture. The role and effectiveness of the Board and the culture it promotes are essential to a successfully run company. During FY2021, 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 meetings, hosted by the ESG Champions, allowed employees to raise, with the Non-Executive Directors and business units Managing Directors, a variety of issues that were of importance to them, including the Company's response to the COVID-19 pandemic, and views on what the Company could improve in its response to help the business and its employees.

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 promote

diversity and inclusion to ensure we have a balanced pipeline of talent for the future. The Champions, at the request of the Nomination Committee, reviewed the Board's policy on diversity and inclusion, which was subsequently recommended to the Board and approved during the year with the aim of continuing to encourage diversity within the Group.

In terms of corporate responsibility and community engagement, the Board is committed to treating all stakeholders in every area of operations 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.

I would like to thank my colleagues for their contribution and counsel since the formation of the Committee, during what has been a challenging period for the Group.

On behalf of the Board

Jim Thompson
Chair of the ESG Committee
26 May 2021

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 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)	24 September 2020	2	2
Jill Caseberry	24 September 2020	2	2
Patrick McMahon	24 September 2020	2	2
Helen Pitcher	24 September 2020	2	2
Andrea Pozzi	24 September 2020	2	2

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 74 and 75. 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 Assistant Company Secretary.

Meeting Frequency and Main Activities during the year

The Committee met on two occasions during the year ended 28 February 2021. All members of the Committee attended each meeting. At the invitation of the Committee, the Chair, the Group CEO, the Company Secretary and General Counsel, the Head of ESG and the ESG Champions were invited to attend both meetings.

Evaluation of the Committee

During FY2020, an external evaluation was carried out of the Board, meaning that the evaluation in FY2021 was carried out internally as part of the FY2021 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 84.

This report was approved by the Board of Directors on 26 May 2021.

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 FY2021. This 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

Succession planning continued to be the primary focus of the Committee's work.

During the year, the Committee engaged in a thorough process to consider the appointment of a new Group Chief Executive Officer (CEO) and Group Chief Financial Officer (CFO). Following a rigorous process, which considered internal and external candidates, the Committee recommended the appointment of David Forde as CEO and Patrick McMahon as CFO. I am happy to report that in each case, the Committee's recommendations were subsequently endorsed unanimously by the Board.

For the role of CEO, following a thorough evaluation of exceptional candidates for the position, the Committee was unanimously of the view that David Forde had the requisite blend of brand, distribution and hospitality sector expertise to maximise the potential of our iconic brands and optimise the potential of our distribution capabilities.

In Patrick McMahon we have a CFO with an inimitable understanding and experience of our business. His progression through senior leadership positions within the business and integral role in the transformative Matthew Clark and Bibendum transaction make him an ideal fit for this position and the natural successor to Jonathan Solesbury, who informed the Board of his intention to retire during the year. The Board would like to thank Jonathan for his significant contribution to C&C and we wish him well for the future.

As we navigate the current challenges and uncertainty of COVID-19, these appointments represent an exciting new era for C&C, which we believe will deliver long term value for all our stakeholders.

In addition, 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 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.

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 perspective 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. The Committee was pleased that Vineet Bhalla's further broadened the diversity of the Board, which now has a broader and more diverse skill set, as well as ethnicity and gender.

At the financial year-end, 30% of the Board's membership was female. The Committee was fully aware, however, that this level reduced with the appointment of Vineet Bhalla, which was an important step to deepen the skills and diversify the ethnicity of the Board. While at the date of this report, we have a stronger and more diverse Board overall, we recognise that the gender composition of the Board is below the level expected and it is our intention to address that as soon as practicable and by no later than the end of February 2022.

Following the announcement of David's appointment as CEO in July 2020, and to allow an orderly process of succession, the Board requested that I continue in my role as interim Executive Chair until David joined C&C in November 2020, at which time I reverted to the role of Non-Executive Chair. In addition, the Board asked that I extend my role as Non-Executive Chair by an additional 12 months until the AGM in 2022. This will provide continuity of leadership for C&C following the appointment of a new CEO and CFO.

The Committee will continue to monitor the composition and balance of the Board to ensure that a broad 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 Company. I intend to retire from my role as Chair and step down from the Board in July 2022, by which time I will have served on the Board for over 10 years, including four years as Chair. The Committee, led by Vincent Crowley, Senior Independent Director (SID) has established

a process to identify and appoint my successor and we will communicate with you as appropriate.

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. With the aim of continuing to promote diversity on the Board and within the Group as a whole, the Committee reviewed the Board's policy on diversity and inclusion, which was recommended to the Board and approved during the year.

As part of our annual Board and committee evaluation process, further details of which are set out on page 84, the Committee assessed the time commitment needed from Non-Executive Directors to ensure that each individual has sufficient time to devote to their duties for C&C. The impact of the pandemic on business has required the Board and its committees to devote additional time to Board business and to providing leadership oversight, and each of our Directors remain fully committed to promoting the success of the Company in a way that ensures that the interests of shareholders and other stakeholders are protected. I would like to thank my colleagues for their contribution and counsel over the past 12 months, for what has been a challenging period for the Group.

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 Committee
26 May 2021

Roles and Responsibilities of the Committee

Role of the Committee

The Committee is responsible for Board recruitment and conducts a continuous and proactive process of planning and assessment, taking into account the Board's composition against the Company's strategic priorities and the main trends and factors affecting the long-term success and future viability of the Company. The Committee's key objective is to ensure that the Board comprises individuals with the necessary skills, knowledge, experience and diversity to ensure that the Board is effective in discharging its responsibilities 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.

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. Given that the Chair was carrying out an executive function on an interim basis, it was determined that he should remain on the Committee. This was particularly important as he played a leading role in ensuring an orderly transition to David Forde as the Group's new CEO.

No member of the Committee nor any other Director participates in discussions concerning or votes on his or her own re-election or evaluation of his own performance. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 74 and 75. 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 Company Secretary 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
Stewart Gilliland (Chair)	24 October 2017	11	11
Vincent Crowley	1 June 2019	11	11
Emer Finnan	5 July 2018	11	11
Helen Pitcher	23 October 2019	11	11

Nomination Committee Report (continued)

Meeting Frequency and Main Activities during the year

The Committee met on eleven occasions during the year ended 28 February 2021. All members of the Committee attended each meeting. At the invitation of the Committee, the Group CEO, the Group Director of Human Resources, the Group Head of Employee Engagement, and Independent Audit 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.

CEO Appointment

As reported in last year's Annual Report, following the retirement of Stephen Glancey in January 2020, Stewart Gilliland was appointed as interim Executive Chair pending the appointment of his successor, to ensure continuity of executive leadership and an orderly process of succession.

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

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

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

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

The search from Spencer Stuart was rigorous and international in its scope. The Committee considered 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 David Forde as its preferred candidate. David, having started his career with the sales and marketing team at Heineken Ireland, was the Managing Director of Heineken UK, a position he had held since 2013. Heineken UK is a leading producer of beer and cider brands in the UK market, as well as a significant pub operator, with approximately 2,500 outlets. David worked with Heineken for 31 years and has extensive experience in senior leadership positions across the business and has an intimate knowledge of our industry.

Following the Committee's recommendation and due consideration by the Board, David Forde was appointed our new Group Chief Executive Officer on 8 July 2020. The Board is pleased to have recruited an individual of his calibre to lead the Group through its next stage of development.

Induction of Group CEO

David Forde took up the position of Group Chief Executive Officer on 2 November 2020 and is bringing a fresh perspective to the Board and its committees. As set out on page 83, 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.

Group CEO Induction

A comprehensive induction programme was arranged for David Forde to help him settle into his new role. This included meetings with senior management and operational and functional teams around the Group and was structured to help David 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, David has attended business and budget reviews in each business unit. Visits were arranged, subject to COVID-19 restrictions, which included key locations in the Group. These visits gave David an opportunity to meet with local management teams and other colleagues and to speak with them first hand and to listen to their views.

David has also spent time meeting with a number of the Group's investors, as well as suppliers, customers and consumers. He has also had one to one meetings with his Board colleagues and has met with business unit heads, senior management and members of the Company's governance and control functions.

Details of some of the activities undertaken by David are set out below:

Area	Provided by	Subjects covered and discussed
Business Units	Executive Management	• Ireland, Great Britain, Matthew Clark and Bibendum and International business reviews; • Ireland, Great Britain, Matthew Clark and Bibendum and International business budget reviews; • various site visits;
Governance legal and compliance	Company Secretary and Group General Counsel	• review of the governance framework and landscape; Board and committee matters; overview of the Group's legal and compliance framework and material litigation;
Health and Safety	Group Health & Safety Manager	• execution of safety strategies, priorities and initiatives and their alignment to the Performance, People and Purpose strategy;
Finance, Strategic plan and business model	Group Chief Financial Officer	• financial control framework and governance processes; • internal and external reporting of the Company's results; • overview of the Group's businesses and business model, two year business plan and strategic aims; • review of the Group's M&A strategy;
Tax	Group Chief Financial Officer	• review of the Group's tax strategy and profile, principal uncertain tax positions and areas requiring the exercise of judgement; • tax governance procedures and control framework;
People	Group HR Director	• review of the Group's People strategy including succession planning, diversity and inclusion and engagement initiatives; • Group remuneration philosophy, executive remuneration and annual cycle; long term incentive plan;
Investor Relations	Group Chief Financial Officer	• C&Cs' investment case, key areas of investor focus and IR annual programme;
Treasury	Group Chief Financial Officer	• overview of the Group's treasury operations, governance, funding, credit ratings, liquidity management, foreign exchange and interest rate risk management;
IT	Group IT Director	• overview of the digital and technology function including in-depth reviews on strategy, operating model, initiatives and cyber security;
Internal Audit	Head of Internal Audit	• review of Group Internal Audit plan, internal control framework, key financial controls, whistleblowing programme and the biannual major risk assessment process; and
Environmental, Social and Governance	Head of ESG	• Overview of the ESG framework, strategy and KPI's.

Group CFO Appointment

Jonathan Solesbury who served as the Group's CFO since 2017 informed the Board of his intention to retire during FY2020. Accordingly, Jonathan stepped down from the Board at the AGM on 23 July 2020, but remained with C&C until 1 September to facilitate an orderly transition.

Patrick McMahon, Group Strategy Director, and designated successor to Jonathan was appointed as Group Chief Financial Officer and an Executive Director with effect from 23 July 2020.

A Fellow Chartered Accountant, Patrick originally joined C&C in 2005 from KPMG. Throughout his career with C&C he has held a number of senior leadership positions including, Financial Director of individual business units and overall Group Finance Director. As Group Strategy Director, Patrick was central to the integration and turnaround of Matthew Clark and Bibendum since their acquisition in 2018.

Nomination Committee Report (continued)

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.

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.

Appointment of a new Chair

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 is being 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 is not involved in the selection process.

As part of the external search process, the services of an executive search firm are being 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 Company for the recruitment of senior executives, but does not have any other connection to the Company or with individual directors.

The Company has not used 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 has 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 process for appointing a successor is ongoing.

Succession Planning

Given both the appointment of a new CEO and CFO and a Non-Executive Director, along with the commencement of a search for a new Chair, the Committee has had reason to extensively consider succession planning for both Board and senior management roles during the year.

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

The Committee aims to ensure that:

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

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

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

Skills Balance and Directors' Performance Evaluation

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

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

During FY2020, an external evaluation was carried out, meaning that the evaluation in FY2021 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 Jill Caseberry, Jim Clerkin, Vincent Crowley, Emer Finnan, Helen Pitcher and Jim Thompson. In assessing their independence, the Committee has had due regard to various matters which might affect, or appear to affect, the independence of certain of the directors. The Committee was fully satisfied that each remained fully independent in both character and judgement.

In determining the independence of Stewart Gilliland and Jill Caseberry, the Company had regard to the products sold to Tesco plc, of which Stewart Gilliland is a Non-Executive Director, and the products purchased from St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director. The Committee remains fully satisfied these relationships are not material and have in no way impaired their 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 and Stewart Gilliland as they had served seven and nine years respectively on the Board, and has concluded that each of them is independent in character and judgement and that there are no relationships or circumstances likely to affect (or which appear to affect) his or her judgement. The Committee is also satisfied that each of them continues to be able to devote sufficient time to their role.

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

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

Diversity

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.

As part of its remit the Committee reviews the Group's policies on workforce diversity and inclusion, their objectives, and link to the Company's strategy. The Group has always operated open and inclusive hiring and staff management practices.

During the year, the Committee recommended, and the Board endorsed, the adoption of a new Diversity and Inclusion Policy, which is published on the Company's website. In reviewing the Group's policy, the Committee sought the views of the ESG Champions prior to implementation. The Committee was satisfied that it supported the development of a more diverse workforce within the business and were 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. The Executive Committee members have undergone Diversity and Inclusion training to ensure this is embedded across the whole organisation. More details on workforce diversity can be found on page 100.

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.

Nomination Committee Report (continued)

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.

At Board level, our approach to the appointment of new directors reflects our desire to ensure the optimal balance of experience and backgrounds on the Board. Great emphasis is placed on ensuring that Board membership reflects diversity in its broadest sense and increasingly embodies our employee base and the communities in which we operate. We also ensured that the Board considered whether diversity and inclusion across the wider business was being progressed, including discussions with management at site visits during the year. The Board recognises the benefits of diversity. Our Directors come from different backgrounds, nationalities, a wide range of professions and each brings unique capabilities and perspectives to our Board discussions.

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

When recruiting, we instruct the external recruitment consultants to ensure that a balance of male and female candidates is put forward for consideration by the Committee. Following Vineet's appointment to the Board, female representation on our Board is at 27%.

The Committee and the Board recognise the importance and benefit of diversity beyond the Board and in this regard seek to ensure that all recruitment decisions are fair and non-discriminatory and that all employees get an equal opportunity to achieve their full potential.

Statistical gender diversity employment data for the Company as at 28 February 2021 is as follows:

	Male Number/ Percentage	Female Number/ Percentage
Directors	7/70%	3/30%
Senior Managers	58/64%	32/36%
Other employees	1,913/75%	647/25%

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

The ESG Committee Report on pages 92 to 93 provides further detail on the approach being taken to better understand our diversity and employees' views on inclusion and the implementation of the Policy across the Group.

ESG Committee

To reflect C&C's ongoing commitment to operating a sustainable business, the Board established a new committee, the ESG Committee. The Committee made recommendations to the Board concerning both the Chair and membership of the ESG Committee. In all cases, the Committee's recommendations were subsequently endorsed unanimously by the Board.

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, 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 FY2021 was carried out on an internal basis as part of the FY2021 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 84.

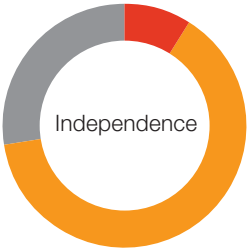
This report was approved by the Board of Directors on 26 May 2021.

Stewart Gilliland
Chair of the Nomination Committee

Diverse and Effective Board

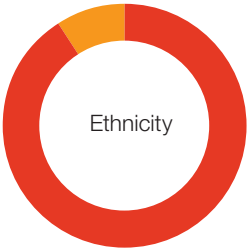
The Board comprises 11 Directors, with a broad and complementary set of technical skills, educational and professional experience, nationalities, personalities, cultures and perspectives.

Board balance

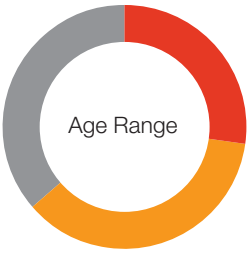


Chair	1
Independent	7
Non-independent	3

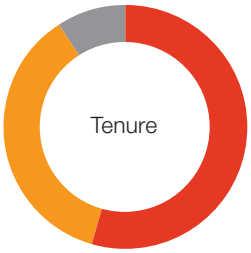
Male	8
Female	3



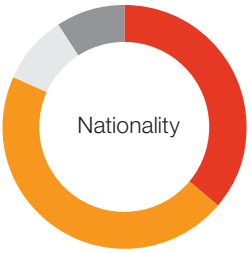
White	10
Indian	1



40-50	3
51-60	4
61-70	4



1-3 years	6
4-7 years	4
8-10 years	1



Irish	4
British	5
USA	1
Italian	1

Board Skills Matrix

	Executive Directors			Non-Executive Directors								
Director	David Forde	Patrick McMahon	Andrea Pozzi	Stewart Gilliland	Vineet Bhalla	Jill Caseberry	Jim Clerkin	Vincent Crowley	Emer Finnan	Helen Pitcher	Jim Thompson	● With skill ● Without skill
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 Report ('Report') for the year ended 28 February 2021.

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, the 2021 Policy will be put to our shareholders on an advisory basis. The Company's existing Policy was approved at our 2018 AGM following a vote in favour of over 99%. Shareholders showed a similarly high level of support for our Directors' Remuneration Report in 2020, with over 99% of votes in favour of it. These high levels of support reflect shareholders' views of our responsible approach to executive remuneration, an approach that will continue under the new Policy. We hope that shareholders will demonstrate their support again this year.

Governance

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

Remuneration Committee Membership and Meeting Attendance

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

Member	Member since	Number of Meetings Attended	Maximum Possible Meetings
Helen Pitcher (Chair)	1 March 2019	10	10
Jill Caseberry	1 March 2019	10	10
Jim Clerkin*	24 October 2019	8	10

* Jim Clerkin was unable to attend the meetings on 20 October 2020 and 10 February 2021 due to prior engagements.

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, Stewart Gilliland (Chair), David Forde (CEO), Patrick McMahon (CFO) and the Group Director of Human Resources along with Independent Audit, a Board effectiveness firm, as explained on page 84, 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 FY2021

- Approval of the FY2020 bonus and LTIP measures;
- Approval of the Directors' Remuneration Report for the financial year ended 29 February 2020;
- Reviewing and consulting with shareholders on the revised Directors' Remuneration Policy and consideration of their feedback;
- Considering the FY2022 remuneration packages;
- Considering the impact of COVID-19 on the Executive and all employee remuneration arrangements;
- Approving the terms of the CFO, Jonathan Solesbury's departure;
- Approving the terms of Patrick McMahon's appointment as CFO;
- Approving the terms of David Forde's appointment as CEO.

External Advisers

The Committee seeks and considers advice from independent remuneration advisers where appropriate. During the year ended 28 February 2021, the Committee obtained advice from Deloitte LLP. Deloitte's fees for this advice amounted to £27,575 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.

Business context (including new Chief Executive Officer and Group Chief Financial Officer)

Since the last Policy review, the business has evolved significantly in scale, scope and complexity. We completed the acquisition of Matthew Clark and Bibendum in April 2018, a move which has significantly strengthened our brand led distribution model, broadened our operations and footprint and added circa 1,600 people to C&C. As the largest independent alcohol distributor across the UK and Ireland, C&C is structurally integral to the markets we serve. We have continued to build the value of our brands, to invest in our insight capability, improved the efficiency of our logistics network and continued to sharpen our focus on our ESG objectives. We also de-listed from the Euronext Dublin and joined the FTSE 250 in December 2019, with the London Stock Exchange our primary and sole listing.

In addition we had a senior leadership transition within C&C during 2020. Following a thorough executive recruitment process, on 9 July 2020 we announced the appointment of David Forde as Group CEO. David took up his position and joined the Board on 2 November 2020. We believe David has the requisite blend of market and sector expertise to maximise the potential of our iconic brands and our distribution capabilities. In July 2020 we also announced the appointment of Patrick McMahon as Group CFO. Having originally joined C&C in 2005 Patrick has an inimitable understanding and experience of our business, with previous experience as Group Finance Director, Finance Director of a number of C&C's business units and most recently, Group Strategy Director. As we navigate the current challenges and uncertainty of COVID-19, these appointments provide the leadership, insight and capability to deliver long term value for all our stakeholders.

As the COVID-19 situation continues to evolve, we have taken a number of steps to protect our colleagues, business partners, community and customers; ensure our supply chain and production facilities remain operational; and support the hospitality sector with measures to facilitate fully compliant operations in line with guidelines and regulations. We also continue to seek opportunities to ease the burden on those in greatest need during this crisis. Recently, this has seen the donations of water, soft drinks and juices together with a range of sponsorship initiatives for various community groups.

We continue to work proactively to maximise cash and have been able to maintain strong liquidity with a supportive lending syndicate. The Group successfully issued approximately €140 million of new US Private Placement notes in March 2020 to diversify, strengthen and extend the maturity of our capital structure and sources of debt finance. In addition, we successfully negotiated covenant waivers from our lenders up to, but not including, the August 2022 test date whether or not the rights issue is successful as outlined in detail in Note 20 of the Consolidated Financial Statements. While the Board recognises the absolute importance of dividend income for shareholders, given the focus on preserving cash, and the Group's decision to avail of government support through this crisis, we did not declare a final dividend for FY2020 and FY2021. However, we intend to re-instate our dividend policy as and when it is appropriate.

Executive Remuneration Outcomes for FY2021

The Committee has continuously monitored remuneration decisions being taken across the Group and has considered executive pay in the context of the wider workforce and the broader impact on society, the Company and its shareholders.

While the final level of that impact was unclear, the Committee considered it prudent to delay certain key decisions in the first half of FY2021. Consequently, all decisions on salary, bonuses and share awards for FY2021 were deferred until September, following the completion of our half year. This decision was made to ensure that the Committee, had a clearer line of sight over expected performance and the full impact of COVID-19 on the business prior to implementing any decisions and setting performance targets. In implementing the decision, the Committee had the full support of Executive Management.

In September 2020, a review was undertaken and it was determined in view of the continued uncertainty that no bonus targets would be set for FY2021. As outlined below, no bonuses are to be paid to Executive Directors in respect of FY2021.

Salary

In response to the rapid emergence of the pandemic, and as part of the actions announced to preserve cash and reduce costs, there was an average reduction in salary of approximately 20% across the workforce. Management and Board remuneration reduced by 30% and 40% respectively for a three month period until the end of June 2020. Whilst salaries across the workforce returned to normal rates, Directors chose to extend the reduction for the period of July and August 2020 at the rate of 20% to reflect the ongoing economic situation and the experience of the Group's wider stakeholders.

The following are the base salaries for our new CEO, David Forde and our new CFO, Patrick McMahon and our existing Group Chief Operating Officer (COO), Andrea Pozzi:

- David Forde: €690,000
- Patrick McMahon: €420,000 (with effect from appointment to the Board)
- Andrea Pozzi: £321,300 (unchanged from March 2019)

Directors' Remuneration Committee Report (continued)

The total fixed pay for our new CEO and CFO is significantly less than the previous CEO and CFO reflecting both the lower base salaries and the 5% cap on pension contributions.

FY2020 and FY2021 Bonus

As outlined in our 2020 Directors' Remuneration Report, mindful of the Company's commitment to preserve cash and lower operating expenses, final approval of the bonuses earned by the Executive Directors (including the former CEO and CFO) based on performance during the twelve months ending February 2020 were deferred. These FY2020 bonuses were approved in October, with Executive Directors receiving a pay-out of 25% of salary as a result of achieving the cash conversion metric. Andrea Pozzi's bonus was also subject to an under pin regarding brand redistribution which was not achieved, resulting in a pay-out of 12.5% of salary.

Given the current financial year commenced in March 2020, at the same time as the outbreak of COVID-19 and the associated government restrictions, no bonuses are to be paid to Executive Directors in respect of FY2021.

2018 LTIP and ESOS Awards

The three year performance period in respect of the 2018 LTIP and ESOS awards came to an end, based on the targets set in 2018 - namely EPS growth, free cash flow conversion and growth in ROCE – these were not met over the three year performance period ended 28 February 2021 and the awards lapsed.

Long-Term Incentives Awarded in FY2021

Given the uncertain outlook associated with COVID-19 and in line with guidance from the Investment Association, the grant of our FY2021 LTIP awards was also deferred from the normal grant date for a period of six months. In determining the quantum of the FY2021 LTIP and the proposed measures and targets, the Committee was sensitive to the need to balance incentivising executive performance (including a newly appointed CEO and CFO) at a time when our management teams are being asked to demonstrate significant leadership and resilience whilst ensuring that the Executive's experience is commensurate with that of shareholders, employees and other stakeholders. The Committee was also conscious of ensuring that the newly constituted management team have a meaningful long-term equity component so as to ensure alignment with shareholders' interests as we enter an important phase for the business.

Taking all of these factors in account, including the circa 30% fall in share price since the 2019 LTIP awards were granted, the Committee determined that our new CEO, new CFO and the COO would be granted LTIP awards of 134% of their respective contractual salaries. This represents a reduction of 16% of salary compared to our normal LTIP award levels of 150%.

The Committee faced considerable challenge in establishing meaningful and robust performance measures and targets for the FY2021 LTIP awards. This reflects the backdrop of COVID-19 with 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 therefore determined that for the FY2021 LTIP only three separate performance conditions, aligned to the Company's key priorities for each of the three years in the performance period, will be set and assessed over the relevant year. No proportion of the award will vest until the end of the full three year period and the whole award will be subject to an overriding three year financial performance assessment. Further information in relation to the awards is detailed below. For the avoidance of doubt, the Committee does not intend to continue this approach after this LTIP cycle.

Under the terms of the LTIP award, the Committee has full discretion to reduce awards to ensure that the final outturn of the LTIP reflects all relevant factors, including consideration of any potential for windfall gains.

LTIP Performance Conditions

Performance conditions for FY2021 LTIP awards

The vesting of the FY2021 LTIP awards will be subject to an assessment of the Company's underlying financial performance across the three year performance period FY2021 – FY2023. Each award will also be subject to three separate performance conditions aligned to the Company's key priorities for each of the three years in the performance period and assessed over the relevant year, as set out below.
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 period, and Executive Directors' awards will then be subject to a further two year holding period.

Year	Weighting	Measure	Further detail
FY2021	30%	Liquidity	The use of a liquidity measure reflects our absolute focus on liquidity for the business in our response to the COVID-19 pandemic, and is fully aligned with other actions we have taken to strengthen the Group's liquidity. The targets and vesting schedule (subject to the assessment of underlying financial performance over the full three year period) are as follows: FY2021 Liquidity[1] — Vesting Less than €250 million — 0% €250 million[2] — 25% €300 million[2] — 100% 1 Cash on hand plus availability under the Group's Revolving Credit Facility as at the end of FY2021 but excluding any possible proceeds from the UK's COVID-19 Corporate Finance Facility. 2 Straight line vesting between €250 million and €300 million.
FY2022	35%	Net Debt to EBITDA	In the second year of the three year performance period, we anticipate that the current extreme impact of the COVID-19 pandemic on the industry will have reduced, such that the business will be able to focus on establishing the foundations for recovery. Therefore, for this year, we propose to set targets based on a Net Debt to EBITDA measure, reflecting our strategic priority of ensuring the appropriate level of financial gearing and profits to service debt. Those targets will be disclosed in the FY2022 Directors' Remuneration Report.
FY2023	35%	Financial measures	By the third year of the three year performance period, we anticipate that recovery from the COVID-19 pandemic and the establishment of foundations for recovery will enable us to revert to more typical financial performance measures. We currently expect that the measures will be based on earnings, cash conversion and ROCE. The details of the measures (including the weightings, and targets) will be established towards the start of FY2023 and will be disclosed in the FY2023 Directors' Remuneration Report or, if determined before its finalisation, in the FY2022 Directors' Remuneration Report.

David Forde forfeited remuneration

As announced in his appointment release, David Forde forfeited cash remuneration from his previous employment to join C&C. This included the forfeiture of a retention payment payable in cash at the end of July 2021 with a value of €1,368,785.

