C&C group plc

Annual Report 2023

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

C&C Group's portfolio of owned/exclusive brands include: Bulmers, the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners, the premium international cider brand; exclusive distribution of the Budweiser Brewing Group portfolio in Ireland including Budweiser, the fifth largest long alcoholic drink ('LAD') brand; as well as a range of fast-growing, premium and craft ciders and beers, such as Heverlee, Menabrea, Five Lamps and Orchard Pig.

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

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

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

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

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"Set against a challenging backdrop, we are pleased to have delivered an improved performance against all financial measures. While the complex Enterprise Resource Planning ('ERP') system upgrade within our Matthew Clark and Bibendum businesses has been more disruptive than originally envisaged and will have a material and we believe non-recurring impact on the Group's results in FY2024, it represents a key step towards our digital transformation process and will, in time, enhance C&C's unique position as the pre-eminent brand-led distributor.

C&C's balance sheet strength together with our inherently strong free cash flow characteristics has enabled the Group to propose the reintroduction of an ordinary dividend for the first time since 2019."

Patrick McMahon
Group Chief Executive Officer & Group Chief Financial Officer

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Results

Net Revenue

€1,689.0m

Increase of 18.4% on a constant currency basis

Operating Profit before Exceptional Items

€84.1m

Operating Profit after Exceptional Items

€83.9m

Balance Sheet

Liquidity

€470.3m

Net Debt/Adjusted EBITDA Including Leases

1.3x

Net Debt Including Leases

€152.7m

Cash

Free cash flow conversion before Exceptional items

64.6%

Free cash flow conversion

60.7%

Executive Chair's Statement

"The Group's strategy is focused on three distinct pillars: brand strength; system strength; and sustainability."

Ralph Findlay
Executive Chair

In my first year as Chair, I am pleased to report net revenue for FY2023 of €1,689.0 million which represents an increase of 18% versus last year on a constant currency basis(i). Our operating profit before exceptional items was €84.1 million and our overall earnings before exceptional items, interest, tax, share of equity accounted investments, depreciation and amortisation was €116.6 million(ii). This excluded an exceptional operating loss for the year of €0.2 million. FY2023 basic EPS was 13.3 cent and adjusted diluted EPS(iii) was 13.4 cent.

Our core brands in Scotland and Ireland have continued to perform strongly, with both Tennent's and Bulmers gaining market share and maintaining their clear market leading positions(iv). The Group's strategy is focused on three distinct pillars: brand strength; system strength; and sustainability. During FY2023 we continued to make significant investment to support these priorities and to consolidate our position as the leading brand-led drinks distributor serving the UK and Ireland hospitality sectors. The provenance and unique position of our core brands in the markets they serve ensures a strong platform from which to develop our wider portfolio and we are pleased with the performance and progression of our premium portfolio.

We also continued to invest in systems with the implementation of a complex Enterprise Resource Planning ('ERP') system upgrade in our Matthew Clark and Bibendum ('MCB') business in February 2023. The implementation is a key step in our digital transformation and optimisation program in GB, designed to enhance the service we provide to our customers and in time improve efficiency and maximise our capacity utilisation through more automated processes. The implementation process has taken longer than originally envisaged, with a consequent material impact on service and profitability within MCB. The Group currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however net debt(v) / adjusted EBITDA(ii) is expected to remain within the Group's stated range of 1.5x to 2.0x.

We were pleased to announce the disposal of our 49% shareholding in Admiral Taverns in May 2022 for total consideration of £55 million, and to have reached a long-term supply and distribution agreement with them, including the future supply of our brands.

The inherent strength of our business model and cash generating characteristics were evident again in FY2023 with a significant reduction in net debt(v) to €152.7 million and a leverage multiple of 1.3x, compared with €271 million(v) and 3.4x at the end of FY2022. Today we announce that, subject to shareholder approval, the Directors have proposed a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023. The Group therefore looks to the future from a position of financial strength and is equipped with sufficient liquidity(vi) to execute our long-term strategy.

People and Culture

We are a business with a manufacturing footprint and depot network close to the customers and consumers we serve. We have world-class facilities and a network that is unrivalled in terms of reach and scale across the UK and Ireland. Integral to our success in optimising this advantage is identifying opportunities and responding quickly to serve the needs of our customers.

Undoubtedly, our people are at the very heart of our success, and I sincerely thank every one of my colleagues for their dedication and support for our values of customer service, quality and teamwork, and in navigating the many challenges we faced in FY2023.

We are committed to supporting our colleagues' physical and mental wellbeing, with some 50 colleagues having received mental health first aid training by the end of FY2023, and a commitment to train an additional 100 colleagues by the end of FY2024, in collaboration with our training partners JB Training to offer confidential support and advice for colleagues who may need it, when they need it, regardless of location or role function. This year, we established four Employee Resource Groups (ERGs) focused on mental health & wellbeing, physical health, working parents and menopause, as well as establishing a Diversity, Equity & Inclusion Advisory Group. Our ERGs and Advisory Group are formed from passionate colleague volunteers who dedicate their time and commitment to promoting a culture of diversity and inclusiveness across our business, many of whom have personal interest and experience in these areas, which helps guide our business and informs decision-making.

We are members of, and actively collaborate with, the Portman Group and Drinkaware to raise awareness of alcohol harm and to promote the responsible consumption of alcohol both with our customers and colleagues. We utilise both charities' training resources to educate our colleagues through online and virtual group training sessions, which we have made mandatory for all marketing and commercial roles, as well as opening e-learning for all colleague participation.

We are proud to work with the communities which we serve and in summer 2022, we announced a three-year partnership with The Big Issue Group to change lives through enterprise. The partnership extends beyond fundraising to volunteering, mentoring, and offering employment opportunities to Big Issue Vendors who are ready to return to the workplace, through Big Issue Recruit. We have committed to placing 15 Vendors back in employment across the Group each year, with our first placements joining in May 2023.

The Board recognises the need to take regular temperature checks of employee engagement to continue to develop our people, culture and values. The Group undertakes two employee engagement surveys each year with the support of engagement specialists, Workday Peakon. The results and feedback are reviewed by managers and by the Board to respond to areas which require focus in order to improve our colleagues' experience at work and to ensure we channel investment into the most appropriate areas to improve our culture. In FY2023, engagement survey participation rates reached industry-leading levels and we made significant, positive improvement on our engagement score.

Undoubtedly, our people are at the very heart of our success, and I sincerely thank every one of my colleagues for their dedication and support for our values of customer service, quality and teamwork, and in navigating the many challenges we faced in FY2023.

Executive Chair's Statement
(continued)

In addition, our Board met directly with colleagues from across the business during FY2023, to establish a forum for open and honest dialogue and feedback. This continuous process and review is fundamental to our commitment to making C&C a great place to work for everyone.

Social Responsibility and Environmental Commitments

We recognise the important role that our industry plays in wider society but acknowledge and understand the key role we play in social responsibility within the local communities we serve. We take our responsibility seriously. In terms of strategic oversight, the Board has an ESG (Environment, Social and Governance) Committee that works alongside our ESG team to develop and execute our ESG strategy. Our ESG team includes representation from colleagues at all levels across the business to ensure varied and diverse inputs and a balanced strategy. This year's Responsibility Report is set out on pages 56 to 79.

As part of our commitment to the responsible consumption of alcohol we produce a range of no and low alcohol variants of our leading brands which we continue to develop and are active members of both the Portman Group and Drinkaware.

Protecting our environment remains an integral part of the Group's strategy. For this reason, the Board decided that ESG considerations should also be part of the Executive remuneration policy at C&C. With consideration to the strategic ESG targets set out for the Group during 2023, and with guidance from the ESG Committee, an environmental target has been included in the performance conditions of the 2022 Long Term Incentive Plan ('LTIP'). More details can be found in the Remuneration Committee Report on pages 115 to 135.

In FY2023, the Group has continued to progress our Environmental, Social and Governance agenda. In January 2023, following a rigorous review and assessment process, C&C's efforts to reduce its carbon footprint and commitment to target setting and emissions reporting was validated by the Science Based Targets initiative (SBTi). C&C has also received an A- rating on Supplier Engagement from CDP, the global environmental disclosure system reporting standard, recognising our strengths in Supplier Engagement and approach to tackling Scope 3 emissions.

Capital Allocation

Capital investment during FY2023 continued to be focused on our brands, our system and sustainability. We finished FY2023 in a strong position, with net debt[v] / adjusted EBITDA[ii] at 1.3x, well below our previously communicated medium-term target of less than two times net debt[v] / adjusted EBITDA[ii]. We also exited the covenant waivers that we had been operating within, following COVID-19, and now have significant headroom in our traditional lending group covenants. We successfully completed a refinancing with a five-year committed sustainability-linked financing facility comprising a €250 million multi-currency revolving loan facility and a €100 million non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12-months and 24-months of initial drawdown respectively.

We recognise the importance of dividends to our Shareholders, and subject to shareholder approval, the Directors have proposed a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023. No interim dividend was paid with respect to FY2023; therefore, the Group's full year dividend will amount to 3.79 cent per share.

Future capital allocation will be focused on organic or acquisitive growth opportunities to enhance our brands and system, while ensuring we meet our sustainability commitments.

Governance

FY2023 saw further evolution of the Board. I joined the Board on 1 March 2022 and succeeded Stewart Gilliland as Non-Executive Chair of your Company following the AGM in July 2022. Stewart was an outstanding Non-Executive Chair and on behalf of the Board and the entire Group, I thank Stewart for his contribution over his 10-year tenure. Under Stewart's leadership, the Board developed significantly, successfully integrating and optimising the Matthew Clark and Bibendum businesses, diversifying Board membership and leading the Group's response to the challenges of COVID-19.

Post year end, on 19 May 2023, the Group announced David Forde, had stepped down as Chief Executive Officer and that Patrick McMahon, Group Chief Financial Officer had been appointed Group Chief Executive Officer. I have been appointed Executive Chair to support the management transition as Patrick McMahon will also retain his responsibilities as Chief Financial Officer until a new Chief Financial Officer is appointed.

John Gibney was appointed an Independent Non-Executive Director on 26 October 2022, strengthening the Board's range of skills and experience. John brings extensive industry experience and has a deep understanding of the beverage and hospitality sector in the UK and Ireland. He also has extensive listed company board experience in both executive and non-executive capacities.

During the year, Emer Finnan stepped down from her position as an Independent Non-Executive Director, effective 8 February 2023, after an 8-year tenure in which she made a significant contribution to the Board including her stewardship of the Group's Audit Committee. Following her appointment as Chair of the Judicial Appointments Commission, Helen Pitcher informed the Board that she will not seek re-election at the Group's 2023 AGM and will step down from her position as an Independent Non-Executive Director at that point.

Jim Thompson also informed the Board that he was finding it increasingly difficult to dedicate the necessary time required as an Independent Non-Executive Director as he lives in the US, and therefore would also not be seeking re-election at the Group's 2023 AGM. I would like to take this opportunity to express my and the Board's appreciation to David, Emer, Helen and Jim for their inimitable contributions and wish them well in their future endeavours.

It is very important that the performance of the Board, its Committees and individual Directors is rigorously reviewed. This year, an externally facilitated effectiveness review was conducted by Independent Audit Limited ('IAL') (in accordance with the UK Corporate Governance Code 2018 ('the Code')) and supported by the Company Secretary. The expertise and independence of IAL provides me and my colleagues with a more complete assessment of our strengths and areas of improvement of the Board. The results were insightful and I am pleased to report that key areas of Board strength were held to be its strong composition, shared passion, and the open and collaborative culture within the Board. Leveraging on our strengths, we want to ensure that we work as effectively as possible. There are five areas of improvement that will form part of our action plan for FY2024: Board oversight of and input into strategy, succession planning, risk and control oversight, meeting dynamics, and understanding of culture.

Our progress against last year's areas of focus, as well as the outcome of this year's effectiveness review can be found on pages 97 and 98.

We believe we have a Board with the requisite skills, experience and diversity to support the management of the business as it executes its strategy, and remain committed to maintaining the highest standards of governance principles and practice, an overview of which is included on pages 88 to 99.

Looking Forward

As we look forward, resolving the ERP challenges and restoring customer service levels is a key priority. We remain vigilant on the macro-economic challenges and inflationary environment and will continue to manage this backdrop by taking steps, where possible, to minimise the impact on our customers, consumers, and shareholders. We are a highly cash generative business and are well-positioned to execute our long-term strategy.

Ralph Findlay
Executive Chair

Notes
(i) FY2022 comparative adjusted for constant currency (FY2022 translated at FY2023 F/X rates).
(ii) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation and share of equity accounted investments' profit/(loss) after tax. A reconciliation of the Group's operating profit to adjusted EBITDA is set out on page 52.
(iii) Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please also see note 9 of the financial statements.
(iv) NI CGA OPM 28.02.23; ROI CGA OPM 28.02.23; NielsonIQ Total off-trade including Dunnes & Discounters 52 weeks to week ending 26.02.23 vs 52 weeks to end Feb 2020; CGA OPM 25.02.23 (GB Beer & Cider DB); IRI UK off-trade DB to 19.02.23.
(v) Net debt, including leases comprises borrowings (net of issue costs), lease liabilities capitalised less cash.
(vi) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.

Vision, Purpose and Values

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

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

Vision

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

Purpose

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

Our Values

To respect people and our planet and aim to bring joy to life, ensuring quality is at the core of everything we do.

Our Culture

Open

Humble

Respectful

Competitive

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

Divisional Structure

Ireland

C&C's Ireland division includes the financial results from 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, 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-trades in Ireland. The Group distributes San Miguel and Budweiser Brewing Group's portfolio of beer brands across the Island of Ireland on an exclusive basis. Our primary manufacturing plant is located in Clonmel, Co. Tipperary, with major distribution and administration centres in Dublin and Culcavy, Northern Ireland.

Great Britain (GB)

This segment includes the financial results from sale of the Group's own branded products in Scotland, with Tennent's, Caledonia Best, Heverlee and Magners the main brands. This division includes the sale of the Group's portfolio of owned cider brands across the rest of GB, including Magners, Orchard Pig, K Cider and Blackthorn which are distributed in partnership with Budweiser Brewing Group. Our primary manufacturing plant is the Wellpark Brewery in Glasgow, with major distribution and administration centres in Glasgow, Bristol and London.

The division includes Tennent's Direct, Scotland's leading drinks distributor which serves the Scottish on-trade with an unrivalled range of drinks led by beer and cider, and includes exclusive distribution of Moët Hennessy products, such as Moët and Glenmorangie, and UK distribution of international brands Tsingtao and Menabrea.

The segment includes the financial results from Matthew Clark, the largest independent distributor to the GB on-trade drinks sector. Matthew Clark delivers a market leading composite drinks range across Wine, Spirits, beer, cider, and soft drinks including a number of exclusive distribution agreements with wine producers and third-party brands.

In addition, it includes Bibendum, the UK's leading independent wine specialist servicing customers across the on-trade, independent retail (through Walker & Wodehouse) and off-trade nationwide. Delivering a market leading range of premium wine, a selection of exclusive globally recognised artisan and innovative wine producers.

The Group's Tennent's Direct, Matthew Clark and Bibendum distribution businesses operate a nationwide distribution network serving the independent free trade, national accounts, independent retail and off-trade customers.

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

Our Engagement with Stakeholders

We aim to maintain open and positive dialogue with all our stakeholders. Our stakeholders are a critical part of our operations and are referenced throughout this report. We have set out below details of who our key stakeholders are, and how we engage with them. For our Section 172 Statement, please see page 91.

Area of Focus	Why we engage	How we engage
Employees	**Our colleagues and contractors who work in our business**	
Health, safety, and wellbeing **Investment in learning and development** **Promotion of equality, diversity, and inclusion** **Recognition and careers** **C&C strategy, culture, and values** **Sustainability**	Our people sit at the heart of our business. Without them we would not succeed. We want our people to thrive in a fair and inclusive work environment, to ensure that C&C has the most engaged, inspired and committed colleagues.	Employee communications - weekly and monthly online and face to face briefings, Regular site visits and roadshows with Senior Management, Employee engagement surveys, Employee forums with Non-Executive Directors, Focus on Health and Wellbeing via healthcare benefits and Employee Resource Groups. Promote Diversity, Equity, and Inclusion ('DE&I') via a Group wide Advisory Group, Remote and Hybrid working and Right to Disconnect policies, Employee Assistance Programmes including Whistleblowing Helpline, Annual Reviews, Learning and Talent Development programmes, Board level ESG Committee to develop strategy and Group wide ESG Champions to advocate sustainability.
Communities	**The people who live in the local communities around our sites and operations**	
Fair employment and equal opportunities **Local causes and issues**	To build trust by operating responsibly and sustainably and investing in people and addressing issues that are material to our communities.	We support local and national charities and community groups to raise awareness and funds to help deserving causes. Building on our existing outreach work and initiatives which have empowered people from marginalised communities, in September 2022 the Group announced a three-year partnership with the Big Issue Group. This tie up is with a social enterprise that aims to change lives through enterprise and is aligned to C&C's charitable agenda around tackling the complex social issues of homelessness, addiction, poverty, and mental health. We have also introduced a Group wide volunteering policy, allowing all colleagues time off to volunteer, whether it be for our Big Issue Community Partnership, or local charities, community initiatives and causes that are of personal interest or relevant to our brands and Business Units.
Consumers	**The people who drink our products**	
Create joyful moments as consumers enjoy one of our drinks with family, friends and loved ones **Staying ahead of changing consumer lifestyles and habits which impact how people want to drink** **Making sure that our beverage offer is sustainable and good for the planet** **Safe products and environments**	We strive to build lasting bonds with consumers built on quality, relevance, authenticity, and trust. On occasions when consumers choose alcohol, we want them to "drink better, not more."	Using award-winning consumer insights via PROOF, our in-house data and insight business, we develop powerful and unique brand positions that engage consumers. We invest in and nurture our brands, to develop campaigns, experiences and associations that resonate with consumers. We utilise the appropriate experiences and channels to reach our consumers. Our brands are available and visible in the correct outlets and in the correct formats to meet every drinking occasion. We are committed to responsible advertising and marketing. By training staff and via active engagement and education of consumers, C&C promotes moderation to reduce the harmful use of alcohol. C&C's core brands are rooted in their communities, and we adopt the highest Ethical and Sustainable standards in sourcing our products and services. The Group continuously innovates by sourcing and developing new products that meet consumer needs and preferences.

Suppliers

Our partners who supply products and services

Area of Focus	Why we engage	How we engage
Product quality and authenticity **Workplace health and safety** **Ethical and sustainable supply chain reducing our environmental impact and making positive contributions to society** **Innovation in creation of new brands**	Working collaboratively to ensure resilience and availability in our supply chain to deliver the best possible service and value for money for customers and consumers. Identify opportunities for profitable, sustainable growth. Collaborate to improve ethical and sustainable approach.	Suppliers must sign up to our Code of Conduct and Anti Modern Slavery policies as well as provide detailed information on their Ethical and Sustainable approach. The Group has received validation from the Science Based Targets initiative of our target of ensuring that suppliers and customers making up 67% of our Scope 3 emissions, will have science-based targets in place by 2026. The Company, by participating in the CDP Supply Chain Screening programme, will continuously collaborate with suppliers and customers to support them to set science-based targets for their own emissions by 2026. Conduct formal supplier surveys, reviews, and audits. Focus on learning and development to build Ethical and Sustainable procurement capability across the Group. 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

Area of Focus	Why we engage	How we engage
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 Executive 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 (ESG) topics. We engage with lenders primarily through Group Finance and the Group CFO. The Group has built ESG KPI's into its most recent Debtor Securitisation and Refinancing programmes.

Customers

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

Area of Focus	Why we engage	How we engage
Identification of opportunities that offer profitable sustainable growth insights into consumer behaviour and trends, innovation, promotional support and merchandising and technical expertise	Our passion is to ensure we nurture mutually beneficial relationships that deliver joint value and the best outcome for all our consumers. Collaborate to improve ethical and sustainable performance.	We engage through the use of best practice sales analytics and technology to support our retailers, ongoing dialogue and account management support and physical and virtual sales calls. Our award-winning market insight capability identifies product range based on occasionality, consumer demand and market trends. The three distinct pillars of C&C's growth strategy; brand strength, system strength and sustainability provide a comprehensive "one-stop shop" for licensed premises owners. These pillars are underpinned by our offer: dedicated and passionate people, enhanced customer service and value.

Governments and Regulators

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

Area of Focus	Why we engage	How we engage
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. Supporting the introduction of Deposit Return Schemes in Scotland and the Republic of Ireland. Contributing to UK Governments' consultations including Alcohol Duty Review (UK) and Alcohol Marketing Restrictions and Minimum Unit Pricing Review (Scotland). Adopting globally recognised emission reporting standards including CDP and Science Based Targets Initiative. Reporting on climate impacts via Taskforce on Climate-Related Financial Disclosures ('TCFD'). Engaging openly with UK and Ireland tax authorities.

Group Chief Executive Officer's Review

"Enhancing our Portfolio with a focus on premium, strengthening our market-leading Distribution system with a genuine commitment to Sustainability remains C&C's three strategic priorities."

Patrick McMahon
Group Chief Executive Officer & Group Chief Financial Officer

We are pleased with C&C's performance in FY2023 despite the various macro challenges the Group had to navigate, including rising inflation, a cost-of-living squeeze for consumers and significant challenges for our customers as rising costs challenged their businesses. Following a solid H1 performance where we delivered significant revenue and operating profit growth, coupled with margin expansion, we had been looking forward to the first unrestricted on-trade Christmas trading period for three years. Our focus was on ensuring we delivered the highest standard of service and stock availability over that period to customers, however the numerous rail (and other) strikes significantly impacted demand in FY2023. The impact of the strikes, combined with a general weakening of consumer demand, due to the cost-of-living pressures, resulted in our performance over the key Christmas trading period being therefore behind expectation.