To align David Forde's interests with those of C&C's shareholders, compensation for this forfeited remuneration was made through an award of C&C shares with an equivalent value of €1,368,785. In addition, David Forde's contractual arrangements with his former employer meant that by resigning to join C&C he was subject to an eight week break in employment, in respect of which his loss of fixed remuneration was €103,250. We also agreed to compensate David Forde for this loss of remuneration but, notwithstanding that fixed remuneration was forfeit, agreed with David Forde that half of it would be awarded in C&C shares and half of it in a cash payment. Structuring the compensation as an award over Company shares provides an immediate alignment with shareholders' interests and the delivery of our short and long term strategic priorities.

The share award was granted at the earliest available opportunity, on 3 November 2020, over 842,636 C&C shares in aggregate with a value of €1,420,410. Reflecting the fact the forfeited remuneration bought out was guaranteed cash based remuneration, the share price at 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 and 50% of the shares in November 2023. After sales of shares to cover tax, David Forde will be required to retain 50% of the shares acquired in satisfaction of our Executive

Directors' Remuneration Committee Report (continued)

Director shareholding requirement (see page 129 for further details).

In order to give flexibility as to the basis on which the share award may be settled, we are seeking shareholder approval at the 2021 AGM to settle the award with new issue or treasury shares (on the basis that any such shares would count against the dilution limits included in the Company's LTIP).

Remuneration Policy Review

In 2020, the Committee undertook a full review of the Policy. That review took account of market practice, shareholder expectations and best practice governance developments since our last review in 2018. These matters were given careful consideration during the Policy review process. In particular, taking into account the Code provisions in relation to the alignment of Executive Director pensions with those of the wider workforce and the requirement to adopt a formal policy on post-employment shareholding requirements.

In addition to the post-employment holdings, the Committee were fully aware of the focus on Executive Director pensions and, more specifically, any difference between contributions for Executive Directors and those of the workforce. As part of the Policy that will be put to shareholders at the 2021 AGM, there is a cap on pension contributions for all future Executive Directors. The Committee is also aware of the expectation that contributions for incumbent Executive Directors are aligned with the majority of the workforce by the end of 2022, and we have set out a clear plan to achieve this for all current Executive Directors (as set out on page 112 of the Remuneration Policy).

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

We consulted with shareholders extensively during the latter part of 2020 and the early part of 2021 when the 2021 Policy was being formulated to ensure that it aligned with the expectations of our shareholders. Engagement with our key investors was constructive and insightful.

Implementation of the Remuneration Policy in FY2022

Based on the continuation of the existing approach, the Committee intends to take the following approach to the implementation of the Policy for FY2022;

Salary

In light of the continuing business uncertainty and resulting disruption to the business, the Committee has agreed that executive salaries will remain unchanged for the year ahead, in line with the wider workforce.

Pension

In line with best practice and investor expectations, the pension contributions (or cash in lieu of pension) for Executive Directors will be capped at the level available for the majority of the Group's workforce (currently 5% of salary). This 5% rate applies to both David Forde and Patrick McMahon from their appointment to the Board. For our COO, Andrea Pozzi, a phased decrease in pension has been proposed to align his pension with the wider workforce by 1 March 2023 (see page 112).

Annual Bonus

The Committee has decided to delay the establishment of any bonus scheme until later in the year once the wider impact of COVID-19 on the business is clearer. Nevertheless, in keeping with the current remuneration policy the intention is that 75% of the metrics for any bonus will be based on financial measures and the remainder on non-financial or strategic goals, which may include ESG measures.

Long-Term Incentives

The current intention is that awards of LTIPs will be made in late May / early June 2021. 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 RNS when the awards are made.

Non-Executive Directors

There are no changes to how the Remuneration Policy will be applied for Non-Executive Directors other than the requirement to 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.

Director Changes

Stewart Gilliland was appointed as interim Executive Chair from 16 January 2020 to ensure continuity of executive leadership while the Group recruited a new CEO, which we did in July 2020 with the appointment of David Forde.

In a further change, we also announced at that time the appointment of Patrick McMahon as CFO, successor to Jonathan Solesbury, who informed the Board of his intention to retire during the year.

Following the announcement of David's appointment as CEO in July 2020, and to allow an orderly process of succession, the Board requested that Stewart Gilliland continued in his role as interim Executive Chair until David joined C&C in November, 2020, at which time Stewart reverted to the role of Non-Executive Chair.

Gender Pay Gap Disclosure

In April 2021 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.

Committee Evaluation

The evaluation of the Committee was completed as part of the 2020 external board evaluation process conducted by Independent Audit. An explanation of how this process was conducted, the conclusions arising from it and the action items identified is set out on page 84. The Committee has considered this in the context of the matters that are applicable to the Committee.

Shareholder Engagement

The Committee values open, ongoing engagement with major shareholders and key institutional investor bodies.

The overall tone from shareholders was positive and constructive and enabled us to understand what was important for the Committee to consider both from a policy perspective and regarding the challenges faced in FY2021.

We believe that our current and proposed 2021 Policy arrangements remain appropriate, a view shared by our major shareholders during the consultations. It was considered that the existing model is clearly understood, supports our culture and provides a foundation to restore shareholder value in the future.

As a Committee, we will continue to engage with shareholders and institutional investor bodies in the development of our remuneration policies and structures and will continue to emphasise the links to performance and to consider wider stakeholders.

Wider Workforce Remuneration and Employee Engagement

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

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

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

Conclusion

I would like to express my appreciation to our major shareholders for helping us to develop our Policy. We value the opportunity to engage with shareholders to foster mutual understanding of expectations; and, to ensure shareholders have had an opportunity to raise any issues or concerns directly with the Board. I hope that you will join the Board in supporting the resolution to approve the 2021 Policy.

Helen Pitcher OBE
Chair of the Remuneration Committee

Directors' Remuneration Committee Report (continued)

Remuneration at a glance

Remuneration Outcomes as at 28 February 2021

Element	David Forde	Patrick McMahon	Andrea Pozzi
Base salary as at 28 February 2021	€690,000	€420,000	£321,300
Pension (% of base salary)	5%	5%	25%
Benefits	7.5%	7.5%	7.5%
Annual Bonus (% of max)	0%	0%	0%
LTIP (% of max)	0%	0%	0%

Annual Bonus Outcomes

As described, given the financial year commenced in March 2020, at the same time as the outbreak of COVID-19 and the associated government restrictions, no bonus scheme was established and no bonuses are to be paid to Executive Directors in respect of FY2021.

LTIP Outcome

The 2018 LTIP award of 100% of base salary and 2018 ESOS award of 150% granted to Andrea Pozzi in respect of the three year performance period ended on 28 February 2021 did not meet the performance conditions and the awards lapsed in full. David Forde and Patrick McMahon did not hold any awards under the 2018 LTIP and 2018 ESOS.

COVID-19 Impact on Executive Remuneration

The following table sets out the key components of executive remuneration and the decisions made by the Committee

Element of Remuneration	Committee decision	Rationale
2021 temporary salary reductions	Base salaries were reduced for 5 months for Executive Directors together with a reduction in the Chair's fee. Whilst not a decision made by the Committee, there was a corresponding reduction in the fees paid to the Non-Executive Directors.	The Committee took into consideration the wider stakeholder experience, including employees, shareholders, customers and the communities in which we operate and considered it appropriate to apply the temporary reduction.
2020-2021 bonus plan outcome	No bonus scheme was established in the financial year.	Given the financial uncertainty, the Committee and the Board did not believe it appropriate to establish a bonus scheme.
2018 LTIP and ESOS vesting	No adjustments to the awards were made during the year. The awards lapsed in full in line with performance against the targets.	The awards lapsed in accordance with the level of achievement against the performance conditions.
2021-2022 bonus plan design	No bonus plan has yet been established for Executive Directors in the financial year.	Given the impact of COVID-19, the Committee and the Board did not believe it appropriate to establish a bonus scheme at the present time.
2020 LTIP award	The multiple of salary applied to determine the award was reduced. This takes into account the fall in the share price as a consequence of the impact of the COVID-19 pandemic on the business. The awards are subject to three separate performance conditions aligned to the Company's key priorities for each of the three years in the performance period, more information in relation to which is included on page 105; as described on page 105 the awards are subject to an assessment of underlying financial performance over the full three year period.	The Committee decided to reduce the multiple of salary used to determine the number of shares to be awarded to Executive Directors and decided that the multiple of salary for the 2020 award would be reduced from 150% to 134% of salary. The Committee has faced considerable challenge in establishing meaningful and robust performance measures and targets for the FY2021 LTIP awards. No proportion of the awards will vest until the end of the full three year period and vesting of any part is subject to an overriding three year financial performance assessment.
2021 salary review	Base salaries will remain unchanged in FY2022.	The Committee took into consideration the wider stakeholder experience, including employees, shareholders, customers and the communities in which we operate and considered it appropriate for salaries to remain unchanged for FY2022.

Remuneration Policy

Introduction

The current Remuneration Policy for Directors applied from the date of the 2018 AGM (2018 Policy). In line with typical UK practice, we are seeking approval for a new Remuneration Policy (the 2021 Policy) at the 2021 AGM. The 2021 Policy is set out below, and before that we have set out our approach to the design of the 2021 Policy and a summary of the key proposed changes between the 2018 Policy and the 2021 Policy.

Designing the 2021 Policy

The 2021 Policy has been designed to continue to drive the delivery of strategy and generate value for all stakeholders under the leadership of our new CEO and CFO. We have also taken into account market practice, shareholder expectations, wider workforce pay and polices and best practice governance developments since our last Policy review (including the 2018 UK Corporate Governance Code). Overall we consider that the current remuneration framework remains fit for purpose. Therefore, the changes proposed are to provide further alignment with best practice and to ensure sufficient flexibility over the next three years.

When designing remuneration policies and principles, having regard to the Code, the Committee has applied the following principles:-

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

We have set out below information on the key proposed changes to the 2018 Policy.

- **Pension:** In line with best practice and investor expectations, the 2021 Policy reduces the Executive Directors' pension contributions (or cash in lieu of pension) from the 25% of salary level in the 2018 Policy. For David Forde, Patrick McMahon and any other Executive Director appointed after 1 March 2021, the contribution is reduced to the level available for the majority of the Group's workforce (currently 5% of salary). For our COO, Andrea Pozzi, a phased decrease in pension has been proposed to align his pension with the wider workforce by 1 March 2023 in accordance with which: (1) his pension contribution has reduced to 20% of salary with effect from 1 March 2021; (2) will reduce to 10% of salary with effect from 1 March 2022; and (3) will be reduced to the level available for the majority of the Group's workforce with effect from 1 March 2023.

- **Maximum annual bonus:** We are increasing the overall maximum annual bonus opportunity to 125% of salary. While there is no change in the maximum bonus potential for FY2022 which will remain at 100% of salary, this increase in headroom is to provide flexibility for the business during the lifetime of the 2021 Policy. Any future increase in the annual bonus potential will be considered alongside the level of stretch inherent in the targets set.

- **On-target annual bonus:** In line with best practice, the maximum on-target bonus will be capped at 50% of the maximum bonus potential (currently capped at 60% of maximum). This change will apply for FY2022.

- **Increase annual bonus deferred into shares:** To provide further alignment with shareholders, we are increasing the proportion of the bonus deferred into shares. Under the new policy up to 50% of any bonus earned will ordinarily be paid in cash with the remainder deferred into shares. The deferral period is also being increased to three years from the two years that applies under the 2018 Policy.

Directors' Remuneration Committee Report (continued)

- **Annual bonus measures:** We will retain flexibility under the new 2021 Policy to set measures and targets annually reflecting the Company's strategy and aligned with key financial, operational, strategic and/or individual objectives. The approach to the measures for the FY2022 bonus is described on page 113.

- **Long term incentive plan:** No changes are proposed to the LTIP quantum under the new 2021 Policy of up to 150% of salary (300% in exceptional circumstances). The three year performance period and two year holding period will continue to apply. As described on page 114 the performance measures for the FY2022 LTIP are intended to be based on EPS, Cash Conversion and ESG targets measured over a three year performance period, and the measures and targets will be confirmed in due course and announced when the awards are granted.

- **In-service shareholding guidelines:** The 2018 Policy includes a shareholding requirement of 200% of salary for the CEO and 100% of salary for other Executive Directors. This guideline will be increased to 200% of salary for all Executive Directors.

- **Post-employment shareholding guidelines:** We have introduced a post-employment requirement pursuant to which an Executive Director must retain 100% of their in-service shareholding requirement for 12 months following cessation and half of their in-service requirement for a further 12 months following cessation. The requirement applies only to shares acquired from LTIP and deferred bonus awards granted after 1 March 2021. We consider that this "tapered" approach, in the light of the two year holding period for LTIP awards and the introduction of bonus deferral, is a balanced way of ensuring alignment with longer term shareholder interests.

- **Governance changes:** Minor changes to the 2018 Policy to reflect governance changes are also proposed, which will update the malus and clawback provisions for variable pay, enhance discretion to override formulaic outturns on variable pay awards, and clarify the approach to dividend equivalents.

Summary

We believe the proposed 2021 Policy includes a range of enhancements which align C&C's remuneration structures with best practice and with the expectations of our shareholders. Our approach is intended to ensure we motivate our management team to deliver against stretching performance targets whilst ensuring their interests are aligned not only with shareholders' interests but also with those of wider stakeholders.

General statement of policy

The main aim of the Group's policy on Directors' remuneration is to attract, retain and motivate Directors of the calibre required to promote the long-term success of the Group. The Committee therefore seeks to ensure that Directors are properly, but not excessively, remunerated and motivated to perform in the best interests of shareholders, commensurate with ensuring shareholder value.

The Committee seeks to ensure that Executive Directors' remuneration is aligned with shareholders' interests and the Group's strategy. Share awards are therefore seen as the principal method of long-term incentivisation. Similar principles are applied for senior management, several of whom have material equity holdings in the Company.

Annual performance-related rewards aligned with the Group's key financial, operational and strategic goals and based on stretching targets are a further component of the total executive remuneration package. For senior management, mechanisms are tailored to local requirements.

The Group seeks to bring transparency to executive Directors' reward structures through the use of cash allowances in place of benefits in kind. In setting Executive Directors' remuneration, the Committee has regard to pay levels and conditions applicable to other employees across the Group.

The 2021 Policy

If the 2021 Policy is approved at the 2021 AGM, it will apply from that date.

Future 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 Director's 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.

Directors' Remuneration Committee Report (continued)

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
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.
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).	***The Company's current CEO and CFO and any Executive Director appointed after 1 March 2021*** A contribution and/or cash allowance not exceeding the level available to the majority of the Group's workforce. ***The Company's current COO*** A contribution and/or cash allowance: 1. of 20% of salary with effect from 1 March 2021; 2. of 10% of salary with effect from 1 March 2022; and 3. not exceeding the level available to the majority of the Group's workforce with effect from 1 March 2023.	None.

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
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 (100% in FY2022).	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 a 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.

Share plans and other incentives

The Committee may operate the Company's share plans in accordance with their terms and exercise any discretions available to them under the plans, including that awards may be adjusted in the event of a variation of capital, demerger, special dividend or other relevant event. Awards may be settled, in whole or in part, in cash, although the Committee would only settle an Executive Director's award in cash in appropriate circumstances, such as where there is a regulatory restriction on the delivery of shares or as regards the tax liability arising in respect of the award.

In the event of a change of control or other relevant event, awards under the share plans will vest to the extent determined in accordance with the rules of the plans, after the exercise, where relevant, of any applicable discretion.

- Unvested LTIP awards will vest taking into account the performance conditions and pro-rating for time, although the Committee has discretion not to apply time pro-rating.
- Vested LTIP awards which are in a holding period will be released to the extent already determined.
- Deferred bonus awards will vest in full.
- Awards under the all-employee plans will vest in accordance with the rules of those plans, which do not provide for any discretionary treatment.

Legacy payments

The Committee reserves the right to make any remuneration payment or any payment for loss of office (including exercise any discretion in respect of any such payment) without the need to consult with shareholders or seek their approval, notwithstanding that it is not in line with the policy set out above, where the terms of the payment were agreed either:

- before the policy came into effect (provided that, in the case of any payment agreed after the Company's 2015 Annual General Meeting, it is in line with the policy in effect at the time the payment was agreed); or
- at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes: the term 'payment' includes any award of variable remuneration; in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Minor changes

The Committee may, without the need to consult with shareholders or seek their approval, make minor changes to this Policy to aid in its operation or implementation taking into account the interests of shareholders.

Comparison with remuneration policy for employees generally

Remuneration packages for Executive Directors and for employees as a whole reflect the same general remuneration principle that individuals should be rewarded for their contribution to the Group and its success, and the reward they receive should be competitive in the market in which they operate without paying more than is necessary to recruit and retain them.

The remuneration package for Executive Directors reflects their role of leading the strategic development of the Group. Accordingly there is a strong alignment with shareholders' interests, through long term performance-based share rewards. Senior management are similarly rewarded.

These rewards are not appropriate for all employees but it is the Committee's policy that employees in general should be afforded an opportunity to participate in the Group's success through holding shares in the Company through all-employee plans.

Executive Directors are incentivised through an annual cash bonus to achieve shorter term objectives and all employees are similarly incentivised. The deferral of bonus for the Executive Directors increases their alignment with the longer term interests of shareholders.

For Executive Directors the remuneration package reflects the demands of a global market. For employees generally, remuneration and reward are tailored to the local market in which they work. It is the Committee's policy that all employees should share in the success of the business divisions towards whose success they have contributed.

Consideration of employment conditions generally and consultation with employees

As described above, when setting the policy for Executive Directors' remuneration, the Committee applies the same core principle as applied for the pay and employment conditions of other Group employees. When reviewing Directors' remuneration, the Committee has regard to the outcome of pay reviews for employees as a whole.

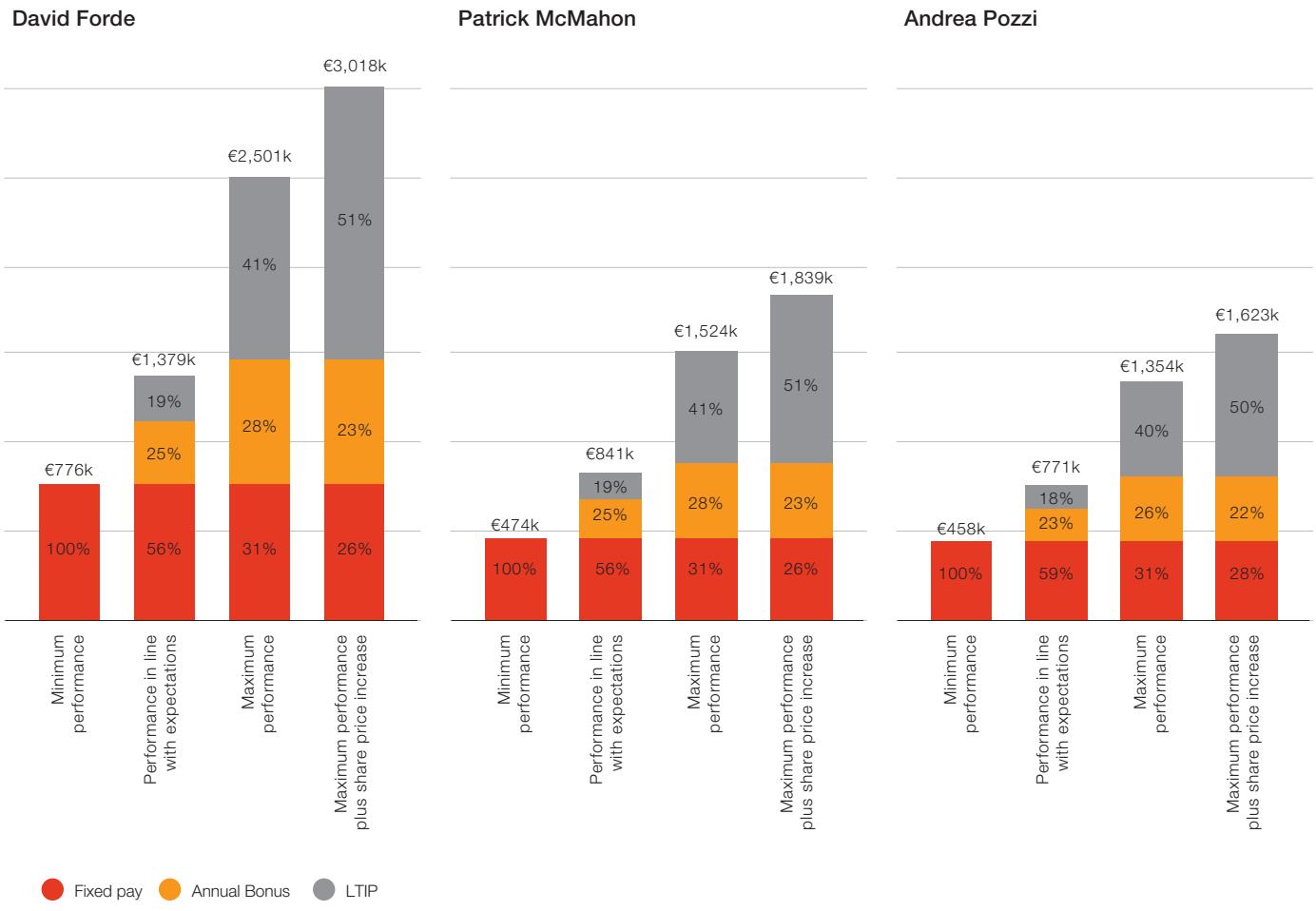
The Committee did not directly consult with employees when formulating the Directors' remuneration policy set out in this report and no remuneration comparison measurements comparing Executive Directors' remuneration with employees were generally used.

The Group has regular contact with employee representatives on matters of pay and remuneration for employees covered by collective bargaining or consultation arrangements.

Directors' Remuneration Committee Report (continued)

Illustration of remuneration policy

The following charts show the level of remuneration and the relative split of remuneration between fixed pay (base salary, benefits and cash allowance in lieu of pension) and variable pay (annual bonus and LTIP) for each Executive Director on the basis of minimum remuneration, remuneration receivable for performance in line with the Company's expectations, maximum remuneration (not allowing for any share price appreciation) and maximum remuneration assuming a 50% increase in the share price for the purposes of the LTIP element.



Bases and Assumptions

For the purposes of the above charts, the following assumptions have been made:

- Base salary is the latest known salary as at 1 March 2021.
- Benefits as disclosed in the single figure table on page 124 for the year ended 28 February 2021, but "annualised" in the case of David Forde and Patrick McMahon to reflect that the value disclosed on page 124 is for a part year only.
- Cash allowance in lieu of pension for Executive Directors at the level of 5% of salary for David Forde and Patrick McMahon and 20% of salary for Andrea Pozzi (based on salary as at 1 March 2021).
- An annual bonus opportunity of 100% of salary
- An LTIP award of 150% of salary.

Where relevant, the average exchange rate for FY2021 has been used for ease of comparison.

In illustrating the potential reward the following assumptions have been made:

Minimum performance	Performance in line with expectations	Maximum performance	Maximum performance plus share price increase
Fixed pay			
Fixed elements of remuneration (base salary, benefits allowance and pension allowance)	Fixed elements of remuneration (base salary, benefits allowance and pension allowance)	Fixed elements of remuneration (base salary, benefits allowance and pension allowance)	Fixed elements of remuneration (base salary, benefits allowance and pension allowance)
Annual bonus			
No bonus	50% of salary delivered for achieving target performance	100% of salary delivered for achieving maximum performance	100% of salary delivered for achieving maximum performance
LTIP			
No vesting	25% of the award (37.5% of salary) for achieving threshold performance	150% of salary for achieving maximum performance	150% of salary for achieving maximum performance plus an assumed 50% increase in the share price giving an overall value of 225% of salary.

Recruitment remuneration policy

When recruiting a new Executive Director, the Committee will typically seek to use the Policy detailed in the table above to determine the appropriate remuneration package to be offered. To facilitate the hiring of candidates of the appropriate calibre required to implement the Group's strategy, the Committee retains the discretion to make payments or awards which are outside the Policy subject to the principles and limits set out below.

In determining appropriate remuneration, the Committee will take into consideration all relevant factors (including the quantum and nature of remuneration) to ensure the arrangements are in the best interests of the Group and its shareholders. This may, for example, include (but is not limited to) the following circumstances:

- an interim appointment is made to fill an Executive Director role on a short-term basis;
- exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis;
- an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long-term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis;
- the Executive Director received benefits at his previous employer which the Committee considers it appropriate to offer.

The Committee may also alter the performance measures, performance period, vesting period, deferral period and holding period of the annual bonus or long-term incentive if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained.

The Committee may make an award to compensate the prospective employee for remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will take account of relevant factors regarding the forfeited arrangements which may include the form of any forfeited awards (e.g. cash or shares), any performance conditions attached to those awards (and the likelihood of meeting those conditions) and the time over which they would have vested. These awards or payments are excluded from the maximum level of variable remuneration referred to below; however, the Committee's intention is that the value awarded or paid would be no higher than the expected value of the forfeited arrangements.

Any share awards referred to in this section will be granted as far as possible under the Group's existing share plans. If necessary, and subject to the limits referred to below, recruitment awards may be granted outside of these plans.

Directors' Remuneration Committee Report (continued)

Recruitment awards will normally be liable to forfeiture or "clawback" on early departure (i.e. within the first 12 months of employment).

It would be the Committee's policy that a significant portion of the remuneration package (including any introductory awards) would be variable and linked to stretching performance targets and continued employment. The maximum level of variable remuneration that may be granted to new Directors (excluding buy-out arrangements) is 425% of base salary.

Where a position is filled internally, any pre-appointment remuneration entitlements or outstanding variable pay elements shall be allowed to continue according to the original terms.

Fees payable to a newly-appointed Chair or Non-Executive Director will be in line with the fee policy in place at the time of appointment.

Policy on payment for loss of office

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

Compensation on Termination

The service contracts of the Executive Directors do not contain any pre-determined compensation payments in the event of termination of office or employment other than payment in lieu of notice.

The principles on which the compensation for loss of office would be approached are summarised below:

Policy	
Notice period	None of the Executive Directors has a service contract with a notice period in excess of one year. Service contracts for new Directors will generally be limited to 12 months' notice by the Company.
Termination payment/ payment in lieu of notice	The Company has retained the right to make payment to the Executive Director of 12 months' fixed remuneration in lieu of the notice period. Discretionary benefits may also include, but are not limited to, outplacement and legal fees.
Annual bonus	Payment of the annual bonus would be at the discretion of the Committee on an individual basis and would be dependent upon the circumstances of their departure and their contribution to the business during the bonus period in question. A departing Director may be eligible, depending on the circumstances and subject to performance, for payment of a bonus pro-rata to the period of employment during the year, to be payable at the usual time.
Share based awards	The vesting of share based awards is governed by the rules of the relevant incentive plan.

Policy	
LTIP **Unvested awards**	'Good leavers' typically include leavers due to death, injury, ill-health, disability, redundancy and retirement with the consent of the Company or business disposal or any other reason as determined by the Committee. The provisions for 'good leavers' provide that unvested awards will vest at the normal vesting point taking account of the performance over the period and subject to pro-rating for time, although the Committee has discretion to waive pro-rating for time. Any holding period would typically continue to apply. The Committee has the discretion to accelerate vesting (and release) to the date of cessation of employment (and to assess performance accordingly) or to determine vesting at the end of the performance period and to release the award then.
LTIP **Vested but unreleased awards**	Under the LTIP, if a participant ceases employment during a holding period, their award will continue unless he/she is summarily dismissed, in which case the award will lapse. Awards which are retained will typically be released at the originally anticipated release date. However, the Committee has discretion to release the award at the date of cessation.
Deferred bonus awards	In the event of cessation due to death, ill-health, injury or disability, the deferred bonus share award would be released as soon as practicable following termination. In the event of cessation for any other reason (unless the participant is summarily dismissed, in which case the award will lapse), the award will be released at the normal time, although the Committee has discretion to release at cessation.
Mitigation	Executive Directors' service contracts contain no contractual provision for reduction in payments for mitigation or for early payment, and accordingly any payment during the notice period will not be reduced by any amount earned in that period from alternative employment obtained as a result of being released from employment with the Group before the end of the contractual notice period.
Other payments	Payments may be made under the Company's all employee share plans which are governed by the Irish Revenue Commissioners and HMRC tax-advantaged plan rules and which cover leaver provisions. There is no discretionary treatment of leavers under these plans. Payments may also be made in respect of accrued but untaken holiday and for fees for any outplacement services and legal and professional advice in connection with the termination. Where on recruitment a buy-out award had been made outside the LTIP 2015, then the applicable leaver provisions would be specified at the time of the award.

The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. In doing so, the Committee will recognise and balance the interests of shareholders and the departing Executive Director, as well as the interests of the remaining Directors. Where the Committee retains discretion it will be used to provide flexibility in certain situations, taking into account the particular circumstances of the Director's departure and performance.

Directors' Remuneration Committee Report (continued)

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

Letters of appointment

Each of the Non-Executive Directors in office during the financial year 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
Jim Clerkin	1 April 2017
Vincent Crowley	23 November 2015
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.

Directors' Remuneration Committee Report (continued)

Annual Remuneration Report

Remuneration in detail for the Year ended 28 February 2021

Directors' Remuneration (Audited)

The following table sets out the total remuneration for directors for the year ended 28 February 2021 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 2021 and the prior year. Stewart Gilliland was interim Executive Chair from 1 March 2020 until 2 November 2020, at which point he reverted to his role of Non-Executive Chair; given his current role, his remuneration for the whole year is included in the Single Total Figure of Remuneration Table for Non-Executive Directors on page 128.

	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	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Executive Directors																
David Forde[1]	230	-	17	-	-	-	-	-	12	-	-	-	1,472	-	1,731	-
Stephen Glancey[2]	-	698	-	52	-	174	-	1,120	-	175	-	698	-	56	-	2,973
Patrick McMahon[3]	255	-	19	-	-	-	-	-	13	-	-	-	-	-	287	-
Andrea Pozzi	311	368	27	28	-	46	-	544	90	92	-	-	-	-	428	1,078
Jonathan Solesbury[4]	137	497	13	37	-	124	-	1,020	48	124	641	-	37	-	198	1,802
Total	933	1,563	76	117	-	344	-	2,684	163	391	641	698	1,509	56	3,322	5,853

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

1. Figures for David Forde are from 2 November 2020, the date he joined the Board.
2. Stephen Glancey left the Board on 15 January 2020 and the Group on 29 February 2020. The remuneration referred to in the table above for FY2020 is the remuneration he earned for the full year.
3. Figures for Patrick McMahon are from 23 July 2020, the date he joined the Board.
4. 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 (following the conclusion of a handover period) as further described on page 125.

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).

(c) Annual bonus

No bonus scheme was implemented in FY2021 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 2018 in respect of the LTIP and ESOS, the performance conditions for these awards are detailed in note 4 (Share-Based Payments). These awards lapsed in full.

LTIP Performance Conditions

Performance condition	Weighting	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2019, FY2020 and FY2021	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%

ESOS Performance Conditions

Performance condition	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2019, FY2020 and FY2021		
Threshold	2%	25%
Maximum	6%	100%

Details of the performance conditions for the 2017 LTIP and ESOS awards were included in the Directors' Remuneration Report last year.

(e) Pensions related benefits

No Executive Director accrued any benefits under a defined benefit pension scheme. Under their service contracts, Executive Directors received a cash payment of 25% of base salary (or 5% of salary for David Forde and Patrick McMahon) in order to provide their own pension benefits as disclosed in column (e) of the table.

(f) Termination payments

Stephen Glancey stepped down as Group Chief Executive Officer with effect from 15 January 2020 and left the Company on 29 February 2020. Details of payments made to Stephen Glancey in connection with his leaving the Company were included in the prior year Directors' Remuneration Report.

Jonathan Solesbury retired from the Board as Group Chief Financial Officer on 23 July 2020 and left the business on 31 August 2020 following the conclusion of a handover period. Between 23 July 2020 and 31 August 2020 he continued to receive his basic salary and contractual benefits (with the basic salary subject to the 20% reduction referred to on page 103). Following his departure from the business, he received €641,129 in lieu of his notice period.

(g) Miscellaneous

The miscellaneous payments are: (1) in respect of 2020, a payment made to Stephen Glancey in relation to holiday entitlement, as disclosed in the Directors' Remuneration Report for the year ended 29 February 2020; (2) in respect of 2021, the awards granted to David Forde to compensate him for remuneration forfeited to join C&C as referred to on pages 105 to 106; and (3) in respect of 2021, a payment of €37,221 made to Jonathan Solesbury in relation to holiday entitlement that was not taken at the time of stepping down from the Board.

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 other than those made to Jonathan Solesbury, as outlined above.

Directors' Remuneration Committee Report (continued)

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 existing policy, the CEO was expected to maintain a personal shareholding of at least two times' salary, while other Executive Directors were required to hold one times' salary. This has been increased to two times' salary for all Executive Directors under the new Policy.

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.

Under the new Policy, Non-Executive Directors are required to build up and maintain a shareholding equivalent to 50% of their annual base fee within 3 years of their appointment or within 3 years from the date of approval of the Policy, if later.

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 2021 in the share capital of the Company are detailed below:

	28 February 2021 (or date of retirement from the Board if earlier) Total	1 March 2020 (or date of appointment if later) Total
Directors		
David Forde*	-	-
Patrick McMahon	52,473	2,858
Andrea Pozzi	126,514	66,465
Total	178,987	69,323

David Forde was granted 842,636 C&C shares on 3 November 2020 with a value of €1,420,410. 50% of this award will vest in November 2022 and 50% in November 2023.

Company Secretary		
Mark Chilton *	18,005	17,587

* 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 2021 and 14 May 2021, being the latest practicable date, Patrick McMahon acquired 168 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 115.

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 2021. Awards granted under the LTIP are subject to performance conditions as set out on page 105 measured over a performance period from 1 March 2020 to 28 February 2023. During the year, David Forde was granted awards ("Buy-Out Awards") to replace remuneration forfeited upon his departure from his former employer. Buy-Out Award 1 will vest on 3 November 2022 and Buy-Out Award 2 will vest on 3 November 2023.

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	134% of base salary	363,357	924,380	25%
	Buy-Out Award 1[3]	N/A	421,318	710,205	N/A
	Buy-Out Award 2[3]	N/A	421,318	710,205	N/A
Patrick McMahon	LTIP	134% of base salary	221,174	562,666	25%
Andrea Pozzi	LTIP	134% of base salary	188,421	479,343	25%

1. The LTIP awards were granted 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 of the day before the date of grant on 2 December 2020 converted into Euro, being £2.285 (€2.544). The face value of the Buy-Out Awards is based on the number of shares under award multiplied by the closing share price of the grant date 2 November 2020 converted into €, being £1.518 (€1.685).
3. 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 and accordingly the "Maximum opportunity" is not expressed as a percentage of base salary. The awards are not subject to performance conditions and accordingly there is no percentage vesting "at threshold".

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 2020 (or date of appointment if later)	Awarded in year	Exercised in year	Lapsed in year	Total at 28 February 2021
David Forde	3/11/20	€0.00	Buy-out 1	3/11/22-3/11/30		421,318			421,318
	3/11/20	€0.00	Buy-out 2	3/11/23-3/11/30		421,318			421,318
	2/12/20	€0.00	LTIP	2/12/23 – 2/12/30		363,357			363,357
				Total		1,205,993			1,205,993
Andrea Pozzi	21/5/14	€0.00	R&R	21/5/17–20/5/21	4,360		4,360		
	29/10/15	€0.00	R&R	17/5/17–28/10/22	7,128		7,128		
	1/6/17	€0.00	LTIP	1/6/20–31/5/27	97,888		97,888		
	1/6/17	€3.40	ESOS	1/6/20–31/5/27	146,833				146,833
	31/5/18	€0.00	LTIP	31/5/21–30/5/28	110,845				110,845*
	31/5/18	€2.99	ESOS	31/5/21–30/5/28	166,268				166,268*
	23/5/19	€0.00	LTIP	23/5/22 - 31/5/29	142,904				142,904
	2/12/20	€0.00	LTIP	2/12/23 – 2/12/30		188,421			188,421
				Total	676,226	188,421	109,376		755,271
Patrick McMahon	01/08/17	€0.00	LTIP	01/08/20 – 01/08/27	75,980		75,980		
	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			221,174
				Total	200,774	221,174	75,980		345,968
Mark Chilton	11/2/19	€0.00	LTIP	11/2/24–10/2/29	86,334				86,334
				Total	86,334				86,334

Key: ESOS – Executive Share Option Scheme; LTIP – Long Term Incentive Plan approved in 2015; R&R – Recruitment & Retention Plan (legacy awards and not applicable to Executive Directors)
* The May 2018 LTIP and ESOS Awards lapsed in full subsequent to the FY2021 year-end.

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 26 February 2021 (being the last working day) was £2.58 (29 February 2020: £3.28). The price of the Company's ordinary shares ranged between £1.45 and £3.36 during the year.

There was no movement in the interests of the Directors in options over the Company ordinary shares between 28 February 2021 and 26 May 2021.

Directors' Remuneration Committee Report (continued)

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 2021 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 due to the outbreak of COVID-19. Fees are the only element of the Non-Executive Directors' remuneration.

Year ended February	Salary/fees 2021 €'000	2020 €'000
Non-Executive Directors		
Jill Caseberry	64	69
Jim Clerkin	61	65
Vincent Crowley[1]	80	86
Emer Finnan	84	92
Stewart Gilliland[2]	377	278
Geoffrey Hemphill[3]	-	11
Richard Holroyd[4]	-	19
Helen Pitcher	82	85
Jim Thompson	71	69
Total	819	774

1. Vincent Crowley was appointed as Senior Independent Director from 1 June 2019.
2. 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.
3. Geoffrey Hemphill stepped down from the Board on 1 May 2019; the figures reflect his remuneration until his departure.
4. Richard Holroyd stepped down from the Board on 31 May 2019; the figures reflect his remuneration until his departure.

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 €
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 who served during the year in the share capital of the Company are detailed below:

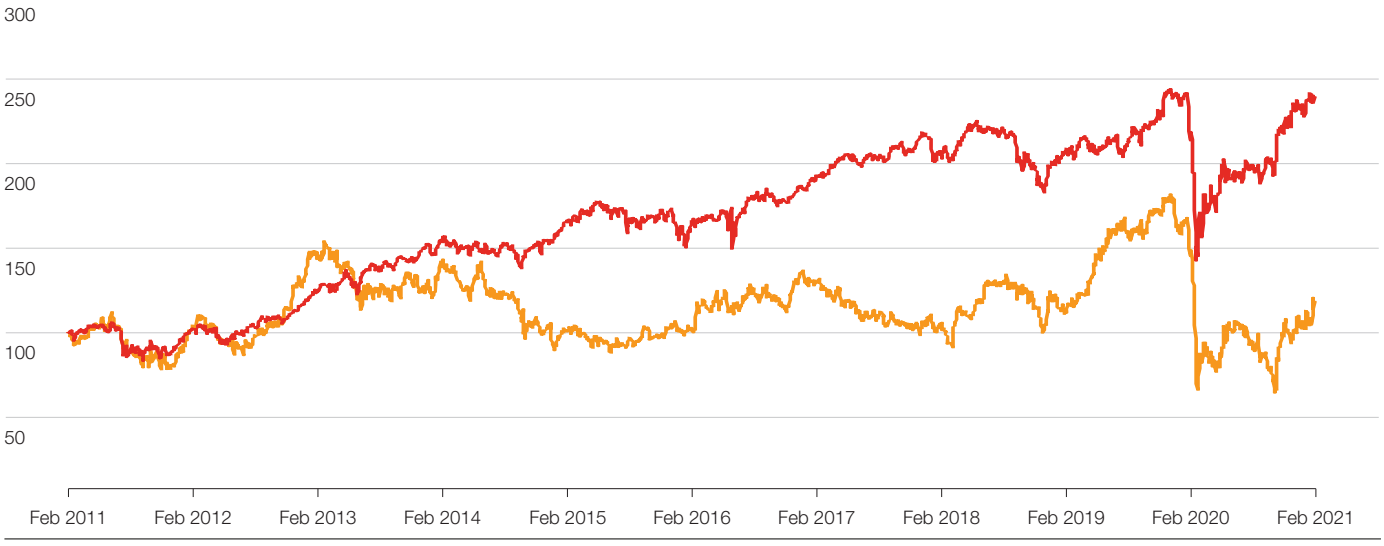
	28 February 2021 (or date of retirement from the board if earlier) Total	1 March 2020 (or date of appointment if later) Total
Directors		
Jill Caseberry	5,000	5,000
Jim Clerkin	45,000	40,000
Vincent Crowley	20,000	20,000
Emer Finnan	7,954	7,954
Stewart Gilliland	129,165	89,165
Helen Pitcher	-	-
Jim Thompson	157,780	157,780
Total	364,899	319,899

There were no changes in the above Non-Executive Directors' share interests between 28 February 2021 and 26 May 2021.

Performance graph and table

This graph shows the value, at 28 February 2021, of £100 invested in the Company on 28 February 2011 compared to the value of £100 invested in the FTSE 250 Index. The Company became a member of the FTSE 250 Index on the London Stock Exchange on 23 December 2019 and the Committee believes that this is the most appropriate index against which to compare the performance of the Company (prior to this the Company had its primary listing on the Irish Stock Exchange).

Total shareholder return



Source: Thomson

Directors' Remuneration Committee Report (continued)

Chief Executive Officer

The following table sets out information on the remuneration of the Chief Executive Officer for the ten years to 28 February 2021:

		Total Remuneration €'000	Annual Bonus (as % of maximum opportunity)	Long term incentives vesting (as % of maximum number of shares)
FY2012	John Dunsmore (to 31/12/11)	1,126	75%	100%
FY2012	Stephen Glancey (from 1/1/12)	956	75%	100%
FY2013	Stephen Glancey	1,321	Nil	100%
FY2014	Stephen Glancey	1,152	18.75%	7%
FY2015	Stephen Glancey	980	Nil	Nil
FY2016	Stephen Glancey	1,230	25%	Nil
FY2017	Stephen Glancey	1,052	Nil	Nil
FY2018	Stephen Glancey	994	18%	Nil
FY2019	Stephen Glancey	1,777	100%	Nil
FY2020	Stephen Glancey (to 15/01/20)	2,219	25%	100%
FY2020	Stewart Gilliland (from 16/01/20)	71	N/A	N/A
FY2021	Stewart Gilliland (to 02/11/20)	301	N/A	N/A
FY2021	David Forde (from 02/11/20)	1,731	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 includes the Buy-Out awards granted to compensate him for remuneration forfeited to join C&C as referred to on pages 105 to 106.

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 and FY2021. 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.

The FY2020 figures are presented on the same basis as in the Directors' Remuneration Report for the prior year.

In FY2021, Stewart Gilliland was interim Executive Chair from 1 March 2020 until 2 November 2020 when David Forde was appointed Chief Executive Officer, at which point he reverted to his role as Non-Executive Chair. Stewart Gilliland's remuneration as interim Executive Chair and David Forde's total remuneration as Group Chief Executive Officer during FY2021 have been included in the calculations of the CEO pay ratio.

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 FY2021. In calculating the ratio, the Company determined full time equivalent annual remuneration for UK employees, employed in the business as at 28 February 2021. 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

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

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

*The total remuneration ratios for 2020 have been restated to correct an error in the prior year ratio calculation.

The Company believes that the median pay ratio for FY2021 is consistent with the pay, reward and progression policies for the UK employees. The change in the ratios between FY2020 and FY2021 are attributable to a number of factors including the FY2021 CEO remuneration being the aggregate of the Executive Chair's and CEO's remuneration, the reduction in Directors' remuneration in FY2021 and a significant proportion of employees being placed on furlough during FY2021, as a result of the COVID-19 pandemic.

Annual Percentage Change in Remuneration of Directors and Employees

To reflect the most recent UK regulations in relation to remuneration reporting, this year we are reporting the percentage change in salary/fees and bonus of the Directors and employees. 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 table below shows the percentage change in each Director's salary/fees and bonus between the year ended 29 February 2020 and the year ended 28 February 2021, and 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. David Forde and Patrick McMahon were appointed to the Board during FY2021 and, accordingly, they have been excluded from the table below. Jonathan Solesbury has also been excluded as he stepped down from the Board on 23 July 2020.

	Average Employee[1]	Andrea Pozzi[2]	Stewart Gilliland[2]	Jill Caseberry[2]	Jim Clerkin[2]	Vincent Crowley[2]	Emer Finnan[2]	Helen Pitcher[2]	Jim Thompson[2]
Salary/Fees	(4.2%)	(15.6%)	35.6%	(7.2%)	(6.2%)	(7.0%)	(8.7%)	(3.5%)	2.9%
Annual Bonus	N/A	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 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.

Directors' Remuneration Committee Report (continued)

Shareholder Voting at 2018 and 2020 Annual General Meeting

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

Directors' Remuneration Report

AGM	For	Against	Withheld
2020	245,928,278	1,701,080	9,738

Directors' Remuneration Policy

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

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 2018, our revised Policy was approved by our shareholders on an advisory basis. At the 2021 AGM, shareholders are invited to vote on the 2021 Annual Remuneration Report and the proposed Remuneration Policy for 2021-2024.

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

Helen Pitcher OBE
Chair of the Remuneration Committee
26 May 2021

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 74 and 75 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- So far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware;
- They have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.
- The Group Financial Statements, prepared in accordance with IFRS as adopted by the European Union and the Company financial statements prepared in accordance with FRS 101 give a true and fair view of the assets, liabilities, financial position of the Group and Company at 28 February 2021 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

26 May 2021

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 2021, 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 2021;
- 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 151 to 166.

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

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 2021 and of the Group's loss for the year then ended;
- the Company financial statements gives a true and fair view of the assets, liabilities and financial position of the Company as at 28 February 2021;
- 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
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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. Events or conditions were identified, and audit procedures designed to evaluate the effect of these on the Group's and the Company's ability to continue as a going concern; and
- Involved members of our internal corporate finance and modelling specialists as part of the audit team to support procedures in respect of the model used and the scenarios considered.

Management's process for assessing going concern

- In conjunction with our walkthrough of the Group's financial statement close process, engaged with management early to ensure key factors were considered in their assessment including controls;
- Obtained management's board-approved forecast cash flows and covenant calculations covering the period of assessment from the date of signing to 31 August 2022 ("going concern assessment period"), along with the Group's assessment models for the going concern base case and reasonable worse case 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 entity; 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 (prior to COVID-19);
- Tested the assumptions included in each modelled scenario. 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 the phased reopening of the on-trade channel for England, Scotland and Ireland, we reviewed and challenged the phasing assumptions. The assumptions were predicated on available Government guidance for each region;

- Tested the forecast models for each scenario to ensure that they were mathematically accurate;
- Evaluated the relevance and reliability of the underlying data used to make the assumptions included in the assessment by corroborating underlying data to available Government guidance, trading experienced throughout 2020 amid varying degrees of restrictions and social distancing guidance in each region; and
- Considered industry reports and market data for indicators of contradictory evidence, including a review of profit warnings within the sector.

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;
- Verified the covenant waivers in place covering the August 2021 and February 2022 measurement dates, which were replaced by a gross debt cap and the requirement to maintain a minimum level of available liquidity (the "Minimum Liquidity Requirements") amounting to €150m with a reduction to €120m for the month ending 31 July 2021; reduction to €80m for the month ending 30 June 2022; and a reduction to €100m for the month ending 31 July 2022; and
- Considered the accuracy of management's forecast model in complying with the Minimum Liquidity Requirements by reference to the above amounts.

Stress testing and Management's plans for future actions

- Performed sensitivity analysis assuming a further lockdown and cessation of on trade business for the October to December 2021 period with a gradual re-opening in January and February 2022, which indicated that there was still liquidity headroom under this scenario;
- Assessed the plausibility of management's reasonable worse case scenario by evaluating the actual COVID-19 impact on the Group subsequent to the year end and considering industry outlook analysis; and
- Evaluated management's ability to undertake mitigating actions to reduce cash outflows during the going concern assessment period in order 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

The going concern assessment is most sensitive to the level of phased re-opening of the on-trade business during the assessment period. Under both the base case and reasonable worse case scenarios, the Group is not forecasted to breach the Minimum Liquidity Requirement during the going concern assessment period. Our sensitivity testing indicated that there was still liquidity headroom when the additional stress assumptions outlined above were applied, with periods of lower headroom caused by the timing of working capital flows and the timing of specifically identified outflows.

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 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.

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

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 10 components and performed audit procedures on specific balances for a further 8 components • We performed specified procedures at a further 6 components that were determined by the Group audit team in response to specific risk factors • The components where we performed either full or specific audit procedures accounted for 98.7% of the Group's loss before tax from continuing operations, 97.0% of the Group's Net Revenue and 97.8% 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) and impairment assessment of equity accounted investments • Revenue recognition
Materiality	• Overall Group materiality was assessed to be €3.7 million which represents approximately 0.5% of the Group's Net Revenue. In our prior year audit, we adopted a materiality of €4.8 million based on 5% of the Group's profit before tax before non-recurring exceptional items.
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 broadened to include impairment assessment of equity accounted investments. • In the prior year, our auditor's report included a key audit matter in relation to *IFRS 16 Implementation* which is no longer considered a key audit matter in the current year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Recoverability of on-trade receivable balances and advances to customers (Trade receivables 2021: €75.9m, 2020: €93.1m, advances to customers 2021: €42.1m, 2020: €44.7m) The Group has a risk through exposure to on-trade receivable balances and advances to customers who may experience financial difficulty given the ongoing national and international lockdowns and restrictions in Ireland, the UK and across the world following the outbreak of COVID-19 which has resulted in the closure of pubs, bars, clubs and restaurants. Refer to the Audit Committee Report (page 88); and Statement of Accounting Policies (pages 163 to 164); and Note 15 of the Consolidated Financial Statements (pages 199 to 200).	We have performed a thorough review of the Expected Credit Loss (ECL) model in relation to on-trade receivables and advances with customers considering C&C's use of top-down 'management overlays' to account for current macro-economic scenarios. As part of this review we critically assessed management's assumptions and estimates for accuracy and robustness. We have also benchmarked assumptions used within the model to third party data where possible. Given the level of uncertainty and the sensitivity of judgements and estimates used, we reviewed all key assumptions used and judgements made in estimating ECL.	We completed our planned audit procedures with no exceptions noted. Our observations included our assessment of management's methodology for calculating expected credit losses in accordance with IFRS 9. We focused on the significant judgements made by management, benchmarked key assumptions and the appropriate disclosure of these in the financial statements.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment assessment of goodwill & intangible brand assets (2021: €646.0m, 2020: €652.9m) 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 (pages 88 to 89); Statement of Accounting Policies (pages 157 to 158); and Note 12 of the Consolidated Financial Statements (pages 190 to 195).	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 analysis • all disclosures are appropriate to the requirements of IAS 36.

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Assessment of the valuation of property, plant and equipment (PP&E) (2021: €139.3m, 2020: €146.7m) and impairment assessment of equity accounted investments (2021: €63.1m, 2020: €83.9m) 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. The Group's interest in equity accounted investments comprise interests in associates and joint ventures. In line with the requirements of IAS 36: 'Impairment of Assets' ('IAS 36'), management tests equity accounted investments where there are indicators of impairment. The 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 assumptions of future profitability, revenue growth, margins and forecast cash flows, and the selection of appropriate P/E multiple, all of which may be subject to management override. Refer to the Audit Committee Report (page 89); Statement of Accounting Policies (pages 155 to 156 and 154 to 155); and note 11 and note 13 of the Consolidated Financial Statements (pages 185 to 189 and 195 to 198) for PP&E and Equity accounted investments respectively.	For PP&E, we inspected the independent expert valuation reports in order to assess the integrity of the data and key assumptions underpinning the valuations. Our specialist valuation team performed an independent assessment on the reasonableness of the key assumptions and judgements underlying the valuations. We corroborated the key assumptions and considered consistency to market data and observable inputs. We considered the adequacy of management's disclosures in respect of the valuation and whether the disclosures appropriately communicate the underlying sensitivities. For equity accounted investments our focus was on Admiral Taverns which is the Group's most significant joint venture. We considered all quantative and qualitative factors in assessing management's market based valuation. We assessed the historical accuracy of management's estimates, corroborated key assumptions which included the reopening of on trade in England, the location and composition of the portfolio of pubs, the real estate value and assessed the level of trade since the pubs reopened for external trading in England. We have reviewed the adequacy of management's disclosures in respect of the market 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 • the results of our testing on the outcome of the valuations and in respect of the related disclosures.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition (2021: €736.9m, 2020: €1,719.3m) The Group generates revenue from a variety of geographies and across a large number of separate legal entities spread across the Group's four business segments. The Group's revenue particularly on supply, complex and non-standard customer contracts agreements may not have been accounted for correctly. In this regard we focused our risk on revenue generated in connection with certain of the Group's arrangements with third parties entered into in order to utilise excess capacity and other material complex arrangements with customers. Revenue is an important element of how the Group measures its performance, and revenue recognition is therefore inherently susceptible to the risk of management override. Refer to the Audit Committee Report (page 89); Statement of Accounting Policies (pages 160 to 161); and note 1 of the Consolidated Financial Statements (pages 167 to 170).	We considered the appropriateness of the Group's revenue recognition accounting policies; in particular, those related to supply, complex and non-standard customer contracts. For the purpose of our audit, the procedures we carried out included the following: • We have evaluated the systems and key controls, designed and implemented by management, related to revenue recognition • We considered the appropriateness of the Group's revenue recognition policy • We discussed with management the key assumptions, estimates and judgements related to recognition, measurement and classification of revenue in accordance with *IFRS 15: Revenue* • In addition, we have discussed significant and complex customer contracts, discounts and the treatment of marketing contribution to ensure that accounting policies are applied correctly • We performed journal entry testing and verification of proper cut-off at year-end.	We completed our planned audit procedures with no exceptions noted. Our observations included: • an overview of the risk • an outline of the procedures performed • the judgements we focused on and the results of our testing.

Our application of materiality

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

Materiality

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

We determined materiality for the Group and Company to be €3.7 million, which is approximately 0.5% of the Group's Net Revenue, (2020: €4.8 million based on 5% of the Group's profit before tax before non-recurring exceptional items). We believe that Net Revenue provides us with the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance measure to the stakeholders of the Group.

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

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely €1.85 million (2020: €2.38 million). We have set performance materiality at this percentage based on our assessment of the risk of misstatements, both corrected and uncorrected, consistent with the prior year.

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

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €0.18 million (2020: €0.24 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

An overview of the scope of our audit report

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

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

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected 18 (2020: 20) components covering entities across Ireland, UK, Luxembourg and the US, which represent the principal business units within the Group.