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

We are pleased with the performance of our brands in FY2023 with Tennent's and Bulmers gaining share in Scotland and the Republic of Ireland[i]. In Great Britain the Magners brand continues to recover, achieving its highest off-trade share in the past three years[ii]. Premiumisation remains a strategic focus for our business with our Premium beer brands delivering on-trade volume growth of 44.1% in the year, albeit from a low base.

Our Team

Central to the success of our business is a team of dedicated colleagues, passionate about our brands and delivering outstanding service to our customers. I would like to take this opportunity to thank every one of my colleagues sincerely for their dedication and support in navigating the many challenges we faced in FY2023.

Of course, the health and safety of our colleagues is our utmost priority and one which we will continue to invest in to ensure we continue to provide a safe workplace for all. We recognise that the needs of colleagues have evolved post the COVID-19 pandemic, and changes in how we now work have impacted many colleagues' wellbeing. We continue to respond to those needs, actively engaging with our colleagues, implementing initiatives such as flexible working policies, four employee resource groups, as well as enhancements to our colleague healthcare provision. In addition, we have trained 50 colleagues, across all our operations, in mental health first aid.

We have established a Diversity, Equity, and Inclusion Advisory Group recently within C&C who are passionate about ensuring difference is encouraged and celebrated at all levels and across all functions within our company.

We are members of, and actively collaborate with the Portman Group and Drinkaware to raise awareness of alcohol harm and to promote the responsible consumption of alcohol both with our customers and colleagues. We utilise both charities' training resources to educate our colleagues through online and virtual group training sessions.

Financial Performance

C&C's reported net revenue for FY2023 of €1,689.0 million represents an increase of 18% versus last year on a constant currency basis[iii]. Our operating profit before exceptional items in the year was €84.1 million and our overall earnings before exceptional items, interest, tax, depreciation, amortisation charges and equity accounted investments' profit after tax was €116.6 million[iv]. This excluded an exceptional operating loss in the year of €0.2 million. The FY2023 performance represents a basic EPS of 13.3c[v] and adjusted diluted EPS of 13.4c[v].

The Group's balance sheet strength and robust cash-generating capabilities are reflected in a significant reduction in net debt[xvii] to €152.7 million as of 28 February 2023 and a net debt[xvii] / adjusted EBITDA[iv] multiple of 1.3x, compared with €271 million and 3.4x as of 28 February 2022. Given the strength of our balance sheet and the Group's cash generation, the Directors have proposed, subject to shareholder approval, a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023.

The Group has successfully negotiated and completed a refinancing of the current multi-currency debt facility agreement. Following the publication of these FY2023 results, the Group enters a new five-year sustainability-linked facility comprised of a €250 million multi-currency revolving loan facility and a €100 million non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively.

Our receivables purchase programme has contributed €94.1 million to closing cash, an increase of €13.5 million on a constant currency basis[iii], as a direct consequence of increased trading. Total working capital during FY2023 was an inflow of €1.8 million.

During the financial year, the Group completed the sale of its joint venture investment of Admiral Taverns to Proprium Capital Partners for a total consideration of €63.6 million (£55.0 million). As part of the divestment, C&C has negotiated a long-term branded supply agreement into the Admiral estate.

Brand Strength

Our brands are key to the success of our business and as such we have increased investment in our branded portfolio, with direct brand marketing increasing to 10% of branded net revenue from pre-COVID-19 levels of 5.8% in FY2020. This has resulted in increased visibility for our brands with enhanced levels of activity, both in advertising as well as in-outlet activation. We have seen a strong performance by Tennent's, with total volumes in C&C Great Britain ('GB') up 4.8% in the year, increasing to 25.8% in the on-trade alone. Tennent's continued to gain share in the on-trade in Scotland during FY2023, with its share of Total Beer in Scotland up 1.8ppts to 29.6% in the twelve months ending February 2023[vi]. Amongst Mainstream beer brands, Tennent's represents 2 in every 3 pints poured in the on-trade (68.9%)[vii], and across all beer, it represents 1 in every 2 pints poured in the on-trade[viii]. Aided by our focused marketing investment over the key Christmas trading period with the TV campaign "It's A Wonderful Pint", in the off-trade, during the 12 weeks to Christmas 2022, Tennent's volume share increased to 23.8% which is ahead of Christmas 2021[ix]. The investment behind the brands also continues to drive positive brand health scores, with Tennent's Lager brand index score reaching 17.8, its highest ever in July 2022[x].

Bulmers volume increased 9.1% in the year, driven by 57.6% growth in the on-trade following the removal of COVID-19 related restrictions. As anticipated, the introduction of Minimum Unit Pricing ('MUP'), in the off-trade, resulted in a volume decline of 10.5%. The brand's MAT off-trade cider volume share has grown, year-on-year, to 56.3%, which is up significantly on pre-COVID-19 levels (+9.1%) and up 5.8ppts on last year[xi], aided by the introduction of MUP. In the on-trade, the latest Bulmers MAT cider volume share at 63.9% reflects growth in Bulmers market share of 2.4ppts ahead of pre-COVID-19 levels and 0.9ppts ahead of last year[xii].

Magners volume in C&C GB was down 6.4% in the year. As a category, total Cider volumes within the on and off-trades are down 5.7% compared to pre-COVID-19[xiii], however, consumers are shifting back towards traditional apple cider. Magners was 6.5% of total Cider sold during the 12 weeks to end of February 2023 in GB off-trade compared to 6.3% in FY2022[xiv]. This is the highest off-trade share in three years[ii], showing the 'always on' activity on the brand during the year to drive reappraisal and penetration, allowed the brand to grow sales during the Christmas trading period. Additionally, Orchard Pig, grew volumes by 78.9% in the year, albeit from a low base.

Premiumisation remains a strategic focus for our business and our Premium beer brands delivered on-trade volume growth of 44.1% in the year, albeit from a low base. Menabrea and Heverlee, alongside our agency and equity for growth premium brands, Innis & Gunn, Drygate and Jubel, have continued to grow both volumes and penetration within our IFT account base compared to prior year. Heverlee's brand awareness continues to grow and the brand has gained 24.3% in draught HL sold in Scotland during FY2023 vs FY2022, moving it from 6.5% of premium lager pints poured to 10.6%[xv]. Menabrea has won a number of national listings and the brand has delivered its first above-the-line media campaign which reached approximately one third of UK adults.

Group Chief Executive Officer's Review (continued)

Distribution / System Strength

Our market leading on-trade distribution system continues to strengthen its position across the UK and Ireland, delivering to 24,000 outlets in FY2023, serving 21.5% of the UK and Ireland On-Trade. This is despite the total number of outlets contracting across the two geographies by approximately 4,700 outlets in the year[xiv].

Distribution volumes in GB were up 6.4% in the year, with corresponding net revenues up 19.5%. Performance over the key Christmas trading period was negatively impacted by weakening consumer demand and the various strikes in Great Britain. Distribution margins for the full financial year were 2.9% down from the 4.0% achieved in H1. Due to seasonality, distribution margins were always expected to weaken slightly in the second half of the financial year but the softer than expected trading over the Christmas period, combined with our operational leverage, reduced margins significantly. The steady state target of 4% margin for our GB distribution business remains applicable, in the medium term.

During February 2023, the Group implemented a complex Enterprise Resource Planning ('ERP') system upgrade in the Matthew Clark and Bibendum ('MCB') business. The implementation of this advanced warehousing technology is a key step in the Group's digital transformation of our GB operations, which will enhance customer service, improve efficiency and maximise capacity utilisation through more automated processes. The implementation process has taken longer than originally envisaged, with a consequent material impact on service and profitability within MCB. As announced on 19 May 2023, the Group Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

The Group currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however the net debt[xvii]/ adjusted EBITDA[iv] multiple is expected to remain within the Group's stated range of 1.5x to 2.0x. Excluding the impact on MCB, the Group is currently performing in line with management expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

The Group continues to increase the share of business which is generated via our online portal. We remain confident that we can continue to transition customers from traditional customer contact centres to online, increasing the Group's opportunity to cross-sell categories, leading to bigger orders and enhanced revenues.

Sustainability

We recognise the powerful role brands can play in raising the profile of sustainability amongst consumers. As one of Ireland's most sustainable alcohol brands, Bulmers has used the brand's incredible sustainability credentials to raise awareness regarding the role of pollinators and wildflowers in the creation of our cider brand. Our award winning "No Bees, No Bulmers" and "Bulmers starts with a Bee" advertising campaigns, together with our Bee Hotel and Bulmers Wild Flowering programmes, have resonated with consumers, profiled sustainability and helped increase the brand health scores for Bulmers. It's a powerful demonstration

of how market leading brands, with great sustainability credentials can impact society positively to protect key elements of the planet!

C&C continues to invest in sustainability at Wellpark, our Glasgow based manufacturing facility, where we are pleased that our sustainability initiatives delivered the Group's carbon reduction objectives for FY2023 with 1,300 tonnes of carbon removed. We introduced a lighter weight pint can for FY2023 reducing our aluminium usage. We continue to focus on efficiencies at the site to drive down energy usage where 100% of electricity is now generated from renewable sources. Alongside our sustainability initiatives, we have focused activity on maximising energy efficiency, reducing both our site usage and overall carbon footprint. This will ensure that we have as competitive a manufacturing cost base as is possible, whilst delivering on our sustainability commitments at the site.

In Clonmel, we are in the process of installing a heat pump. The pump will be operational in FY2024 and will reduce the site's gas consumption by 40% and reduce our CO_2 emissions by 1,800 tonnes per annum. This investment builds on the investments made in previous years, including the removal of single-use plastics in our canned products manufactured; the installation of Ireland's largest rooftop solar farm at Clonmel, powering 10% of our site electricity needs; and Wellpark being voted the Sustainable Brewery of the Year at the Scottish Beer Awards.

As C&C is a distributor as well as manufacturer, we purchase significant volumes of product for resale. We therefore expect the highest sustainability standards from our suppliers and ensure this through ethical procurement practices and a rigorous supplier selection process.

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

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

Our sustainability commitments and achievements are disclosed in more detail on in the Responsibility Report on pages 56 to 79.

Summary and Outlook

As we look forward, resolving the ERP challenges in Matthew Clark & Bibendum and restoring customer service is a key priority. Beyond that, the Group's priority continues to be executing its strategy and we are pleased with the Group's resilient performance in FY2023 despite the challenges presented. Liquidity[(xvi)] and net debt[(xvii)] reduction were a key focus for the Group throughout FY2023, and the Group maintains a robust liquidity position with available liquidity[(xvi)] of €470.3m at 28 February 2023 and at year end achieved net debt[(xvii)]/adjusted EBITDA[(iv)] of 1.3x. Our target net debt[(xvii)]/adjusted EBITDA[(iv)] level is between 1.5x and 2.0x. This demonstrates the inherent strength of our business model, the resilience of our brands and the ability of our team.

Looking forward, we remain cautious on the macro-economic challenges and inflationary environment, however, with the actions we have taken to invest in our brands, our system and our sustainability credentials, we believe C&C is well positioned to execute its medium and long-term strategy.

Patrick McMahon
Group Chief Executive Officer & Group Chief Financial Officer

Notes
i. NI CGA OPA 28.02.23; ROI CGA OPM 28.02.23; NielsonIQ Total off-trade including Dunnes & Discounters 25 weeks to week ending 26.02.23 vs 52 weeks to end Feb 2020; CGA OPM 25.02.23 (GB Beer & Cider DB); IRL UK off-trade DB to 19.02.23.
ii. IRI UK off-trade DB MAT 36 months to 19.02.23.
iii. FY2022 comparative adjusted for constant currency (FY2022 translated at FY2023 F/X rates)
iv. Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation and share of equity accounted investments' profit after tax. A reconciliation of the Group's operating profit to adjusted EBITDA is set out on page 52.
v. Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please see note 9 of the Consolidated Financial Statements.
vi. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); IRL UK off-trade DB MAT to 19.02.23 combined.
vii. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); internal analysis.
viii. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB).
ix. IRI UK off-trade DB (all outlets) 12 weeks to 25.12.22 vs one year ago.
x. YouGov Brand Index (Summer 2022).
xi. NielsenIQ, total off-trade including Dunnes & Discounters 52 weeks to week ending 26.02.23 vs equivalent 52 weeks to end Feb FY22 and end Feb FY20.
xii. ROI CGA OPM MAT to 28.02.23 vs equivalent 52 weeks to end Feb FY22 and end Feb FY20.
xiii. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); IRI UK off-trade DB MAT to 19.02.23 combined vs equivalent for FY20.
xiv. IRI UK off-trade DB MAT 12 weeks to 19.02.23 vs equivalent for FY22.
xv. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB), Scotland only.
xvi. Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
xvii. Net debt comprises borrowings (net of issue costs) less cash. Net debt, including the impact of IFRS 16, comprises borrowings (net of issue costs), lease liabilities capitalised less cash.

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 brands and in our system. The Group operates with two distinct divisions which are focused on the local markets they serve, with their proposition tailored to meet the needs of our customers and consumers, remaining agile to adapt and react to market conditions and customer requirements.

Great Britain

€m Great Britain Constant currency(i)	FY2023	FY2022	Change %
Net revenue	**1,410.5**	**1,203.3**	**17.2%**
of which Branded	*192.5*	*169.2*	*13.8%*
- Price / mix impact			13.2%
- Volume impact			0.6%
of which Distribution	*1,190.9*	*996.2*	*19.5%*
- Price / mix impact			13.1%
- Volume impact			6.4%
of which Co-pack / Other	27.1	37.9	(28.5%)
Operating profit(ii)	**56.0**	**29.0**	**93.1%**
Operating margin	4.0%	2.4%	1.6ppts
of which Branded	*21.5*	*21.8*	*(1.4%)*
of which Distribution	*34.5*	*7.2*	*379.2%*
Volume – (kHL)	**4,479**	**4,305**	**4.0%**
- of which Tennent's	940	897	4.8%
- of which Magners	567	606	(6.4%)

Our Great Britain division's net revenue increased by 17.2% to €1,410.5m in the year, driven by the full re-opening of the on-trade and strong growth in our distribution business. Operating profit was up 93.1% to €56.0m in the year driven by volume, pricing growth and a more favourable channel mix. Operating margins increased by 1.6ppts with branded margins at 11.2% and distribution margin at 2.9%.

Branded margins reflect €6.1m of increased marketing investment and continuing cost pressures, particularly in manufacturing overheads. With a challenging market backdrop, distribution margins in H2 were negatively impacted by a weaker than expected Christmas trading period, various strikes and operational leverage. The Group continues to target 4% distribution margins in the normal course of operations.

Operational Highlights

Customer service is core to the Group's success as a brand-led distributor and we were pleased to note that the On Time In Full ('OTIF') rate prior to the ERP system implementation was 92.2%. Unfortunately OTIF has been temporarily impacted as a direct consequence of the system upgrade. Service levels had largely returned to normal levels in March however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April. An improvement through May is being achieved by investing material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

For the market as a whole, customer numbers are down 4.4% in GB with our share of the market in FY2023 down 1.8ppts to 19.2%(iii).

We continue to grow the level of business we conduct through our e-commerce platforms and are consistently delivering +70% of our on-trade revenues through online orders, the business remains on track to achieve its near-term target of 80% of on-trade revenue orders to be captured online. Order values online continue to be c.15% higher when compared with traditional contact centre orders.

C&C continues to invest in the sustainability programme at Wellpark, our Glasgow based manufacturing facility, where we are pleased that our environmental initiatives have delivered the Group's carbon reduction objectives for FY2023, resulting in the removal of 1,300 tonnes of carbon. We introduced a lighter weight pint can for FY2023 reducing our aluminium usage. We continue to focus on driving efficiencies at the site to reduce energy usage, where 100% of electricity is now generated from renewable sources. Our focus on maximising energy efficiency to reduce both our site usage and overall carbon footprint, will ensure that we have as competitive a manufacturing cost base as possible and ensure we deliver on our sustainability commitments. Wellpark and Clonmel have both also retained the British Retail Consortium AA grade, the highest level of food safety standards in the UK.

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

Brands

Tennent's performed strongly, with volumes up 4.8% in the year including 25.8% in the on-trade. Tennent's continued to gain share in the Scottish on-trade during FY2023, with its share of total beer in Scotland up 1.8ppts to 29.6% in the twelve months ended February 2023[iv] and in the prior four weeks it gained 3.5ppts (to 32.6%)[v]. Amongst mainstream beer brands, Tennent's represents 2 in every 3 pints poured in the On-Trade (68.9%)[vi], and across all Beer it represents 1 in every 2 pints poured in the on-trade[vii]. Aided by our focused marketing investment over the key Christmas trading period with the TV campaign "It's A Wonderful Pint", in the Off-Trade during the 12 weeks to Christmas 2022, Tennent's volume share increased to 23.8% which is ahead of Christmas 2021[viii]. The investment behind the brands also continues to drive positive brand health scores, with Tennent's Lager brand index score reaching 17.8, its highest ever in July 2022[ix].

Magners volume was down 6.4% in the year. As a category, total Cider volumes in the on and off-trade are down 5.7% compared to pre-COVID-19[x]; however, consumers are shifting back towards traditional apple cider. Magners was 6.5% of total Cider sold during the 12 weeks to end of February 2023 in GB Off-Trade compared to 6.3% in FY2022[xi]. This is the highest off-trade share in three years[xii], showing the 'always on' activity on the brand during the year to drive reappraisal and penetration, allowed the brand to grow sales during the Christmas trading period. Additionally, Orchard Pig grew volumes by 78.9% in the year, albeit from a low base.

Our Premium beer brands delivered on-trade volume growth of 43.2% in the year, albeit from a low base. Menabrea and Heverlee, alongside our agency and equity for growth premium brands, Innis & Gunn, Drygate and Jubel, have continued to grow both volume and penetration within our IFT account base compared to prior year. Heverlee's brand awareness continues to grow and the brand has gained 24.3% in draught HL sold in Scotland during FY2023 vs FY2022, moving it from 6.5% of premium lager pints poured to 10.6%[xiii]. Menabrea has won a number of national listings and the brand has delivered its first above-the-line media campaign which reached approximately one third of UK adults. Both Heverlee and Menabrea continue to grow ahead of total beer across on and off-trade[xiv], driven by increased brand footprint in the on-trade helping deliver volume into both brands. Heverlee on-trade volumes are up 31.0% compared to last year with Menabrea volumes increasing by 47.3%.

Distribution

Distribution volumes were up 6.4% in the year with corresponding net revenues up 19.5%. Performance over the key Christmas trading period was negatively impacted by weakened consumer demand and the various strikes in Great Britain. Distribution margins for the full financial year were 2.9% down from the 4.0% achieved in H1 FY2023. Due to seasonality, distribution margins were always expected to weaken slightly in the second half of the financial year but the softer than expected trading over the Christmas period, combined with our operational leverage, reduced margins significantly. The steady state target of 4% margin for our GB distribution business remains applicable, in the medium term.

During February 2023, the Group implemented a complex Enterprise Resource Planning ('ERP') system upgrade in our Matthew Clark and Bibendum ('MCB') business. The implementation process has taken longer than originally envisaged, with a consequent material impact on service and profitability within MCB. The Group currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue.

International

We were pleased with the performance of our International Business with volumes up 3.1% in the year on a comparative basis. Key markets such as Spain saw volumes return to pre-COVID-19 levels, with volumes year-on-year increasing by 83.5%. Good Drinks Australia Ltd, our new distributor, is already growing distribution in both on and off-trade and in Italy we look forward to improving Tennent's volume back to historic levels via our new partner Bir.com srl. Magners remains the primary brand for our international business accounting for c.80% of volume.

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

Ireland

€m Ireland Constant currency(i)	FY2023	FY2022	Change %
Net revenue	**278.5**	**223.8**	**24.4%**
of which Branded	*105.9*	*78.1*	*35.6%*
- Price / mix impact			28.8%
- Volume impact			6.8%
of which Distribution	*170.6*	*139.5*	*22.3%*
- Price / mix impact			19.9%
- Volume impact			2.4%
of which Co-pack / other	*2.0*	*6.2*	*(67.7%)*
Operating profit[ii]	**28.1**	**18.9**	**48.7%**
Operating margin	10.1%	8.4%	1.7pts
of which Branded	*20.8*	*13.4*	*55.2%*
of which Distribution	*7.3*	*5.5*	*32.7%*
Volume – (kHL)	**1,450**	**1,384**	**4.8%**
- of which Bulmers	360	330	9.1%

Our Ireland division's net revenue increased by 24.4% to €278.5m in the year driven by the re-opening of the on-trade. Ireland's operating profit increased by 48.7% to €28.1m with margins growing to 10.1% from 8.4% last year. A better channel mix because of the removal of COVID-19 trade restrictions, the introduction of Minimum Unit Pricing ('MUP') and price increases helped improve margins year-on-year, despite the inflationary cost pressures being faced by the business and the increased marketing investment. Branded margins have grown to 19.6% in FY2023 from 17.2% in FY2022 despite the impact of increased marketing investment (72% higher year-on-year) and cost pressures particularly, manufacturing input costs. Distribution margins have grown to 4.3% from 3.9% last year.