Of the 18 (2020: 20) components selected, we performed an audit of the complete financial information of 10 (2020: 10) components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 8 (2020: 10) 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 18 components discussed above, we selected a further 6 (2020: 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 98.9% (2020: 99.6%) of the Group's loss before tax, 99.6% (2020: 98.6%) of the Group's net revenue and 99.5% (2020: 99.4%) of the Group's total assets.

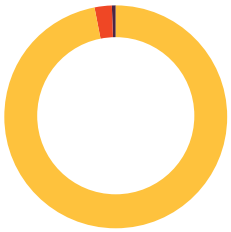
For the current year, the full scope components contributed 85.0% (2020: 85.0%) of the Group's loss before tax, 97.0% (2020: 97.1%) of the Group's net revenue and 97.3% (2020: 93.3%) of the Group's total assets. The specific scope component contributed 13.7% (2020: 12.6%) of the Group's loss before tax, 0.0% (2020: 0.0%) of the Group's net revenue and 0.5% (2020: 0.4%) 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 0.2% (2020: 1.9%) of the Group's loss before tax, 2.6% (2020: 1.5%) of the Group's net revenue and 1.7% (2020: 5.7%) 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 tested for the Group.

Of the remaining components that together represent 1.1% (2020: 0.4%) of the Group's loss before tax, none are individually greater than 5% (2020: 5%) of the Group's loss before tax before non-recurring exceptional items. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements. The charts below illustrate the coverage obtained from the work performed by our audit teams.

Loss before tax

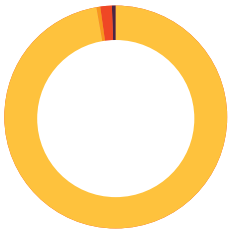
85.0%	Full scope components
13.7%	Specific scope components
0.2%	Specified procedures
1.1%	Other procedures

Revenue



97.1%	Full scope components
0.0%	Specific scope components
2.6%	Specified procedures
0.4%	Other procedures

Total Assets



97.3%	Full scope components
0.5%	Specific scope components
1.7%	Specified procedures
0.5%	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. The Group audit team would normally have completed a programme of planned visits designed to ensure that senior members of the Group audit team, including the Audit Engagement Partner, visit a number of overseas locations each year. During the current year's audit cycle, due to travel restrictions as a result of the Covid-19 pandemic, no physical visits were possible by the Group audit team. Instead, the Group audit team performed virtual visits in respect of our key component teams in the U.K., and Ireland. These visits involved discussing the audit approach and any issues arising with the component team 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 32 to 42) that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation (set out on page 32) 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 page 41) 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 page 41) 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.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- *Fair, balanced and understandable* (set out on page 89) – 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 86 to 91) – 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 78) – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 6.8.6 do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, is consistent with the financial statements; and
- in our opinion, the Directors' Report, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company statement of financial position is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, 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 (as amended), which require us to report to you if, in our opinion, the Company has not provided in the non-financial statement the information required by Section 5(2) to (7) of those Regulations, in respect of year ended 29 February 2020.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibility Statement set out on page 133, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are

free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group across the various jurisdictions globally in which the Group operates. We determined that the most significant are those that relate to the form and content of external financial and corporate governance reporting including company law, tax legislation, employment law and regulatory compliance
- We understood how 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 4 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
26 May 2021

Consolidated Income Statement
For the financial year ended 28 February 2021

	Notes	Year ended 28 February 2021 Before exceptional items €m	Exceptional items (note 5) €m	Total €m	Year ended 29 February 2020 Before exceptional items €m	Exceptional items (note 5) €m	Total €m
Revenue	1	**1,022.8**	**-**	**1,022.8**	2,145.5	-	2,145.5
Excise duties		**(285.9)**	**-**	**(285.9)**	(426.2)	-	(426.2)
Net revenue	1	**736.9**	**-**	**736.9**	1,719.3	-	1,719.3
Operating costs	2	**(796.5)**	**(25.2)**	**(821.7)**	(1,598.5)	(91.0)	(1,689.5)
Group operating (loss)/profit	1	**(59.6)**	**(25.2)**	**(84.8)**	120.8	(91.0)	29.8
Profit on disposal	5	**-**	**5.8**	**5.8**	-	0.9	0.9
Finance income	6	**-**	**-**	**-**	0.5	-	0.5
Finance expense	6	**(19.5)**	**(7.9)**	**(27.4)**	(20.3)	-	(20.3)
Share of equity accounted investments' (loss)/profit after tax	13	**(6.1)**	**(8.8)**	**(14.9)**	3.1	(2.4)	0.7
(Loss)/profit before tax		**(85.2)**	**(36.1)**	**(121.3)**	104.1	(92.5)	11.6
Income tax credit/(expense)	7	**14.4**	**2.4**	**16.8**	(12.3)	9.8	(2.5)
Group (loss)/profit for the financial year		**(70.8)**	**(33.7)**	**(104.5)**	91.8	(82.7)	9.1
Basic (loss)/earnings per share (cent)	9			**(33.8)**			2.9
Diluted (loss)/earnings per share (cent)	9			**(33.8)**			2.9

All of the results are related to continuing operations.

Consolidated Statement of Comprehensive Income
For the financial year ended 28 February 2021

	Notes	2021 €m	2020 €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	**(17.4)**	1.4
Gain relating to cash flow hedges	24	**0.3**	1.7
Deferred tax relating to cash flow hedges	7	**-**	(0.3)
Items that will not be reclassified to Income Statement in subsequent years:			
Revaluation of property, plant & equipment	11	**0.9**	1.1
Deferred tax on revaluation of property, plant and equipment	22	**(0.2)**	(0.1)
Actuarial gain/(loss) on retirement benefits	23	**13.4**	(4.4)
Deferred tax (charge)/credit on actuarial gain/(loss) on retirement benefits	22	**(1.6)**	0.7
Share of equity accounted investments' Other Comprehensive Income	13	**(0.4)**	3.7
Net (loss)/profit recognised directly within Other Comprehensive Income		**(5.0)**	3.8
Group (loss)/profit for the financial year		**(104.5)**	9.1
Comprehensive income for the financial year		**(109.5)**	12.9

Consolidated Balance Sheet
As at 28 February 2021

	Notes	2021 €m	2020 €m
ASSETS			
Non-current assets			
Property, plant & equipment	11	**204.0**	223.4
Goodwill & intangible assets	12	**646.0**	652.9
Equity accounted investments/financial assets	13	**63.1**	83.9
Retirement benefits	23	**10.4**	8.8
Deferred tax assets	22	**24.6**	11.9
Trade & other receivables	15	**41.8**	25.8
		989.9	1,006.7
Current assets			
Inventories	14	**121.3**	145.8
Trade & other receivables	15	**102.8**	166.0
Cash		**107.7**	123.4
		331.8	435.2
Assets held for sale	16	**13.9**	-
		345.7	435.2
TOTAL ASSETS		**1,335.6**	1,441.9
EQUITY			
Capital and reserves			
Equity share capital	25	**3.2**	3.2
Share premium	25	**171.3**	171.0
Treasury shares	25	**(36.5)**	(36.6)
Other reserves	25	**83.1**	102.4
Retained income		**225.0**	315.4
Total Equity		**446.1**	555.4
LIABILITIES			
Non-current liabilities			
Lease liabilities	19	**60.7**	74.4
Interest bearing loans & borrowings	20	**420.3**	323.8
Retirement benefits	23	**5.5**	16.7
Provisions	18	**6.5**	5.1
Deferred tax liabilities	22	**17.3**	16.5
		510.3	436.5
Current liabilities			
Lease liabilities	19	**18.9**	18.9
Derivative financial liabilities	24	**-**	0.3
Trade & other payables	17	**296.2**	390.7
Interest bearing loans & borrowings	20	**49.7**	33.2
Provisions	18	**6.2**	4.1
Current income tax liabilities		**5.8**	2.8
		376.8	450.0
Liabilities directly associated with the assets held for sale	16	**2.4**	-
		379.2	450.0
Total liabilities		**889.5**	886.5
TOTAL EQUITY & LIABILITIES		**1,335.6**	1,441.9

On behalf of the Board

S Gilliland	D Forde	DATE
Chair	Chief Executive Officer	26 May 2021

Consolidated Cash Flow Statement
For the financial year ended 28 February 2021

	Notes	2021 €m	2020 €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Group (loss)/profit for the year		**(104.5)**	9.1
Finance income	6	**-**	(0.5)
Finance expense	6	**27.4**	20.3
Income tax (credit)/expense	7	**(16.8)**	2.5
Loss/(profit) on share of equity accounted investments	13	**14.9**	(0.7)
Impairment of intangible asset	12	**0.3**	36.6
Impairment of equity accounted investments	5,13	**9.1**	-
Impairment of property, plant & equipment	5	**1.2**	1.0
Depreciation of property, plant & equipment	11,19	**28.2**	30.3
Amortisation of intangible assets	12	**2.6**	2.5
Profit on disposal	5	**(5.8)**	(0.9)
Net profit on disposal of property, plant & equipment		**(0.4)**	(0.2)
Charge for equity settled share-based payments	4	**0.8**	2.5
Pension contributions: adjustment from charge to payment	23	**0.5**	0.3
		(42.5)	102.8
Decrease in inventories		**18.2**	38.6
Decrease/(increase) in trade & other receivables		**39.6**	(4.8)
(Decrease)/increase in trade & other payables		**(97.2)**	51.9
Increase in provisions		**3.5**	1.9
		(78.4)	190.4
Interest received		**-**	0.5
Interest and similar costs paid		**(23.4)**	(17.9)
Income taxes refunded/(paid)		**7.2**	(8.0)
Net cash (outflow)/inflow from operating activities		**(94.6)**	165.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment	11	**(8.4)**	(15.3)
Purchase of intangible assets	12	**(1.6)**	(4.5)
Net proceeds on disposal of property, plant & equipment		**1.0**	0.4
Proceeds from sale of equity accounted investment	5	**-**	6.1
Sale of business	10	**6.7**	(1.0)
Cash outflow re acquisition of equity accounted investments/financial assets	13	**(6.9)**	(11.2)
Net cash outflow from investing activities		**(9.2)**	(25.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options/equity interests		**0.3**	0.9
Drawdown of debt		**570.9**	192.6
Repayment of debt		**(464.0)**	(280.7)
Payment of lease liabilities	19	**(19.0)**	(18.6)
Payment of issue costs	20	**(1.4)**	(0.5)
Shares purchased to satisfy share option entitlements		**-**	(0.5)
Shares purchased under share buyback programme	25	**-**	(23.0)
Dividends paid	8	**(0.4)**	(29.7)
Net cash inflow/(outflow) from financing activities		**86.4**	(159.5)
Decrease in cash		**(17.4)**	(20.0)
Reconciliation of opening to closing cash			
Cash at beginning of year		**123.4**	144.4
Translation adjustment		**1.7**	(1.0)
Net decrease in cash		**(17.4)**	(20.0)
Cash at end of financial year		**107.7**	123.4

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 2021

	Equity share capital €m	Share premium €m	Other capital reserves* €m	Cash flow hedge reserve €m	Share-based payments reserve €m	Currency translation reserve €m	Revaluation reserve €m	Treasury shares €m	Retained income €m	Total €m	Non-controlling interest €m	Total €m
At 28 February 2019	3.2	152.6	25.7	(1.1)	3.8	57.6	10.4	(37.1)	383.7	598.8	(0.8)	598.0
Adjustment on initial application of IFRS 16	-	-	-	-	-	-	-	-	(6.2)	(6.2)	-	(6.2)
At 1 March 2019 (adjusted)	3.2	152.6	25.7	(1.1)	3.8	57.6	10.4	(37.1)	377.5	592.6	(0.8)	591.8
Profit for the financial year	-	-	-	-	-	-	-	-	9.1	9.1	-	9.1
Other comprehensive income/(expense)	-	-	-	1.4	-	1.4	1.1	-	(0.1)	3.8	-	3.8
Total comprehensive income/(expense)	-	-	-	1.4	-	1.4	1.1	-	9.0	12.9	-	12.9
Dividends on ordinary shares (note 8)	0.1	18.0	-	-	-	-	-	-	(48.1)	(30.0)	-	(30.0)
Exercised share options (note 25)	-	0.4	-	-	-	-	-	-	-	0.4	-	0.4
Reclassification of share-based payments reserve	-	-	-	-	(0.5)	-	-	-	0.5	-	-	-
Sale of treasury shares/purchase of shares to satisfy employee share entitlements (note 25)	-	-	-	-	-	-	-	0.5	(0.5)	-	-	-
Shares purchased under share buyback programme and subsequently cancelled (note 25)	(0.1)	-	0.1	-	-	-	-	-	(23.0)	(23.0)	-	(23.0)
Disposal of non-controlling interests (note 10)	-	-	-	-	-	-	-	-	-	-	0.8	0.8
Equity settled share-based payments (note 4)	-	-	-	-	2.5	-	-	-	-	2.5	-	2.5
Total transactions with owners	-	18.4	0.1	-	2.0	-	-	0.5	(71.1)	(50.1)	0.8	(49.3)
At 29 February 2020	3.2	171.0	25.8	0.3	5.8	59.0	11.5	(36.6)	315.4	555.4	-	555.4
Loss for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(104.5)**	**(104.5)**	**-**	**(104.5)**
Other comprehensive income/(expense)	**-**	**-**	**-**	**0.3**	**-**	**(17.4)**	**0.9**	**-**	**11.2**	**(5.0)**	**-**	**(5.0)**
Total comprehensive income/(expense)	**-**	**-**	**-**	**0.3**	**-**	**(17.4)**	**0.9**	**-**	**(93.3)**	**(109.5)**	**-**	**(109.5)**
Dividends on ordinary shares (note 8)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.2**	**0.2**	**-**	**0.2**
Exercised share options (note 25)	**-**	**0.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**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)**	**-**	**(1.1)**
Equity settled share-based payments (note 4)	**-**	**-**	**-**	**-**	**0.8**	**-**	**-**	**-**	**-**	**0.8**	**-**	**0.8**
Total transactions with owners	**-**	**0.3**	**-**	**(0.6)**	**(2.5)**	**-**	**-**	**0.1**	**2.9**	**0.2**	**-**	**0.2**
At 28 February 2021	**3.2**	**171.3**	**25.8**	**-**	**3.3**	**41.6**	**12.4**	**(36.5)**	**225.0**	**446.1**	**-**	**446.1**

* Other capital reserves includes Other undenominated reserve of €0.9m and the capital reserve of €24.9m.

Company Balance Sheet
As at 28 February 2021

	Notes	2021 €m	2020 €m
ASSETS			
Non-current assets			
Financial assets	13	**985.4**	984.6
		985.4	984.6
Current assets			
Trade & other receivables	15	**118.6**	263.6
Cash		**0.7**	-
		119.3	263.6
TOTAL ASSETS		**1,104.7**	1,248.2
EQUITY			
Equity share capital	25	**3.2**	3.2
Share premium	25	**872.3**	872.0
Other reserves	25	**3.1**	5.6
Retained income		**44.7**	50.0
Total equity		**923.3**	930.8
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	20	**139.7**	3.2
		139.7	3.2
Current liabilities			
Interest bearing loans & borrowings	20	**4.7**	10.7
Trade & other payables	17	**37.0**	303.5
		41.7	314.2
Total liabilities		**181.4**	317.4
TOTAL EQUITY & LIABILITIES		**1,104.7**	1,248.2

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 €8.8m (FY2020: profit €4.0m). This includes dividends received from subsidiaries of €76.6m (FY2020: €10.0m).

On behalf of the Board

S Gilliland	D Forde	DATE
Chair	Chief Executive Officer	26 May 2021

Company Statement of Changes in Equity
For the financial year ended 28 February 2021

	Equity share capital €m	Share premium €m	Other undenominated reserve €m	Share-based payments reserve €m	Retained income €m	Total €m
Company						
At 28 February 2019	3.2	853.6	0.8	2.7	116.6	976.9
Profit for the financial year	-	-	-	-	4.0	4.0
Total	-	-	-	-	4.0	4.0
Dividend on ordinary shares (note 8)	0.1	18.0	-	-	(48.1)	(30.0)
Exercised share options (note 25)	-	0.4	-	-	-	0.4
Shares purchased under share buyback programme and subsequently cancelled (note 25)	(0.1)	-	0.1	-	(23.0)	(23.0)
Reclassification of share-based payments reserve	-	-	-	(0.5)	0.5	-
Equity settled share-based payments (note 4)	-	-	-	2.5	-	2.5
Total	-	18.4	0.1	2.0	(70.6)	(50.1)
At 29 February 2020	3.2	872.0	0.9	4.7	50.0	930.8
Loss for the financial year	**-**	**-**	**-**	**-**	**(8.8)**	**(8.8)**
Total	**-**	**-**	**-**	**-**	**(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	**-**	**0.3**	**-**	**(2.5)**	**3.5**	**1.3**
At 28 February 2021	**3.2**	**872.3**	**0.9**	**2.2**	**44.7**	**923.3**

Statement of Accounting Policies
For the year ended 28 February 2021

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 2021 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 2021.

The Company and Group financial statements, together the "financial statements", were authorised for issue by the Directors on 26 May 2021.

The accounting policies applied in the preparation of the financial statements for the year ended 28 February 2021 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 Acts 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;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the financial statements of the 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 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 2021. 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 2021:

- **Amendments to IFRS 3 Definition of a Business**
  The amendment to IFRS 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

- **Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform**
  The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

- **Amendments to IAS 1 and IAS 8 Definition of Material**
  The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of the Group, nor is there expected to be any future impact to the Group.

- **Conceptual Framework for Financial Reporting issued on 29 March 2018**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual

Statement of Accounting Policies
For the year ended 28 February 2021 (continued)

Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

- **Amendments to IFRS 16 COVID-19 Related Rent Concessions**
  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 applies to annual reporting periods beginning on or after 1 June 2020, 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 2021 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)

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

- The amendments enable entities to reflect the effects of transitioning from benchmark interest rates, such as interbank offer rates (IBORs) to alternative benchmark interest rates without giving rise to accounting impacts that would not provide useful information to users of financial statements. The amendments apply to all entities and are not optional. The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted.

The amendments are currently under assessment but are not expected to have a material impact on the Group.

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.

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 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.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement ("PS") 2 (1 January 2023)

- On 12 February 2021, the IASB issued amendments to IAS 1 and the PS to provide guidance on the application of materiality judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the PS to assist in the application of the materiality concept when making judgements about accounting policy disclosures.

The amendments to IAS 1 will be effective for annual periods starting on or after 1 January 2023. Group financial reporting in subsequent years will be prepared in accordance with the new definition, however this is not expected to result in significant changes.

Amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors: Definition of Accounting Estimates

- On 12 February 2021, the IASB issued amendments to IAS 8 to introduce a new definition of accounting estimates. Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.

The amendments become effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. Group financial reporting in subsequent years will be prepared in accordance with the new definition, however this is not expected to result in significant changes.

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. The amendments are currently under assessment but are not expected to have a material impact on the Group.

Statement of Accounting Policies
For the year ended 28 February 2021 (continued)

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.

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 arising from COVID-19. In assessing the impact of the COVID-19 pandemic, the Directors considered a base case scenario, along with a reasonable worse case scenario, both of which exclude any upside from the potential rights issue. The Directors assessed the Group's cash flow forecasts for the period ending 31 August 2022 (the going concern "assessment period"). They also assessed the assumptions relating to the profitability and cash generation of the business. The key assumption in the assessment is the phased reopening of the on-trade business in the Company's main markets of England, Scotland and Ireland based on available Government advice and roadmaps.

The Group's scenarios are outlined below:

- The base case projection assumes on-trade recovery in England and Scotland continuing from April and May 2021 respectively, Ireland's on-trade recovery commencing from June 2021.
- The pace of recovery is assumed to be similar across each territory once on-trade restrictions are eased, with gradual improvement to volumes.
- In aggregate on-trade volumes over the assessment period are projected to be approximately 79% of FY2020 in the base case scenario over the assessment period.
- The reasonable worst case projection assumes the same timeline for re-opening of on-trade as the base case; however volumes are projected to hold flat at modest levels for the remainder of the summer as many on-trade restrictions are assumed to remain in place over that period and then build more gradually from that point.
- The reasonable worse case projection contains linked working capital assumptions reflecting a more challenged supplier credit environment.

The going concern base case and reasonable worse case scenarios also consider the achievement of cost saving measures, the Group's financing facilities, the use of temporary government supports and projected dividend payments. The Group benchmarked the impacts of both scenarios against the monthly liquidity and gross debt covenant waiver tests through the going concern assessment period. The Group has obtained waivers on its original covenant requirements up to, but not including, the August 2022 test date whether or not the rights issue is successful. The headroom on the covenants within the financing facilities have been reviewed in detail by management and assessed by the Directors. Refinancing activities, including the extension of facilities, and the covenant waivers obtained on the Group's debt, have been reviewed by the Directors, in addition to the projected revenue and profitability and the related impact on projected cash flows.

Overall conclusion

Having considered these factors, the Directors have concluded that monthly liquidity and gross debt covenant waiver tests will be satisfied under both the base case and reasonable worse cast scenarios (without any benefit of the proposed rights issue) 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. In making this assessment, the Directors considered the continued impact of COVID-19 and in particular the assumptions in respect of forecasted level of the on-trade business in each of the Group's main trading locations. While it was recognised that COVID-19 continues to have a negative impact on the on-trade business, given the actions available to management, the Directors do not expect any reasonably anticipated deterioration in the forecasted revenues to impact the Group's ability to continue as a going concern.

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 2021.

(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.

Statement of Accounting Policies
For the year ended 28 February 2021 (continued)

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.

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

Statement of Accounting Policies
For the year ended 28 February 2021 (continued)

CGU's represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the business segment retained.

Goodwill relating to associates and joint ventures is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Where indicators of impairment of an investment arise in accordance with the requirements of IAS 36, the carrying amount is tested for impairment by comparing its recoverable amount with its carrying amount.

Intangible assets (other than goodwill) (note 12)

An intangible asset, which is a non-monetary asset without a physical substance, is capitalised separately from goodwill as part of a business combination at cost (fair value at date of acquisition) to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its fair value can be reliably measured. Acquired brands and other intangible assets are deemed to be identifiable and recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets considered to have an indefinite useful economic life are reviewed for indicators of impairment regularly and are subject to impairment testing on an annual basis unless events or changes in circumstances indicate that the carrying values may not be recoverable and impairment testing is required earlier.

Software costs incurred with respect to new systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the development side of the project.

The amortisation charge on intangible assets considered to have finite lives is calculated to write-off the book value of the asset over its useful life on a straight-line basis on the assumption of zero residual value.

The useful lives of the Group's intangible assets are as follows:

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 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 Statement of Other Comprehensive Income and the valuation of the defined benefit pension net surplus or deficit are sensitive to the assumptions used.

Company

The Company has no direct employees and is not the sponsoring employer for any of the Group's defined benefit pension schemes.

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.

Statement of Accounting Policies
For the year ended 28 February 2021 (continued)

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.

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 significant items of income and expense within the Group results for the year. The Directors believe that this presentation provides a more useful analysis. Such items may include significant restructuring and integration costs, profits or losses on disposal or termination of operations or significant contracts, litigation costs and settlements, profit or loss on disposal of investments, significant impairment of assets, acquisition related costs and unforeseen gains/losses arising on derivative financial instruments. In the current and prior financial year, the Group has accounted for the impact of the COVID-19 pandemic as an exceptional item. The Directors use judgement in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Income Statement and related notes as exceptional items.

Finance income and expenses

Finance income comprises interest income on funds invested and any gains on hedging instruments that are recognised in the Income Statement. Interest income is recognised as it accrues in the Income Statement, using the effective interest method.

Finance expenses comprise interest expense on borrowings, interest expense on sale of trade receivables, bank guarantee fees, amortisation of borrowing issue costs, losses on hedging instruments that are recognised in the Income Statement, ineffective portion of changes in the fair value of cash flow hedges and unwinding the discount on provisions and leases. All borrowing costs are recognised in the Income Statement using the effective interest method.

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

Statement of Accounting Policies
For the year ended 28 February 2021 (continued)

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. The Group has four reportable operating segments consistent with the prior year.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads that are allocated on a reasonable basis to those segments in internal financial reporting packages.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the presentation currency of the Group and both the presentation and functional currency of the Company.

Transactions in foreign currencies are translated into the functional currency of each entity at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets carried at historic cost are not subsequently retranslated. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currencies at the foreign exchange rate ruling at that date. Foreign exchange movements arising on translation are recognised in the Income Statement with the exception of all monetary items designated as a hedge of a net investment in a foreign operation, which are recognised in the consolidated financial statements in Other Comprehensive Income until the disposal of the net investment, at which time they are recognised in the Income Statement for the year.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Euro at the foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to Euro at the average exchange rate for the financial period where that represents a reasonable approximation of actual rates. Foreign exchange movements arising on translation of the net investment in a foreign operation, including those arising on long-term intra-group loans for which settlement is neither planned nor likely to happen in the foreseeable future and as a consequence are deemed quasi equity in nature, are recognised directly in Other Comprehensive Income in the consolidated financial statements in the foreign currency translation reserve. The portion of exchange gains or losses on foreign currency borrowings or derivatives used to provide a hedge against a net investment in a foreign operation that is designated as a hedge of those investments, is recognised directly in Other Comprehensive Income to the extent that they are determined to be effective. The ineffective portion is recognised immediately in the Income Statement for the year.

Any movements that have arisen since 1 March 2004, the date of transition to IFRS, are recognised in the currency translation reserve and are recycled through the Income Statement on disposal of the related business. Translation differences that arose before the date of transition to IFRS as adopted by the EU in respect of all non-Euro denominated operations are not presented separately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition and is based on the first-in first-out principle.

In the case of finished goods and work in progress, cost includes direct production costs and the appropriate share of production overheads plus excise duties, where appropriate. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs 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')
- 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 or impairment losses. The Group applies the simplified approach permitted by IFRS 9 *Financial Instruments* to measure expected credit losses for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The carrying amount of these receivables approximates their fair value as these are short-term in nature; hence, the maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

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

Statement of Accounting Policies
For the year ended 28 February 2021 (continued)

there is a volume target the amortisation of the advance is included in sales discounts as a reduction to revenue. Regarding advances to customers, the Group applies the general approach to measure expected credit losses which requires a loss provision to be recognised based on twelve month or lifetime expected credit losses, provided a significant increase in credit risk has occurred since initial recognition.

Trade & other payables
Trade & other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Interest-bearing loans & borrowings
Interest-bearing loans & borrowings are recognised initially at fair value less attributable transaction costs and are subsequently measured at amortised cost with any difference between the amount originally recognised and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest rate basis. Where the early refinancing of a loan results in a significant change in the present value of the expected cash flows, the original loan is 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 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 2021 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.

Equity accounted investment impairment

The Group accounts for investments in associates and joint ventures 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. 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 adjusted in respect of post-acquisition changes in the Group's share of net assets, less any impairment in value.

In the current year, after taking account of the Group's share of Admiral Taverns' losses, the Group recorded within exceptional operating costs (note 5), an impairment charge of €8.9m with respect to the carrying value of its investment in Admiral Taverns at 28 February 2021. The hospitality and pub industry in the United Kingdom have been significantly curtailed by lockdowns and trading

Statement of Accounting Policies
For the year ended 28 February 2021 (continued)

restrictions since March 2020. The Group assessed the carrying value of its equity accounted investment in Admiral Taverns at 28 February 2021, considering the underutilisation of their pub assets as a direct consequence of such lockdowns and recorded an impairment charge of €8.9 million in this regard.

The key assumptions used to determine the recoverable value of the Group's investment in Admiral is provided in note 13.

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, forecasted volume, net revenue, operating profit) but these items involve inherent uncertainties described above, many of which are not under management's control. As a result, the accounting for such items could result in different estimates or amounts if management used different assumptions or if different conditions occur in future accounting periods.

The inputs to the value in use calculations are disclosed in note 12.

Incremental borrowing rates on leases

Management use estimation in determining the incremental borrowing rates for leases which has a significant impact on the lease liabilities and right-of-use assets recognised. The incremental borrowing rates 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) for the discount rate, changes in the rates of return on high-quality corporate bonds; (ii) for future compensation levels, future labour market conditions and (iii) for healthcare cost trend rates, the rate of medical cost inflation in the relevant regions. The weighted average actuarial assumptions used and sensitivity analysis in relation to the significant assumptions employed in the determination of pension and other post-retirement liabilities are contained in note 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.

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. Four operating segments have been identified in the current and prior financial year; Ireland, Great Britain, Matthew Clark and Bibendum ("MCB") and International.

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 licensed 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.

(iii) Matthew Clark and Bibendum (MCB)

This segment includes the financial results from the Matthew Clark and Bibendum businesses. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 13,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark 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. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

(iv) International

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 division 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 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

	2021			2020		
	Revenue €m	Net revenue €m	Operating loss €m	Revenue €m	Net revenue €m	Operating profit €m
Ireland	**269.8**	**166.1**	**(4.9)**	327.1	227.7	40.5
Great Britain	**347.8**	**206.8**	**(8.4)**	516.9	334.1	44.9
Matthew Clark and Bibendum (MCB)	**378.3**	**337.8**	**(44.5)**	1,262.7	1,119.6	29.0
International	**26.9**	**26.2**	**(1.8)**	38.8	37.9	6.4
Total before exceptional items	**1,022.8**	**736.9**	**(59.6)**	2,145.5	1,719.3	120.8
Exceptional items (note 5)	**-**	**-**	**(25.2)**	-	-	(91.0)
Group operating (loss)/profit	**-**	**-**	**(84.8)**	-	-	29.8
Profit on disposal (note 5)	**-**	**-**	**5.8**	-	-	0.9
Finance income (note 6)	**-**	**-**	**-**	-	-	0.5
Finance expense (note 6)	**-**	**-**	**(19.5)**	-	-	(20.3)
Finance expense exceptional items (note 5)	**-**	**-**	**(7.9)**	-	-	-
Share of equity accounted investments' (loss)/ profit after tax before exceptional items (note 13)	**-**	**-**	**(6.1)**	-	-	3.1
Share of equity accounted investments' exceptional items (note 5)	**-**	**-**	**(8.8)**	-	-	(2.4)
Total	**1,022.8**	**736.9**	**(121.3)**	2,145.5	1,719.3	11.6

Of the exceptional items in the current financial year of €25.2m, €8.3m loss relates to Ireland, €14.7m loss relates to Great Britain, €2.9m loss relates to MCB and €0.7m credit relates to International. Of the exceptional items in the prior financial year of €91.0m, €7.2m related to Ireland, €27.7m related to Great Britain, €16.2m related to MCB, €39.8m related to International and €0.1m was unallocated as it did not relate to any particular segment.

Profit on disposal of €5.8m in the current financial year relates to Ireland. Profit on disposal of €0.9m in the prior financial year related to a €2.6m profit on disposal included within International offset by a loss with respect to the sale of Peppermint within MCB of €1.7m.

The share of equity accounted investments' loss after tax before exceptional items of €6.1m (FY2020: profit €3.1m) relates to Great Britain. The share of equity accounted investments' exceptional items of €8.8m (FY2020: €2.4m) relates to Great Britain.

Total assets for the year ended 28 February 2021 amounted to €1,335.6m (FY2020: €1,441.9m).

(b) Other operating segment information

	2021			2020		
	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	**1.9**	**0.9**	**6.1**	8.5	1.1	5.4
Great Britain	**10.5**	**6.1**	**14.1**	6.7	4.6	12.2
Matthew Clark and Bibendum	**1.3**	**4.9**	**10.4**	3.4	6.4	13.3
International	**0.4**	**-**	**1.7**	1.2	-	39.5
Total	**14.1**	**11.9**	**32.3**	19.8	12.1	70.4

1. SEGMENTAL REPORTING (continued)

(c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2021 €m	2020 €m	2021 €m	2020 €m
Ireland	**269.8**	327.1	**166.1**	227.7
Great Britain	**726.1**	1,779.6	**544.6**	1,453.7
International	**26.9**	38.8	**26.2**	37.9
Total	**1,022.8**	2,145.5	**736.9**	1,719.3

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 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**

	Ireland €m	Great Britain €m	International €m	Total €m
29 February 2020				
Property, plant & equipment	73.6	136.5	13.3	223.4
Goodwill & intangible assets	158.5	469.2	25.2	652.9
Equity accounted investments	0.4	83.3	0.2	83.9
Total	232.5	689.0	38.7	960.2

The geographical analysis of non-current assets, with the exception of goodwill & intangible assets, is based on the geographical location of the assets. The geographical analysis of goodwill & intangible assets is allocated based on the country of destination of sales at the date of acquisition.

(e) Disaggregated net revenue

In the following table, net revenue is disaggregated by primary geographic market and by principal activities and products. Geography is the primary basis on which management reviews its businesses across the Group.

Principal activities and products Net revenue	2021 Ireland €m	Great Britain €m	International €m	Total €m
Own brand alcohol	**41.2**	**107.3**	**22.7**	**171.2**
Matthew Clark and Bibendum	**-**	**337.8**	**-**	**337.8**
Other sources*	**124.9**	**99.5**	**3.5**	**227.9**
Total Group from continuing operations	**166.1**	**544.6**	**26.2**	**736.9**

* Other sources include wholesale (excluding MCB), own label, contracts and non-alcoholic beverages (NABs) revenues.

Notes forming part of the financial statements (continued)

1. SEGMENTAL REPORTING (continued)

Principal activities and products Net revenue	2020 Ireland €m	Great Britain €m	International €m	Total €m
Own brand alcohol	85.1	161.9	34.5	281.5
Matthew Clark and Bibendum	-	1,119.6	-	1,119.6
Other sources*	142.6	172.2	3.4	318.2
Total Group from continuing operations	227.7	1,453.7	37.9	1,719.3

* Other sources include wholesale (excluding MCB), own label, contracts and non-alcoholic beverages (NABs) revenues.

2. OPERATING COSTS

	2021 Before exceptional items €m	Exceptional items (note 5) €m	Total €m	2020 Before exceptional items €m	Exceptional items (note 5) €m	Total €m
Raw material cost of goods sold/bought in finished goods	**562.1**	**-**	**562.1**	1,280.5	-	1,280.5
Inventory write-down (note 14)	**0.9**	**5.8**	**6.7**	2.2	-	2.2
Employee remuneration (note 3)	**101.6**	**6.8**	**108.4**	144.4	3.0	147.4
Direct brand marketing	**13.5**	**-**	**13.5**	18.2	-	18.2
Other operating, selling and administration costs	**86.6**	**2.7**	**89.3**	119.6	50.4	170.0
Foreign exchange	**(0.6)**	**-**	**(0.6)**	0.1	-	0.1
Depreciation (note 11) (note 19)	**28.2**	**-**	**28.2**	30.3	-	30.3
Amortisation (note 12)	**2.6**	**-**	**2.6**	2.5	-	2.5
Net profit on disposal of property, plant & equipment	**0.3**	**(0.7)**	**(0.4)**	(0.2)	-	(0.2)
Auditor's remuneration (a)	**1.3**	**-**	**1.3**	0.9	-	0.9
Impairment of intangible assets (note 12)	**-**	**0.3**	**0.3**	-	36.6	36.6
Impairment of equity accounted investment (note 5)	**-**	**9.1**	**9.1**			
Net revaluation/impairment of property, plant & machinery (note 11)	**-**	**1.2**	**1.2**	-	1.0	1.0
Total operating expenses	**796.5**	**25.2**	**821.7**	1,598.5	91.0	1,689.5

(a) Auditor 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 2021 €m	Other EY Offices 2021 €m	Total 2021 €m	EY Ireland 2020 €m	Other EY Offices 2020 €m	Total 2020 €m
Audit of the Group financial statements	**0.5**	**-**	**0.5**	0.2	-	0.2
Audit of subsidiaries	**0.4**	**0.4**	**0.8**	0.1	0.6	0.7
Tax compliance and advisory services	**-**	**-**	**-**	-	-	-
Total	**0.9**	**0.4**	**1.3**	0.3	0.6	0.9

The audit fee for the audit of the financial statements of the Company was less than €0.1m in the current and prior financial year. There were no non-audit fees paid to Ernst & Young during the current or prior financial year.

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:

	2021 Number	2020 Number
Sales & marketing	**519**	599
Production & distribution	**1,536**	1,614
Administration	**895**	940
Total	**2,950**	3,153

The actual number of persons employed by the Group as at 28 February 2021 was 2,653 (29 February 2020: 3,061).

The aggregate remuneration costs of these employees can be analysed as follows:

	2021 €m	2020 €m
Wages, salaries and other short-term employee benefits, net of government grants (a)	**82.9**	121.5
Restructuring costs (note 5)	**6.8**	3.0
Social welfare costs	**10.7**	13.0
Retirement benefits – defined benefit schemes (note 23)	**0.9**	0.7
Retirement benefits – defined contribution schemes, including pension related expenses	**5.8**	5.6
Equity settled share-based payments (note 4)	**0.8**	2.5
Other non-equity settled share-based payments and PRSI accrued with respect to share-based payments	**0.5**	1.1
Charged to the Income Statement	**108.4**	147.4
Actuarial (gain)/loss on retirement benefits recognised in Other Comprehensive Income (note 23)	**(13.4)**	4.4
Total employee benefits	**95.0**	151.8

Directors' remuneration

	2021 €m	2020 €m
Directors' remuneration (note 28)	**2.0**	5.1

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 €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 FY2021, the Group availed of wage subsidies of €4.2m from the Irish government and €21.9m (£19.6m) from the UK government.

	2021 €m	2020 €m
Temporary Wage Subsidy Scheme (Ireland)	**1.3**	-
Employment Wage Subsidy Scheme (Ireland)	**2.9**	-
Coronavirus Job Retention Scheme (UK)	**21.9**	-
Grants related to income	**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 28 February 2021 in Ireland and the Coronavirus Job Retention Scheme in the UK from 1 April 2020 to 28 February 2021. The Group continues to avail of the 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 €1.0m for the period March 2020 to February 2021.

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), Irish VAT liabilities of €19.1m and payroll tax liabilities of €1.3m relating to the year ended 28 February 2021 have been deferred. It is envisaged that the deferred balance will be paid over a twelve month period, commencing 2 months post COVID-19 restrictions being removed in the on-trade in Ireland.

In the UK, VAT liabilities of £28.0m (€32.2m) were deferred at 28 February 2021. All UK payroll tax liabilities relating to FY2021 were paid during the year ended 28 February 2021. Excise duty liabilities of £21.6m (€24.8m) payable during the year ended 28 February 2021 have also been deferred. Both the deferred VAT liabilities and the deferred excise duties will be repaid in FY2022.

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 have not met their performance conditions and therefore are deemed to have lapsed at 28 February 2021.

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 are deemed to be no longer capable of achieving their performance conditions and therefore are deemed to have lapsed at 28 February 2021.

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 the 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.
- 35% of the award is subject to FY2022 Net Debt to FY2022 EBITDA. The targets will be disclosed in the Group's FY2022 Annual Report.
- 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.

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.

Following the appointment of David Forde as Group Chief Executive Officer, the Group made an award of 842,636 shares to David

Notes forming part of the financial statements (continued)

4. SHARE-BASED PAYMENTS (continued)

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 564,152 matching shares (1,128,304 partnership and matching) in trust at 28 February 2021 (FY2020: 298,016 matching shares (596,032 partnership and matching shares held)).

In the prior financial year 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.

4. SHARE-BASED PAYMENTS (continued)

Award valuation

The fair values assigned to the equity settled awards granted were computed in accordance with a Black Scholes valuation methodology.

As per IFRS 2 *Share-based Payment*, non-market or performance related conditions were not taken into account in establishing the fair value of equity instruments granted, instead these non-market vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately the amount recognised for time and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest, unless the failure to vest is due to failure to meet a market condition.

The main assumptions used in the valuations for equity settled share-based payment awards granted in the current and prior financial years were as follows:

	LTIP options granted Dec 20	Buy-Out 1 options granted Nov 20	Buy-Out 2 options granted Nov 20	R&R options granted Nov 20	R&R options granted Oct 20	DBP options granted Oct 20	R&R options granted Feb 20	R&R options granted Dec 19	LTIP options granted Dec 19	LTIP options granted May 19
Fair value at date of grant	€2.64	€1.61	€1.61	€1.61	€1.98	€1.98	€4.17	€4.27	€4.66	€3.71
Exercise price	-	-	-	-	-	-	-	-	-	-
Risk free interest rate	-	-	-	-	-	-	0.55%	0.63%	0.63%	0.63%
Expected volatility	36.8%	38.3%	34.6%	41.0%	37.8%	37.8%	25.3%	24.9%	24.9%	24.5%
Expected term until exercise –years	3	2	3	1.5	2	2	2.3	2.5	2.5	5
Dividend yield	-	-	-	-	-	-	3.57%	3.40%	-	-

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 2021*	Grant price €	Market value at date of grant €	Fair value at date of grant €	Expense / (income) in Income Statement 2021 €m	Expense / (income) in Income Statement 2020 €m
Executive Share Option Scheme								
1 June 2017	3 years	830,702	146,833	3.40	3.364	0.328	**-**	0.1
13 November 2017	3 years	246,211	146,211	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 June 2017	3 years	553,799	-	-	3.364	3.364	**-**	0.4
1 August 2017	3 years	494,646	87,634	-	3.069	3.069	**0.1**	0.1
13 November 2017	3 years	164,140	-	-	2.880	2.880	**0.1**	0.2
31 May 2018	3 years	626,311	-	-	2.990	2.990	**(0.6)**	0.1
11 February 2019	3 years	478,343	-	-	3.05	3.05	**(0.4)**	0.4
23 May 2019	3 years	605,249	-	-	3.71	3.71	**(0.3)**	0.3
12 December 2019	3 years	293,961	-	-	4.66	4.66	**(0.1)**	0.1
2 December 2020	3 years	772,952	772,952	-	2.54	2.64	**0.2**	-
Buy-Out Award								
3 November 2020	2-3 years	842,636	842,636	-	1.685	1.61	**0.2**	-
Recruitment & Retention Plan								
30 October 2015	2 years	490,387	7,205	-	3.60	3.27–3.53	**-**	-
12 May 2016	1.5–2.5 years	193,817	2,775	-	4.041	3.71–3.84	**-**	-
1 August 2017	1.8 years	64,469	16,634	-	2.8172	2.8172	**-**	-
11 February 2019	2 – 3 years	448,936	448,936	-	3.05	2.64 – 2.77	**0.4**	0.4
12 December 2019	2.5 years	446,081	446,081	-	4.66	4.27	**0.8**	0.2
18 February 2020	2 years	56,383	56,383	-	4.52	4.17	**0.1**	-
22 October 2020	2 years	16,704	16,704	-	1.98	1.98	**-**	-
3 November 2020	1.5 years	139,657	139,657	-	1.61	1.61	**0.1**	-
Deferred Bonus Plan								
11 February 2019	2 years	13,513	13,513	-	3.05	3.05	**-**	-
22 October 2020	2 years	16,704	16,704	-	1.98	1.98	**-**	-
		8,735,067	**3,160,858**				**0.5**	2.3
MCB compensation awards							**0.3**	0.2
							0.8	2.5
Partnership and Matching Share Schemes		1,128,304**					**0.7**	0.3

* Excludes awards that are deemed to be not capable of achieving their performance conditions at 28 February 2021.
** Includes both partnership and matching shares.

The amount charged to the Income Statement includes a credit of €1.5m (FY2020: €0.5m), 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:

	2021 Number of options/ equity interests	2021 Weighted average exercise price €	2020 Number of options/ equity interests	2020 Weighted average exercise price €
Outstanding at beginning of year	**4,788,136**	**1.00**	5,491,198	1.33
Granted	**1,788,653**	**-**	1,415,187	-
Exercised	**(1,002,587)**	**0.29**	(259,166)	1.40
Forfeited/lapsed	**(2,413,344)**	**1.47**	(1,859,083)	1.16
Outstanding at end of year	**3,160,858**	**0.30**	4,788,136	1.00

The aggregate number of share options/equity interests exercisable at 28 February 2021 was 469,977 (FY2020: 345,015).

The unvested share options/equity Interests (excluding those awards which are not deemed capable of vesting) outstanding at 28 February 2021 have a weighted average vesting period outstanding of 1.9 years (FY2020: 1.3 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 6.6 years (FY2020: 7.1 years).

The weighted average market share price at date of exercise of all share options/equity Interests exercised during the year was £2.22 or €2.48 euro equivalent (FY2020: €4.39); the average share price for the year was £2.15 or €2.41 euro equivalent (FY2020: €4.03); and the market share price as at 28 February 2021 was £2.58 or €2.96 euro equivalent (29 February 2020: £3.28 or €3.84 euro equivalent).

5. EXCEPTIONAL ITEMS

	2021 €m	2020 €m
Operating costs		
COVID-19 (a)	**(4.6)**	(47.6)
Restructuring costs (b)	**(8.1)**	(3.0)
Impairment of equity accounted investment (c)	**(9.1)**	-
Impairment of property, plant & equipment (d)	**(1.2)**	(1.0)
Impairment of intangible assets (e)	**-**	(34.2)
Contract termination (f)	**-**	(4.4)
Other (g)	**(2.2)**	(0.8)
Operating (loss)/profit exceptional items	**(25.2)**	(91.0)
Profit on disposal (h)	**5.8**	0.9
Finance expense (i)	**(7.9)**	-
Share of equity accounted investments' exceptional items (c)	**(8.8)**	(2.4)
Included in loss before tax	**(36.1)**	(92.5)
Income tax credit (j)	**2.4**	9.8
Included in loss after tax	**(33.7)**	(82.7)

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 incurred an exceptional charge of €4.6m from operating activities at 28 February 2021 in this regard (FY2020: €47.6m). The Group reviewed the recoverability of its debtor book and advances to customers and booked a credit of €6.1m with respect to its provision against trade debtors (FY2020: charge of €19.4m) and a charge of €1.2m with respect to its provision for advances to customers (FY2020: €5.8m). The Group incurred exceptional charges of €5.8m with respect to inventory (FY2020: €10.6m), this related to inventory that became obsolete, all as a consequence of the COVID-19 restrictions. The Group 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 will now not be completed (FY2020: €2.4m) due to COVID-19 and a net credit of €0.6m (FY2020: charge €9.4m) 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

Restructuring costs of €8.1m were incurred in the current 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.

Restructuring costs of €3.0m were incurred in the prior financial year. These costs primarily related to severance costs arising from the acquisition and subsequent integration of Matthew Clark and Bibendum of €2.3m. Restructuring costs of €0.5m related to the centralisation of accounting services. Other restructuring initiatives across the Group in the prior financial year resulted in a further charge of €0.2m.

(c) Equity accounted investments' exceptional items

The hospitality and pub industry in the United Kingdom have been significantly curtailed by lockdowns and trading restrictions since March 2020. The Group assessed the carrying value of its equity accounted investments at 28 February 2021, in light of the underutilisation of their pub assets as a direct consequence of such lockdowns, and recorded an impairment charge of €8.9m with respect to its carrying value of its investment in Admiral Taverns and €0.2m with respect to the carrying value of its investment in Drygate Brewing Company Limited.

The Group also incurred €8.8m with respect to its share of Admiral Taverns' exceptional items. These included a charge of €7.0m (FY2020: €2.7m) with respect to the Group's share of the revaluation loss arising from the fair value exercise to value Admiral's property assets at 28 February 2021. As a result of the same valuation exercise, a loss of €0.4m (FY2020: a gain of €3.7m) with respect to the Group's share of the revaluation, was recognised in Other Comprehensive Income. The Group also recognised €1.8m with respect to its share of Admiral's other exceptional items for the year, including €0.8m with respect to a provision against trade debtors as a consequence of COVID-19, €0.5m with respect to an Asbestos provision with the remaining €0.5m in relation to other charges directly attributable to COVID-19.

In the prior financial year, the Group invested €10.7m which gave rise to capital duties to be expensed in relation to the acquisition (the Group's share of this expense was €2.9m). This was offset by recognition of the Group's share of an adjustment made by the investee to recognise a higher deferred tax asset in respect of timing differences on fixed assets in respect of prior years (the Group's share of this gain was €3.2m).

5. EXCEPTIONAL ITEMS (continued)

(d) 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 loss of €1.2m (FY2020: €1.0m) accounted for in the Consolidated Income Statement and a gain of €0.9m (FY2020: €1.1m) accounted for within Other Comprehensive Income.

(e) Impairment of intangible assets

To ensure that goodwill and brands considered to have an indefinite useful economic life are not carried at above their recoverable amount, impairment reviews are performed annually or more frequently if there is an indication that their carrying amount(s) may not be recoverable, comparing the carrying value of the assets with their recoverable amount using value in use computations. The Group performed an impairment review at 28 February 2021 and all assets were deemed to be recoverable.

In the prior financial year, the Group recorded an impairment charge of €34.1m with respect to the Group's North America segment and in particular the Woodchuck suite of brands. An impairment of €0.1m was also taken with respect to the Group's Matthew Clark Bibendum cash generating unit directly attributable to a discontinued brand.

(f) Contract termination

In the prior financial year, the Group terminated a number of its long-term apple contracts, which were deemed surplus to requirements, incurring a cost of €4.4m.

(g) Other

Other exceptional costs of €2.2m were incurred by the Group in the year with respect to a provision against legal disputes. In the prior financial year, the Group incurred costs of €0.2m associated with a previous acquisition and incurred €0.6m with respect to incremental costs associated with the dual running of warehouse management systems in Scotland due to system implementation delays.

(h) Profit on disposal

During the current financial year, as outlined in further detail in note 10, the Group disposed of its Tipperary Water Cooler business for an initial consideration of €7.4m, realising a profit of €5.8m on disposal.

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

(i) Exceptional finance charges

During the current financial year, the Group successfully negotiated covenant waivers due to the impact of COVID-19 with its lenders. Costs of €7.9m were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers.

(j) Income tax credit

The tax credit in the current financial year, with respect to exceptional items amounted to €2.4m (FY2020: €9.8m).

Notes forming part of the financial statements (continued)

6. FINANCE INCOME AND EXPENSE

	2021 €m	2020 €m
Recognised in Income Statement		
Finance income:		
Interest income	**-**	0.5
Total finance income	**-**	0.5
Finance expense:		
Interest expense	**(13.1)**	(12.8)
Other finance expense	**(2.9)**	(3.9)
Interest on lease liabilities	**(3.5)**	(3.6)
Total finance expense	**(19.5)**	(20.3)
Exceptional finance expense:		
Interest expense	**(7.9)**	-
Total finance expense exceptional items	**(7.9)**	-
Net finance expense	**(27.4)**	(19.8)

	2021 €m	2020 €m
Recognised directly in Other Comprehensive Income		
Foreign currency translation differences arising on the net investment in foreign operations	**(17.4)**	1.4
Net (expense)/income recognised directly in Other Comprehensive Income	**(17.4)**	1.4

7. INCOME TAX

(a) Analysis of (credit)/expense in year recognised in the Income Statement

	2021 €m	2020 €m
Current tax:		
Irish corporation tax	**2.3**	2.2
Foreign corporation tax	**(4.0)**	9.6
Adjustment in respect of previous years	**(2.0)**	(2.7)
	(3.7)	9.1
Deferred tax:		
Irish	**0.6**	0.6
Foreign	**(14.2)**	(7.2)
Adjustment in respect of previous years	**0.2**	-
Rate change impact	**0.3**	-
	(13.1)	(6.6)
Total income tax (credit)/expense recognised in Income Statement	**(16.8)**	2.5
Relating to continuing operations		
– continuing operations before exceptional items	**(14.4)**	12.3
– continuing operations exceptional items	**(2.4)**	(9.8)
Total	**(16.8)**	2.5

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:

	2021 €m	2020 €m
(Loss)/profit before tax	**(121.3)**	11.6
Less: Group's share of equity accounted investments' loss/(profit) after tax	**14.9**	(0.7)
Adjusted (loss)/profit before tax	**(106.4)**	10.9
Tax at standard rate of corporation tax in the Republic of Ireland of 12.5%	**(13.3)**	1.4
Actual tax (credit)/expense is affected by the following:		
(Non-taxable income)/expenses not deductible for tax purposes	**(4.8)**	10.8
Adjustments in respect of prior years	**(1.8)**	(2.7)
Income taxed at rates other than the standard rate of tax	**(4.1)**	(3.1)
Other differences	**0.5**	(4.1)
Non-recognition of deferred tax assets	**6.7**	0.2
Total income tax (credit)/expense	**(16.8)**	2.5

Notes forming part of the financial statements
(continued)

7. INCOME TAX (continued)

(b) Deferred tax recognised directly in Other Comprehensive Income

	2021 €m	2020 €m
Deferred tax arising on movement of derivatives designated as cash flow hedges	**-**	0.3
Deferred tax arising on revaluation of property, plant & machinery reflected in revaluation reserve	**0.2**	0.1
Deferred tax arising on movement of retirement benefits	**1.6**	(0.7)
Total	**1.8**	(0.3)

(c) Factors that may affect future charges

Future income tax charges may be impacted by changes to the corporation tax rates, for example the proposed but un-enacted UK corporation tax rate of 25% (increased from 20%) due to come into effect on 1 April 2023, and/or changes to corporation tax legislation in force in the jurisdictions in which the Group operates.

8. DIVIDENDS

	2021 €m	2020 €m
Dividends charged to Income Statement:		
Final: €nil dividend paid (FY2020: 9.98c paid in July 2019)	**-**	30.8
Interim: €nil dividend paid (FY2020: 5.50c paid in December 2019)	**-**	17.3
Credit with respect to share-based payments dividend entitlements	**(0.2)**	-
Total equity dividends	**(0.2)**	48.1
Settled as follows:		
Paid in cash	**-**	29.7
Scrip dividend	**-**	18.1
(Credit)/charge with respect to share-based payments dividend entitlements	**(0.2)**	0.3
	(0.2)	48.1

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. A credit of €0.2m (FY2020: €0.3m charge) in the current financial year is a consequence of dividend accruing share-based payment awards deemed to have lapsed and their related dividend accrual being released.

A payment of €0.4m was made in the current financial year to recipients of dividend accruing share based payment awards, where the award was exercised in the current financial year and the resulting dividends accrued over the vesting period were paid (FY2020: €nil).

Due to COVID-19, no interim dividend was paid and no final dividend is being declared with respect to FY2021. Total dividend for the prior financial year was 5.50 cent. Total dividends of €nil (final dividend with respect to FY2020 and interim dividend with respect to FY2021) were recognised as a deduction from the retained income reserve in the year ended 28 February 2021 (FY2020: 15.48 cent). A credit of €0.2m was recorded in the current financial year 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

	2021 Number '000	2020 Number '000
Number of shares at beginning of year	**319,495**	320,354
Shares issued in lieu of dividend	**-**	4,624
Shares issued in respect of options exercised	**985**	142
Share repurchased and subsequently cancelled	**-**	(5,625)
Number of shares at end of year (note 25)	**320,480**	319,495
Weighted average number of ordinary shares (basic)*	**309,149**	308,906
Adjustment for the effect of conversion of options	**-**	1,690
Weighted average number of ordinary shares, including options (diluted)	**309,149**	310,596

* Excludes 10.8m treasury shares (FY2020: 10.8m).