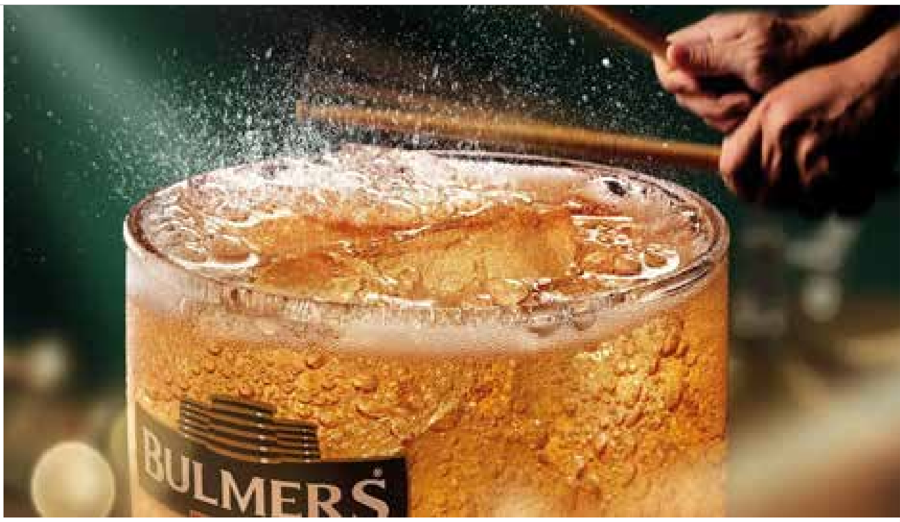
Operational Summary

Focused on delivering market-leading customer service, we are pleased to report that the average OTIF at the end of February 2023 was 98.1% in the Republic of Ireland and 97.5% in Northern Ireland. This, as well as the removal of COVID-19 trade restrictions, was a key cornerstone underpinning the revenue and profit growth in FY2023.

MUP, which was introduced in the Republic of Ireland in January 2022 put in place a minimum sales price for a unit of alcohol. MUP was introduced in Scotland in 2018, and we were able to use the data and learnings from the Tennent's brand and apply them to Bulmers and the rest of our Irish portfolio. We optimised the off-trade portfolio in preparation for MUP by introducing new pack sizes, vessels sizes and ABVs and we are pleased to report that in the latest MAT volume share data, our Bulmers brand has performed well and has increased market share in the off-trade by 5.8%[xv].

Total on-trade customers are down 0.6% in the IOI (Island of Ireland) market compared to the prior year, however C&C's share of this market has grown by +0.7pp to 40.4%[xvi]. More of our customers are ordering online through our ecommerce platform with 81% of our on-trade customers now ordering online in February compared to 66% twelve months ago.

Building on the work undertaken in FY2022 to reduce our Clonmel manufacturing site's energy usage, we have commenced work to install a heat pump at the site. The pump will be operational at the end of H1 FY2024 and will reduce the site's gas consumption by 40% and reduce our CO_2 emissions by 1,800 tonnes per annum. This follows the investment last year to eliminate single use plastic for all canned products from January 2022, which removed approximately 150 tonnes of plastics from our products and the investment in the largest rooftop solar panel farm in Ireland which now generates 10% of the site's electricity requirements. Further enhancing our sustainability credentials, we are now the only significant drinks manufacturer to use returnable pint bottles.



Brands

Bulmers volume increased 9.1% in the year, driven by 57.6% growth in the on-trade following the removal of COVID-19 trade restrictions. As anticipated, the introduction of Minimum Unit Pricing, in the off-trade, resulted in a volume decline of 10.5%.

Increased investment behind the Bulmers brand continued and this year we achieved 40 weeks on air with our TV ad campaign, driving awareness and affinity for the brand with Irish consumers. In addition, the brand was showcased in a lighter tone of voice through a new TV campaign for Bulmers Light. To expand beyond our heartland summer occasion, sustainability and Christmas campaigns were launched, and Bulmers was centre stage at many live events in the summer events calendar. Our investments are bearing fruit as the brand finishes the year in strong brand health and market share growth[xvii].

The Bulmers brand MAT off-trade cider volume share has grown year-on-year to 56.3% which is up significantly on pre-COVID-19 levels (+9.1%) and up 5.8ppts on last year[xviii], aided by the introduction of MUP. In the on-trade, the latest Bulmers MAT cider volume share at 63.9% reflects growth in Bulmers market share of 2.4ppts ahead of pre-COVID-19 levels and 0.9ppts ahead of last year[xix]. Between the on and off-trade, Bulmers remains the largest and most popular cider brand in Ireland[xx].

Distribution and Wine

Distribution volumes increased 2.4% in the year, with net revenue growing ahead of volume at +22.3% aided by both execution of our core agency premium beer brands and pricing actions. We have also grown our wholesale and wine business year-on-year leveraging our key system strength as a "one-stop shop" for our customers as they continue to expand their consumer offerings post-COVID-19 (across both wet and food-led outlets).

C&C took on the distribution of Budweiser in summer 2020 and at the time the brand was in MAT lager volume share decline in the off-trade. We are pleased to report that this has largely stabilised with Budweiser MAT off-trade volume share at 10.0% compared to 9.8% a year ago[xv]. This reflects the focus and investment that has gone into repositioning the brand with retailers and consumers.

Notes
(i) FY2022 comparative adjusted for constant currency (FY2022 translated at FY2023 F/X rates).
(ii) Before exceptional items.
(iii) CGA GB outlet index Feb 23 vs Feb22.
(iv) CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); IRL UK off-trade DB MAT to 19.02.23 combined.
(v) Ibid.
(vi) CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); internal analysis.
(vii) CGA OPM MAT to 25.02.23 (GB Beer & Cider DB).
(viii) IRI UK off-trade DB (all outlets) 12 weeks to 25.12.22 vs one year ago.
(ix) YouGov Brand Index (Summer 2022).
(x) CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); IRL UK off-trade DB MAT to 19.02.23 combined vs equivalent for FY20.
(xi) IRL UK off-trade DB MAT to 19.02.23 vs equivalent for FY22.
(xii) IRL UK off-trade DB MAT 36 months to 19.02.23.
(xiii) CGA OPM MAT to 25.02.23 (GB Beer & Cider DB), Scotland only.
(xiv) CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); IRL UK off-trade DB MAT to 19.02.23 combined.
(xv) NielsonIQ Total off-trade including Dunnes & Discounters 52 weeks to week ending 26.02.23.
(xvi) CGA IOI Outlet Index Feb 23 vs Feb 22.
(xvii) YouGov Brand Index Bulmers Feb 23 score of 19.9, ahead of nearest cider rival Orchard Thieves on 14.7; ROI CGA OPM 28.02.23; NielsonIQ Total off-trade including Dunnes & Discounters 52 weeks to week ending 26.02.23.
(xviii) NielsonIQ Total off-trade including Dunnes & Discounters 52 weeks to week ending 26.02.23 vs equivalent 52 weeks to end Feb FY22 and end Feb FY20.
(xix) ROI CGA OPM MAT to 28.02.23 vs equivalent 52 weeks to end Feb FY22 and end Feb FY20.
(xx) ROI CGA OPM to 28.02.23; NielsonIQ Total off-trade including Dunnes & Discounters 52 weeks to week ending 26.02.23.

Strategic Report - Group Strategy

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

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

Strategic Pillars

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

Medium Term strategic goals

- Brand and product investment to build value of key brands over the long-term
- Leverage key brand strength and market position to grow our portfolio of premium and craft brands
- Successful brand development and launches to meet changes in consumer demand
- Build on "partnership for equity" brand relationships to provide route to market access

Measurement

- Cash generation and conversion
- Revenue growth
- Enhanced margins
- Share growth and brand health scores

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

Medium Term strategic goals

- Continue the optimisation of network and wider system
- Deliver unrivalled portfolio strength, value and service to the UK and Ireland hospitality sectors
- Commercialising the unrivalled data and insight on the hospitality sector

Measurement

- Margin expansion in our distribution business

Capital allocation to enhance growth and shareholder returns.

Medium Term strategic goals

- Target leverage of between 1.5x and 2.0x net debt / EBITDA
- Inorganic opportunities that strengthen our brands and system
- Invest in sustainability & technology
- Return capital to Shareholders

Measurement

- Net Debt/EBITDA
- EPS growth
- ROCE

Achievements during FY2023

Link to Strategic Pillars

- Investment across our core branded portfolio with multi-channel advertising campaigns and promotional activity.
- Tennent's continued to gain share in the Scottish on-trade during FY2023, with its share of total beer in Scotland up 1.8ppts to 29.6% in the twelve months ending February 2023 and in the prior four weeks it gained 3.5ppts (to 32.6%).
- Bulmers volume increased 9.1% in the year, driven by 57.6% growth in the on-trade following the removal of COVID-19 related restrictions. As anticipated, the introduction of Minimum Unit Pricing, in the off-trade, resulted in a volume decline of 10.5%.
- Premium beer portfolio has continued to progress with on-trade volume growth of 44.1% in the year.

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

- Our market leading on-trade distribution system continues to strengthen its position across the UK and Ireland, delivering to 24,000 outlets in FY2023, serving 21.5% of the UK and Ireland on-trade. This is despite the total number of outlets contracting across the two geographies by approximately 4,700 outlets in the year.
- Distribution volumes in GB were up 6.4% in the year, with corresponding net revenues up 19.5%.
- Performance over the key Christmas trading period was negatively impacted by weakening consumer demand and the various strikes in GB.
- Effective management of inflationary cost pressures with price increases and hedging of input costs.

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

- Strong liquidity position of €470.3m and Net debt/EBITDA of 1.3x. Our strong underlying cash generating characteristics have been reflected in an encouraging performance with FCF conversion in FY2023 of 60.7% and 64.6% before exceptional items.
- Focus on our core business with the divestment of our minority interest in Admiral Taverns for gross cash consideration of £55.0m. As part of the divestment, C&C have negotiated a long-term branded supply agreement into the Admiral estate which includes our owned and agency brands.

Capital allocation to enhance growth and shareholder returns.

Execute a credible sustainability strategy focused on people and planet. FY2023 highlights include:

- The Group achieved its FY2023 target of reducing Scope 1 and 2 emissions by 6%.
- 91% of the electricity used at our sites is generated from renewable sources.
- In January 2023, the Group's greenhouse gas reduction targets were formally validated by the Science Based Targets initiative (SBTi).
- C&C again participated in the CDP Water Security questionnaire and achieved an improved score, moving from a C rating to a B-.
- CDP also awarded C&C Group an A- rating for Supplier Engagement, acknowledging our performance on governance, targets, scope 3 emissions, and value chain engagement in the CDP climate change questionnaire.
- To enhance the Group's Employee Assistance Programmes, we have introduced c.50 fully certified Mental Health First Aiders (MHFA). These volunteers provide the initial help to any colleague who is developing a mental health problem or experiencing a worsening of an existing mental health problem. C&C Group committed to training an additional 100 MHFA in FY2024.

The Group commenced a three-year partnership with the Big Issue Group, focused on mentoring, skills transference, and providing employment opportunities to support marginalised communities across Great Britain.

Strategic priorities

Our core strategic objective is to deliver earnings growth.

Existing Businesses

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

Capital Allocation

- Maintain the strong cash conversion characteristics of the business
- Deleverage the balance sheet, targeting a medium-term target of between 1.5x and 2.0x Net Debt/ EBITDA
- Invest in our brands; review inorganic opportunities and return excess capital to shareholders

Environmental, Social and Governance

- Execute a credible sustainability strategy focused on people and planet

Strategic Report - Business Model

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

Brand Strength

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

System Strength

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

Sustainability

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

Brand Strength

Core Brands

Our three core brands: Bulmers, Magners and Tennent's are intrinsically linked to the communities and manufacturing locations where they are produced and where their heritage was born. In addition to their local appeal, they are also desired internationally with critical acclaim. These brands form part of the fabric of the respective drinks markets they occupy, with their lasting appeal underpinned by continued brand and marketing investment, alongside new product development. Together they deliver strong margins and are highly cash generative.

Scotland's favourite beer

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

Ireland's No. 1 cider

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

No. 3 cider in the UK

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

Complemented by premium and craft brands

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

Belgian beer

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

Dublin lager

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

Italian lager

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

Craft beer

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

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 (continued)

System Strength

Route-to-market

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

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

Scale and Reach

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

No. 1 Drinks distributor on Island of Ireland

No. 1 Drinks distributor in Scotland and GB

ESG /Sustainability

Delivering to a better world...

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

Environmental

Reduce our carbon footprint

Sustainably source our products & services

Social

Ensure alcohol is consumed responsibly

Enhance health, wellbeing & capability of colleagues

Governance

Build a more inclusive, diverse & engaged C&C

Collaborate with Government & NGOs

Strategic Report - How we create sustainable value

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

Our purpose is to play a role in every drinking occasion, delivering joy to our customers and consumers with remarkable brands and service.

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

Our values are:
To respect people and our planet and to bring joy to life, ensuring quality is at the core of everything we do.

We focus on the most material areas to guide our actions around sustainability and support the UN Sustainable Development Goals.

Manufacture

Embrace sustainable sourcing

We are committed to sourcing our raw materials from local sustainable sources. All apples crushed at the Clonmel site to produce 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. Tennent's Lager is only ever brewed using the finest Scottish malted barley.

The Group recognises that sustainability needs to be embraced by partners at every stage of the supply chain to achieve our sustainability objectives. C&C's Ethical and Sustainable Procurement ('E&SP') Strategy is focused on proactive engagement with our supply chain, with key objectives targeting social and ethical standards and environmental issues, including climate change. Through our E&SP approach, we request that all Suppliers comply with C&C's Code of Conduct and Modern Slavery policy as a prerequisite of trading with our business. All Suppliers are required to complete our E&SP questionnaire, which confirms our partners commitment to environmental management, health and safety, sustainability, Diversity, Equity and Inclusion ('DE&I'), ethical working practices and overall corporate social responsibility. As part of our Science Based Target initiative ('SBTi') validation, we will collaborate with those suppliers and customers making up 67% of C&C's Scope 3 emissions to have science-based targets in place by 2026.

ESG Pillars 1 2 4 5
see pages 56 - 57

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. 100% of the electricity across the Group's main sites in the UK and Ireland comes from renewable sources, covering c.91% of the Group's total electricity use. The Clonmel rooftop solar panel farm, the largest in Ireland continues to provide 10% of the site's electricity requirements, while reducing the site's carbon emissions by c.450 tonnes of CO_2 per annum. At Wellpark, Boiler house Energy Recovery and Anaerobic Digestion Heat Recovery delivers a c.1,000 tonne CO_2 reduction per annum. The Group's waste reduction program across our operations includes recycling and reducing packaging waste. Again, in FY2023, we met our target of sending zero waste to landfill.

Improve sustainable packaging

The Group continues to meet its commitment to be out of single-use plastics (shrink and hi and mid cone rings) in the packaging of our canned products, reducing the environmental impact and ecological footprint of our products. All our canned product is now in fully recyclable cardboard, removing more than 200 million plastic rings per annum from the environment, as part of an overall plastic reduction of c.600 tonnes. We are the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates. C&C's can lightweighting programme, which commenced in FY2020, reduces aluminium used by c.500 tonnes per annum, while delivering a c.3,600 tonne reduction in CO_2.

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. PROOF, our in-house data and insight business, now has approximately 100 international and domestic drinks brand owners and operators whom they work with either directly or who subscribe to PROOF assets.

Promoting responsible consumption of alcohol

We are committed to the promotion of responsible drinking and moderate consumption of our products, to ensure they are enjoyed safely by drinkers. As part of our commitment to the responsible consumption of alcohol we produce a range of no and low alcohol variants of our leading brands which we continue to develop. The Group is an active members of the Portman Group, Drinkaware and Drinkaware.ie. The Group is 100% committed to the responsible promotion of alcohol and adherence to all legislation, and the globally recognised self- and co-regulatory codes in the UK and Ireland. All C&C colleagues working in Marketing and Communications undertake annual mandatory training on the CAP/BCAP, Portman Group and CopyClear Codes of Practice. In FY2023, we partnered with Drinkaware to roll out e-learning at work for all C&C colleagues.

ESG Pillars 3 6

see pages 56 - 57

Colleague engagement

The health and wellbeing of our colleagues is our key priority, one which we will continue to invest in to ensure we provide the safest and most enjoyable working environment we can for all those working in C&C. We offer competitive compensation and benefits packages, flexible work arrangements, and opportunities for learning and development, alongside Employee Assistance Programmes, Private Health Care, and screening to support the wellbeing of our employees. Our Employee Resource Groups, covering Mental Health, Physical Health, Working Parents and Menopause alongside our Diversity, Equity, and Inclusion ('DE&I') Advisory Board ensures that colleagues have the opportunity to advocate and influence the Group's approach to these critical areas.

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. In September 2022, we announced a three-year partnership with The Big Issue Group, who aim to change lives through enterprise for marginalised communities across Great Britain. All C&C colleagues are now offered time off to volunteer, whether it be for our Big Issue partnership, or local charities, community initiatives and causes that are of personal interest or relevant to our brands and Business Units.

We know that volunteering creates mutual benefit for C&C, our local communities, and our colleagues. Alongside a positive contribution to the local economy, volunteering also enhances the health, wellbeing, and capability of colleagues.

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.

Distribution

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

One-stop shop

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

Final Mile distribution

The Group continues to assess low carbon distribution options as the leading final mile delivery partner to the on trade in the UK and Ireland and sees benefit from the optimisation of the English and Scottish delivery networks completed in FY2022. By consolidating volumes from three separate networks into two and bringing all our final mile English distribution in-house, C&C has secured on-going efficiencies, service improvements and in turn enhanced future margins.

Piloting Alternative Fuel Vehicles

The Group continues to build understanding around the adoption of alternative fuel systems as part of our decarbonisation strategy. Trials using 18 tonne electric vehicles at the Matthew Clark Park Royal depot continue, together with Hydrogenated Vegetable Oil ('HVO') as a long-term diesel replacement at our Bedford and Runcorn depots. In Scotland, we are working in partnership with Volvo on Electric Vehicle ('EV') capability adoption. Data from a trial is being reviewed to develop a desktop electrification analysis of the Cambuslang fleet.

ESG Pillar 1

see page 56

Strategic Report - Key Performance Indicators

Strategic Priority	KPI	Definition (see also financial definitions on pages 233 and 234)	FY2023 Performance	FY2023 Focus	Links to other Disclosures
To enhance earnings growth	**Operating profit**	Operating profit/(loss) (before exceptional items)	FY2020 €120.8m FY2021 (€59.6m)* FY2022 €47.9m FY2023 €84.1m	To seek continuing growth, through revenue enhancement, acquisition synergies and cost control	Group CFO Review page 50
	Operating margin	Operating profit/(loss) (before exceptional items), as a percentage of net revenue	FY2020 7.0% FY2021 (8.1%)* FY2022 3.3% FY2023 5.0%		
	Adjusted diluted earnings per share	Attributable earnings before exceptional items divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY2020 29.6c FY2021 (21.1c)** FY2022 7.5c FY2023 13.4c	To achieve adjusted diluted EPS growth in real terms	Group CFO Review page 50
	Basic earnings per share	Attributable earnings divided by the average number of shares in issue	FY2020 2.9c FY2021 (31.1c)** FY2022 9.9c FY2023 13.3c	To achieve EPS growth in real terms	Group CFO Review page 50
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)	FY2020 €155.1m FY2021 (€91.2m)* FY2022 €28.4m FY2023 €75.3m	To generate improved operating cash flows	Group CFO Review page 50
	Free Cash Flow Conversion Ratio	The conversion ratio is the ratio of free cash flow as a percentage of Adjusted EBITDA	FY2020 101.0% FY2021 NM* FY2022 35.6% FY2023 64.6%		
To ensure the appropriate level of financial gearing and profits to service debt	**Net debt: Adjusted EBITDA**	The ratio of net debt (net debt comprises borrowings (net of issue costs) less cash plus lease liabilities) to Adjusted EBITDA	FY2020 1.8x FY2021 NM* FY2022 3.4x FY2023 1.3x	Move towards medium term target of 1.5x to 2.0x Net Debt/adjusted EBITDA	Group CFO Review page 50

Strategic Priority	KPI	Definition (see also financial definitions on pages 233 and 234)	FY2023 Performance	FY2023 Focus	Links to other Disclosures
To ensure the appropriate level of liquidity	**Liquidity**	Liquidity comprises cash on hand plus headroom available in the Group's revolving credit facility)	FY2020 €335.3m FY2021 €314.6m FY2022 €438.7m FY2023 €470.3m	Ensure sufficient liquidity to meet the on-going requirements of the business and execute its strategy	Group CFO Review page 50
To ensure the appropriate level of financial gearing	**Net debt**	Net debt (net debt comprises borrowings (net of issue costs) less cash plus lease liabilities	FY2020 €233.6m FY2021 €362.3m FY2022 €191.3m FY2023 €152.7m		Group CFO Review page 50
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	FY2020 5.5c FY2021 - FY2022 - FY2023 3.79c	The Group will continue to seek to enhance shareholder returns	
	Dividend Payout Ratio	Dividend cover is Dividend/ Adjusted diluted EPS	FY2020 18.6% FY2021 - FY2022 - FY2023 28.3%		
To achieve the highest standards of environmental management	**Reduction in CO_2 emissions**	Tonnes of CO_2 emissions***	FY2020 32,729t FY2021 26,865t FY2022 24,196t FY2023 22,578t	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 56
	Waste recycling	Tonnes of waste sent to landfill	FY2020 0t FY2021 0t FY2022 0t FY2023 0t	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 56
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	FY2020 0.52 FY2021 0.54 FY2022 0.28 FY2023 0.65	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 56

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

** During the prior financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 *Earnings Per Share* required an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the FY2021 period presented so as to provide a comparable result.

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

Strategic Report - Management of Risks and Uncertainties

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

The Group has established a risk management process to ensure effective and timely identification, reporting and management of risk events that could materially impact 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.

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 organisational structures, authority limits and authorisation process 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 and brand plans 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 review of each operating division's quarterly financial 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, including a review of the implementation of the Company's complex Enterprise Resource Planning ('ERP') system in our Matthew Clark and Bibendum business, which now aligns them to the same system being used elsewhere across the Group. This is a key step in our digital transformation and optimisation of the business. 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.