(Loss)/profit attributable to ordinary shareholders

	2021 €m	2020 €m
Group (loss)/profit for the financial year	**(104.5)**	9.1
Adjustment for exceptional items, net of tax (note 5)	**33.7**	82.7
(Loss)/earnings as adjusted for exceptional items, net of tax	**(70.8)**	91.8

	Cent	Cent
Basic (loss)/earnings per share		
Basic (loss)/earnings per share	**(33.8)**	2.9
Adjusted basic (loss)/earnings per share	**(22.9)**	29.7
Diluted (loss)/earnings per share		
Diluted (loss)/earnings per share	**(33.8)**	2.9
Adjusted diluted (loss)/earnings per share	**(22.9)**	29.6

Basic (loss)/earnings per share is calculated by dividing the Group (loss)/profit 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 (at 28 February 2021: 10.8m shares; at 29 February 2020: 10.8m shares).

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period of the year that the options were outstanding.

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 (1,930,864 at 28 February 2021 and 175,492 at 29 February 2020). 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

As part of a strategic review in the current 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. Further consideration may be payable 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 (note 5).

The net identifiable assets disposed were as follows:

	Asset value on disposal €m
Non-current assets	
Property, plant & equipment (note 11)	0.9
Leased right-of-use assets (note 19)	0.4
Total non-current assets	**1.3**
Current assets	
Cash	0.5
Inventories	0.1
Trade & other receivables	0.3
Current income tax asset	0.1
Current assets	**1.0**
Non-current liabilities	
Lease liabilities (note 19)	(0.2)
Non-current liabilities	**(0.2)**
Current liabilities	
Lease liabilities (note 19)	(0.2)
Trade & other payables	(0.6)
Current liabilities	**(0.8)**
Total net identifiable assets disposed	**1.3**
Total consideration	7.4
Net identifiable assets disposed	(1.3)
Transaction costs incurred	(0.3)
Profit on disposal	**5.8**
Satisfied by:	
Cash consideration received	7.2
Deferred consideration	0.2
Total consideration	**7.4**
Analysis of cash flows on disposal:	
Cash consideration received	7.2
Cash and cash equivalents disposed of	(0.5)
Net cash inflow	**6.7**

Year ended 29 February 2020

In the prior financial year, the Group disposed of its investment and non-controlling interest in Peppermint Events Limited which it acquired in FY2019 as part of the acquisition of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiaries (together "Matthew Clark and Bibendum"). A loss of €1.7m was incurred on disposal.

On disposal of Peppermint Events Limited the Group reversed the adjustment to Goodwill amounting to €0.6m for non-controlling interest.

Acquisition of equity accounted investments

Details of the Group's equity accounted investments in the current and prior financial year are outlined in note 13.

11. PROPERTY, PLANT & EQUIPMENT

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Group				
Cost or valuation				
At 1 March 2019	90.3	191.4	67.2	348.9
Translation adjustment	0.6	0.6	0.3	1.5
Additions	3.9	7.8	3.6	15.3
Revaluation/impairment of property, plant & machinery	2.2	(2.1)	-	0.1
Group transfer reclassification	1.5	(1.8)	0.3	-
Disposals	-	(0.6)	(4.2)	(4.8)
At 29 February 2020	98.5	195.3	67.2	361.0
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 (note 16)	**(5.1)**	**(2.6)**	**(0.3)**	**(8.0)**
Disposal of subsidiary (note 10)	**-**	**-**	**(5.7)**	**(5.7)**
Reclassification	**(7.1)**	**7.1**	**-**	**-**
Disposals	**-**	**-**	**(5.9)**	**(5.9)**
At 28 February 2021	**88.6**	**205.5**	**55.9**	**350.0**
Depreciation				
At 1 March 2019	15.0	138.4	51.0	204.4
Translation adjustment	0.1	0.2	0.2	0.5
Disposals	-	(0.5)	(3.1)	(3.6)
Group transfer reclassification	(0.1)	0.2	(0.1)	-
Charge for the year	1.8	4.9	6.3	13.0
At 29 February 2020	16.8	143.2	54.3	214.3
Translation adjustment	**(0.2)**	**(0.7)**	**(0.8)**	**(1.7)**
Disposals	**-**	**-**	**(5.3)**	**(5.3)**
Assets held for sale (note 16)	**(0.4)**	**(1.8)**	**(0.2)**	**(2.4)**
Disposal of subsidiary (note 10)	**-**	**-**	**(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**
Net book value				
At 28 February 2021	**70.3**	**60.1**	**8.9**	**139.3**
At 29 February 2020	81.7	52.1	12.9	146.7

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 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 and equipment	**100.6**	**61.0**	**42.4**	**204.0**
29 February 2020				
Leased right-of-use assets				
At 29 February 2020, net carrying amount (note 19)	35.2	1.3	40.2	76.7
Total property, plant and equipment	116.9	53.4	53.1	223.4

Cash outflow with respect to property, plant and equipment was €8.4m (FY2020: €15.3m) due to an increase in closing capital accruals at 28 February 2021. No depreciation is charged on freehold land which had a book value of €16.2m at 28 February 2021.

Valuation of freehold land & buildings and plant & machinery - 28 February 2021

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 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 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.

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 2021 and no adjustment was recorded in this regard.

Valuation of freehold land & buildings and plant & machinery - 29 February 2020

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 Vermont (USA) along with the Group's depots in Ireland and the Group's facility in Castel Branco in Portugal.

Two methodologies were also applied to value the land & buildings in the prior financial year depending upon the type of asset. For specialised assets, such as the production facilities at Clonmel, Wellpark Brewery, Vermont and Portugal the Depreciated Replacement Cost approach was applied. The distribution warehouses comprise standard distribution facilities with an active market and therefore they were valued using a market approach. 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 29 February 2020, was an increase in the value of freehold land & buildings of €2.2m of which €1.1m was credited to the Income Statement and €1.1m was credited to the revaluation reserve via Other Comprehensive Income. The value of plant & machinery decreased by €2.1m which was expensed to the Income Statement as there was no previously recognised gain in the revaluation reserve against which to offset.

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 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**

	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 29 February 2020 post revaluation	81.7	52.1	12.9	146.7
Carrying value at 29 February 2020 pre revaluation	79.5	54.2	12.9	146.6
Gain/(loss) on revaluation	2.2	(2.1)	-	0.1
29 February 2020 classified within:				
Income Statement				(1.0)
Other Comprehensive Income				1.1

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	**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**

	Carrying amount €m	Quoted prices Level 1 €m	Significant observable Level 2 €m	Significant unobservable Level 3 €m
Recurring measurements				
Freehold land & buildings measured at market value	21.8	-	-	21.8
Freehold land & buildings measured at Depreciated Replacement Cost	59.9	-	-	59.9
Plant & machinery measured at Depreciated Replacement Cost	52.1	-	-	52.1
At 29 February 2020	133.8	-	-	133.8

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 per hectare	€64–€1,119 per square metre	
	Portugal	€40 per hectare	€96 - €571 per square metre	
	United States	$39 per acre	$48 per square foot	
	United Kingdom	£175-£225 per acre	£251 to £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% (FY2020: 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% (FY2020: 0% to 100%). The weighted average obsolescence factor by site is as follows: Cidery, Ireland – 21%; Brewery Scotland – 3% and Cidery, United States – 41%, Portugal – 0%
Physical and functional obsolescence adjustment factor	Adjustment for changes to physical and functional obsolescence ranging from 63% to 85% (FY2020: 49% to 76%)

The carrying value of depot freehold land & buildings would increase/(decrease) by €0.7m 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 €2.2m if the economic obsolescence adjustment factor was (decreased)/increased by 5%. The estimated carrying value of the same land & buildings would increase/(decrease) by €0.9m if the gross replacement cost was increased/(decreased) by 2%.

The carrying value of plant & machinery in the Group which is valued on the Depreciated Replacement Cost basis, would increase by €2.9m if the economic obsolescence adjustment factor was decreased by 5%. If the economic obsolescence adjustment increased by 5% the value would increase by €3.2m. If the gross replacement cost was increased by 2% the carrying value of the Group's plant & machinery would increase by €0.6m. 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 1 March 2019	601.2	322.1	34.7	958.0
Additions	-	-	4.5	4.5
Write-back relating to non-controlling interest	0.6	-	-	0.6
Disposals	-	-	(0.1)	(0.1)
Translation adjustment	1.1	2.0	0.1	3.2
At 29 February 2020	602.9	324.1	39.2	966.2
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**
Amortisation and impairment				
At 1 March 2019	76.2	180.4	17.7	274.3
Disposals	-	-	(0.1)	(0.1)
Impairment charge for the year	-	34.2	2.4	36.6
Amortisation charge for the year	-	-	2.5	2.5
At 29 February 2020	76.2	214.6	22.5	313.3
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**
Net book value				
At 28 February 2021	**523.6**	**107.3**	**15.1**	**646.0**
At 29 February 2020	526.7	109.5	16.7	652.9

Goodwill

Goodwill has been attributed to cash generating units (as identified under IAS 36 *Impairment of Assets*) as follows:

	Ireland €m	Scotland €m	C&C Brands €m	North America €m	Export €m	MCB €m	Total €m
At 1 March 2019	154.5	59.5	180.8	9.2	16.0	105.0	525.0
Write-back relating to non-controlling interest	-	-	-	-	-	0.6	0.6
Translation adjustment	-	0.3	0.1	-	-	0.7	1.1
At 29 February 2020	154.5	59.8	180.9	9.2	16.0	106.3	526.7
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**

12. GOODWILL & INTANGIBLE ASSETS (continued)

Goodwill consists both of goodwill capitalised under Irish GAAP which at the transition date to IFRS was treated as deemed cost and goodwill that arose on the acquisition of businesses since that date which was capitalised at cost and subsequently at fair value and represents the synergies arising from cost savings and the opportunity to utilise the extended distribution network of the Group to leverage the marketing of acquired products.

In line with IAS 36 *Impairment of 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.

In the prior financial year, on disposal of Peppermint Events Limited the Group reversed the adjustment to Goodwill amounting to €0.6m for non-controlling interest.

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 2021 amounted to €73.5m (FY2020: €75.0m) 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:

	Great Britain €m	International €m	MCB €m	Total €m
At 1 March 2019	91.7	32.8	17.2	141.7
Impairment charge for the year	-	(34.1)	(0.1)	(34.2)
Translation adjustment	0.6	1.3	0.1	2.0
At 29 February 2020	92.3	-	17.2	109.5
Translation adjustment	**(1.8)**	**-**	**(0.4)**	**(2.2)**
At 28 February 2021	**90.5**	**-**	**16.8**	**107.3**

The brands are protected by trademarks, which are renewable indefinitely in all major markets where they are sold and it is the Group's policy to support them with the appropriate level of brand advertising. In addition, there are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands. Accordingly, the Directors believe that it is appropriate that the brands be treated as having indefinite lives for accounting purposes.

No intangible assets were acquired by way of government grant, there is no title restriction on any of the capitalised intangible assets and no intangible assets are pledged as security. There are no contractual commitments in relation to the acquisition of intangible assets at year end.

In the prior financial year, the Group recognised an impairment charge of €34.1m relating to the North America cash generating unit and €0.1m relating to Matthew Clark Bibendum cash generating unit.

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	International €m	MCB €m	Total €m
Cost					
At 1 March 2019	6.8	15.8	0.3	11.8	34.7
Additions	-	2.1	-	2.4	4.5
Disposals	-	-	-	(0.1)	(0.1)
Translation adjustment	-	-	-	0.1	0.1
At 29 February 2020	6.8	17.9	0.3	14.2	39.2
Additions	**0.2**	**0.8**	**-**	**0.6**	**1.6**
Translation adjustment	**-**	**(0.1)**	**-**	**(0.2)**	**(0.3)**
At 28 February 2021	**7.0**	**18.6**	**0.3**	**14.6**	**40.5**
Amortisation and impairment					
At 1 March 2019	2.1	14.2	0.2	1.2	17.7
Disposals	-	-	-	(0.1)	(0.1)
Impairment charge for the year	-	-	-	2.4	2.4
Amortisation charge for the year	0.7	0.2	0.1	1.5	2.5
At 29 February 2020	2.8	14.4	0.3	5.0	22.5
Impairment charge for the year	**-**	**-**	**-**	**0.3**	**0.3**
Amortisation charge for the year	**0.6**	**0.5**	**-**	**1.5**	**2.6**
At 28 February 2021	**3.4**	**14.9**	**0.3**	**6.8**	**25.4**
Net book value					
At 28 February 2021	**3.6**	**3.7**	**-**	**7.8**	**15.1**
At 29 February 2020	4.0	3.5	-	9.2	16.7

In the current 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 (FY2020: €2.4m).

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 2021 with respect to intangible assets was €2.6m (2020: €2.5m).

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 key assumption for the Group in the current financial year is COVID-19, how and when restrictions are lifted and the corresponding impact on the trade as the sector reopens. 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% (FY2020: 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 7.11%-8.41% (FY2020: 5.60%-8.25%); these rates are in line with the Group's estimated pre-tax weighted average cost of capital for the three main geographies in which the Group operates (Ireland, Great Britain and North America), arrived at using the Capital Asset Pricing Model as adjusted for asset and country specific factors.

In the prior financial year, with regard to the Group's North America segment and in particular the Woodchuck suite of brands, the projected cash flows no longer supported the carrying value of the brand and an impairment of €34.1m was taken at 29 February 2020.

In the prior financial year, the Group also booked an impairment of €0.1m with respect to the Group's Matthew Clark Bibendum cash generating unit directly related to a discontinued brand.

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 2021	Discount rate 2020	Terminal growth rate 2021	Terminal growth rate 2020
Ireland	**8.41%**	7.25%	**2.00%**	2.00%
Scotland	**7.56%**	7.25%	**2.00%**	2.00%
C&C Brands	**7.56%**	7.25%	**2.00%**	2.00%
North America	**7.11%**	8.25%	**1.75%**	1.75%
Export	**7.56%**	5.60%	**2.00%**	2.00%
Matthew Clark Bibendum (MCB)	**7.56%**	7.25%	**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 (FY2020: impairment of €34.1m in North America).

Significant goodwill amounts

The goodwill allocated to Ireland, C&C Brands and MCB CGU's amount to 30% (FY2020: 29%), 34% (FY2020: 34%) and 20% (FY2020: 20%) of the total carrying amount of goodwill respectively.

	Ireland 2021	2020	C&C Brands 2021	2020	MCB 2021	2020
Goodwill allocated to the cash generating unit at balance sheet date	**154.5**	154.5	**180.6**	180.9	**104.2**	106.3
Discount rate applied to the cash flow projections (real pre-tax)	**8.41%**	7.25%	**7.56%**	7.25%	**7.56%**	7.25%

Sensitivity analysis

In the current financial year, the impairment testing carried out as at 28 February 2021 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 €68m. The table below identifies the impact of a movement in the key inputs with respect to C&C Brands.

	2021		2020	
	Movement %	Increase/ (decrease) on headroom €m	Movement %	Increase/ (decrease) on headroom €m
Increase/(decrease) in operating profit	**2.5/(2.5)**	**6.9/(6.9)**	2.5/(2.5)	7.0/(7.0)
Increase in discount rate	**0.25**	**(12.0)**	0.25	(10.2)
Decrease in discount rate	**(0.25)**	**13.1**	(0.25)	11.2
Increase in terminal growth rate	**0.25**	**10.6**	0.25	11.7
Decrease in terminal growth rate	**(0.25)**	**(9.7)**	(0.25)	(10.7)

The Group concludes that no reasonable movement in any of the underlying assumptions would result in a material impairment in any of the Group's cash generating units or brands.

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS

(a) Equity accounted investments/financial assets – Group

	Joint ventures		Associates			
	Admiral Taverns €m	Drygate Brewing Company Limited €m	Canadian Investment €m	Whitewater Brewing Company Limited €m	Other €m	Total €m
Investment in equity accounted investments/ financial assets						
Carrying amount at 1 March 2019	67.3	0.3	3.5	0.3	-	71.4
Purchase price paid	10.7	-	-	-	0.5	11.2
Disposal	-	-	(3.5)	-	-	(3.5)
Share of profit/(loss) after tax	3.1	-	-	0.1	(0.1)	3.1
Share of exceptional loss after tax (note 5)	(2.4)	-	-	-	-	(2.4)
Share of Other Comprehensive Income	3.7	-	-	-	-	3.7
Translation adjustment	0.4	-	-	-	-	0.4
Carrying amount at 29 February 2020	82.8	0.3	-	0.4	0.4	83.9
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 (note 5)	**(8.8)**	**-**	**-**	**-**	**-**	**(8.8)**
Impairment of equity investment (note 5)	**(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**

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* 2021 €m	Joint ventures 2021 €m	Associates 2021 €m	Admiral Taverns* 2020 €m	Joint ventures 2020 €m	Associates 2020 €m
Non-current assets	**379.4**	**2.4**	**3.2**	417.7	2.6	3.3
Current assets	**36.1**	**0.8**	**1.4**	30.9	1.0	1.8
Non-current liabilities	**(239.0)**	**(1.7)**	**(2.1)**	(242.6)	(1.9)	(2.2)
Current liabilities	**(27.2)**	**(1.3)**	**(0.7)**	(32.5)	(1.3)	(1.0)
Net assets	**149.3****	**0.2**	**1.8**	173.5	0.4	1.9
Revenue	**42.7**	**2.5**	**0.3**	86.6	4.3	3.1
(Loss)/profit before tax	**(37.9)**	**(0.2)**	**-**	3.8	(0.2)	(0.2)
Other Comprehensive Income	**(0.8)**	**-**	**-**	7.7	-	-

* Included in current assets for Admiral Taverns is cash and cash equivalents of €15.0m (FY2020: €12.9m). Admiral Taverns also had depreciation and amortisation of €10.0m (FY2020: €8.6m), net interest costs of €16.8m (FY2020: €11.2m) and tax credit of €7.5m (FY2020: tax charge €2.3m)

** Net assets of €149.3m by the Group's share in equity at 28 February 2021 of 48.85% amounts to €72.9m however the percentage ownership of the Group has changed since original investment (including during the current financial year) and therefore the weighted share of net assets attributable to the Group at 28 February 2021 was €71.0m. The Group also booked an impairment charge of €8.9m in the current financial year which results in a carrying value at 28 February 2021 of €62.1m

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 the prior financial year, Admiral management disposed of 2% of their shareholding which in turn increased C&C's shareholding from 46.65% to 47.7%. In the current financial year, the Group made an equity investment in Admiral Taverns for €6.7m (£6.0m). Also, during the current 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%.

In the current financial year, the share of loss before exceptional items of Admiral Taverns attributable to the Group was €6.0m (FY2020: profit €3.1m). The Group also incurred €8.8m with respect to its share of Admiral's exceptional items. These included a charge of €7.0m (FY2020: €2.7m) with respect to the Group's share of the revaluation loss arising from the fair value exercise to value Admiral's property assets at 28 February 2021. As a result of the same valuation exercise, a loss of €0.4m (FY2020: a gain of €3.7m) with respect to the Group's share of the revaluation, was recognised in Other Comprehensive Income. The Group also recognised a charge of €1.8m with respect to its share of other exceptional items for the year, including €0.8m with respect to a provision against trade debtors as a consequence of COVID-19, €0.5m with respect to an Asbestos provision with the remaining €0.5m in relation to other charges directly attributable to COVID-19.

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (continued)

The Group also recorded, within exceptional operating costs (note 5), an impairment charge of €8.9m with respect to the carrying value of its investment in Admiral Taverns at 28 February 2021. The hospitality and pub industry in the United Kingdom have been significantly curtailed by lockdowns and trading restrictions since March 2020. The Group assessed the carrying value of its equity accounted investment in Admiral Taverns at 28 February 2021, in light of the underutilisation of their pub assets as a direct consequence of such lockdowns, and recorded an impairment charge of €8.9m in this regard.

Also in the current financial year, the Group recognised the Group's 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.

In the prior financial year, the Group invested €10.7m which gave rise to capital duties to be expensed in relation to the acquisition (the Group's share of this expense was €2.9m). This was offset by recognition of the Group's share of an adjustment made by the investee to recognise a higher deferred tax asset, in FY2020, in respect of timing differences on fixed assets in respect of prior years (the Group's share of this gain was €3.2m).

Sensitivity analysis

In determining the recoverable amount of the Group's investment in Admiral Taverns, the Group utilised a market approach leveraging EBITDA and other relevant information generated by market transactions involving similar businesses. The key sensitivities for the impairment testing are the EBITDA forecast and the multiple assumption in the valuation calculation.

An increase of 2.5% in the EBITDA or EBITDA multiple assumption would lead to an increase of €4.4m in the carrying value of the Admiral investment, whilst a decrease of the same assumptions would lead to a €4.4m decrease of the Admiral carrying amount.

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 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 (note 5).

Canadian Investment

During the prior financial year, the Group disposed of its equity accounted investment in a Canadian company for cash proceeds of €6.1m, realising a profit of €2.6m on disposal.

Whitewater Brewing Company Limited

On 20 December 2016, the Group acquired 25% of the equity share capital of Whitewater Brewing Company Limited, an Irish Craft brewer for £0.3m (€0.3m).

Other

During the current financial year, 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.

Notes forming part of the financial statements
(continued)

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (continued)

On 7 January 2021, 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.

On 5 March 2019, the Group made a 10% investment in an English registered entity Jubel Limited, a craft beer producer for €0.3m (£0.3m).

In the prior financial year, the Group made an additional investment in CVBA Braxatorium Parcensis of €0.2m following on from a less than €0.1m investment in FY2019. The Group has a 33% investment in the Belgium entity.

The Group also has an equity investment in Shanter Inns Limited, Beck & Scott (Services) Limited (Northern Ireland) and The Irish Brewing Company Limited (Ireland). The value of each of these investments is less than €0.1m in the current and prior financial year.

(b) Financial Assets – Company

	2021 €m	2020 €m
Equity investment in subsidiary undertakings at cost		
At beginning of year	**984.6**	982.1
Capital contribution in respect of share options granted to employees of subsidiary undertakings	**0.8**	2.5
At end of year	**985.4**	984.6

The total expense of €0.8m (FY2020: €2.5m) 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

	2021 €m	2020 €m
Group		
Raw materials & consumables	**38.4**	46.2
Finished goods & goods for resale	**82.9**	99.6
Total inventories at lower of cost and net realisable value	**121.3**	145.8

An analysis of the Group's raw material cost of goods sold/bought in finished goods is provided in note 2 to the consolidated financial statements.

Inventory write-down recognised within operating costs before exceptional items amounted to €0.9m (FY2020: €2.2m). 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 incurred exceptional charges of €5.8m with respect to inventory (FY2020: €10.6m), this related to inventory that became obsolete as a consequence of the COVID-19 restrictions.

15. TRADE & OTHER RECEIVABLES

	Group		Company	
	2021 €m	2020 €m	2021 €m	2020 €m
Amounts falling due within one year:				
Trade receivables	**75.9**	93.1	**-**	-
Amounts due from Group undertakings	**-**	-	**118.6**	263.4
Advances to customers	**3.8**	21.6	**-**	-
Prepayments and other receivables	**23.1**	51.3	**-**	0.2
	102.8	166.0	**118.6**	263.6
Amounts falling due after one year:				
Advances to customers	**38.3**	23.1	**-**	-
Prepayments and other receivables	**3.5**	2.7	**-**	-
	41.8	25.8	**-**	-
Total	**144.6**	191.8	**118.6**	263.6

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 €45.0m to Group cash (FY2020: €131.4m) at 28 February 2021. The Group's debtors would therefore have been €45.0m higher (FY2020: €131.4m) 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 2021 and 29 February 2020 were as follows:

	Trade receivables		Advances to customers		Total		Total	
	Gross 2021 €m	Impairment 2021 €m	Gross 2021 €m	Impairment 2021 €m	Gross 2021 €m	Impairment 2021 €m	Gross 2020 €m	Impairment 2020 €m
Group								
Not past due	**57.8**	**(1.4)**	**49.7**	**(9.4)**	**107.5**	**(10.8)**	131.6	(25.6)
Past due:								
Past due 0-30 days	**5.6**	**(1.0)**	**0.2**	**-**	**5.8**	**(1.0)**	15.9	(1.2)
Past due 31-120 days	**13.2**	**(3.6)**	**0.4**	**(0.1)**	**13.6**	**(3.7)**	10.4	(3.7)
Past due 121-365 days	**8.4**	**(4.5)**	**0.6**	**(0.4)**	**9.0**	**(4.9)**	8.7	(2.5)
Past due more than one year	**7.3**	**(5.9)**	**2.5**	**(1.4)**	**9.8**	**(7.3)**	11.2	(7.0)
Total	**92.3**	**(16.4)**	**53.4**	**(11.3)**	**145.7**	**(27.7)**	177.8	(40.0)

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, the expected impact of government schemes coming to an end as markets reopen and what impact that might have on the Group's customers including an assessment of the risk of insolvencies due to lack of liquidity when the extended government payment terms cease. COVID-19 had and continues to have a material impact on the assessment of credit losses of the Group's receivables balances. The Group booked an exceptional provision of €19.4m in FY2020 with respect to the Group's receivables balances and has recorded an exceptional credit of €6.1m in this regard in the current financial year (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, the expected impact of government schemes coming to an end as markets reopen and what impact that might have on the Group's advances to customers including an assessment of the risk of insolvencies due to lack of liquidity when the extended government payment terms cease. 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 booked an exceptional provision of €1.2m (FY2020: €5.8m) in this regard (note 5).

Trade receivables are on average receivable within 33 days (FY2020: 21 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 2021 €m	Advance to customers 2021 €m	Total 2021 €m	Total 2020 €m
Group				
At beginning of year	**29.6**	**10.4**	**40.0**	17.2
Recovered during the year	**(10.7)**	**(0.7)**	**(11.4)**	(3.9)
Provided during the year	**2.9**	**2.4**	**5.3**	32.3
Derecognised on disposal	**(0.2)**	**-**	**(0.2)**	-
Written off during the year	**(4.5)**	**(0.6)**	**(5.1)**	(5.6)
Translation adjustment	**(0.7)**	**(0.2)**	**(0.9)**	-
At end of year	**16.4**	**11.3**	**27.7**	40.0

At 28 February 2021, regarding the impact of the expected loss model on trade receivables and advances to customers, the Group has provided for expected credit losses over the next twelve months of €6.2m (FY2020: €22.3m) and expected lifetime losses of €21.5m (FY2020: €17.7m).

16. DISPOSAL GROUP

Post year end, the Group announced the sale of its wholly owned US subsidiary, Vermont Hard Cider Company ("VHCC") to Northeast Kingdom Drinks Group, LLC (NKDG) for a total consideration of USD 20.0m. The sale was completed on 2 April 2021. VHCC was classified as a disposal group, held for sale, as at 28 February 2021.