Identifying and Monitoring Principal and Emerging risks

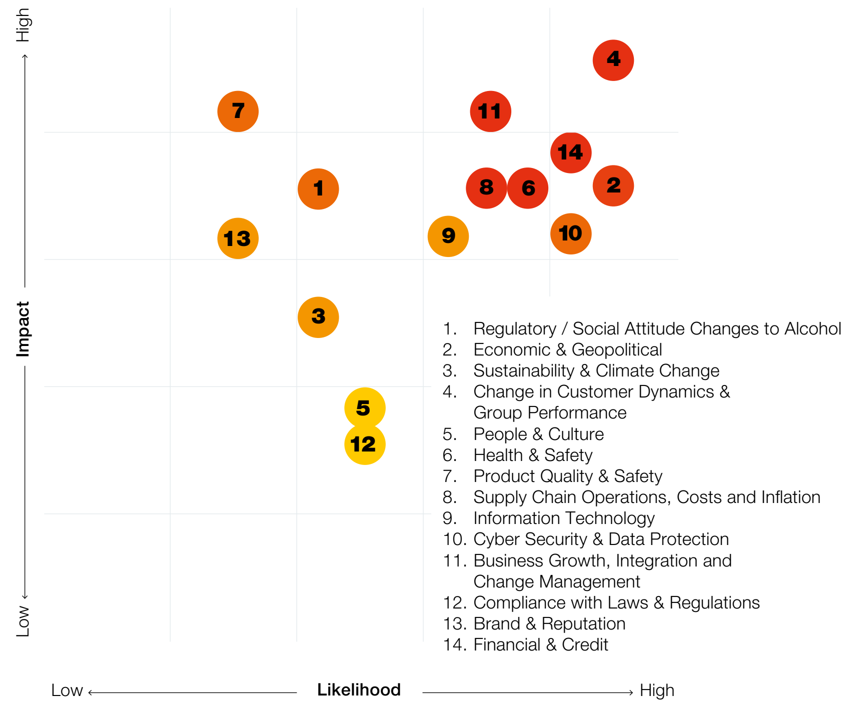
A process for identifying, evaluating and managing significant risks faced by the Group, in accordance with the UK Corporate Governance Code 2018 and the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting 2014, has been in place for the entire period and up to the date the financial statements were approved. These risks are reviewed by the Audit Committee and the Board, who will consider any emerging risks (internal and external) for inclusion in the Group Risk Register.

The risks facing the Group are reviewed and challenged regularly by the Audit Committee and the executive management team. Each of the Group's principal risks is assigned an executive owner who, with the assistance of the risk committee for that specific risk, is responsible for ensuring mitigating actions are sufficient to bring risks to within the agreed risk appetite. The risk management governance framework ensures that these mitigations and internal controls are embedded and operate effectively throughout the organisation.

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

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

Principal Risk Matrix



Changes to the Principal Risks

The FY2023 overall risk assessment process identified a number of risks that have increased since the prior year and as a result have an impact on the overall risk profile of the Group. These include:-

Financial and Credit

Economic instability is increasing the risk of bad debt/default and cost of capital pressures. The profitability of some of our customers and suppliers is being adversely affected by the macro environment and consumer spending;

Change in Customer Dynamics and Group Performance

In addition to the profitability of some of our suppliers and customers being adversely affected by the macro environment and consumer spending, the rapid increase in interest rates to counter inflation might adversely affect customer behaviour and reduce profitability. Likewise, the introduction of the deposit return scheme ('DRS') in Scotland and in Ireland in 2024, and other legislation developments such as the introduction of Minimum Unit Pricing in Scotland and Ireland, may influence customer behaviour;

Economic and Geopolitical

The continued industrial action in the UK is increasing uncertainty and the speed of change across markets. Moreover, geopolitical changes could impact negatively upon commodity pricing (such as oil and gas, and raw materials).

Cyber Security and Data Protection.

There is an increased threat of state-sponsored cyber attacks.

In addition, the Group implemented a complex Enterprise Resource Planning ('ERP') transformation in February 2023 in the Matthew Clark and Bibendum ('MCB') business, further aligning and streamlining our technology infrastructure across the Group. This is a key step in our digital transformation and optimisation of the business which will enable further automation and simplification of our business processes.

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

We currently expect a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however net debt / adjusted EBITDA is expected to remain within our stated range of 1.5x to 2.0x. Excluding the impact on MCB, the Group is currently performing in line with expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

Emerging Risks

As part of our overall risk assessment process and in line with the Code, the Group captures and monitors areas of uncertainty which, while not having a significant impact on the business currently, have the potential to adversely impact the Group in the future. These are considered to be emerging risks.

Following the FY2023 risk assessment no new emerging risks were identified.

The monitoring of existing and identification of new emerging risks are an ongoing focus for the Group.

Risk Appetite

Risk appetite promotes consistent, "risk-informed" decision-making aligned with strategic aims, and it also supports robust corporate governance by setting clear risk-taking boundaries.

For each of the principal risks, the Group's risk appetite has been considered when determining the nature and extent of the key control mechanisms in place and the level of assurance required. The Board and the Audit Committee receive regular reports from key functions such as health and safety, finance, legal, IT, internal audit, HR and ESG. Where the level of assurance obtained is not considered to adequately reflect the stated risk appetite, then increased assurance activity is introduced.

Strategic Report - Management of Risks and Uncertainties (continued)

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 32 to 38 represent the principal uncertainties that the Board believes may impact the Group's ability to effectively deliver its strategy and future performance. The list does not include all risks that the Group faces and it does not list the risks in any order of priority. The actions taken to mitigate the risks cannot provide assurance that other risks will not materialise and adversely affect the operating results and financial position of the Group. These principal risks are incorporated into the modelling activity performed to assess the ability of the Group to continue in operation and meet its liabilities as they fall due for the purposes of the Viability Statement on page 38.

Risk and Uncertainties

Impact	Mitigation	Risk Trend
Regulatory and Social Attitude Changes to Alcohol		■
The Group may be adversely affected by changes in government regulations affecting alcohol pricing (including duty, and potential alignment of cider and beer duties and extended producer responsibility), sponsorship or advertising.	The Group and business units continue to engage with trade bodies, NGOs and UK, Irish and Scottish governments to ensure any proposed changes to legislation and restrictions are appropriate within the industry. The Group is actively involved with key trade bodies in UK and Ireland and has participated in Government consultations and round table sessions with Ministers and officials on topics including UK Alcohol Duty Review, Minimum Unit Pricing (Scotland), DRS (Scotland and Republic of Ireland) and Alcohol Marketing Restrictions (Scotland). 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. C&C also adheres to the responsible promotion of alcohol and all legislation, and the self- and co-regulatory codes in the UK and Ireland (Portman, CAP/BPAC and CopyClear). C&C are also members of Drinkaware and Drinkaware.ie, the alcohol education charities. The Group has developed low and zero alcohol variants of our brands. This combined with our ability to distribute the broadest range of third-party low and zero alcohol options allows C&C to address legislation and possible duty increases as well as meet the needs of consumers looking to moderate their drinking.	
Economic and Geopolitical		▲
Our business, financial results and operations may be adversely affected by economic or geopolitical instability and/or uncertainty, such as the continuing conflict and humanitarian crisis in Ukraine. The Group's performance is also impacted by potential recessions, inflation, exchange rates, taxation rates and social unrest.	The Board and management will continue to consider the impact on the Group's businesses, monitor developments and engage with the British, Irish and Scottish governments to help ensure a manageable outcome for our businesses. Group businesses are active members in respected industry trade bodies in the UK and Ireland including being a steering committee member of the UK all-party Parliamentary Beer Group. On an ongoing basis, the Group seeks, where appropriate, to mitigate currency risk through hedging and structured financial contracts and take appropriate action to help mitigate the consequences of any decline in demand within its markets. We have implemented action plans to protect the profitability and liquidity of the Group and mitigate a significant proportion of our cost base. We continue to review our cost base for additional savings. We remain vigilant to changes in local jurisdictions and retain the flexibility to take appropriate mitigating action as necessary.	

Risk Movement ○ New ■ No change ▲ Increasing ▼ Decreased

Impact	Mitigation	Risk Trend
Sustainability and Climate Change		■
The Group recognises the significant environmental challenges the world faces due to a changing climate and the implications that this can have for our business and supply chains. Physical climate impacts and related policy and/or market changes may disrupt our operations or impact demand for our products. Failure to implement policies and meet required sustainability and ethical standards and social perceptions could significantly impact C&C's reputation as well as potentially impact future growth.	The Group has established a strong governance model which includes an ESG Committee responsible for the delivery of our ESG strategy. Ambitious targets are in place with regard to reducing the carbon footprint of our operations, our water usage, waste and also the use of single use plastics. Our Clonmel and Bristol sites continue to be ISO 14001 accredited for an effective environmental management system. A materiality assessment exercise, in line with the Global Reporting Initiative, was started during the year to ensure that the Group's ESG priorities remain aligned with the views of our key stakeholders. The Group has pledged to be a carbon-neutral business by 2050 at the latest. We have set our emissions reduction targets which are grounded in climate science and validated by the Science Based Targets initiative ('SBTi') in February 2023. We are committed to reduce our absolute Scope 1 and Scope 2 greenhouse gas emissions by 35% by 2030 (versus a FY2020 base year). To achieve our target of reducing our Scope 3 emissions by 25% (versus a FY2020 base year) by 2030, we have also committed that suppliers and customers making up 67% of our Scope 3 emissions, will have science-based targets in place by 2026. The Group is working with the Carbon Disclosure Project ('CDP') on their supplier screening process to support and encourage suppliers and customers to set and share science-based targets for their own emissions. A cross functional team has been established to continue our alignment with the Task Force on Climate-Related Financial Disclosures ('TCFD') guidance. An external party has been engaged to support this process. For FY2023, the team has carried out a scenario scoping exercise for five climate risks and two opportunities to provide a quantitative assessment of the potential range of outcomes and associated financial impact for C&C. We continue to embed climate considerations into our overall strategic planning and investment appraisal process. Sustainability and climate related metrics were included as part of the Long-Term Incentive Plan ('LTIP') for Executive Directors in FY2022 and again in FY2023. We have established a Risk and Compliance Committee which is responsible for monitoring the Sustainability and Climate Change risk. This committee is composed of executives and various levels of management from across the Group. The Risk Committee for Sustainability and Climate Change reports to the Audit Committee; however, we are in the process of evaluating and developing additional reporting lines which will see the Risk Committee for Sustainability and Climate Change reporting to the ESG Committee twice a year in order to improve our oversight of climate-related risks and opportunities. The Group has established an Ethical and Sustainable Procurement Steering Committee to ensure that suppliers adopt a strong approach to corporate social responsibility. Suppliers are reviewed and assessed both on an ongoing basis and as part of new tenders to ensure they adhere to C&C's Code of Conduct and Modern Slavery policies and that sustainability and ethical practices are a fundamental part of their operations.	
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. In the post pandemic environment there is a smaller on-trade universe and possible reduced value pool for the on-trade. The rapid increase in interest rates to counter inflation may adversely affect customer behaviour and reduce profitability. Deposit return schemes are planned to come into force in Scotland in March 2024 and in Ireland in February 2024, impacting consumer behaviour.	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 alcohol 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. Brand health surveys, which provide an understanding of consumer and customer perception of our brands, are used to inform and enhance our market offerings. 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. The Group has established cross-functional working groups to engage with all stakeholders to plan effectively for the implementation of the DRS in Scotland and Ireland.	

Strategic Report - Management of Risks and Uncertainties (continued)

Impact	Mitigation	Risk Trend
People and Culture		▲
The Group's ability to attract, develop, engage and retain a diverse, talented and capable workforce is critical if the Group is to continue to compete and grow effectively. Failure to continue to evolve our culture, diversity and inclusion could impact our reputation and delivery of our strategy.	The Group seeks to mitigate this risk through employment policies and procedures, as well as ongoing enhancements of pay and conditions, including benchmarking remuneration packages to ensure market competitiveness, broadening the scope of variable elements of remuneration and the development of retention and succession plans for critical roles. The Group's approach to talent management and executive succession planning is regularly reviewed by the Group Executive Committee and is overseen by the ESG, Nomination Committee and the Board. The Board and the Executive team have a vital role in shaping and embedding a healthy corporate culture, which continues to be a focus. Culture is monitored and assessed by the ESG Committee and the Board. A key focus of the Group's sustainability agenda is to build a purpose led, culturally diverse, engaged and inclusive workforce, where our people can be at their best, contribute to the Group's success and realise their career ambitions. Progress is monitored through KPIs and a six monthly Group wide employee engagement survey. Our Employee Representative Groups ('ERGs') remain key in evolving our culture, with each group having an executive sponsor. Our Diversity, Equity and Inclusivity group continues to champion greater diversity throughout the Group. The Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. This is a key step in our digital transformation and optimisation of the business which will enable further automation and simplification of our business processes. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB, which in turn has put employees working on the project under significant pressure. More details can be found on page 85.	
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 criminal prosecution, civil litigation and damage to the reputation of the Group and its brands. .	The Group has a Health, Safety and Environmental ('HSE') team who work closely with management to ensure that the Group complies with all health, safety and environmental laws and regulations with ongoing monitoring, reporting and training. The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover. Management meetings throughout the Group feature a health and safety update as one of their first substantive agenda items. The Group has policies, procedures and standards in place to ensure compliance with legal obligations and industry standards. Our support for mental health and wellbeing has further increased this year, with a significant further expansion of our Mental Health First Aider population and investment in a range of resources.	
Product Quality and Safety		■
The quality and safety of our products is of critical importance and any failure in this regard could result in a recall of the Group's products, damage to brand image and civil or criminal liability.	The 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 to ensure the safe production and distribution of the Group's products. Our Clonmel and Bristol sites continue to be ISO14001 accredited for an effective environmental management system. Our Clonmel and Wellpark manufacturing sites have the highest standard of BRC accreditation of AA+ achieved in October 2022 and March 2023 respectively.	

Risk Movement ○ New ■ No change ▲ Increasing ▼ Decreased

Impact	Mitigation	Risk Trend
Supply Chain Operations, Costs and Inflation		■
Circumstances such as the prolonged loss of a production or storage facility, disruptions to 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. An increased number of disruptive events have posed the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities. Also, there is a risk of increased input costs due to poor harvests and price of inputs. The continuing conflict in Ukraine has contributed to heightened uncertainty and inflationary pressures.	The Group seeks to mitigate the operational impact of such events 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. Enhancement of business continuity planning launched to enhance the visibility of our key dependencies, our key threats and solution design. The Group works closely with its suppliers to protect the integrity and consistency of supply of raw materials. The Group seeks to minimise input risks through sustainable sourcing and long-term or fixed price supply agreements, where applicable. The Group continues to assess inflationary and other supply chain pressures and impacts on product pricing and will continue to work with our suppliers to identify opportunities to improve supply chain resilience and to selectively pre-purchase products in order to ensure continuity of supply. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments. During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged. More details can be found on page 85.	
Information Technology		■
The Group relies on robust IT systems and supporting infrastructure to manufacture and trade effectively. Any significant disruption or failure of key systems could result in business disruption and revenue loss, accident or misappropriation of confidential information. Failure to properly manage existing systems, or the implementation of new IT systems may result in increased costs and/or lost revenue, and reputational damage.	Monitoring and alerting of availability of critical technologies and their inter-dependencies. IT change management process is embedded to assess risk of all changes to technology including changes made by third-party providers. Critical IT Technologies are either cloud-hosted, hosted across two data centres or at third party provider locations with necessary fall over protocols and security perimeters in place. Incident management teams are in place 24/7 to manage low level IT incidents. If there is a major incident or an escalation of an incident that has a wider impact on other parts of the business and stakeholders, then it can be escalated into the IT major incident management team to respond rapidly, with defined escalation and communication with the crisis management framework, via the network duty manager. During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged. More details can be found on page 85.	

Strategic Report - Management of Risks and Uncertainties (continued)

Impact	Mitigation	Risk Trend
Cyber Security and Data Protection		▲
Failure or compromise of our IT infrastructure or key IT systems may result in theft, loss of information, inability to operate effectively, financial or regulatory penalties, loss of financial control and a negative impact on our reputation. Failure to comply with legal or regulatory requirements relating to data security (including cyber security) or data privacy in the course of our business activities, may result in reputational damage, fines or other adverse consequences, including criminal penalties and consequential litigation, adverse impact on our financial results or unfavourable effects on our ability to do business. There is a constant threat of significant and sophisticated cyber-attacks including phishing, ransom ware, malware and social engineering. Using personal data in a non-compliant manner (whether deliberately or inadvertently) may exacerbate the impact of security incidents.	The Group undertakes a regular security assurance programme, testing controls, identifying weaknesses and prioritising remediation activities where necessary. This includes periodic best practice specialist security testing by a leading third-party provider and regular system scanning to identify security weaknesses. Issues are assessed for risk and are comprehensively managed as part of the Group's risk management programme. The Board and Audit Committee is presented with regular detailed Information Security Reports by the Group Technology and Transformation Director and Group Head of IT, which includes recommendations for further reinforcements, and a roadmap for further risk reduction. As a demonstration of our commitment to tackling cyber security we are currently pursuing Cyber Essentials Plus accreditation from the National Cyber Security Centre. A data and cyber risk governance structure exists including an IT and data protection risk committee to regularly review the data and cyber risk landscape and determine required action to take place to manage risk effectively. Cyber security is a major focus area for the Board and Audit Committee who receive regular updates from the Group Transformation and Technology Director. A specialist external IT security team undertake a 24/7 security monitoring service, a vulnerability management programme, a software review process, supply chain partner audits, a data loss prevention programme and identity governance controls amongst other initiatives including asset management, a comprehensive patching schedule and consolidation of our IT Infrastructure. During FY2023 we continued our ongoing programme of investment in cyber security controls which included Endpoint Detect and Respond, Cloud Access Security Broker, Domain based Message authentication, Reporting and Conformance, email authentication and enhanced data loss prevention controls. Business continuity, disaster recovery and crisis management plans are in place and tested on a regular basis. We continue to prioritise several initiatives to further minimise the risk profile, including employees receiving regular online cyber security training and ongoing awareness is promoted through monthly phishing training and other initiatives to keep employees abreast of new and emerging threats. Policies are in place regarding the protection of both business and personal information, with support from the Group Data Protection Officer. During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged. More details can be found on page 85.	
Business Growth, Integration and Change Management		▲
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. During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged. More details can be found on page 85.	

Risk Movement New | No change | Increasing | Decreased

Impact	Mitigation	Risk Trend
Compliance with Laws and Regulations		No change
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 penalties.	The Company Secretary and Group General Counsel is a member of the Executive Committee and is supported by appropriately skilled in-house legal, data protection and company secretarial resource, with further support provided by external lawyers and advisors. Changes in laws and regulations are monitored, with policies and procedures being updated as required to ensure compliance with regulations and legislation, providing updated documentation, training and communication across the Group. The Group's Code of Conduct and supporting policies, clearly define the standards and expectations for all employees and third parties. A mandatory online employee compliance programme is in place to embed employees' understanding of key compliance risks. The Group's Vault whistleblowing service, managed and facilitated by an independent third-party, is available to all employees to raise concerns regarding suspected wrongdoings or unethical behaviours. All calls are followed up and investigated fully with all findings reported to the Board. The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management.	
Brand and Reputation		No change
The Group faces considerable risk if we are unable to uphold high levels of consumer awareness service, retain and attract key associates and sponsorships for our brands, or if we have inadequate marketing investment to support our brands. Maintaining and enhancing brand image and reputation through the creation of strong brand identities is crucial for sustaining and driving revenue and profit growth. Capability in digital marketing means there is a risk of losing voice and ultimately brand awareness/advocacy with target consumers and trade customers. The introduction of DRS in Scotland and Ireland in 2024 presents a reputational risk if not implemented correctly.	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 and 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. During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged. More details can be found on page 85. On time in full rates are tracked weekly as a measure of customer service in our distribution business.	

Strategic Report - Management of Risks and Uncertainties (continued)

Impact	Mitigation	Risk Trend
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. Government and central bank policy can also adversely impact Group results and re-financing. Economic instability may increase the risk of bad debts. 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. The Group manages pension risk through 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. Credit limits are regularly reviewed in response to changing market conditions. 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. During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. More details can be found on page 85.	

Assessment of the Group's Prospects

Going Concern

In adopting the going concern basis for preparing these financial statements, the Directors have considered the Group's business activities, together with factors likely to affect its future development and performance, as well as the Group's principal risks and uncertainties.

The Directors assessed the Group's cash flow forecasts for the period ending 31 August 2024 (the going concern "assessment period"). The cash flows included various stress testing scenarios. These scenarios stress volume and working capital outflows to reflect the potential impact, to varying degrees, of a deepening recessionary environment including the impact of further inflation and interest rate increases on customer and consumer spending. The Group is satisfied that there is sufficient headroom in the financial covenants under current facilities under each scenario.

The Group's scenarios assume:-

- A base case projection using internally approved forecast and strategic plans, which reflect the external economic environment;
- A downside and a severe downside scenario which assesses the potential impact on volume and working capital of a deepening recessionary environment including the impact of further inflation and interest rate increases on customer and consumer spending.

Overall conclusion

Having considered these scenarios, the Group's banking facilities, the ongoing inflationary pressures within the macro economy and the funding requirements of the Group, the Directors are confident that headroom under our banking facilities remains adequate, future covenant tests can be met, and there is a reasonable expectation that the business can meet its liabilities as they fall due for a period of greater than 12 months (being an assessment period of 15 months) from the date of approval of the Group Financial Statements. For these reasons the Directors continue to adopt the going concern basis of accounting in preparing the Group's financial statements and no material uncertainty has been identified.

Viability Statement

As set out in Provision 31 of the UK Corporate Governance Code, the Directors have carried out a rigorous review of the prospects of the Group and its ability to meet its liabilities as they fall due over the medium-term. Specifically, the Directors have assessed the viability of the business over a three-year period to February 2026. In conducting the assessment the Directors have taken account of the Group's current position and prospects, the Group's strategy, the Board's risk appetite and the Group's Principal Risks and Uncertainties as set out above and how these are identified, managed and mitigated. Based on this assessment, which includes a robust assessment of the potential impact that these risks would have on the Group's business model, future performance, solvency and liquidity, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to February 2026.