The major classes of assets and liabilities of VHCC classified as held for sale as at 28 February 2021 were, as follows:

	2021 €m
Assets held for sale	
Property, plant & equipment (note 11)	5.6
Leased right-of-use assets (note 19)	0.2
Inventories	3.9
Trade & other receivables	4.1
Current income tax asset	0.1
Total assets held for sale	**13.9**
Liabilities directly associated with assets held for sale	
Trade & other payables	2.2
Lease liabilities (note 19)	0.2
Total liabilities directly associated with assets held for sale	**2.4**
Net assets directly associated with the disposal group	**11.5**

The cumulative foreign exchange gain recognised in other comprehensive income in relation to the disposal group as at 28 February 2021 was €3.9m.

Other commitments

At 28 February 2021, the value of the contracts placed for future expenditure by VHCC was €1.6m. This related to the following:

	Glass €m	Apples €m	Aluminium €m	Sugar €m	Total €m
Payable in less than one year	**0.6**	**0.3**	**0.1**	**0.6**	**1.6**
	0.6	**0.3**	**0.1**	**0.6**	**1.6**

17. TRADE & OTHER PAYABLES

	Group		Company	
	2021 €m	2020 €m	2021 €m	2020 €m
Trade payables	**135.2**	271.7	**-**	-
Payroll taxes & social security	**4.1**	3.1	**-**	-
VAT	**41.4**	23.9	**-**	-
Excise duty	**40.0**	21.9	**-**	-
Accruals	**75.5**	70.1	**3.1**	1.0
Amounts due to Group undertakings	**-**	-	**33.9**	302.5
Total	**296.2**	390.7	**37.0**	303.5

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.

Notes forming part of the financial statements
(continued)

17. TRADE & OTHER PAYABLES (continued)

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 2021, 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.

18. PROVISIONS

	Restructuring 2021 €m	Dilapidation 2021 €m	Other 2021 €m	Total 2021 €m	Total 2020 €m
At 28/29 February	-	5.5	3.7	9.2	15.7
Adjustment on initial application of IFRS 16	-	-	-	-	(8.5)
At 1 March (adjusted)	-	5.5	3.7	9.2	7.2
Translation adjustment	0.1	(0.1)	-	-	0.1
Charged during the year	8.1	0.2	5.5	13.8	3.3
Released during the year	-	(0.1)	(2.1)	(2.2)	-
Utilised during the year	(6.2)	(1.7)	(0.2)	(8.1)	(1.4)
At end of year	2.0	3.8	6.9	12.7	9.2
Classified within:					
Current liabilities				6.2	4.1
Non-current liabilities				6.5	5.1
				12.7	9.2

Restructuring

Restructuring costs of €8.1m were incurred in the current 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. €6.2m of these costs were paid during the year with €2.0m outstanding at year end.

Dilapidation

The Group has a dilapidation provision of €3.8m at 28 February 2021 (FY2020: €5.5m). The Group's dilapidation provision at 28 February 2021 is with respect to dilapidation costs for leased depots of €3.5m (FY2020: €5.2m) and leased fleet of €0.3m (FY2020: €0.3m).

Other

Other provisions carried forward from FY2020 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.

The amount charged in the current financial year, is primarily in respect of an increase in a provision against legal disputes and a provision with respect to lost kegs. The amount released during the year relates to a release of a legal provision which ultimately was not required and the release of an element of a provision for an onerous trade contract on exit of that contract.

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 2019, net carrying amount	40.1	1.7	40.1	81.9
Translation adjustment	0.3	-	0.2	0.5
Additions	1.4	-	10.7	12.1
Disposals	(0.5)	-	-	(0.5)
Depreciation charge for the year	(6.1)	(0.4)	(10.8)	(17.3)
At 29 February 2020	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 (note 10)	**-**	**-**	**(0.4)**	**(0.4)**
Asset held for sale (note 16)	**(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**

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Leased liabilities				
At 1 March 2019, net carrying amount	(55.3)	(1.7)	(42.6)	(99.6)
Translation adjustment	(0.3)	-	(0.2)	(0.5)
Additions to lease liabilities	(1.4)	-	(10.7)	(12.1)
Disposals	0.5	-	-	0.5
Payments*	9.5	0.4	12.1	22.0
Discount unwinding	(2.3)	-	(1.3)	(3.6)
At 29 February 2020	(49.3)	(1.3)	(42.7)	(93.3)
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 (note 10)	**-**	**-**	**0.4**	**0.4**
Payments*	**8.7**	**0.5**	**13.3**	**22.5**
Asset held for sale (note 16)	**0.2**	**-**	**-**	**0.2**
Discount unwinding	**(1.9)**	**-**	**(1.6)**	**(3.5)**
At 28 February 2021	**(43.0)**	**(0.8)**	**(35.8)**	**(79.6)**

* Payments are apportioned between finance charges €3.5m (FY2020 €3.4m) and payment of lease liabilities €19.0m (FY2020: €18.6m) in the Cash Flow Statement

Notes forming part of the financial statements (continued)

19. LEASES (continued)

Lease liabilities classified within:

	Total 2021 €m	Total 2020 €m
Current liabilities	**(18.9)**	(18.9)
Non-current liabilities	**(60.7)**	(74.4)
	(79.6)	(93.3)

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 2021		As at 29 February 2020	
	Discounted €m	Undiscounted €m	Discounted €m	Undiscounted €m
Within one year	**(18.9)**	**(21.7)**	(18.9)	(22.6)
Between one and two years	**(17.4)**	**(19.5)**	(18.4)	(21.6)
Between two and three years	**(10.5)**	**(12.2)**	(14.9)	(17.4)
Between three and four years	**(8.1)**	**(9.4)**	(9.7)	(11.8)
Between four and five years	**(7.3)**	**(8.3)**	(7.4)	(9.0)
After five years	**(17.4)**	**(19.8)**	(24.0)	(27.9)
Total	**(79.6)**	**(90.9)**	(93.3)	(110.3)

The Group avails of the exemption from capitalising lease costs for short-term leases and low-value assets where the relevant criteria are met. The following lease costs have been charged to the Income Statement as incurred:

	2021 €m	2020 €m
Expense relating to short-term leases (included in operating costs)	**0.7**	2.1
Total	**0.7**	2.1

20. INTEREST BEARING LOANS & BORROWINGS

	Group		Company	
	2021 €m	2020 €m	2021 €m	2020 €m
Current liabilities				
Unsecured loans repayable by one repayment on maturity	**0.8**	0.8	**0.8**	0.8
Unsecured loans repayable by instalment	**(50.6)**	(34.0)	**(5.6)**	(11.5)
Private Placement notes repayable by one repayment on maturity	**0.1**	-	**0.1**	-
	(49.7)	(33.2)	**(4.7)**	(10.7)
Non-current liabilities				
Unsecured loans repayable by one repayment on maturity	**(241.3)**	(235.5)	**1.8**	2.6
Unsecured loans repayable by instalment	**(37.5)**	(88.3)	**-**	(5.8)
Private Placement notes repayable by one repayment on maturity	**(141.5)**	-	**(141.5)**	-
	(420.3)	(323.8)	**(139.7)**	(3.2)
Total borrowings	**(470.0)**	(357.0)	**(144.4)**	(13.9)

20. INTEREST BEARING LOANS & BORROWINGS (continued)

Group and Company

Outstanding borrowings of the Group and Company are net of unamortised issue costs. During the current 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 2021 was €3.9m (FY2020: €3.7m) of which €1.0m (FY2020: €1.0m) is netted against current liabilities and €2.9m (FY2020: €2.7m) is netted against non-current liabilities.

Terms and debt repayment schedule

Group	Currency	Nominal rates of interest at 28 February 2021	Year of maturity	2021 Carrying value €m	2020 Carrying value €m
Unsecured loans repayable by one repayment on maturity	Multi	Euribor/Libor + 2.4%	2024	**243.1**	238.1
Unsecured loans repayable by instalment	Euro	Euribor + 2.85%	2022	**82.5**	105.0
Unsecured loans repayable by instalment	GBP	Libor + 2.0%	2021	**5.7**	17.6
Private Placement notes repayable by one repayment on maturity	Euro/GBP	1.6%-2.74%	2030/2032	**142.6**	-
				473.9	360.7

Company	Currency	Nominal rates of interest at 28 February 2021	Year of maturity	2021 Carrying value €m	2020 Carrying value €m
Unsecured loans repayable by instalment	GBP	Libor + 2.0%	2021	**5.7**	17.6
Private Placement notes repayable by one repayment on maturity	Euro/GBP	1.6%-2.74%	2030/2032	**142.6**	-
				148.3	17.6

Borrowing facilities

Group

The Group manages its borrowing requirements by entering into committed loan facility agreements and in the current 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. During the current 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/Libor interest rates plus a margin, the level of which is dependent on the Net Debt: EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, two, three or six months.

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 was payable with respect to the covenant waivers secured during the current financial year, a reduced EBITDA fee is also 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 1.5%. A further fee of 1.5% is payable due to the Group not completing a right's issue within a pre-determined timeframe specified by the note holders.

The Group has further financial indebtedness of €5.7m at 28 February 2021 (FY2020: €17.6m), which is repayable by instalments with the last instalment paid on 3 April 2021. The Group paid variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%.

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 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 Group at 28 February 2021 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 2021.

The Company is a borrower with respect to the Group's USPP notes of €142.6m (FY2020: €nil) as at 28 February 2021. 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 was payable with respect to the covenant waiver secured. A reduced EBITDA fee is also payable while EBITDA of the Group 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 during the period is 1.5%. A further fee of 1.5% is payable due to the Group not completing a rights issue within a pre-determined timeframe specified by the note holders.

The Company is also a borrower with respect to the Group's non-bank debt of €5.7m at 28 February 2021 (FY2020: €17.6m). This debt is repayable by instalment with the last instalment paid on 3 April 2021. The Company paid variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%.

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 whether or not the rights issue, announced by the Group on 26 May 2021, is successful. Conditional on a Minimum Equity Raise being achieved, the debt covenants for 31 August 2022 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 is 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.

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. Where the Minimum Equity Raise is not achieved, 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 31 August 2022 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month (except for July 2021 and December 2021 when the minimum amount of liquidity is €120.0m, June 2022 when the minimum amount of liquidity is €80.0m and July 2022 when the minimum amount of liquidity is €100.0m). A monthly gross debt cap of €750.0m in the current financial year applied which will continue during FY2022.

20. INTEREST BEARING LOANS & BORROWINGS (continued)

Where the Minimum Equity Raise is achieved, 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 any subsequent test date, 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 the current financial year also applied which will continue during FY2022 but will reduce to €700.0m post a Minimum Equity Raise being achieved. 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.

The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants for the prior year (before the current waivers were secured):

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

The Company and Group also had covenants with respect to its non-bank financial indebtedness for the prior year (before the current waivers were secured), this debt was repaid in full on 3 April 2021.

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

There is no effect on the Group's covenants as a result of implementing IFRS 16 *Leases* in the prior financial year 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 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 2019 €m	Translation adjustment €m	Additions/ Disposals €m	Cash Flow, net €m	Non-cash changes €m	29 February 2020 €m
Group						
Interest bearing loans & borrowings	(446.0)	1.8	-	88.6	(1.4)	(357.0)*
Cash	144.4	(1.0)	-	(20.0)	-	123.4
Net debt excluding leases	(301.6)	0.8	-	68.6	(1.4)	(233.6)
Lease liabilities (note 19)	(99.6)	(0.5)	(11.6)	22.0	(3.6)	(93.3)
Net debt including leases	(401.2)	0.3	(11.6)	90.6	(5.0)	(326.9)

* Interest bearing loans & borrowings at 29 February 2020 are net of unamortised issue costs of €3.7m.

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.

	1 March 2019 €m	Translation adjustment €m	Cash Flow, net €m	Non-cash changes €m	29 February 2020 €m
Company					
Interest bearing loans & borrowings	(24.5)	0.1	11.9	(1.4)	(13.9)*
Cash	-	-	-	-	-
	(24.5)	0.1	11.9	(1.4)	(13.9)

* Interest bearing loans & borrowings at 29 February 2020 are net of unamortised issue costs of €3.7m.

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 €1.2m (FY2020: €1.4m). The non-cash changes for the Group's lease liabilities in the current financial year relate to discount unwinding of €3.5m (FY2020: €3.6m).

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 2021.

22. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	2021			2020		
	Assets €m	Liabilities €m	Net assets/ (liabilities) €m	Assets €m	Liabilities €m	Net assets/ (liabilities) €m
Group						
Property, plant & equipment	**2.1**	**(8.7)**	**(6.6)**	3.4	(8.8)	(5.4)
Intangible assets	**5.3**	**(6.1)**	**(0.8)**	5.1	(5.0)	0.1
Retirement benefits	**0.7**	**(2.5)**	**(1.8)**	2.1	(2.3)	(0.2)
Trade related items & losses	**16.5**	**-**	**16.5**	1.3	(0.4)	0.9
	24.6	**(17.3)**	**7.3**	11.9	(16.5)	(4.6)

The Group has not recognised deferred tax in relation to temporary differences applicable to investments in subsidiaries on the basis that the Group can control the timing and the realisation of these temporary differences and it is unlikely that the temporary differences will reverse in the foreseeable future. The aggregate amount of temporary differences applicable to investments in subsidiaries and equity accounted investments in respect of which deferred tax liabilities have not been recognised is immaterial on the basis that the participation exemptions and foreign tax credits should be available such that no material temporary differences arise. There are no other unrecognised deferred tax liabilities.

In addition, no deferred tax asset has been recognised in respect of certain tax losses incurred by the Group on the basis that the recovery is considered unlikely in the foreseeable future or due to the complexity and uncertainty of the tax treatment in connection with certain items giving rise to some of the losses. The cumulative value of such tax losses is €49.6m (FY2020: €35.9m). 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, which occurred post year end, the losses in connection with this business are due to expire in 2021/2022 and the majority of the remaining losses are due to expire in 2035/2038.

22. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES (continued)

Company

The Company had no deferred tax assets or liabilities at 28 February 2021 or at 29 February 2020.

Analysis of movement in net deferred tax (liabilities)/assets

	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**

	1 March 2019 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Arising on adoption of IFRS 16 Leases €m	Translation adjustment €m	29 February 2020 €m
Group						
Property, plant & equipment: ROI	1.2	(0.5)	-	-	-	0.7
Property, plant and equipment: other	(7.3)	(0.4)	(0.1)	1.5	0.2	(6.1)
Trade related items & losses	1.3	-	(0.3)	-	(0.1)	0.9
Intangible assets	(7.2)	7.5	-	-	(0.2)	0.1
Retirement benefits	(0.9)	-	0.7	-	-	(0.2)
	(12.9)	6.6	0.3	1.5	(0.1)	(4.6)

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 (FY2020: no active members). There are 52 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (FY2020: 55 active members)

Notes forming part of the financial statements (continued)

23. RETIREMENT BENEFITS (continued)

and 2 active members in the NI defined benefit pension scheme (FY2020: 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.

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. 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 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

The funding requirements in relation to the Group's ROI staff defined benefit pension schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. Arising from the formal actuarial valuations of the Group's staff defined benefit pension scheme, the Group has committed to contributions of 27.5% of pensionable salaries. There is no funding requirement with respect to the Group's ROI executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to any surplus remaining in these schemes in the event the scheme concludes.

The Group is exposed to a number of risks in relation to the funding position of these schemes, namely:

Asset volatility: It is the Group's intention to pursue a long-term investment policy that emphasises investment in secure monetary assets to provide for the contractual benefits payable to members. The investment portfolio has exposure to equities, other growth assets and fixed interest investments, the returns from which are uncertain and may fluctuate significantly in line with market movements. Assets held are valued at fair value using bid prices where relevant.

Discount rate: The discount rate is the rate of interest used to discount post-employment benefit obligations and is determined by reference to market yields at the balance sheet date on high quality corporate bonds with a currency and term consistent with the currency and estimated term of the Group's post employment benefit obligations. Movements in discount rates have a significant impact on the value of the schemes' liabilities.

Longevity: The value of the defined benefit obligations is influenced by demographic factors such as mortality experience and retirement patterns. Changes to life expectancy have a significant impact on the value of the schemes' liabilities.

Method and assumptions

The schemes' independent actuary, Mercer (Ireland) Limited, has employed the projected unit credit method to determine the present value of the defined benefit obligations arising and the related current service cost.

The financial assumptions that have the most significant impact on the results of the actuarial valuations are those relating to the discount rate used to convert future pension liabilities to current values and the rate of inflation/salary increase. These and other assumptions used to determine the retirement benefits and current service cost under IAS19(R) *Employee Benefits* are set out below.

Mortality rates also have a significant impact on the actuarial valuations, as the number of deaths within the scheme have been too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality, the rates used have been based on the most up-to-date mortality tables, (the S2PMA CMI 2016 1.5% (males) and S2PFA CMI 2016 1.5% (females) for the ROI schemes and S2PA CMI 2016 1.5% 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 2021 No. of years	ROI 2020 No. of years	NI 2021 No. of years	NI 2020 No. of years
Current retirees – no allowance for future improvements	Male	**22.6-23.5**	22.5-23.4	**22.6**	22.5
	Female	**24.5-25.4**	24.4-25.3	**24.5**	24.2
Future retirees – with allowance for future improvements	Male	**23.5-24.3**	23.4-24.2	**24.4**	24.3
	Female	**25.5-26.3**	25.4-26.2	**26.3**	26.2

Scheme liabilities

The average age of active members is 50 and 51 years (FY2020: 50 years) for the ROI Staff and the NI defined benefit pension schemes respectively (the executive defined benefit pension scheme has no active members), while the average duration of liabilities ranges from 14 to 23 years (FY2020: 14 to 24 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 2021 and 29 February 2020 are as follows:

	2021 ROI	2021 NI	2020 ROI	2020 NI
Salary increases	**0.0%-2.3%**	**3.6%**	0.0%-2.0%	3.3%
Increases to pensions in payment	**1.6%-1.7%**	**1.9%**	1.3%-1.4%	1.6%
Discount rate	**1.3%-1.5%**	**2.2%**	0.8%-1.0%	1.7%
Inflation rate	**1.6%-1.7%**	**3.2%**	1.3%-1.4%	2.9%

A reduction in discount rate used to value the schemes' liabilities by 0.25% would increase the valuation of liabilities by €9.7m while an increase in inflation/salary increase expectations of 0.25% would increase the valuation of liabilities by €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

	2021 ROI €m	2021 NI €m	2021 Total €m	2020 ROI €m	2020 NI €m	2020 Total €m
Analysis of defined benefit pension expense:						
Current service cost	**(0.8)**	**-**	**(0.8)**	(0.6)	-	(0.6)
Interest cost on scheme liabilities	**(1.9)**	**(0.2)**	**(2.1)**	(3.6)	(0.2)	(3.8)
Interest income on scheme assets	**1.8**	**0.2**	**2.0**	3.4	0.3	3.7
Total (expense)/income recognised in Income Statement	**(0.9)**	**-**	**(0.9)**	(0.8)	0.1	(0.7)

Notes forming part of the financial statements (continued)

23. RETIREMENT BENEFITS (continued)

Analysis of amount recognised in Other Comprehensive Income:

	2021			2020		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Actual return on scheme assets	**6.1**	**-**	**6.1**	18.8	1.9	20.7
Expected interest income on scheme assets	**(1.8)**	**(0.2)**	**(2.0)**	(3.4)	(0.3)	(3.7)
Experience gains and losses on scheme liabilities	**2.7**	**-**	**2.7**	2.2	-	2.2
Effect on changes in financial assumptions	**6.5**	**0.1**	**6.6**	(26.3)	(1.7)	(28.0)
Effect of changes in demographic assumptions	**-**	**-**	**-**	4.4	-	4.4
Total income/(expense)	**13.5**	**(0.1)**	**13.4**	(4.3)	(0.1)	(4.4)
Scheme assets	**187.1**	**13.7**	**200.8**	186.8	14.1	200.9
Scheme liabilities	**(187.5)**	**(8.4)**	**(195.9)**	(200.2)	(8.6)	(208.8)
Deficit in scheme	**(5.5)**	**-**	**(5.5)**	(16.7)	-	(16.7)
Surplus in scheme	**5.1**	**5.3**	**10.4**	3.3	5.5	8.8

(b) Impact on Balance Sheet

The retirement benefits deficit at 28 February 2021 and 29 February 2020 is analysed as follows:

Analysis of net pension deficit:

	2021			2020		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Investments quoted in active markets						
Bid value of assets at end of year:						
Equity*	**40.0**	**2.9**	**42.9**	35.1	2.6	37.7
Bonds	**107.9**	**10.8**	**118.7**	113.4	11.5	124.9
Alternatives	**26.5**	**-**	**26.5**	24.9	-	24.9
Cash	**0.2**	**-**	**0.2**	0.2	-	0.2
Investments unquoted						
Property	**12.5**	**-**	**12.5**	13.2	-	13.2
	187.1	**13.7**	**200.8**	186.8	14.1	200.9
Actuarial value of scheme liabilities	**(187.5)**	**(8.4)**	**(195.9)**	(200.2)	(8.6)	(208.8)
Deficit in the scheme	**(5.5)**	**-**	**(5.5)**	(16.7)	-	(16.7)
Surplus in the scheme	**5.1**	**5.3**	**10.4**	3.3	5.5	8.8
(Deficit)/surplus in the scheme	**(0.4)**	**5.3**	**4.9**	(13.4)	5.5	(7.9)
Related deferred tax asset (note 22)	**0.7**	**-**	**0.7**	2.1	-	2.1
Related deferred tax liability (note 22)	**(0.7)**	**(1.8)**	**(2.5)**	(0.4)	(1.9)	(2.3)
Net pension (deficit)/surplus	**(0.4)**	**3.5**	**3.1**	(11.7)	3.6	(8.1)

* The defined benefit pension schemes have a passive self-investment in C&C Group plc of €nil (FY2020: €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

	2021			2020		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Assets at beginning of year	**186.8**	**14.1**	**200.9**	173.5	12.3	185.8
Movement in year:						
Translation adjustment	**-**	**(0.3)**	**(0.3)**	-	-	-
Expected interest income on scheme assets	**1.8**	**0.2**	**2.0**	3.4	0.3	3.7
Actual return less interest income on scheme assets	**4.3**	**(0.2)**	**4.1**	15.4	1.6	17.0
Employer contributions	**0.4**	**-**	**0.4**	0.4	-	0.4
Member contributions	**0.1**	**-**	**0.1**	0.1	-	0.1
Benefit payments	**(6.3)**	**(0.1)**	**(6.4)**	(6.0)	(0.1)	(6.1)
Assets at end of year	**187.1**	**13.7**	**200.8**	186.8	14.1	200.9

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:

	2021		2020	
	ROI	NI	ROI	NI
Investments quoted in active markets				
Equities	**21%**	**21%**	19%	18%
Bonds	**58%**	**79%**	61%	82%
Alternatives	**14%**	**-**	13%	-
Cash	**-**	**-**	-	-
Investments unquoted				
Property	**7%**	**-**	7%	-
	100%	**100%**	100%	100%

Reconciliation of actuarial value of scheme liabilities

	2021			2020		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Liabilities at beginning of year	**200.2**	**8.6**	**208.8**	182.2	6.8	189.0
Movement in year:						
Translation adjustment	**-**	**(0.2)**	**(0.2)**	-	-	-
Current service cost	**0.8**	**-**	**0.8**	0.6	-	0.6
Interest cost on scheme liabilities	**1.9**	**0.2**	**2.1**	3.6	0.2	3.8
Member contributions	**0.1**	**-**	**0.1**	0.1	-	0.1
Actuarial (gain)/loss immediately recognised in equity	**(9.2)**	**(0.1)**	**(9.3)**	19.7	1.7	21.4
Benefit payments	**(6.3)**	**(0.1)**	**(6.4)**	(6.0)	(0.1)	(6.1)
Liabilities at end of year	**187.5**	**8.4**	**195.9**	200.2	8.6	208.8

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 2021/29 February 2020 and determination of fair value
(c) Market risk
(d) Credit risk
(e) Liquidity risk

(a) Overview of the Group's risk exposures and management strategy

The main financial market risks that the Group is exposed to include foreign currency exchange rate risk, commodity price fluctuations, interest rate risk and financial counterparty creditworthiness. The Board continues to monitor and manage this and all other financial risks faced by the Group very closely.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This is executed through various committees to which the Board has delegated appropriate levels of authority. An essential part of this framework is the role undertaken by the Audit Committee, supported by the internal audit function, and the Group Chief Financial Officer. The Board, through its Committees, has reviewed the internal control environment and the risk management systems and process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers them to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

The Group's risk management programme seeks to minimise the potential adverse effects, arising from fluctuations in financial markets, on the Group's financial performance in a non-speculative manner at a reasonable cost when economically viable to do so. The Group achieves the management of these risks in part, where appropriate, through the use of derivative financial instruments. All derivative financial contracts entered into in this regard are in liquid markets with credit rated parties. Treasury activities are performed within strict terms of reference that have been approved by the Board. See currency risk section for further details.

(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 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)**
Lease liabilities*	**-**	**(79.6)**	**(79.6)**	**(79.6)**
Trade & other payables	**-**	**(296.2)**	**(296.2)**	**(296.2)**
Provisions	**-**	**(12.7)**	**(12.7)**	**(12.7)**
	225.7	**(858.5)**	**(632.8)**	**(636.7)**

* See note 19 for maturity analysis of the discounted and undiscounted lease liability.

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Group				
29 February 2020				
Financial assets:				
Cash	123.4	-	123.4	123.4
Trade receivables	93.1	-	93.1	93.1
Advances to customers	44.7	-	44.7	44.7
Financial liabilities:				
Interest bearing loans & borrowings	-	(357.0)	(357.0)	(360.7)
Lease liabilities*	-	(93.3)	(93.3)	(93.3)
Derivative contracts	-	(0.3)	(0.3)	(0.3)
Trade & other payables	-	(390.7)	(390.7)	(390.7)
Provisions	-	(9.2)	(9.2)	(9.2)
	261.2	(850.5)	(589.3)	(593.0)

* See note 19 for maturity analysis of the discounted and undiscounted lease liability.

	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)**

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Company				
29 February 2020				
Financial assets:				
Amounts due from Group undertakings	263.4	-	263.4	263.4
Financial liabilities:				
Interest bearing loans & borrowings	-	(13.9)	(13.9)	(17.6)
Amounts due to Group undertakings	-	(302.5)	(302.5)	(302.5)
Accruals	-	(1.0)	(1.0)	(1.0)
	263.4	(317.4)	(54.0)	(57.7)

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.

Lease liabilities

The fair value of lease liabilities is initially calculated by measuring 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.

(c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Commodity price risk

The Group is exposed to variability in the price of commodities used in the production or in the packaging of finished products, such as apples, glass, barley, aluminium, polymer, wheat and sugar/glucose. Commodity price risk is managed, where economically viable, through fixed price contracts with suppliers incorporating appropriate commodity hedging and pricing mechanisms. The Group does not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. It is Group policy to fix the cost of a certain level of its energy requirement through fixed price contractual arrangements directly with its energy suppliers.

Currency risk

The Company's functional and reporting currency is Euro. The Euro is also the Group's reporting currency and the currency used for all planning and budgetary purposes. The Group is exposed to currency risk in relation to sales and purchase transactions by Group companies in currencies other than their functional currency (transaction risk), and fluctuations in the Euro value of the Group's net investment in foreign currency (primarily Sterling and US Dollar) denominated subsidiary undertakings (translation risk). Currency exposures for the entire Group are managed and controlled centrally. The Group seeks to minimise its foreign currency transaction exposure, when 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 2021 the Group had no forward foreign currency cash flow hedges outstanding (FY2020: €24.6m).