Risk Movement ● New ■ No change ▲ Increasing ▼ Decreased

Group's strategic planning process
The Board considers annually a three-year, bottom-up strategic plan and a more detailed budget is prepared for the following year. Current-year business performance is reforecast during the year. The most recent financial plan was approved by the Board in February 2023. 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.

Period of Assessment
The Directors have determined that the three-year period to February 2026 is an appropriate period over which to provide its viability statement. This period has been considered for the following reasons:
- The business model can be evolved for significant changes in market structure or government policy over the three-year period;
- For major investment projects three years is considered by the Board to be a reasonable time horizon for an assessment of the outcome;
- The Group's strategic planning cycle covers a three-year period; and
- The Directors believe that this presents the Board and readers of the Annual Report with a reasonable degree of confidence over this longer-term outlook.

Viability Assessment
The Directors' assessment of the Group's viability has been made with reference to FY2023 performance and the budget for FY2024.

The Board reviewed the assessment of the Group's prospects made by management, including:
- The development of a rigorous planning process, the outputs of which are comprised of a strategic plan, a consolidated financial forecast for the current year and financial projections for future years covering the period of the plan;
- A comprehensive review of the strategic plan as part of its annual strategy review, with regular monitoring of the achievement of strategic objectives taking place at each Board meeting;
- Assumptions are built at both Group and business unit levels and are subject to detailed examination, challenge and sensitivity analysis by management and the Directors;
- A consideration of how the impact of one or more of the Group's Principal Risks and Uncertainties, could materially impact the Group's performance, solvency or liquidity; and
- The impact of climate change on the Financial Statements. The assessment concluded that climate change is not expected to have a material impact on the viability of the Group in the short term. An in-depth assessment of climate risk has been conducted in the past 12 months, including a further scenario scoping exercise of the climate risk and opportunities and a quantitative assessment of the potential range of outcomes and associated financial impact on the Group. See pages 40 to 49 for an overview of our work on TCFD.

These considerations include external factors such as the impacts of the expected high levels of inflation, lower economic growth, particularly in our key areas of operation, unfavourable currency exchange rate movements, increased regulations and internal factors such as the strategic plan under-delivering, the loss of a key production site or a health and safety related event. These considerations also considered additional mitigating measures available to the Group, including the ability to reduce capital expenditure and the potential availability of additional debt facilities. As at 28 February 2023, the Group had total undrawn committed credit facilities of €355.0m, and €115.3m cash net of overdrafts.

The Audit Committee reviews the output of the viability assessment in advance of final evaluation by the Board. Having reviewed these elements, 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 79, (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 24 May 2023.

Mark Chilton
Company Secretary

TCFD Disclosure

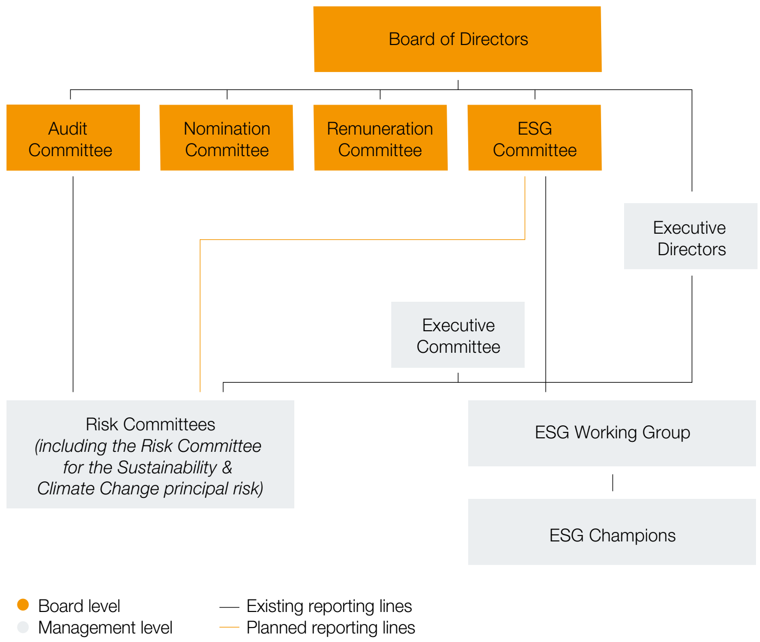
Response to Climate Change

Following the first disclosure last year in line with the Task Force on Climate-related Financial Disclosures ('TCFD') Recommendations, the Group continued to factor climate change into strategic considerations in a formalised and robust manner, including, but not limited to, carrying out a quantitative scenario analysis.

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

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

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



Governance

C&C's Board of Directors has the ultimate responsibility for overseeing the Group's climate-related risks and opportunities and for ensuring that climate change considerations are considered when reviewing and guiding the Group's strategy, when undertaking major plans of action or capital expenditures.

Moreover, climate change is also integrated into decisions regarding C&C's annual budgets, business plans and performance objectives. The Group is committed to ensuring climate-related issues are considered when setting the Group's risk management policies going forward, as discussed within the Risk Management section of this report on page 33.

During the year, the Board has continued to receive training on climate scenario analysis and the strategic considerations for C&C. A quantitative scenario analysis was carried out starting in Q4 of FY2023 and into Q1 of FY2024 and the results were presented to the Board in March 2023 and the ESG Committee in May 2023.

During the remaining months of 2023, we intend to carry out additional detailed training on ESG and climate change as well as the associated risks and opportunities, to increase our leadership's knowledge, understanding and awareness of climate-related issues.

The ESG Committee has delegated responsibility from the Board over some elements of oversight of climate change. Please see pages 105 to 107 for the Environmental, Social and Governance Committee Report which contains its responsibilities and matters considered during the year. The Chair of the ESG Committee is responsible for providing the Board with an update around all ESG matters, including climate change. The ESG Committee is supported by a number of other Committees and Working Groups:

Risk & Compliance Committee: Starting from FY2021, Sustainability and Climate Change has been identified as a principal risk for C&C, and therefore a Risk Committee for Sustainability and Climate Change was set up and is responsible for monitoring and managing climate change, including reviewing the climate-risks and opportunities identified on a yearly basis. The Risk Committee for Sustainability and Climate Change reports to the Audit Committee and is composed of executives and various levels of management from across the Group. During FY2023, the Risk Committee for Sustainability and Climate Change met four times.

Following a review of the internal reporting lines, the Group is reviewing the frequency at which the Committee will be meeting in future, as well as establishing additional reporting lines to the ESG Committee.

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

During the year, to support our Supply Chain Screening approach, CDP delivered training to C&C Procurement and Commercial colleagues on how supply chain screening and collaborating with suppliers and customers can play a vital role in tackling environmental harm and achieving global climate goals. We intend to roll out further training on climate-related matters to key colleagues including ESG Champions and Procurement / Buying teams so that they will be able to contribute towards the update of risk registers and the identification of climate-related risks.

The Environmental, Social and Governance Committee Report on pages 105 to 107 contains details on the ESG related metrics considered by the Committee. In relation to climate change, these remain unchanged from FY2022 and include the following metrics:

Metric	Target	Relevant to
Reductions in kWh per hectolitre (intensity metric) + total kWh (absolute metric) across each production site, as part of a wider suite of site-level performance metrics	These activities are linked to our overall corporate emissions reduction targets. The incentive scheme applies to all employees who work within our production sites	Subset of employees (working in our major manufacturing sites, for which carbon reduction targets have been set)
Carbon reduction for the Group	The Group has set a target to reduce its Scope 1 emissions and Scope 2 emissions[1] over the three financial years ending with FY2024 as follows: Threshold - 6% reduction Maximum - 12% reduction	Executive Directors

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

Strategy

The Group has pledged to be a carbon-neutral business by 2050 at the latest. We have grounded our emissions reduction targets in climate science through the Science Based Targets initiative ('SBTi'), which have been validated in FY2023 as discussed on page 63 of the Responsibility Report.

Our Approach to Identifying Climate-related Risks and Opportunities

In FY2023, we collaborated with external consultants to support us in carrying out a quantitative scenario analysis on the CROs that had been identified during FY2022 to further understand and to quantify the impact that climate-related risks and opportunities could have on the Group. The Risk Committee for Sustainability and Climate Change, as per their Terms of Reference, have reviewed the CROs that had been identified during FY2022 and determined that they are still relevant to the business, and that no further changes were required for FY2023.

These CROs were identified in FY2022 through workshop sessions involving external consultants and a range of key stakeholders within C&C, and utilised the existing Risk Management framework (as described on pages 30 to 31 of the Annual Report) to assess the impact and the likelihood associated with each CRO. The time horizons were reviewed in order to take into account the fact that climate change will manifest itself over a longer period of time. The time frames, which focus on when the identified CRO is likely to begin having a significant impact on the Group's goals and objectives, were approved for use by the ESG Committee:

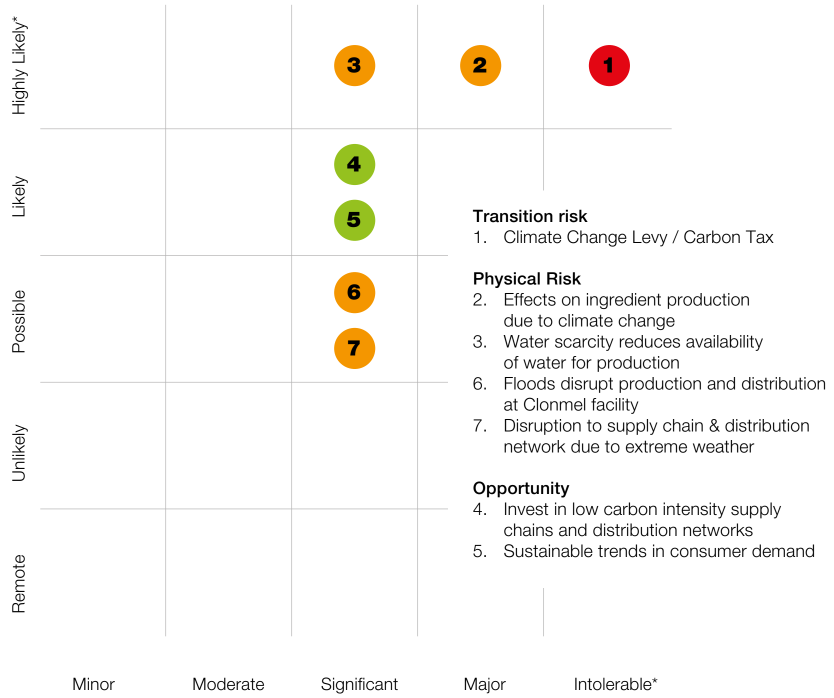
Time Frame	Description
Short term	Present day to 2025
Medium Term	2025 to 2030
Long term	2030 to 2050

TCFD Disclosure
(continued)

Our Identified CROs

Please find below the CROs that are most relevant for the Group, which were determined based on the methodology described above.

Heatmap



*As defined in our Group Risk Register.

TCFD CRO Category	Time Horizon	Value Chain Impact and divisional impact	Description of impact prior to any mitigating activities being considered	Management of risks and opportunities	Link to relevant Metric(s) and Targets
1. Climate Change Levy / Carbon Tax					
Transition risk - policy & legal Transition risk - technology	Short term	Upstream, Production & distribution Branded Wholesale	The Group's primary production sites are located in geographical locations either with a Carbon Tax (Ireland) or Carbon Levy (UK). These costs are due to increase substantially between now and 2030. Moreover, the increased pricing of greenhouse gas emissions means that the Group's operational costs will increase (e.g. heating).	The Group will reduce our carbon emissions in line with our SBTi target. The Group will explore avenues to invest in low carbon intensity supply chains and in cleaner technologies. The Group will explore implementing a shadow carbon price to assess potential future financial impacts that could arise from proposed increases in carbon pricing.	Scope 1, Scope 2 and Scope 3 emission and emission reduction targets.

TCFD CRO Category	Time Horizon	Value Chain Impact and divisional impact	Description of impact prior to any mitigating activities being considered	Management of risks and opportunities	Link to relevant Metric(s) and Targets
2. Effects on ingredient production due to climate change					
Physical risk - chronic	Long term	Raw materials Branded Wholesale	Changes in precipitation patterns and extreme variability in weather patterns will adversely affect barley, maize, wheat, malt, apple and apple juice and wine production therefore affecting the Group's supply chain and production capabilities.	The Group has assessed the climate related risk to each ingredient on an individual basis. The results will be incorporated into our supply chain strategy.	CDP Supplier Screening programme / Science Based Target Scope 3 Engagement Target
3. Water scarcity reduces availability of water for production					
Physical risk - chronic Transition risk - policy & legal	Long term	Raw materials & Production Branded Wholesale	Potential for long-term changes in ground water levels due to reduced precipitation may affect the availability of water for production (the Group uses water as both a product ingredient and as a plant cleaning medium) and enhance regulatory controls over seasonal water extraction activities, disrupting the Group's production.	Each of the Group's sites has an active water management programme. This includes an ongoing assessment of the water scarcity risk to each production site. The Group will engage with our suppliers on their water management policies and establish if they have conducted a risk assessment which covers climate related water stress.	Monitoring of water usage in C&C's facilities. Targets to manage this risk are currently being developed by the Group.
6. Floods disrupt production and distribution at Clonmel facility					
Physical risk - acute	Long term	Production & Distribution Branded	Increased heavy precipitation leading to floods in Clonmel facility. The occurrence of flooding could also cause damage to property and halt production in these facilities, impacting outputs and revenue.	As a significant employer in Tipperary in Ireland, the Group will work with the local authorities to foresee and mitigate any associated risk. A flood risk assessment will be conducted on the Clonmel site in Tipperary based on a RCP 8.5 scenario followed by the development of a flood management plan to minimise any potential business disruption.	Metrics and targets to manage this risk are currently being developed by the Group.

TCFD Disclosure
(continued)

TCFD CRO Category	Time Horizon	Value Chain Impact and divisional impact	Description of impact prior to any mitigating activities being considered	Management of risks and opportunities	Link to relevant Metric(s) and Targets
7. Disruption to supply chain & distribution network due to extreme weather					
Physical risk - acute	Long term	Upstream, Distribution Branded Wholesale	Distribution channels are exposed to more extreme weather events leading to financial losses through lost revenue due to our suppliers being unable to deliver goods to us or the Group being unable to deliver goods to our customers.	The Group will work with our partners in our recently launched Supply Chain engagement programme to review risks and mitigations on a longer-term time horizon. The Group will mitigate the operational impact of extreme weather events through business continuity plans, which will be tested regularly against the latest Intergovernmental Panel on Climate Change ('IPCC') scenarios. The Group will mitigate the financial impact of such events through business interruption insurance cover.	Metrics and targets to manage this risk are currently being developed by the Group.
4. Invest in low carbon intensity supply chains and distribution networks					
Transition Opportunity (Resource Efficiency)	Long term	Distribution Branded Wholesale	Opportunity to mitigate the increase in production, transportation, and distribution cost due to the increase in energy prices by transitioning to lower carbon options. This could allow the Group to lower costs with respect to our competitors.	The Group will actively assess low carbon distribution options as the leading final mile delivery partner to the on-trade in the UK and Ireland. The Group will work with our partners in our recently launched Supply Chain engagement programme to help them lower their carbon emissions.	Metrics and targets to manage this opportunity are currently being developed by the Group.
5. Sustainable trends in consumer demand					
Transition Opportunity (Resilience and Market)	Short term	Sales & consumers Branded	Strong corporate climate change management enhances credibility and strengthens relationships with stakeholders leading to potential new revenue opportunities. Additionally, given that the Group's production, distribution, and crop sites are relatively close to each other, this could have a positive impact on carbon labelling and reputation as consumers increasingly look for locally sourced, low carbon products.	The Group will continue to utilise in-house consumer insight via PROOF and external sources to develop / execute meaningful brand sustainability campaigns ("Life is Bigger than Beer" – Tennent's and "Save the Bees" – Bulmers).	Metrics and targets to manage this opportunity are currently being developed by the Group.

In FY2023, we carried out a quantitative scenario analysis to understand further the impact of the identified CROs on the Group. Following the understanding gained from this assessment, in FY2024 we will further develop additional targets and metrics that will allow us to manage these risks / leverage these opportunities, as well as measure our progress against them.

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

Transition Plan

During FY2023, the Group's emission reduction targets were validated by the Science Based Targets initiative ('SBTi'), in line with a well below 2°C trajectory. C&C is committed to reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 35% by 2030 (versus FY2020 baseline). In addition, to achieve the target of reducing Scope 3 emissions by 25% (versus FY2020 base year) by 2030, the Group has also committed that suppliers and customers making up 67% of Scope 3 emissions (Purchased Goods, Downstream Transport and Use of Sold Goods) will have science-based targets in place by 2026. The Group is now in the process of developing a transition plan to deliver on these targets, also considering the Net Zero commitments set by the jurisdictions in which we operate.

Understanding the impact on our CROs through Scenario Analysis

The following CROs were selected for quantitative scenario analysis and evaluated across a range of scenarios to understand how they may evolve under certain hypothetical situations:

- Increased costs from a **climate change levy / carbon tax**.
- The reduction of water available for production due to **water stress**.
- Disruption of production and distribution at key facilities due to **flood events** and **extreme weather**.
- Effects of chronic climate change on **ingredient production** of five key crops (apples, barley, sugar, wine grapes, and hops).
- Increased **market opportunity for low carbon products** due to sustainable trends in consumer demand.

These CROs were selected for quantitative scenario analysis based on their assessed potential to have a significant impact. This analysis has allowed us to understand and improve the resilience of our business model and strategy to climate change.

Several factors were considered during the selection of scenarios for this quantitative analysis (as outlined in the table below). This analysis made use of publicly available scenarios from the IPCC.

The range of scenarios was selected to consider the impacts of the selected CROs across the widest range of outcomes, to best prepare for all eventualities. The scenarios are broadly aligned with the qualitative analysis conducted in FY2022, however, to adhere with the latest science and IPCC findings, a 1.5°C scenario was prioritised over the previously selected <2°C scenario.

Climate scenarios selected for analysis

Warming trajectory by 2100	Data source	Key assumptions, outputs, and sensitivities
1.5°C (Paris Ambition)	IPCC SSP11-1.92	• The financial analysis is based on the forecasted financial position up to FY2027. Climate risks and opportunities were assessed over the short, medium and long-time horizons based on this forecasted position. • Analysis of acute physical risks is limited to 27 of our key distribution and manufacturing sites. The vulnerability of each of these sites is based on a typical manufacturing or distribution facility. • Analysis is based on existing sites, products and market share. • The results represent the gross risk position of our business strategy.
2.5°C (Stated Policy)	IPCC SSP2-4.5	
>4°C (No policy)	IPCC SSP5-8.5	

1. SSPs - Shared Socio-economic Pathways outline different economic, social, and technological contexts, in the absence of further climate policy, that accompany the RCPs.
2. RCP - The IPCC's Representative Concentration Pathways outline different greenhouse gas concentration trajectories. RCP 8.5 indicates that GHG concentrations will result in global temperatures warming by >4°C on average, and therefore is associated with higher physical climate impacts.

TCFD Disclosure
(continued)

The relative impact of each of the CROs, without any current or future mitigating action was considered under each of the scenarios. The results are presented in the table below.

We believe our business, with its strategic focus on local brands and distribution capability, is shown to be resilient to climate change. Sustainability forms a core part of our strategy, and we will continue to focus on reducing our Scope 1, 2 and 3 emissions, thereby reducing our potential exposure to increasing costs from direct or indirect carbon taxation and improving our position to capitalise on the market opportunity of low carbon products.

Going forward, as recommended by the TCFD, we will look to reassess our business strategy and model against these CROs under different scenarios where there is a significant change to the business. Our priorities for FY2024 include examining further mitigation strategies in response to those risks that present the most potential impact.

Impact scale

Low Risk	Medium Risk	High Risk
High Opportunity	Medium Opportunity	Low Opportunity

Scenario	Assumptions	Potential Impact Short	Medium	Long	Summary of results
1. Climate Change Levy / Carbon Tax					
1.5°C	All countries apply an average carbon price of \$80/tCO_2. This carbon price varies by country and over time.				The application of a carbon tax to our Scope 1, 2 and 3 emissions may have the potential to result in a significant cost to the business under the 2.5°C and 1.5°C scenarios. As our scope 3 emissions account for the majority of our exposure, these costs are anticipated to be realised through indirect costs via our supply chain. The size of this cost will depend on the extent to which suppliers reflect their own carbon tax expenditure within their prices and the extent to which we are able to absorb this cost ourselves instead of passing the cost on to our customers. To mitigate this risk, we are engaging with our suppliers, encouraging them to publish a CDP disclosure, and share their full carbon footprint. We are also looking to reduce emissions from our own operations.
2.5°C	\$40/tCO_2 is applied in all advanced economies. This carbon price varies by country and over time.				
>4°C	All carbon pricing is repealed (\$2/tCO_2).				
2. The reduction of water available for production due to water stress					
1.5°C	This analysis examined 27 of our own manufacturing and distribution sites. The vulnerability curve assumes ~4 days disruption for offices and manufacturing sites (for a severe water stress event) and ~2 days disruption for warehouse/distribution sites.				Water stress was examined for each of the 27 priority sites. Overall, while the probability of this risk is expected to increase under all scenarios between 2025-2050, even doubling in this time period under the >4°C scenario, it is not estimated to result in a significant potential impact on revenue.
2.5°C					
>4°C					

Scenario	Assumptions	Potential Impact Short	Medium	Long	Summary of results
3. Disruption of production and distribution at key facilities due to flooding					
1.5°C	This analysis examined 27 of our own manufacturing and distribution sites. The analysis examines both riverine and coastal flood events. Flash floods, however, are not included within this analysis. The vulnerability curve assumes ~8 days disruption for manufacturing sites, ~1 for offices and ~7 for warehouse/distribution sites (for a 0.5m flood).				Both coastal and riverine flooding were examined under this analysis. It was found that the risk of both coastal and riverine flooding was found to increase over time for all scenarios, although it was not found to present a significant risk to the overall business.
2.5°C					
>4°C					
4. Disruption of production and distribution at key facilities due to extreme weather events					
1.5°C	This analysis examined 27 of our own manufacturing and distribution sites. The vulnerability curve assumes ~0.1 days disruption for offices, ~1.1 days for manufacturing sites and warehouse/distribution sites (for a major temperate windstorm).				Analysis is limited to the impacts of heatwaves and temperate windstorms at 27 key distribution and manufacturing sites. Heatwaves are expected to present a minimal risk, whereas temperate windstorms have the potential to result in significant impacts in the form of asset damage and revenue disruption. However, the baseline risk for windstorms is currently high. The potential financial impact of this risk under a >4°C scenario, in terms of revenue disruption and property damage, is expected to increase by 6% between 2025 and 2050.
2.5°C					
>4°C					
5. Effects of chronic climate change on ingredient production					
1.5°C	The optimal growing conditions for 5 key crops were examined (apples, wine grapes, barley, sugar beet, and hops) for our sourcing locations for both our distribution and own-branded products). It was assumed that these products were not substitutable.				Overall, wine grapes and sugar beet were found to be the most impacted crops with the greatest potential for significant impacts expected in the longer term under the 2.5°C and >4°C scenarios. Conversely, under the same scenarios, some crops, particularly those sourced locally, are estimated to experience a net increase in yields. We will continue to monitor risk at key sourcing locations and use the outputs to inform procurement decisions. Where our sourcing locations may experience lower yields as a result of climate change, we may see an increase in the cost of products purchased for distribution in these areas. Going forward we will monitor these areas and factor this risk into our buying decisions.
2.5°C					
>4°C					
6. Increased market opportunity for low carbon products due to sustainable trends in consumer demand.					
1.5°C	Rapidly growing demand for sustainable products in all markets.				The market opportunity for low carbon products may be significant under a 2.5°C - 1.5°C scenario. There is potential for a significant increase in revenue as consumer preferences shift towards low carbon alternatives. Further prioritising the production and distribution of low carbon products could also limit our exposure to carbon taxes and their associated costs.
2.5°C	Limited consumer demand for sustainable products within both leading and emerging markets.				
>4°C	Little consumer demand for sustainable products.				

TCFD Disclosure (continued)

Risk Management

In FY2021, Sustainability and Climate Change was identified as being a principal risk for C&C. Therefore, the identification, prioritisation, assessment, and management of our 'Sustainability and Climate Change' risk is carried out in a manner consistent with the Group's other principal risks with the exception of the timeframe used (please refer to page 41 of the Strategy section of the TCFD report).

C&C adopts a standard risk management framework which is discussed in detail on pages 30 to 31. Given the increasing focus on climate, in FY2022 we completed a deep dive on CROs as described in the strategy section above, which have been validated by the Risk and Compliance Committee for Sustainability and Climate Change in FY2023. We have integrated the results of this assessment into our overall risk management system.

For additional information regarding the climate-related risks identified and our activities to mitigate these risks, please refer to the Strategy section of the TCFD report on pages 41 to 47. Climate change mitigation is a current and ongoing responsibility for the Risk Committee for Sustainability and Climate Change as highlighted on page 41.

During FY2023, the Group also assigned a risk owner to manage each of the principal risks, including Sustainability and Climate Change. Additionally, the owner of the Sustainability and Climate Change risk reviews all the other principal risks on the Group's risk register to assess them under a sustainability and climate change lens, thus reflecting the commitment of the Group to ensure that sustainability and climate-related risks are considered and integrated into the business in a holistic manner.

To be able to better manage the projected impacts of climate change, we are committed to the continuous improvement of our processes for identifying and assessing our climate-related risks and have identified the importance of implementing a bottom-up risk assessment process, which is currently being structured and will be disclosed in FY2024. During the year, we will also investigate the roll out of education and awareness training that will be carried at an operational level to enhance our risk identification processes.

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

Metrics & Targets

The Board recognises the importance of ensuring that we monitor our performance with respect to the CROs identified with tailored KPIs.

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

However, we acknowledge that more work needs to be done and the Group is currently working on developing additional metrics that are more tailored to the identified CROs, following the output and the learnings from the quantitative scenario analysis.

For further information on how our metrics currently map to the identified CROs, please refer to the Strategy section of the TCFD report on pages 41 to 47. For more information on our performance and our historical progress around wider ESG matters please refer to the Responsibility Report on pages 56 to 79.

TCFD Index and Focus areas for FY2024

Disclosure Requirement	TCFD disclosure met	Page Reference	Actions Undertaken	Next Steps
Governance				
(a) Describe the board's oversight of climate-related risks and opportunities.	Yes	Page 40	• A Risk & Compliance Committee ('RCC') continued to operate in order to monitor and manage Sustainability and Climate Change as a principal risk. • The Board received further training on ESG and climate change as well as the associated risks and opportunities.	• Additional reporting lines being developed which will see the RCC for Sustainability and Climate Change also report to the ESG Committee.
(b) Describe management's role in assessing and managing climate-related risks and opportunities.	Yes	Pages 40 to 41		

Disclosure Requirement	TCFD disclosure met	Page Reference	Actions Undertaken	Next Steps
Strategy				
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Yes	Pages 41 to 47	• Conducted a detailed quantitative climate change risk assessment and scenario analysis with the support of an expert external party.	• Continue to monitor the risks that we have identified and consider emerging CROs as new climate data and policies emerge. • Continue to monitor actively the changing landscape of sustainability reporting requirements. • Integrate climate change and the results of the quantitative scenario analysis within C&C's strategy and financial planning. • Continue to work towards setting a SBTi approved Net Zero target.
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Partially	Pages 41 to 47		
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Yes	Pages 46 to 47		
Risk Management				
(a) Describe the organisation's processes for identifying and assessing climate-related risks.	Yes	Page 48	• Further integrated climate-related risks within C&C's overall risk management process.	• Develop bottom-up risk assessment process relevant to CROs. • Roll out education and awareness training that will be carried at an operational level to enhance the Group's risk identification processes.
(b) Describe the organisation's processes for managing climate-related risks.	Yes	Pages 41 and 48		
(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Yes	Page 48		
Metrics & Targets				
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially	Pages 41 to 47, and 48	• Carbon reduction targets validated by SBTi. • Assessed our current metrics in relation to the identified CROs.	• Evaluate and develop, where applicable, additional metrics and targets to support us in managing the identified climate-related risks and opportunities. • Achieve our SBTi objectives.
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Yes	Pages 61 to 63		
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Partially	Pages 41 to 47, and 48		

Group Chief Financial Officer's Review

"Despite a challenging trading backdrop, the performance of the Group's core brands, Bulmers and Tennent's, has been resilient"

Patrick McMahon
Group Chief Executive Officer & Group Chief Financial Officer

Results For the Year

FY2023 is the Group's first full financial year without COVID-19 trading restrictions since FY2020. COVID-19 restrictions however gave way to fresh challenges - primarily a high-inflation environment and associated impact on consumers' discretionary spending but also strikes in the UK - which have had an adverse impact on the drinks and hospitality sector during the fiscal year ended 28 February 2023. Despite these challenges, the Group's performance has been resilient and underlying cash generation robust. As a consequence, the Board are proposing the payment of a dividend for the first time since 2019.

C&C is reporting net revenue of €1,689.0m, operating profit[i] of €84.1m, liquidity[ii] of €470.3m and net debt[iii] of €152.7m. Net debt excluding IFRS 16 *Leases* was €78.9m. Adjusted diluted EPS for FY2023 is 13.4 cent. The Group's operating profit[i] of €84.1m, which is up from an operating profit[i] of €47.9m in the prior year[iv], reflects a number of factors, including a high-inflation environment and associated impact on consumers' discretionary spending and strikes in the UK.

The conflict in Ukraine continues to contribute to heightened uncertainty and inflationary pressures. Geopolitical events continue to cause distortions in supply, and inflationary pressures are negatively impacting input costs. It is not clear to what extent these external factors will continue to impact the Group as supply chains and markets adjust in the medium to long-term, and whether product price increases continue to mitigate input price inflation. The rapid increases in interest rates to counter inflation may cause a longer-term shift in customer purchasing behaviour. In response to this challenging and evolving inflationary backdrop and uncertain macro environment, the Group has implemented a series of price increases which, alongside a series of optimisation measures, the Board believes will protect the medium-term profitability of the Group.

Despite a challenging trading backdrop, the performance of the Group's core brands, Bulmers and Tennent's, has been resilient and brand health scores and market share for both Tennent's and Bulmers improved year-on-year, maintaining clear market-leading positions[vii].

Liquidity[ii] and net debt[iii] reduction have been a key focus for the Group throughout FY2023, and the Group maintains a robust liquidity position with available liquidity[ii] of €470.3m at 28 February 2023 and at year end achieved net debt[iii]/adjusted EBITDA[v] of 1.3x. The Group's target net debt[iii]/adjusted EBITDA[v] level is between 1.5x and 2.0x.

During February 2023, the Group implemented a complex Enterprise Resource Planning ('ERP') system upgrade in the Matthew Clark and Bibendum ('MCB') business. The implementation is a key step in the Group's digital transformation and optimisation program in GB, designed to enhance the service the Group provides to customers and, in time, improve efficiency and maximise capacity utilisation through more automated processes.

Post Balance Sheet date comment

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

C&C currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however net debt(iii)/ adjusted EBITDA(v) is expected to remain within the Group's stated range of 1.5x to 2.0x. Excluding the impact on MCB, C&C is currently performing in line with management expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

Accounting Policies

As required by European Union ('EU') law, the Group's financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU, and as applied in accordance with the Companies Act 2014, applicable Irish law and the Listing Rules of the UK Listing Authority. Details of the basis of preparation and the accounting policies are outlined on pages 154 to 169.

Finance Costs, Income Tax and Shareholder Returns

Net finance costs before exceptional items of €17.3m were incurred in the financial year (FY2022: €16.1m). As outlined previously, the Group successfully negotiated financial covenant waivers as a consequence of the impact of COVID-19 with its lenders and exceptional finance costs of €2.0m (FY2022: €6.7m) were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with the covenant waivers. Of the €17.3m net finance cost, €3.5m relates to the Group's debtor securitisation facility, €3.8m relates to USPP notes, €4.2m relates to the Group's main bank lending facilities, €3.1m relates to lease interest, €1.5m relates to amortisation of prepaid issue costs and €1.2m relates to other interest costs.

In FY2023, the UK trading group continued its significant contribution to overall Group profits. Expectedly, this impacts the Group's effective tax rate for FY2023 of 21.2%, as UK-generated profits are taxed a rate of 19% as compared to that of 12.5% in Ireland. Further pressure on the Group's effective tax rate is to be expected with the increase of the UK's corporate tax rate to 25% from 1 April 2023 and the expected implementation of a 15% corporate tax rate in Ireland (for large multi-national corporations) towards the end of FY2023. The Group continues to manage its effective tax rate in line with its published tax strategy. During the year the Group undertook a significant self-review exercise in Ireland and invested in strengthening the central tax function.

Subject to shareholder approval, the Directors have proposed a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023. No interim dividend was paid with respect to FY2023; therefore, the Group's full year dividend will amount to 3.79 cent per share. The proposed full year dividend per share will represent a pay-out of 28.3% of the full year reported adjusted diluted earnings per share. The reinstatement of a dividend reflects the Directors' confidence in the cash-generating capability of the business. Using the number of shares in issue at 28 February 2023 and excluding those shares for which it is assumed that the right to dividend will be waived, this would equate to a distribution of €15.0m. There is no scrip dividend alternative proposed. Due to the impact of COVID-19, total dividends for the prior financial year were €nil.

Exceptional Items

A total net exceptional charge, before the impact of taxation, of €0.9m was incurred in the current financial year. In the opinion of the Board the presentation provides more useful analysis of the underlying performance of the Group. Full details of Exceptional Items are set out in detail in note 5 to the consolidated financial statements.

Balance Sheet Strength and Debt Management

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

The Group manages its borrowing requirements by entering into committed loan facility agreements and also holds 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

Group Chief Financial Officer's Review (continued)

Scotland, Barclays Bank, HSBC, Rabobank and Ulster Bank. During FY2023, Ulster Bank left the syndicate, following the sale of their Irish commercial loan book to Allied Irish Bank; however, the facility remained unchanged at €450m. In FY2021, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment was paid on 12 July 2022.

In May 2023, post-FY2023 year end and upon publication of the Group's FY2023 results the Group has completed a refinancing of the current multi-currency facility. The facility is a new five-year committed, sustainability-linked, facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two one-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks - namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.

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. Following the disposal of Admiral Taverns in May 2022 for £55.0m, the first two of three tranches of proceeds of €42.8m (£36.7m) were received in August 2022. A condition of the negotiated waiver agreement (which ceased in October 2022) was that these proceeds were made available to USPP noteholders to divest. With noteholders divesting in November 2022, the subsequent new holdings as at 28 February 2023 is €100.6m (FY2022: €145.4m). This waiver condition ceased with the publication of the Group's Condensed Consolidated Interim Financial Statements in October 2022, and the third and final tranche of Admiral proceeds of €20.8m (£18.3m) received in February 2023 was fully retained by the business.

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, however given strong return of trading on re-opening, the Group successfully exited waivers early with its bank syndicate in June 2022, returning to normal covenants at pre-COVID-19 levels. With regard to the new facility, which will go live in FY2024, the Group has agreed the same covenants as the previous agreement with the Group's lending group.

The Group maintains a £150.0m receivables purchase facility (£120.0m committed, £30.0m uncommitted), renewable annually in May. As at 28 February 2023, €94.1m of this facility was drawn (FY2022: €84.1m).

Cash Generation

Summary cash flow for the year ended 28 February 2023 is set out in the table below. Overall liquidity remains robust. The increase in the Group's receivables purchase programme was used to offset the Group's repayment of previously deferred tax payments to the Irish Tax Authorities, in accordance with agreed repayment schedules, of €18.1m. The contribution to year end Group cash from the receivables purchase programme was €94.1m compared to €84.1m (€80.6m on a constant currency basis[iv]) at 28 February 2022 - a cash inflow of €13.5m[iv]. Owing to the timing of the implementation of a Group technology project in the Group's GB operations (February 2023), usual year end working capital procedures were relaxed in favour of holding increased levels of stock to safeguard against issues of stock availability.

Capital expenditure in FY2023 amounted to €15.2m, with €4.8m relating to the technology project in the Group's GB operations, a key step in the digital transformation and optimisation of the business, and €1.8m directly related to ESG initiatives and investments, including the completion of the Group's Out of Plastics projects for owned alcohol brands in Wellpark and Clonmel and the heat pump project at Clonmel.

Table 1 – Reconciliation of Adjusted EBITDA[v] to Operating profit

	2023 €m	2022 €m
Operating profit	**83.9**	58.5
Exceptional items	**0.2**	(10.6)
Operating profit before exceptional items	**84.1**	47.9
Amortisation and depreciation charge	**32.5**	31.8
Adjusted EBITDA[v]	**116.6**	79.7

Table 2 – Cash flow summary

	2023 €m	2022 €m
Adjusted EBITDA[(v)]	**116.6**	79.7
Working capital	**1.8**	(19.2)
Advances to customers	**(3.6)**	2.3
Net finance costs excluding exceptional finance costs	**(14.2)**	(16.7)
Tax paid	**(12.0)**	(3.2)
Pension contributions paid	**(0.5)**	(0.4)
Tangible/intangible expenditure	**(15.2)**	(17.1)
Net proceeds on disposal of property plant & equipment	**-**	2.3
Exceptional items paid	**(4.5)**	(12.5)
Other*	**2.4**	3.0
Free cash flow[(vi)]	**70.8**	18.2
Free cash flow[(vi)]	**70.8**	18.2
Net exceptional cash outflow	**4.5**	10.2
Free cash flow[(vi)] excluding net exceptional cash outflow	**75.3**	28.4
Reconciliation to Group Cash Flow Statement		
Free cash flow[(vi)]	**70.8**	18.2
Net proceeds from exercise of share options/equity interests	**-**	0.7
Drawdown of debt	**48.5**	49.5
Repayment of debt	**(108.5)**	(271.7)
Payment of lease liabilities	**(22.5)**	(21.9)
Proceeds from Rights Issue	**-**	176.3
Payment of Rights Issue costs	**(0.7)**	(9.2)
Disposal of asset held for sale	**63.6**	-
Disposal of subsidiary/equity investment	**0.7**	12.9
Cash outflow re acquisition of equity accounted investments/financial assets	**-**	(0.3)
Net increase/(decrease) in cash	**51.9**	(45.5)

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

Group Chief Financial Officer's Review
(continued)

Retirement Benefits

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

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. An actuarial valuation process is currently ongoing. The most recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2020. As a result of these updated valuations the Group has committed to contributions of 27.5% of pensionable salaries for the Group's staff defined benefit scheme. There is no funding requirement with respect to the Group's executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to these surpluses when the scheme concludes.

There are 2 active members in the NI scheme and 50 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 2023, the retirement benefits computed in accordance with IAS 19 *Employee Benefits* amounted to a net surplus of €42.2m gross of deferred tax (€29.2m surplus with respect to the Group's staff defined benefit pension scheme, €9.4m surplus with respect to the Group's executive defined benefit pension scheme and a €3.6m surplus with respect to the Group's NI defined benefit pension scheme) and a net surplus of €36.1m 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 surplus at 1 March 2022	**37.6**
Translation adjustment	**(0.3)**
Employer contributions paid	**0.5**
Credit to Other Comprehensive Income	**4.3**
Charge to Income Statement	**0.1**
Net surplus at 28 February 2023	**42.2**

The increase in the surplus from €37.6m at 28 February 2022 to a surplus of €42.2m at 28 February 2023 is primarily due to an actuarial gain of €4.3m over the year. The increase in the net surplus of the Group's defined benefit pension schemes from the 28 February 2022 to 28 February 2023, as computed in accordance with IAS 19 *Employee Benefits,* is primarily due to a decrease in liabilities as a result of the significant increase in bond yields over the year, which also offsets asset value decreases.

Financial Risk Management

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

The Board of Directors set the treasury policies and objectives of the Group, the implementation of which are monitored by the Audit Committee. Details of both the policies and control procedures adopted to manage these financial risks are set out in detail in note 24 to the consolidated financial statements.

Interest Rate Risk Management

With a rising interest rate environment, following recent history of modest or negative interest rates, the Group executed a €60m three-year Euro interest rate hedge against Euro debt facilities exposed to EURIBOR fluctuations. The hedge was executed in line with the Group guardrails and ensures that 82% of the Group's interest-bearing loans and borrowings as at 28 February 2023 are now either hedged or fixed through the USPP notes.

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 the Group's Euro subsidiaries and Euro purchases in the Group's Great Britain (GB) business. The Group seeks to minimise this exposure, when possible, by offsetting the foreign currency input costs against the same foreign currency receipts, creating a natural hedge. When the remaining net currency exposure is material, the Group enters into foreign currency forward contracts to mitigate and protect against adverse movements in currency risk and remove uncertainty over the foreign currency equivalent cash flows. Forward foreign currency contracts are used to manage this risk in a non-speculative manner when the Group's net exposure exceeds certain limits as set out in the Group's treasury policy. In the current financial year, the Group had €11.5m forward foreign currency cash flow hedges outstanding.

The average rate for the translation of results from Sterling currency operations was €1:£0.8604 (year ended 28 February 2022: €1:£0.8524) and from US Dollar operations was €1:$1.0438 (year ended 28 February 2022: €1:$1.1701).

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 FY2023 foreign currency rates to the reported FY2022 revenue, net revenue and operating profit(i) are shown in the table below:

Table 3–Constant currency comparatives

	Year ended 28 February 2022 €m	FX transaction €m	FX translation €m	Year ended 28 February 2022 €m
Revenue				
Ireland	338.3	-	(0.5)	337.8
Branded	*126.5*	-	*(0.3)*	*126.2*
Distribution	*202.1*	-	*(0.3)*	*201.8*
Co-pack/Other	*9.7*	-	*0.1*	*9.8*
Great Britain	1,457.8	0.3	(13.2)	1,444.9
Branded	*285.8*	*0.3*	*(2.3)*	*283.8*
Distribution	*1,131.6*	-	*(10.5)*	*1,121.1*
Co-pack/Other	*40.4*	-	*(0.4)*	*40.0*
Total	**1,796.1**	**0.3**	**(13.7)**	**1,782.7**
Net revenue				
Ireland	224.3	-	(0.5)	223.8
Branded	*78.3*	-	*(0.2)*	*78.1*
Distribution	*139.8*	-	*(0.3)*	*139.5*
Co-pack/Other	*6.2*	-	-	*6.2*
Great Britain	1,213.8	0.3	(10.8)	1,203.3
Branded	*170.1*	*0.3*	*(1.2)*	*169.2*
Distribution	*1,005.5*	-	*(9.3)*	*996.2*
Co-pack/Other	*38.2*	-	*(0.3)*	*37.9*
Total	**1,438.1**	**0.3**	**(11.3)**	**1,427.1**
Operating profit(i)				
Ireland	16.7	2.2	-	18.9
Branded	*13.6*	*(0.2)*	-	*13.4*
Distribution	*3.1*	*2.4*	-	*5.5*
Great Britain	31.2	(2.0)	(0.2)	29.0
Branded	*21.7*	*0.2*	*(0.1)*	*21.8*
Distribution	*9.5*	*(2.2)*	*(0.1)*	*7.2*
Total	**47.9**	**0.2**	**(0.2)**	**47.9**

Notes to the Group Chief Financial Officer's Review
(i) Before exceptional items.
(ii) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
(iii) Net debt comprises borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 *Leases*.
(iv) FY2022 comparative adjusted for constant currency (FY2022 translated at FY2023 F/X rates).
(v) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' profit/(loss) after tax. A reconciliation of the Group's operating profit to EBITDA is set out on page 52.
(vi) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €94.1m (FY2022: €84.1m reported/€80.6m on a constant currency basis) of cash as at 28 February 2023. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out above.
(vii) NI CGA OPM 28.02.23; ROI CGA OPM 28.02.23; NielsonIQ Total off-trade including Dunnes & Discounters 52 weeks to week ending 26.02.23 vs 52 weeks to end Feb 2020; CGA OPM 25.02.23 (GB Beer & Cider database); IRI UK off-trade database to 19.02.23.