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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.

	2021 €m	2020 €m
Derivatives		
Cash flow hedges – currency forwards	-	(0.3)
Total	-	(0.3)

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.

	2021 €m	2020 €m
Hedging reserves		
Opening balance 1 March	**0.3**	(1.1)
Change in fair value of hedging recognised in Other Comprehensive Income for the year	**0.3**	1.7
Reclass to retained earnings	**(0.6)**	-
Deferred tax on cash flow hedges	-	(0.3)
Closing balance 28/29 February – continuing hedges	-	0.3

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.

Notes forming part of the financial statements (continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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 2021, would have a €2.9m positive impact (FY2020: €4.7m) on the Income Statement. A 10% weakening in the Euro against all currencies noted above would have a €3.6m negative effect (FY2020: €3.9m) on the Income Statement. This analysis assumes that all other variables, in particular interest rates, remain constant.

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 29 February 2020 is as:

	Euro €m	Sterling €m	USD €m	CAD/AUD €m	NZD €m	SGD €m	ZAR €m	Not at risk €m	Total €m
Group									
Cash	8.2	0.9	2.9	2.3	-	0.5	0.5	108.1	123.4
Trade receivables	4.0	0.1	1.3	0.8	-	-	-	86.9	93.1
Advances to customers	-	-	-	-	-	-	-	44.7	44.7
Interest bearing loans & borrowings	-	(17.6)	-	-	-	-	-	(339.4)	(357.0)
Lease liabilities	-	-	-	-	-	-	-	(93.3)	(93.3)
Trade & other payables	(16.1)	(24.9)	(3.3)	(0.5)	(1.8)	-	-	(344.1)	(390.7)
Provisions	-	-	-	-	-	-	-	(9.2)	(9.2)
Gross currency exposure	(3.9)	(41.5)	0.9	2.6	(1.8)	0.5	0.5	(546.3)	(589.0)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

	Sterling €m	Not at risk €m	Total €m
Company			
Interest bearing loans & borrowings	(17.6)	3.7	(13.9)
Net amounts due to Group undertakings	(19.6)	(19.5)	(39.1)
Accruals	(0.1)	(0.9)	(1.0)
Total	(37.3)	(16.7)	(54.0)

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 2021 €m	2020 €m	Company 2021 €m	2020 €m
Variable/fixed rate instruments				
Interest bearing loans & borrowings	**(473.9)**	(360.7)	**(148.3)**	(17.6)
Cash	**107.7**	123.4	**0.7**	-
	(366.2)	(237.3)	**(147.6)**	(17.6)

The Group exposure to interest rate risk arises principally from its long-term debt obligations. A 0.25% increase/decrease in Euribor and Libor rates would result in a €1.9m impact on the Income Statement, over the duration of the tenure, with respect to the interest charge on interest bearing loans & borrowings.

(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 current and 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 2021, the Group's year end cash had benefited by €45.0 (FY2020: €131.4m) 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*.

Notes forming part of the financial statements
(continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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 2021, the Group held collateral of €2.7m (FY2020: €2.7m) on financial assets that are credit impaired and recognised no expected credit loss on financial assets of €9.8m (FY2020:€12.1m) due to collateral.

Interest rates calculated on repayment/annuity advances are generally based on the risk-free rate plus a margin, which takes into account the risk profile of the customer and value of security given. The Group establishes an allowance for impairment of customer's advances that represents its estimate of potential future losses.

From time to time, the Group holds significant cash balances, which are invested on a short-term basis and disclosed under cash in the Balance Sheet. Risk of counterparty default arising on short-term cash deposits is controlled within a framework of dealing primarily with banks who are members of the Group's banking syndicate, and by limiting the credit exposure to any one of these banks or institutions. Management does not expect any counterparty to fail to meet its obligations.

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	
	2021 €m	2020 €m	2021 €m	2020 €m
Trade receivables	**75.9**	93.1	**-**	-
Advances to customers	**42.1**	44.7	**-**	-
Amounts due from Group undertakings	**-**	-	**118.6**	263.4
Cash	**107.7**	123.4	**0.7**	-
	225.7	261.2	**119.3**	263.4

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 FY2021. Post year end, on 26 May 2021, the Group announced a rights issue. The rights issue is intended, alongside the other actions that the Group has already announced and implemented, to reduce leverage and improve the Group's overall liquidity position thereby 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 as normalised trading conditions return.

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.

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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 current 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 2021 the Group had €325.6m drawn down from the term loan and multi-currency revolving facilities (FY2020: €343.1m), €142.6m drawn down from Private Placement notes (FY2020: €nil) and €5.7m from its non-bank financial indebtedness (FY2020: €17.6m).

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 whether or not the rights issue is successful. Conditional on a Minimum Equity Raise being achieved, the debt covenants for 31 August 2022 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.

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. Where the Minimum Equity Raise is not achieved, 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 31 August 2022 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month (except for July 2021 and December 2021 when the minimum amount of liquidity is €120.0m, June 2022 when the minimum amount of liquidity is €80.0m and July 2022 when the minimum amount of liquidity is €100.0m). A monthly gross debt cap of €750.0m in the current financial year applied which will continue during FY2022.

Where the Minimum Equity Raise is achieved, 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 any subsequent test date, 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 the current financial year also applied which will continue during FY2022 but will reduce to €700.0m post a Minimum Equity Raise being achieved. 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.

The Company and Group has further financial indebtedness of €5.7m at 28 February 2021 (2020: €17.6m), which is repayable by instalment 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 2021 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 the prior financial year 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 the negotiation of temporary extensions to suppliers, and UK and Irish tax authorities' payments terms. Payment of dividends were paused, and the Group availed of Government furlough schemes across the UK and Ireland to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector. Post year end, the Group has also announced a cost reduction programme expected to deliver annualised savings of €18m 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						
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)**
Group						
2020						
Interest bearing loans & borrowings	(357.0)	(391.6)	(10.0)	(33.3)	(97.2)	(251.1)
Trade & other payables	(390.7)	(390.7)	(390.7)	-	-	-
Lease liabilities	(93.3)	(95.9)	(11.2)	(10.6)	(20.7)	(53.4)
Provisions	(9.2)	(9.2)	(2.5)	(1.6)	(1.7)	(3.4)
Total contracted outflows	(850.2)	(887.4)	(414.4)	(45.5)	(119.6)	(307.9)
Company						
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)**
2020						
Interest bearing loans & borrowings	(13.9)	(17.9)	(6.1)	(6.0)	(5.8)	-
Amounts due to Group undertakings	(302.5)	(302.5)	(302.5)	-	-	-
Accruals	(1.0)	(1.0)	(1.0)	-	-	-
Total contracted outflows	(317.4)	(321.4)	(309.6)	(6.0)	(5.8)	-

25. SHARE CAPITAL AND RESERVES

	Authorised Number	Allotted and called up Number	Authorised €m	Allotted and called up €m
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
At 28 February 2019				
Ordinary shares of €0.01 each	800,000,000	320,354,042**	8.0	3.2

* Inclusive of 10.8m (3%) treasury shares.
** Inclusive of 10.9m (3%) treasury shares.

All shares in issue carry equal voting and dividend rights.

Reserves
Group

	Allotted and called up Ordinary Shares 2021 '000	2020 '000
As at 1 March	**319,495**	320,354
Shares issued in lieu of dividend	**-**	4,624
Shares issued in respect of options exercised	**985**	142
Shares cancelled following share buyback programme	**-**	(5,625)
As at 28/29 February	**320,480***	319,495*

* 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		Other Treasury Shares		Total Treasury Shares	
	2021 '000	2020 '000	2021 '000	2020 '000	2021 '000	2020 '000
As at 1 March	**1,785**	1,909	**9,025**	9,025	**10,810**	10,934
Shares disposed of or transferred to Participants	**(19)**	(124)	**-**	-	**(19)**	(124)
As at 28/29 February	**1,766**	1,785	**9,025**	9,025	**10,791**	10,810

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 continue to be included in the treasury share reserve. During the 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)

Movements in the year ended 29 February 2020

In July 2019, 3,377,441 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €3.7071 per share, instead of part or all the cash element of their final dividend entitlement for the year ended 29 February 2020. In December 2019, 1,246,538 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €4.45916 per share, instead of part or all of the cash element of their interim dividend entitlement for the year ended 29 February 2020.

All shares held by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the C&C Employee Trust which were neither cancelled nor disposed of by the Trust at 29 February 2020 continue to be included in the treasury share reserve. During the prior financial year, 123,889 shares were sold by the Trustees and are no longer accounted for as treasury shares.

Also during the prior financial year, as part of the Group's capital management strategy, the Group invested €22.7m (€23.0m inclusive of commission and related costs) in an on-market share buyback programme in which it repurchased and subsequently cancelled 5,625,000 of the Group's shares. This was in accordance with shareholder authority granted at the Group's AGM, to make market purchases of up to 10% of its own shares.

Share premium – Group

The change in legal parent of the Group on 30 April 2004, as disclosed in detail in that year's annual report, was accounted for as a reverse acquisition. This transaction gave rise to a reverse acquisition reserve debit of €703.9m, which, for presentation purposes in the Group financial statements, has been netted against the share premium in the Balance Sheet.

The current financial year movement relates to the exercise of share options €0.3m (FY2020: €0.4m). The prior financial year movement also relates to the issuance of a scrip dividend to those who elected to receive additional ordinary shares in place of a cash dividend €18.0m.

Share premium – Company

The share premium, as stated in the Company Balance Sheet, represents the premium recognised on shares issued and amounts to €872.3m as at 28 February 2021 (FY2020: €872.0m).

The current financial year movement relates to the exercise of share options €0.3m (FY2020: €0.4m). The prior financial year movement also relates to the issuance of a scrip dividend to those who elected to receive additional ordinary shares in place of a cash dividend €18.0m.

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.

25. SHARE CAPITAL AND RESERVES (continued)

Revaluation reserve

Since 2009 the Group has completed a number of external and internal valuations on its property, plant and equipment. Gains arising from such revaluations are posted to the Group's revaluation reserve, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, where it is first credited to the Income Statement to the extent of the write down. Any decreases in the value of the Group's property, plant and equipment as a result of external or internal valuations are recognised in the Income Statement except where there had been a previously recognised gain in the revaluation reserve as a result of the same asset, in which case, the gain is eliminated from the revaluation reserve to offset the loss in the first instance.

During the current financial year, as outlined in detail in note 11, the Group engaged external valuers to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow) 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.

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), Vermont (USA) and Portugal sites, along with the Group's various Depots. Using the valuation methodologies, this resulted in a net revaluation loss of €1.0m accounted for in the Income Statement and a gain of €1.1m accounted for within the revaluation reserve via Other Comprehensive Income.

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 has announced a rights issue. The rights issue is intended, alongside the other actions that the Group has already announced and implemented, to reduce leverage and improve the Group's overall liquidity position thereby 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 as normalised trading conditions return. The Board has considered a number of different scenarios and assumptions and the impact these might have on the Group's financial position in deciding on the appropriate quantum. These included the potential length of the current lockdown, the impact of ongoing restrictions, the unwinding of temporary working capital supports from government and tax authorities, the potential economic impact on demand through the recovery and the likelihood of any further waves of lockdown. Taking these into consideration, the Board believes that a rights issue will not only reduce the Group's leverage but allow it to continue to deliver upon 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.

Notes forming part of the financial statements (continued)

25. SHARE CAPITAL AND RESERVES (continued)

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 current 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 2021 the Group had €325.6m drawn down from the term loan and multi-currency revolving facilities (FY2020: €343.1m), €142.6m drawn down from Private Placement notes (FY2020: €nil) and €5.7m from its non-bank financial indebtedness (FY2020: €17.6m).

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 whether or not the rights issue is successful. Conditional on a Minimum Equity Raise being achieved, the debt covenants for 31 August 2022 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.

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. Where the Minimum Equity Raise is not achieved, 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 31 August 2022 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month (except for July 2021 and December 2021 when the minimum amount of liquidity is €120.0m, June 2022 when the minimum amount of liquidity is €80.0m and July 2022 when the minimum amount of liquidity is €100.0m). A monthly gross debt cap of €750.0m in the current financial year applied which will continue during FY2022.

Where the Minimum Equity Raise is achieved, 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 any subsequent test date, 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 the current financial year also applied which will continue during FY2022 but will reduce to €700.0m post a Minimum Equity Raise being achieved. 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.

In respect of the financial year ended 28 February 2021, due to the emergence of COVID-19, no final dividend is being declared and no interim dividend was paid (FY2020: 5.50 cent per share). Total dividend for the year is €nil (FY2020: 5.50 cent per share).

The Group participated in a share buyback programme during the prior financial year. At the AGM held on 4 July 2019, shareholders granted the Group authority to make market purchases of up to 10% of its own shares. In the prior financial year, the Group invested €22.7m (€23.0m including commission and related fees) as part of this on-market buyback programme, purchasing 5,625,000 of the Company's shares at an average euro equivalent price of €4.03. All shares acquired as part of the share buyback programme in the prior financial year were subsequently cancelled by the Group. In the financial year ended 28 February 2015, a subsidiary of the Group invested €30.0m as part of an on-market share buyback programme, purchasing 9,025,000 of the Company's shares at an average price of €3.29. All shares acquired as part of this share buyback programme are held as Treasury shares.

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:

	2021 €m	2020 €m
Contracted	**5.7**	2.3
Not contracted	**5.0**	7.7
	10.7	10.0

The contracted capital commitments at 28 February 2021 are with respect of contracts that support the Group in achieving its environmental targets and optimising its operational footprint.

(b) Other commitments

At the year end, the value of contracts placed for future expenditure was:

	2021					
	Apples €m	Glass €m	Marketing €m	Barley €m	Sugar/ glucose €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. Other commitments do not include commitments relating to the Group's disposal group, see note 16 for further details.

	2020										
	Apples €m	Glass €m	Marketing* €m	Barley €m	Aluminium €m	Polymer €m	Wheat €m	Sugar/ glucose €m	Natural gas €m	Electricity €m	Total* €m
Payable in less than one year	8.1	4.7	7.6	7.6	0.8	0.3	0.9	7.5	0.3	0.1	37.9
Payable between 1 and 5 years	13.3	-	6.4	14.8	-	-	-	-	-	-	34.5
Payable greater than 5 years	23.6	-	-	-	-	-	-	-	-	-	23.6
	45.0	4.7	14.0	22.4	0.8	0.3	0.9	7.5	0.3	0.1	96.0

* In the prior financial year, an element of committed marketing spend was deemed to be onerous in light of COVID-19 (note 5).
** Commitment obligations range from between 1 year to 25 years.

27. GUARANTEES, COMMITMENTS AND CONTINGENCIES

Where the Group or subsidiaries enters into financial guarantee contracts to guarantee the indebtedness of other companies or joint ventures and associates within the Group, the Group/subsidiaries 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, non-bank borrowings and a multi-currency revolving facility in place at year end. The Company has non-bank borrowings and 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 2021. The actual loans outstanding for the Group at 28 February 2021 amounted to €473.9m (FY2020: €360.7m).

Notes forming part of the financial statements
(continued)

27. GUARANTEES, COMMITMENTS AND CONTINGENCIES (continued)

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.

During the 2011 financial year, a subsidiary of the Group entered into a guarantee with Clydesdale Bank plc whereby it guaranteed £250,000 plus interest and charges of the drawn debt of one of its customers. The guarantee expired in the current financial year.

Invest Northern Ireland funding, in the form of an employment grant of €0.2m was received during FY2015. The funds were fully repayable should the recipient subsidiary of the Group at any time during the term of the agreement be in breach of the terms and conditions of the agreement. The term of the agreement expired in the prior financial year.

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has guaranteed commitments entered into and liabilities of certain of its subsidiary undertakings incorporated in the Republic of Ireland for the financial year to 28 February 2021 and as a result such subsidiaries are exempt from certain filing provisions.

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).

28. RELATED PARTY TRANSACTIONS (continued)

Details of transactions with equity accounted investments during the year and related outstanding balances at the year end are as follows:

	Joint ventures		Associates	
	2021 €m	2020 €m	2021 €m	2020 €m
Net revenue	**0.9**	1.7	**0.1**	0.5
Trade & other receivables	**0.2**	0.4	**-**	-
Purchases	**0.3**	0.7	**0.2**	0.8
Trade & other payables	**-**	-	**-**	0.3
Loans	**1.5**	1.6	**1.0**	1.1

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), permanent health insurance (or reimbursement of premiums paid into a personal policy) and death in service insurance programme. Executive Directors may also benefit from medical insurance under a Group policy (or the Group will reimburse premiums). No other non-cash benefits are provided. Non-Executive Directors do not receive share-based payments nor post employment benefits.

Details of key management remuneration, charged to the Income Statement, are as follows:

	2021 Number	2020 Number
Number of individuals	**10**	10
	€m	**€m**
Salaries and other short-term employee benefits	**1.9**	2.8
Post employment benefits	**0.2**	0.4
Equity settled share-based payment (credit)/charge and related dividend accrual	**(0.7)**	1.2
Pay in lieu of notice	**0.6**	0.7
Total	**2.0**	5.1

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 stock from St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director; and
- In the prior financial year the Group was provided with consultancy services from Advanced Boardroom Excellence Limited, of which Helen Pitcher 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 FY2021 was €0.6m (FY2020: €nil).

Notes forming part of the financial statements (continued)

28. RELATED PARTY TRANSACTIONS (continued)

(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:

	2021 €m	2020 €m
Dividend income	**76.6**	10.0
Expenses paid on behalf of and recharged by subsidiary undertakings to the Company	**(2.1)**	(2.3)
Equity settled share-based payments for employees of subsidiary undertakings	**0.8**	2.5
Drawdown of cash funding and other movements with subsidiary undertakings	**49.3**	58.8

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS

	Notes	Nature of business	Class of shares held as at 28 February 2021 (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

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2021 (100% unless stated)
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
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			
Green Mountain Beverage Management Corporation, Inc	(h) (q)	Licensing activity	Common Stock
Vermont Hard Cider Company Holdings, Inc.	(h)	Holding company	Common Stock
Vermont Hard Cider Company, LLC	(h) (q)	Cider	Membership Units
Wm. Magner, Inc.	(h)	Cider	Common Stock

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 2021 (100% unless stated)
Incorporated and registered in Singapore			
C&C International (Asia) Pte. Ltd.	(j)	Sales & Marketing	Ordinary
Non-trading subsidiaries			
Incorporated and registered in Republic of Ireland			
C&C Brands Limited	(a) (n)	Non-trading	Ordinary
C&C Gleeson Group Pension Trust Limited	(b) (n)	Non-trading	Ordinary
C&C Group Pension Trust Limited	(a) (n)	Non-trading	Ordinary
C&C Group Pension Trust (No. 2) Limited	(a) (n)	Non-trading	Ordinary
C&C Profit Sharing Trustee Limited	(a) (n)	Non-trading	Ordinary
Ciscan Net Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Cooney & Co. Unlimited Company	(b) (n)	Non-trading	Ordinary
Cravenby Limited	(a) (n)	Non-trading	Ordinary
Crystal Springs Water Company Limited	(b) (n)	Non-trading	Ordinary
Dowd's Lane Brewing Company Limited	(a) (n)	Non-trading	Ordinary
Edward and John Burke (1968) Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Findlater (Wine Merchants) Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Fruit of the Vine Limited	(a) (n)	Non-trading	Ordinary
Gleeson Logistic Services Limited	(b) (n)	Non-trading	Ordinary
Gleeson Wines & Spirits Limited	(b) (n)	Non-trading	Ordinary
Greensleeves Confectionery Limited	(b) (n)	Non-trading	Ordinary, 12% Cumulative Convertible Redeemable Preference & 3% Cumulative Redeemable Convertible Preference
M.& J. Gleeson (Investments) Limited	(b) (n)	Non-trading	Ordinary
M&J Gleeson Nominees Limited	(b) (n)	Non-trading	Ordinary & Preference
M. and J. Gleeson (Manufacturing) Company u.c.	(b) (n)	Non-trading	Ordinary
M and J Gleeson (Manufacturing) Company Holdings Limited	(b) (n)	Non-trading	Ordinary & Non-Voting Ordinary
M and J Gleeson and Company Holdings Limited	(b) (n)	Non-trading	Ordinary
M & J Gleeson Property Development Limited	(b) (n)	Non-trading	Ordinary
Magners Irish Cider Limited	(a) (n)	Non-trading	Ordinary
Sceptis Limited	(a) (n)	Non-trading	Ordinary
Showerings (Ireland) Limited	(a) (n)	Non-trading	Ordinary
Tennmel Limited	(b) (n)	Non-trading	Ordinary & A-E Non-Voting
Thwaites Limited	(a) (n)	Non-trading	A & B Ordinary
Tipperary Natural Mineral Water Company Holdings Limited	(b) (n)	Non-trading	Ordinary

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2021 (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) Disposed in April 2021.

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 2021
Joint venture			
Beck & Scott (Services) Limited (Northern Ireland)	(a)	Wholesale of drinks	Ordinary, 50%
Brady P&C Limited (England)	(b)	Holding Company	Ordinary, 49.9%
Drygate Brewing Company Limited (Scotland)	(c)	Brewing	B Ordinary, 49%
The Irish Brewing Company Limited (Ireland)	(d)	Non-trading	Ordinary, 45.61%
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, 10%
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

30. POST BALANCE SHEET EVENTS

On 26 May 2021, the Group announced a rights issue. The rights issue is intended, alongside the other actions that the Group has already announced and implemented, to reduce leverage and improve the Group's overall liquidity position thereby 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 as normalised trading conditions return.

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 whether or not the rights issue is successful. Conditional on a Minimum Equity Raise being achieved, the debt covenants for 31 August 2022 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. 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, both in the scenario of a Minimum Equity Raise being achieved and a Minimum Equity Raise not being achieved. Please refer to Note 20 for further details.

Post year end the Group announced that the outcome of a cost reduction programme it had undertaken would deliver annualised savings of €18m against its pre COVID-19 cost base.

On 2 April 2021, the Group completed the sale of its wholly owned US subsidiary, Vermont Hard Cider Company ("VHCC") to Northeast Kingdom Drinks Group, LLC for a total consideration of USD 20.0m. VHCC was classified as a disposal group, held for sale, as at 28 February 2021.

In April 2021, the Group's wholly owned subsidiary, Matthew Clark Bibendum Limited ("MCB"), was the subject of a cybersecurity incident, which impacted both Matthew Clark and Bibendum. MCB responded quickly, enacting its cybersecurity response plan, and taking steps to protect its IT systems. Additionally, C&C engaged a leading forensic information technology firm and legal counsel to assist the Group in investigating the incident and restoring the IT systems as quickly and as safely as possible. As part of the cybersecurity response plan, the Group contacted all stakeholders on the actions the Group had taken and notified the relevant authorities, including the Information Commissioner's Office. This incident did not affect the IT systems of the wider C&C Group, which continued to operate as normal. The recent incident affecting Matthew Clark and Bibendum IT systems has emphasised the need for continued focus on information security. The Group has commenced a detailed review of its information security and cyber preparedness policies and processes.

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 26 May 2021.

Financial Definitions

Adjusted earnings	(Loss)/profit for the year attributable to equity shareholders as adjusted for exceptional items
Company	C&C Group plc
Constant Currency	Prior year revenue, net revenue and operating profit for each of the Group's reporting segments is restated to constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's non-Euro denominated subsidiaries by revaluing the prior year figures using the current year average foreign currency rates
DWT	Dividend Withholding Tax
EBITDA	(Loss)/earnings before Interest, Tax, Depreciation and Amortisation charges excluding the Group's share of equity accounted investments' profit/(loss) after tax
Adjusted EBITDA	EBITDA as adjusted for exceptional items
EBIT	(Loss)/earnings before Interest and Tax
Adjusted EBIT	EBIT as adjusted for exceptional items
Effective tax rate (%)	Income and deferred tax charges relating to continuing activities before the tax impact of exceptional items calculated as a percentage of (loss)/profit before tax for continuing activities before exceptional items and excluding the Group's share of equity accounted investments' profit/(loss) after tax
EPS	(Loss)/earnings per share
EU	European Union
Exceptional	Significant items of income and expense within the Group results for the year which by virtue of their scale and nature are disclosed in the Income Statement and related notes as exceptional items
Free Cash Flow	Free Cash Flow is a measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. Free Cash Flow highlights the underlying cash generating performance of the ongoing business
GB	Great Britain (i.e. England, Wales and Scotland)
Group	C&C Group plc and its subsidiaries
HL	Hectolitre (100 Litres)
	kHL = kilo hectolitre (100,000 litres)
	mHL = millions of hectolitres (100 million litres)
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards as adopted by the EU
Interest cover	Calculated by dividing the Group's EBITDA excluding exceptional items and discontinued activities by the Group's interest expense, excluding IFRS 16 *Leases* finance charges, issue cost write-offs, fair value movements with respect to derivative financial instruments and unwind of discounts on provisions, 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. Net debt including leases 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 (loss)/profit	(Loss)/profit earned from the Group's core business operations before net financing and income tax costs and excluding the Group's share of equity accounted investments' profit/(loss) after tax. In line with the Group's accounting policies certain items of income and expense are separately classified as exceptional items on the face of the Income Statement
PPE	Property, plant & equipment
Revenue	Revenue comprises the fair value of goods supplied to external customers exclusive of intercompany sales and value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives
ROI	Republic of Ireland
TSR	Total Shareholder Return
UK	United Kingdom (Great Britain and Northern Ireland)
US	United States of America

Shareholder and Other Information

C&C Group plc is an Irish registered company (registered number: 383466). Its ordinary shares are quoted on the London Stock Exchange (ISIN: IE00B010DT83 SEDOL: B010DT8).

C&C Group plc also has a Level 1 American Depository Receipts (ADR) programme for which Deutsche Bank acts as depository (symbol CCGGY). Each ADR share represents three C&C Group plc ordinary shares.

The authorised share capital of the Company at 28 February 2021 was ordinary 800,000,000 ordinary shares at €0.01 each. The issued share capital at 28 February 2021 was 320,480,164 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	2021	2020
Share price at year end	£2.58	£3.28

	2021 Number	2020 Number
No of Shares in issue at year end	320,480,164	319,495,110
Market capitalisation 28/29 February	£827k	£1,048m

Share price movement during the financial year		
– high	£3.36	£4.11
– low	£1.45	£3.28

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 the emergence of COVID-19 and the impact this has on global economies and on business generally, the Board concluded it was not appropriate to pay an interim dividend or a final dividend for FY2021.

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 7117, Dublin 2, Ireland
Tel: +353 1 553 0050
Fax: +353 1 224 0700
Email: enquiries@capita.ie
Website: www.linkassetservices.com

American Depositary Receipts (ADR)

Shareholder with queries concerning their ADR holdings should contact:
Deutsche Bank Trust Company Americas
C/o American Stock Transfer & Trust Company, 6201 15th Avenue, Brooklyn, NY 11219.
Tel: Toll free +1 866 249 2593
International +1 718 921 8137
Email: db@astfinancial.com

Investor Relations

FTI Consulting
10 Merrion Square, Dublin 2, D02 DW94

Principal Bankers

ABN Amro Bank
Allied Irish Bank
Bank of Ireland
Bank of Scotland
Barclays Bank
HSBC
Rabobank
Ulster Bank

Solicitors

McCann FitzGerald
Riverside One, Sir John Rogerson's Quay, Dublin 2, D02 X576

Stockbrokers

Davy
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

sourcedesign.ie

C&C group plc

Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702.
www.candcgroupplc.com

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C105984