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. 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. The Group's policy is to fix the cost of a certain level of energy requirement through fixed price contractual arrangements directly with the Group's 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 and has long-term apple supply contracts with farmers in the west of England and an agreement with farmers in Scotland for the supply of malted 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.

Patrick McMahon
Group Chief Executive Officer & Group Chief Financial Officer

Responsibility Report

Our Environmental, Social and Governance (ESG) strategy is integral to C&C Group's purpose and our three core values: 'Respect people and the planet'; 'We bring joy to life'; and 'Quality is at our core'.

With Board level commitment to ESG, a dedicated ESG Team and a group of ESG Champions advocating across the business, we are delivering on our promise of embedding ESG into everything we do at C&C.

Reduce Our Carbon Footprint

Focus Areas

- Carbon Neutral by 2050 at the latest – Achieving our Science-Based Targets
- Energy and Water Conservation
- Fleet Decarbonisation
- Waste Minimisation

Alignment to UN SDGs

12 Responsible consumption and production; 13 Climate action; 14 Life below water; 15 Life on land

Sustainably Source Our Products & Services

Focus Areas

- Supply Chain Engagement
- Enhanced Ethical Sourcing

Alignment to UN SDGs

8 Decent work and economic growth; 12 Responsible consumption and production; 13 Climate action

Ensure Alcohol Is Consumed Responsibly

Focus Areas

- Promoting 0%, Low Alcohol & Low-Calorie Brands
- Alcohol Awareness Training

Alignment to UN SDGs

3 Good health and well-being; 11 Sustainable cities and communities; 12 Responsible consumption and production

ESG Strategy:
'Delivering to a Better World!'

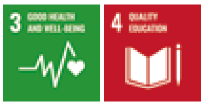
Our impact materiality assessment and six ESG pillars ensure that we focus on the most material areas to guide our actions around sustainability and support the UN Sustainable Development Goals. In FY2023, C&C Group carried out an impact materiality assessment, engaging a wide range of stakeholders, which has further strengthened our focused priorities.

Enhance Health, Wellbeing & Capability of Colleagues

Focus Areas

- Health & Safety – 'Vision Zero'
- Health & Wellbeing Employee Resource Groups
- Training and Development

Alignment to UN SDGs



Build A More Inclusive, Diverse, and Engaged C&C

Focus Areas

- Diversification of Board
- Diversity, Equity & Inclusion (DE&I) Advisory Group
- Employee Engagement Tracking

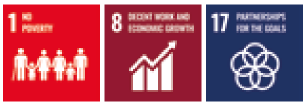
Alignment to UN SDGs

Collaborate With Government, NGOs, and Industry Programmes

Focus Areas:

- Building Meaningful Charity Partnerships
- Deposit Return Scheme Implementation
- Review of Minimum Unit Pricing in Scotland

Alignment to UN SDGs



Responsibility Report
(continued)

Understanding our materiality process

C&C significantly improved the formality of the process supporting our materiality assessment this year by carrying out an impact materiality assessment, drawing on elements of guidance contained in the Global Reporting Initiative ('GRI') framework. We structured our materiality approach as follows:

1	2	3	4	5
Developing a comprehensive list of ESG topics	**Stakeholder mapping**	**Stakeholder consultation**	**Impact assessment**	**Collation and analysis of results**

Figure 1: Broad approach to materiality assessment

1. Developing a comprehensive list of ESG topics
C&C carried out a preliminary desktop review to identify the existing and emerging trends and business risks in the alcoholic beverage sector. This was followed by a thorough analysis of material topics suggested within relevant reporting frameworks along with topics disclosed by industry peers. These inputs were used to identify 89 potentially relevant topics which were further reviewed and grouped into 26 key topics, and sub-topics in terms of Environment, Social, Governance and Economic.

2. Stakeholder mapping
We created an extensive list of stakeholders across our value chain and prioritised them through a comprehensive stakeholder mapping exercise, analysing the influence and dependency we have on our stakeholders. Those with high influence and dependency scores, as summarised in the table below, were considered to be significant for the purposes of engagement in the impact materiality assessment process.

3. Stakeholder consultation
As this was the first year completing an impact materiality assessment, we consulted with internal stakeholder representatives through one-to-one interviews to understand C&C's impact on the particular stakeholder group. We also distributed surveys to employees on a sample basis. Through the consultation process, we incorporated our stakeholders' perspectives, concerns and expectations into our materiality assessment process.

4. Impact assessment
For further prioritisation of material topics, we conducted workshops with internal topic experts to score the impact of each topic in terms of scale, scope, irremediable character and likelihood in order to determine the significance of the impacts.

5. Collation and analysis of results
Based on the results from stakeholder consultation and impact assessment exercise a final list of 21 topics and their associated impacts was generated. The below material topic list was approved by the ESG Committee in May 2023.

Table 1: List of prioritised stakeholders

Employees	**Customers**
Community/Community Representatives	Farmer Associations
Consumers	Business Partners/Joint Ventures including Agency and Invested brands
Suppliers - Branded Business Partners	Workers in the value chain
Suppliers – Third Party / Finished Goods	Industry Associations
Shareholders and Lenders	Trade Union Representatives

Figure 2: Final list of material topics

Topic	Impact generated	Direction of impact	Impact type	Impact materiality level	Value chain mapping	Time horizon	Strategy & performance*
1. Human Rights and sustainable sourcing across our Value Chain	Sourcing responsibly and having appropriate oversight and controls across our value chain, engaging with suppliers and distributors, understanding their expectations and working with them to mitigate ESG risks creates a shared economic value for society and the environment.	+	Potential	Medium	Upstream and Downstream	Short, medium and long term	Pillar 2 - Sustainably Source Our Products & Services
	Appropriate controls around responsible sourcing are not in place or these standards are not upheld by our suppliers, there is potential for impact on the biodiversity of an area and/or human rights of workers in the supply chain.	-	Potential	High	Upstream and Downstream	Short, medium and long term	
2. Employee health, safety & wellbeing	Appropriate processes and controls around employees' health and safety can create a safe working environment.	+	Potential	Medium	Operations	Short, medium and long term	Pillar 4 - Enhance Health, Wellbeing & Capability of Colleagues
	Appropriate processes and controls around employees' health and safety are not in place or are not properly operating, leading to health & safety risks.	-	Potential	High	Operations	Short, medium and long term	
3. Product Quality, Customer Health and Safety	Appropriate controls around product safety and quality are not in place, hindering the quality of C&C's products.	-	Potential	High	Downstream	Short, medium and long term	Pillar 2 - Sustainably Source Our Products & Services Pillar 4 - Enhance Health, Wellbeing & Capability of Colleagues
	Appropriate controls around product safety and quality are in place allowing C&C to produce and deliver quality products.	+	Potential	Medium	Downstream	Short, medium and long term	
4. Consumer Engagement and Responsible Drinking	Excessive consumption of alcohol can impact consumers' health.	-	Potential	High	Downstream	Short, medium and long term	Pillar 3 - Ensure Alcohol Is Consumed Responsibly
	Impact created on consumers as products and associated communications are presented to them in an ethical and socially responsible manner and they are able to understand the impacts on their health from the consumption of alcohol use and the importance of drinking responsibly.	+	Potential	Medium	Downstream	Short, medium and long term	
5. Water	Use of water in our production processes as well as for cleaning or water withdrawal from high stress areas or areas with low precipitation can impact biodiversity, local communities and future generations.	-	Potential	High	Upstream and Operations	Short, medium and long term	Pillar 1 - Reduce Our Carbon Footprint
	Production processes lead to the generation of wastewater - disposal of poor quality or untreated wastewater results in contamination of biodiversity and fresh water sources impacting the environment and the local communities.	-	Potential	Medium	Upstream and Operations	Short, medium and long term	
6. Climate change and carbon emissions	Greenhouse gas emissions in our value chain (Scope 1, 2 and 3) have adverse impacts on the environment.	-	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	Pillar 1 - Reduce Our Carbon Footprint
	Usage of fossil fuel based energy contributes to climate change and pollution impacting the environment and people.	-	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	
	Usage of renewable energy sources and improving energy efficiency in the operations results in lower pollution and impacts on the environment.	+	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	
	Achieving carbon neutrality/net zero shall significantly reduce the amount of harmful emissions that contribute to global warming.	+	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	
7. Data privacy	If data privacy is not safeguarded, potential impact on those whose data we hold such as employees, customers, and vendors in the event of a data breach or cyber-attacks and their privacy is impacted.	-	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	Pillar 2 - Sustainably Source Our Products & Services Pillar 4 - Enhance Health, Wellbeing & Capability of Colleagues
8. Chemical and Hazardous material management	Improper management of chemical and hazardous material can cause contamination of the environment and a safety/health hazard if not stored, managed or disposed properly.	-	Potential	Medium	Operations	Short, medium and long term	Pillar 2 - Sustainably Source Our Products & Services
9. Air pollution	Direct release of pollutants such as SOx, NOx and particulate matter generated from our manufacturing process deteriorates the ambient air quality impacting public health and the environment.	-	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	Pillar 1 - Reduce Our Carbon Footprint Pillar 2 - Sustainably Source Our Products & Services
10. Clean labelling and responsible marketing	Products and associated communications are presented to consumers in an ethical and socially responsible manner to allow consumers to make an informed choice based on accurate and fact based information which is not misleading.	+	Potential	Medium	Downstream	Short, medium and long term	Pillar 3 - Ensure Alcohol Is Consumed Responsibly
	Excessive consumption of alcohol can impact consumer health.	-	Potential	Low	Downstream	Short, medium and long term	

Responsibility Report
(continued)

Topic	Impact generated	Direction of impact	Impact type	Impact materiality level	Value chain mapping	Time horizon	Strategy & performance*
11. Biodiversity and Land	The impact on natural ecosystems due to poorly managed agricultural land and using pesticides/ herbicides and poor cultivation practices leads to habitat loss and degradation, erosion, species loss, air and water pollution, soil and water contamination.	-	Potential	Low	Upstream and Operations	Short, medium and long term	Pillar 1 - Reduce Our Carbon Footprint Pillar 2 - Sustainably Source Our Products & Services
	Carbon negative farming, e.g., cover cropping and carbon sequestration, can support the creation of well managed agricultural land, leading to healthier and more productive ecosystems.	+	Potential	Low	Upstream and Operations	Short, medium and long term	
12. Packaging and Circular Economy	Technological innovations in sustainable packaging solutions contributes to the reduction of packaging waste and lowers carbon and the overall environmental impact.	+	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	Pillar 1 - Reduce Our Carbon Footprint Pillar 2 - Sustainably Source Our Products & Services
	Creating impact on the society and environment by encouraging consumers to dispose of their finished products responsibly.	+	Potential	Medium	Downstream	Short, medium and long term	
	Improper controls around the disposal of materials and ineffective use of alternative waste management techniques (e.g. recycle, recover and reuse) can generate waste and if not disposed properly can contaminate the environment and lead to wasteful use of resources.	-	Potential	Low	Upstream, Operations and Downstream	Short, medium and long term	
13. Diversity, Equity & Inclusion	Promoting equality, creating unbiased working conditions, and creating equal opportunities for our employees.	+	Actual	Medium	Operations	Short, medium and long term	Pillar 5 - Build A More Inclusive, Diverse, and Engaged C&C
14. Economic Performance & Contributions	The direct and indirect impact of an organisation's operations on its stakeholders and the environment through its economic activities and monetary impact.	+	Actual	Medium	Upstream, Operations and Downstream	Short, medium and long term	Pillar 2 - Sustainably Source Our Products & Services Pillar 6 - Collaborate With Government, NGOs, and Industry Programmes
15. Community engagement	Engaging and supporting communities through investment programmes, charities and partnerships which uplifts and positively impacts local communities.	+	Actual	Medium	Operations	Short, medium and long term	Pillar 6 - Collaborate With Government, NGOs, and Industry Programmes
16. Transparency and Reporting	The impact of applying transparency and best practice reporting principles on ESG performance to how we report to our stakeholders and meeting their expectations.	+	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	All ESG Pillars
17. Input Raw Materials	Procurement practices that take into account the quantity and quality of materials used in manufacturing leads to more efficient use of materials and reduces the wasteful use of resources.	+	Potential	Medium	Operations	Short, medium and long term	Pillar 2 - Sustainably Source Our Products & Services
18. Ethical Business and Resilience	Impact created on all stakeholders as a result of ethical business practices and sustainable and resilient business structures.	+	Potential	Medium	Upstream, Operations and Downstream	Short, medium and long term	Pillar 2 - Sustainably Source Our Products & Services
19. Employee Engagement and Relationships	Increased employee productivity and trust due to consistent engagement with employees.	+	Potential	Medium	Operations	Short, medium and long term	Pillar 5 - Build A More Inclusive, Diverse, and Engaged C&C
20. Worker Rights, Collective Bargaining and Freedom of Association	Supporting, engaging and fostering good relationships with Employees so that they are able to practice freedom of association and expression leading to better working conditions.	+	Potential	Medium	Operations	Short, medium and long term	Pillar 5 - Build A More Inclusive, Diverse, and Engaged C&C
21. Employee Benefits and Development	Rewarding talent and retaining employees by offering competitive remuneration and through measures that promote professional development, long-term employability, job satisfaction and healthy working culture.	+	Potential	Medium	Operations	Short, medium and long term	Pillar 4 - Enhance Health, Wellbeing & Capability of Colleagues

Future Reporting

We understand that external stakeholders' inputs are very valuable, especially when conducting an impact materiality assessment and gauging perspective from an external point of view. It familiarises us with the topics that are most material to our stakeholders and also provides an opportunity to share information about our strategy and focus areas, aiding in creating a transparent relationship between us. In future reporting periods, engaging directly with external stakeholders shall remain a key focus area. We are conscious of the need to prepare for the expected future reporting requirements under the Corporate Sustainability Reporting Directive ('CSRD') which includes the completion of a double materiality assessment.

Reduce Our Carbon Footprint

Reducing carbon emissions

Our carbon emission reduction targets are validated by the Science Based Targets initiative ('SBTi'). We commit to reduce absolute Scope 1 and 2 greenhouse gas emissions by 35% by 2030 from a 2020 base year. To meet our Scope 3 emissions target of 25% reduction by 2030, we will work with our supply chain to set ambitious targets. 67% of C&C's suppliers and customers by emissions will have science-based targets by 2026.

Target	KPI
Reduce direct operations emissions by 35% by 2030 (Scope 1 and 2)	19% location based reduction from FY2020 (base year) 31% market based reduction from FY2020 (base year)
Reduce value chain emissions by 25% by 2030 (Scope 3)	23% reduction from FY2020 (base year)
C&C's targeted supply chain partners will have science-based targets by 2026	67% of supply chain by emissions committed to science-based targets

Conservation of Energy

The Group is committed to transitioning our operations to clean energy sources in line with our carbon reduction targets. We have committed to switching to renewable energy where possible, and c. 91% of our total electricity use for the Group is renewably sourced. We have recently confirmed a Corporate Purchase Power Agreement for our Clonmel manufacturing site, obtaining electricity from the Cronalaght Wind Farm in Donegal.

We identify and manage energy costs in each operating site and country of operation, setting energy reduction targets to help reduce our exposure to future changes in energy costs.

Our Energy Consumption position is set out below.

	FY2019-20	FY2020-21	FY2021-22	FY2022-23	Change YoY	Change V FY2019-20
Natural Gas	88,630,000	83,199,000	89,904,000	79,232,000	-12%	-11%
LPG	2,332,000	3,556,000	3,949,000	3,844,000	-3%	65%
LNG	5,591,000	5,007,000	-	-		-100%
Diesel	33,257,000	15,329,000	24,618,000	25,675,000	4%	-23%
HVO				3,635,000		
Petrol	450,000	111,000	346,000	1,303,000	277%	190%
Kerosene/Fuel Oil	65,000	209,000	208,000	209,000	0%	222%
Wood	-	-	-	-		
Biogas	83,000	7,735,289	9,189,000	4,778,000	-48%	5657%
Electricity	41,401,000	41,187,738	41,900,128	40,467,461	-3%	-2%
(Of which renewables)	14,737,000	14,946,029	39,486,899	36,844,224	-7%	150%
Total Scope 1	130,325,000	107,411,000	119,025,000	113,898,000	-4%	-13%
Total Scope 2	41,401,000	41,187,738	41,900,128	40,467,461	-3%	-2%
Total Scope 1 and 2	171,726,000	148,598,738	160,925,128	154,365,461	-4%	-10%

Responsibility Report
(continued)

Scope 1, 2 and 3 emissions

The table below outlines C&C Group's carbon emissions in FY2023, including Scope 1 and Scope 2 (with location and market-based emissions) and a detailed breakdown of Scope 3 emissions. To drive further progress in C&C's de-carbonisation efforts, the Group has set a target under the 2022 Long Term Incentive Plan ('LTIP') to reduce its Scope 1 emissions and Scope 2 emissions over the three financial years ending FY2025. The incentive relates to delivery of a 12% (4,500 tonnes) reduction in Scope 1 and 2 carbon emissions (versus FY2020).

C&C Group's Scope 3 emissions (including Purchased Goods, Use of Sold Product, End of Life Treatment and other indirect emissions) account for approx. 95% of C&C's total emissions. We recognise our responsibility and the need to collaborate with suppliers and customers to tackle these emissions. C&C is part of the CDP Supply Chain Screening Programme, working closely with key supply chain partners and requesting them to disclose climate-related information to allow us to use the reported data to measure supplier environmental impacts and collaborate with them to track progress of sustainability goals and/or commitments. We encourage our key supply chain partners to disclose their carbon footprint via CDP as C&C has done since 2010.

	Total C&C 2022-23
Scope 1	**21,989**
Scope 2 - Location based figure	**9,605**
Scope 2 - Market based figure	**588**
Scope 3	**555,434**
Purchased Goods (Total for CDP)	**383,186**
PG Subtotal - Agriculture	33,750
PG Subtotal - Brewing Ingredients	20,088
PG Subtotal - Packaging	53,270
PG Subtotal - Distributed product	276,078
Capital Goods	10,047
Investments	555
Fuel not in Scope 1 & 2	7,164
Upstream Transport	48,698
Waste	1,411
Business Travel	1,100
Employee Commuting	2,225
Downstream Transport	37,819
Use of Sold Products (Total for CDP)	**51,756**
Use - Own Products	10,733
Use - Distributed Products	41,023
End of Life Treatment (Total for CDP)	**11,886**
End of Life - Own Products	1,631
End of Life - Distributed Products	10,255
Total Footprint (Location-based)	**587,029**
Total Footprint (Market-based)	**578,012**

Initiative	Progress	Targets
Science Based Target Initiative ('SBTi')	C&C Group's emissions reduction targets, which are grounded in climate science, received independent validation and approval by the Science Based Targets initiative ('SBTi') in January 2023.	C&C is committed to reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 35% by 2030 (versus FY2020 base year). To achieve the target of reducing Scope 3 emissions by 25% (versus FY2020 base year) by 2030, the Group has also committed that suppliers and customers making up 67% of Scope 3 emissions (Purchased Goods, Downstream Transport and Use of Sold Goods) will have science-based targets in place by 2026. The Group will continuously engage with suppliers and customers to support them to set science-based targets for their own emissions.
Energy Conservation	Summary of Energy Conservation Projects implemented: • Solar Panels (Bulmers Clonmel) • Boiler house Energy Recovery (Tennent's Wellpark) • AD Plant Heat Recovery (Tennent's Wellpark) • Hot Liquor Tank Replacement (Tennent's Wellpark) • LED Lighting Upgrades (C&C depot sites) Estimated reduction of 2,000 tonnes CO_2e	Continued commitment to energy conservation initiatives at sites across C&C Group. In the next financial year, installation of a heat pump is being explored at two manufacturing sites (Bulmers Clonmel and Tennent's Wellpark) with the potential to provide an annual carbon reduction saving of over 3,000 tonnes CO_2e.
Fleet Decarbonisation	Summary of Fleet Decarbonisation Projects implemented: Alternative Fuel Trials: Hydrotreated Vegetable Oil ('HVO') trials at two C&C depots (Bedford and Runcorn) throughout 2022. Estimated CO_2 reduction of 900 tonnes CO_2e Electric Vehicle ('EV') Trials: Trials at two sites (Park Royal depot and Wellpark Brewery) was the first stage in electrifying the fleet as part of C&C's decarbonisation strategy. This process has been successful in proving the capability and the limits of this type of vehicle in our operations. In addition, C&C completed a three-week trial with Volvo in December 2022 in partnership with the Scottish Wholesale Association.	Continue and expand trials across C&C's distribution network, involving larger EV vehicles and alternative fuels. Work with Scottish Wholesale Association and other partners across UK and Ireland to explore new technologies to accelerate fleet decarbonisation.
Out of Plastics	To reduce our environmental impact and ecological footprint, all C&C Group's canned product is now packaged in fully recyclable cardboard, removing more than 200 million plastic rings per annum. The investment also recognises the future market changes including the Deposit Return Scheme ('DRS') introduction in Scotland, planned for March 2024 and in Ireland, February 2024.	Continued commitment to UK Plastics Pact targets and exploration of circular economy opportunities to improve reuse and recycling across the Group.
FT Europe's Climate Leaders 2023	For the third year in succession, C&C has been identified, by the Financial Times and leading research agency Statista, as being one of the most ambitious European companies in reducing their greenhouse gas emissions relative to their revenue.	Maintain position as an ambitious Climate Leader in Food and Beverage category of FT's Climate Leaders 2024.

Responsibility Report
(continued)

Streamlining our Logistics Operations

In providing our customers with a complete drinks distribution service, transportation and logistics are a significant part of C&C's carbon footprint. Through our 'end-to-end' supply chain model, we have approximately 360 vehicles in operation across the UK and Ireland. Our Supply Chain Logistics and Procurement teams have a dedicated focus on Continuous Improvement, using our Group-wide logistics forum to share best practice and efficiencies to consolidate deliveries, reduce transport miles and minimise environmental impact. Using our fleet management platform, Microlise, our teams have real-time data on location, driver efficiencies and utilisation, as well as safety and compliance. This system allows a data-driven approach, improving route optimisation across our secondary network, reducing fuel consumption and driving efficiencies.

Across our fleet, all new vehicles leased or purchased must meet the EURO 6 standard and 93% of our fleet are currently EURO 6. We amended vehicle specification (by for example, applying the Direct Vision Standard for heavy goods vehicles which assesses and rates how much the driver can see directly from their cab in relation to other road users). We have 34 solar-assisted trucks in our delivery fleet. With solar panels on the roofs, the trucks use solar energy to power all on-board ancillary equipment, cutting fuel consumption by 5%.

C&C Group's 'Fleet Decarbonisation Transition Plan' is focused on utilising a range of technologies and processes to meet our ambitious carbon reduction targets. The ten-year plan prioritises measures including Continuous Improvement initiatives, alternative and decarbonising fuels, as well as a transition to battery electric vehicles ('BEVs') and hydrogen vehicles ('HVs') when infrastructure and equipment is commercially available. As a Group, we are exploring all tools and technologies available to reach our carbon reduction targets in fleet decarbonisation.

Water Optimisation and Conservation

As part of our sustainability commitment, we remain committed to reducing our water usage. C&C Group has a water efficiency target of 3.4:1 (Water Ratio of hectolitres extracted versus hectolitres produced), and is committed to maintain this position. Our water efficiency KPI shows that we have maintained our water ratio in FY2023, meeting our target.

Maintaining our current efficiency rating requires investment across the Group. We have conducted an analysis of improvement opportunities and these have been reflected in Capex projects including:
- Upgrading can filler at Wellpark
- Bottle Pasteuriser Filler at Wellpark
- Filtration Plant water recovery at Wellpark
- Upgrade to pasteuriser at Clonmel
- Packaging water recovery at Clonmel

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

In 2022, C&C again participated in the CDP Water Security questionnaire and achieved an improved score, moving from a C rating to a B-.

Waste Minimisation and Circularity

Across our manufacturing sites, C&C Group has maintained a commitment to Zero Waste to Landfill. Our waste management policy is guided by a waste hierarchy approach, prioritising prevention, reuse and recycling where possible. In our manufacturing sites, waste materials are source-segregated, and in all operations waste minimisation and prevention is prioritised. We routinely monitor our waste streams for contamination and target improvement through our waste KPIs.

100% of our manufacturing by-products are recycled for use as animal feed or organic compost. Over 20,000 tonnes of spent grain and apple pomace were used as animal feed, with the remainder of our waste either recycled or sent for energy recovery.

In 2022, as part of a Scottish Government funded initiative, Tennent's conducted a Circular Economy Assessment with Zero Waste Scotland ('ZWS') and leading environmental consultancy, Eunomia. The results of this assessment have shaped our Group approach and as part of our continued commitment to circular economy principles, the Group is exploring further circular opportunities in our operations and to develop a pathway towards adoption and implementation of those opportunities. Through Glasgow Chamber of Commerce's 'Step Up to Net Zero' programme, Tennent's has recruited a placement to deliver on our Circular Economy action plan.

Sustainably Source Our Products & Services

Collaboration with our Apple and Barley Growers

C&C Group is committed to sourcing our raw materials from local sustainable sources. All apples crushed at the Clonmel site to produce 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 is therefore central to C&C's strategy. A key aspect of apple orcharding is the health of the population of bees and other pollinating insects. As part of our commitment to protect the biodiversity of bees, C&C is a patron of the All-Ireland Pollinator plan and patron of the South Tipperary Bee-Keepers Association who carry out activity on the protection and promotion of the species in our Redmonstown Orchard, where we maintain over 13km of healthy hedgerows to support the bee and pollinator population and maintain strong biodiversity in the area.

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

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

Case study:
Bulmers Always Begins with a Bee Campaign

The bees pollinate the blossoms, that become the buds, that give life to the 17 varieties of apples that go into every pint of Bulmers. But Ireland's bee population is vital to more than Bulmers – bee pollination is vital to all life.

Building on the success of our campaign in FY2022, this year, Bulmers extended its efforts to save Ireland's bees via an instant win on-pack promotion on Original and Light 8 packs, that gave consumers the opportunity to win an apple tree. In addition, 10c from every pack sold went to All Ireland Pollinator Plan (AIPP) for the future of Ireland's Bees, raising €20,000. On World Bee Day, May 20th, Bulmers distributed a pack of wild bee flower seeds to colleagues to encourage them to 'Go Wild' and play their part in providing much needed shelter to Ireland's bees.

Responsibility Report (continued)

Supply Chain Engagement

C&C's Ethical and Sustainable Procurement ('E&SP') Strategy is focused on proactive engagement with our supply chain, with key objectives targeting social and ethical standards and environmental issues, including climate change. Through our E&SP approach, we request all Suppliers comply with C&C's Code of Conduct and Modern Slavey policy as a prerequisite of trading with our business. All Suppliers are required to complete our E&SP questionnaire, which confirms partners' commitment to environmental management, health and safety, sustainability, DE&I, ethical working practices and overall corporate social responsibility. In addition, audits and reviews across the supply chain – during initial procurement and throughout the contractual agreement – provide assurance where required.

Initiative	Progress	Targets
Ethical and Sustainable Procurement ('E&SP') Strategy	Commitment to Code of Conduct / Modern Slavery compliance.	Undertake E&SP benchmarking review with external consultants to create organisational roadmap to move beyond compliance. E&SP KPIs: Code of Conduct / Modern Slavery sign up – 81% achieved versus 100% target. CDP Supplier Screening sign up – 67 suppliers versus 55 suppliers target
CDP Supply Chain Engagement Programme	CDP awarded C&C Group an A- rating for Supplier Engagement, acknowledging our performance on governance, targets, scope 3 emissions, and value chain engagement in the CDP climate change questionnaire.	Engage strategic supply chain partners in CDP and request that they disclose climate-related information to allow us to use the reported data to measure supplier environmental impacts and collaborate with them to track progress of sustainability goals and/or commitments. Deliver a CDP Supplier Webinar in FY2024 to support suppliers in their disclosure.
ISO 14001	The Group has achieved the ISO 14001 certification for its Clonmel, Matthew Clark (Whitchurch, although scope covers all vehicle emissions including commercial fleet and all waste and packaging requirements) and Bibendum sites.	Maintain ISO 14001 certification and extend to additional sites.
MSCI ESG Ratings	Progression in ranking to AA (Jan 2023) versus A (Feb 2022).	Maintain AA rating in FY2024.

Bibendum

At Bibendum, furthering our sustainability agenda is a question of culture – ensuring the right decisions are made at every big and small step of the way. Bibendum's Vivid charter was founded in 2008, and we are one of the few UK drinks businesses with ISO 14001 accreditation, first awarded in 2011.

Bibendum partners with mindful producers, while pursuing a positive impact on the planet and communities. Collaboration focuses on practices such as organic and biodynamic viticulture, ISO 14001 certification, carbon emission reduction, water management, waste reduction and recycling, and ethical working conditions.

There is a consistent focus on sustainability throughout our events and communications in the year. Bibendum has recently joined the Harpers Sustainability Charter as a Sustainability Champion, and the Sustainable Wine Roundtable. Both membership organisations provide a greater opportunity for knowledge sharing and collaboration across the wine producing supply chain.

Ensure Alcohol Is Consumed Responsibly

Alcohol Awareness

At C&C, we advocate 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.

Promoting 0%, Low Alcohol & Low-Calorie Variants

Recognising the evolving trends around consumer moderation and reduced consumption, C&C has introduced low/no alcohol and low-calorie variants of its core brands. This is supplemented by the Group offering a broad range of third party low/no alcohol and low-calorie variants to meet increasing customer and consumer demand. Since FY2019, low/no volume distributed by C&C has grown 52%.

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

In June 2022, the ASA challenged C&C Group regarding some social posts on the Tennent's Facebook page. The word 'just' was used ahead of the calorie content for some posts regarding Tennent's Light – "just 66 calories", which is in breach of the CAP code for advertising of nutritional information on alcoholic drinks. As soon as this was flagged, it was immediately resolved on our channels.

Alcohol Awareness Training

C&C is 100% committed to the responsible promotion of alcohol and adherence to all legislation, and the self- and co-regulatory codes in the UK and Ireland. All C&C colleagues working in marketing and communications undertake annual mandatory training on the CAP/BCAP and the Portman Group Codes of Practice in the UK and CopyClear in Ireland. This builds colleague capability, protects our license to operate, our brands' reputation and, most importantly, our consumers and society. This training is mandatory for relevant colleagues and must be undertaken annually. All new colleagues, in marketing, communications, corporate affairs and legal functions, should undertake the training within three months of starting their role. Launched in September 2022, by February 2023, 54% of colleagues had completed this training.

The Group also partners with leading alcohol charity, Drinkaware, to provide our colleagues access to e-learning resources to improve alcohol awareness and understanding. The training is designed to support colleagues' health and wellbeing and ensure a safe working environment.

Supporting Drinkaware and Drinkaware.ie

We include "Drinkaware" & "Drinkaware.ie" and responsible drinking referencing prominently on all of our owned brand communications (including TV, out of home, social media and on our sponsorship media assets) in the UK and Ireland.

Portman Group

C&C continue to support Portman Group aims to deliver higher standards of best practice and ensure the responsible marketing and promotion of alcoholic products.

The Group accesses Portman Group services including training and advice on how to market in line with Codes of Practice and research around alcohol trends. C&C participates fully in all Portman forums including Council and Public Affairs Directors meetings and supports their work on key industry initiatives including Alcoholic Drinks Industry Forum, low and no alcohol industry roundtable and responses to Government consultations including Scottish Government Alcohol Marketing Restrictions and UK Government Mandatory Labelling proposals.

Responsibility Report
(continued)

Enhance Health, Wellbeing & Capability of Colleagues

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION

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

Safety First

C&C has launched a new three-year Health and Safety Strategy with a vision of achieving zero lost time accidents across the Group with the ultimate purpose to 'provide a safe and healthy workplace'.
The "Vision Zero" strategy focuses on four priorities:

- Regulatory Compliance
- Designing a safe and healthy workplace
- Fostering a culture of proactive health & safety
- Monitoring Performance

To help improve Health and Safety across the Group, we set KPIs to reduce both Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ('RIDDOR') and Lost Time Accidents ('LTAs'), for employees, agency staff and contractors, by 10% (versus FY2022). We failed to achieve these KPIs in FY2023. Tracking shows that the highest incidence of C&C RIDDOR and LTAs occur in Warehousing and Distribution sites across the Group, however Wellpark Brewery and a number of depots achieved a full year without any LTAs .

Challenges in recruitment of permanent staff and resulting overreliance on agency colleagues contribute to C&C failing to hit RIDDOR and LTA KPIs. We will see improved performance as recruitment challenges have started to stabilise, we deliver enhanced H&S training for all colleagues and embed our new Health, Safety and Operational Risk Strategy. We have seen some improvement in RIDDOR and LTA since November, and we have finally returned to pre-COVID rates (although the three sites that are still having difficulty in recruiting permanent staff account for the highest accident rates).

KPI	FY22 Base	Restated KPI (10% reduction)	Performance FY23
Reduce by 10% YOY - RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (incidents per 100,000 hrs)	0.37	0.33	0.65
Reduce by 10% YOY - LTAR - Lost Time Incident Rate (incidents per 100 employees)	1.97	1.77	1.85

We anticipate further improvement via the launch of our new Health and Safety strategy and as we rely less on agency staff.

Health & Wellbeing

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

In Ireland, colleagues can access Health Screening Plus which offers on site employee health screening and lifestyle assessments. In the UK, we have launched C&C's Aviva DigiCare+ Workplace, a free employee healthcare benefit. Accessed via an app, colleagues can access five different services: an annual Health Check, Digital GP, Second Medical Opinion, Mental Health Consultation and Nutritional Consultation.

During the year, free influenza jabs were again offered to all colleagues across the Group.

Employee Resource Groups ('ERGs')
C&C has four Executive Committee-sponsored Employee Resource Groups, to enhance our Health and Wellbeing efforts in key areas identified by colleagues:

Physical Health - how we prioritise our physical wellbeing during times of stress and different ways of working.
Initiatives include:
- Get Fit for Spring Campaign.
- 'Health Heroes' sharing their journey to inspire colleagues.
- Incentives and giveaways inc. water bottles, Fitbit, bikes and gym membership.
- Blue Monday – insulated, reusable water bottles distributed to all colleagues.
- Business partnership with Love to Ride cycle scheme launched – colleagues can use the online community to log their cycle rides and win prizes.

Mental Health - to ensure no colleague faces a mental health problem alone.
Initiatives include:
- Over 1,200 colleagues joined the World Mental Health Day video call in October 2022 where Sir Lenny Henry shared his own mental health experience and journey.
- Time to Talk Day February – encouraging colleagues to make space for conversations on Mental Health.

Parents Returning to Work - how we can support working parents.
Initiatives include:
- Reviewing family leave policies.
- Removing barriers for career development.
- Building on a culture of flexible working.

Menopause – to highlight that menopause is an "everyone" issue
Initiatives include:
- Partnering with The Menopause Hub.
- Developing programmes around: Safe Space to Talk & Listen; Education & Awareness; and Policy & Support.

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

Mental Health First Aiders
To enhance the external Employee Assistance Programmes that are in place across C&C Group, we have already introduced c.50 fully certified Mental Health First Aiders ('MHFAs'), with a commitment to training an additional 100 MHFAs in FY2024. These volunteers provide the initial help to any colleague who is developing a mental health problem or experiencing a worsening of an existing mental health problem. This first aid is given until appropriate professional support is received or until the crises resolves.

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

The mental health first aid training aims to teach colleagues how to identify, understand and help someone who may be experiencing a mental health issue.

Supporting our MHFAs with the skills, knowledge and confidence to assist our colleagues, their family members, friends, and others is a key differentiator in our business. The C&C Group Mental Health First Aid policy further supplements the training provided to our colleagues and our community, and providing clear guidance on the role and expectations is essential to foster a culture of trust and encourage colleagues to seek support.

Responsibility Report
(continued)

Remote working

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

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

Our Agile Working Guidelines provide a clear steer on our approach to agile working for colleagues who have flexibility in their work location or working pattern to balance business needs with individual preferences. Agile Working is an informal arrangement that may enable a better work-life balance for our people, where job roles within C&C Group do not require attendance at a specific workplace at a particular time.

C&C4Me Platform

In FY2023, the Group launched C&C4Me, allowing colleagues' access to hundreds of offers to help them save money on everyday purchases, covering groceries and clothing, entertainment, tech, and travel. The platform offers the very best deals and discounts, allowing colleagues to make meaningful savings every time them shop. Approximately 150 colleagues per month are accessing C&C4Me and have made savings of c.€17,000 (£15,000) in the four months since launch.

Case study: Our journey to becoming a Cycling Friendly Employer

In 2022, C&C Group conducted an annual employee travel survey to gather baseline data on how colleagues travel to and from their place of work. Results showed that approximately 10% of C&C's workforce cycled to work, and an additional 16% of respondents highlighted that they would be more likely to have an active commute to work if workplace facilities and policies were improved. As part of C&C Group's journey to becoming a Cycling Friendly Employer, we are working to improve access for colleagues.

Through grant funding from Cycling Scotland, new bicycle shelter facilities have been installed at three Tennent's sites (Wellpark, Cambuslang and Newbridge), with colleagues also having access to bike maintenance equipment on-site. At C&C's new Bristol office, colleagues have access to upgraded bicycle shelter facilities as well as lockers and showers. C&C's Cycle to Work policy has been improved to increase the value of bicycles that colleagues can purchase through the scheme, and the Group has a company account with the Love to Ride platform: a supportive bike riding encouragement platform and online community for all levels of riders. In addition, across the Group, cycling events have been arranged to support colleagues in accessing active travel and social cycling opportunities. In May 2023, a Dr Bike event was hosted at our Cambuslang depot offering colleagues free bicycle repairs and maintenance support.

Learning and Development Programmes

We are committed to rewarding and recognising our colleagues while continuing to invest in their career and personal development and we aspire to have the most talented, engaged and inspired colleagues in our industry.

Our vision is to be a purpose-led employer of choice that enables, supports, engages and develops great leaders and colleagues by delivering an outstanding employee experience.

C&C is committed to professional development across all functions, including Finance, Marketing, Sales, Operations and HR. Support covers further education and professional exams including SVQs in Management, MBAs, CIMA, CIPD and IBD qualifications.

Following a strategic review of our approach to Learning and Development in FY2022, C&C Group has introduced our People Growth agenda under 5 key pillars.

Our People Plan is guided by our leadership behaviours framework, aligned with our three values of “Joy”, “Respect” and “Quality”.

C&C Group Leadership Behaviours

Develop the best leaders

- Leadership standards
- Leadership development
- Continuous leadership assessment (360 development feedback)
- Rewarding the “how” as well as the “what”

Develop our differentiating capabilities

- Capability gap assessment
- Structured capability measurement
- Continuous external/competitor benchmarking

Execute people processes consistently & perfectly

- Deliver “one C&C” programme
- Organisational design & delivery
- Performance management
- Talent management
- Career development and pipeline management
- Compensation & Benefits
- Group Policy deployment

Live our Values, Behaviours and Culture

- More structured, deeper, company wide communication
- Embed “one C&C” mindset
- Clear feedback loops, including people & technology
- Accelerate Diversity, Equity and Inclusion journey

Bring the outside in to win!

- C&C “employer brand” development
- Attracting talent through technology
- Leaders as talent magnets
- Pro-active talent targeting

Responsibility Report
(continued)

The Group will create a leadership culture based on our behaviours, focusing on the following five areas:

Leadership Development

- Development plans based on 360 feedback -Cohorts from October
- Programmes develop our behaviours i.e ILM Level 3 & Level 5 from 2023

Performance

- Personal Development Objectives from March 2023
- Check-ins Conversations – behavioural examples supporting feedback

Recruitment

- External assessments for selected Senior Positions 2023
- Behavioural interview questions 2023

Coaching & Mentoring

- Coaching conversations based on behavioural objectives
- Frames mentoring conversations for future leaders

Leadership Careers

- Future leaders assessed against framework
- Career progression based on role modelling

Leading to Win

At C&C Group, we recognise that the success of our business is dependent on the success of our people and that requires great leadership. The Group has partnered with Aspire Development Ltd. to develop a leadership development programme that will help current and future leaders to consider the impact they have as a leader, expose them to new insights and different ways of thinking about themselves, their team and their contribution to the success of our business. This learning is completely aligned with C&C vision, values and strategic objectives.

This certified training is aimed at two levels of colleagues – Foundation and Advanced and will last between thirteen and fifteen months.

Cyber Training

Recognising that human error is involved in more than 90% of security breaches, over the last year our Technology and Transformation team have rolled out security awareness training to colleagues, to help minimise risk. This training covers monthly phishing tests where users clicking on a test link are enrolled in phish awareness training.

In August 2022, we ran the first all-C&C Security Awareness Training as a competition and over 900 colleagues successfully completed the course and test. We followed this up with a second invite for Security Awareness Training and a further 500 colleagues completed the course and test. For 2023, we kicked off the training in March 2023 with 1,464 successful completions and are following up with those that have yet to do so (any new starters are automatically enrolled). Over the last year, our phish tests led to over 500 test URLs being clicked and users enrolled in specific phishing awareness training.

Embed key codes including Employee Code of Conduct

The Group continues to roll out online policy compliance training, created by legal specialists, ZING (DWF Advantage), on:

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

Build A More Inclusive, Diverse, and Engaged C&C

Diversity, Equity and Inclusion

At C&C, we seek to embrace diversity, equity and inclusion across our business and look to create a welcoming culture where everyone feels comfortable to be themselves. We champion individuality and believe diverse perspectives help us create a better workplace for ourselves and others.

We strive to provide a safe, caring and supportive work environment for all our colleagues. We treat everyone with fairness, respect and honesty. We encourage the same approach among our customers and suppliers. By employing people who reflect the diverse nature of society we will attract, engage and inspire colleagues to be the best version of themselves every day and make C&C a great place to work for everyone.

Diversification of Board

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

Diversity, Equity & Inclusion ('DE&I') Advisory Group

In July 2022, the Group established our DE&I Advisory Group, represented by colleagues across business areas and locations, with a clear focus on understanding our colleague population to drive our DE&I Strategy.

To inform our DE&I strategy and guide our actions, the Group is utilising the Global Diversity, Equity and Inclusion Benchmarking Framework and collaborating on the industry Diversity in Grocery Partnership. In addition, C&C has engaged a leading DE&I consultant to support our efforts by conducting a robust audit to provide honest, detailed and constructive feedback and create a roadmap of how the Group can improve its DE&I practices and approach. Colleagues acknowledge our efforts in this critical area with November 2022 Peakon Survey Diversity and Inclusion score of 7.7, +0.3 (versus May 2022).

Gender Pay Group Reporting

We published our inaugural gender pay gap report in December 2022, in line with the regulatory requirements for companies in Ireland having published gender pay gap reports in the UK since the regulations were introduced in 2019. This constitutes an opportunity to further assess and report on our strategy and progress towards promoting diversity, equity and inclusion at C&C, and as we build a culture where everyone can progress. Ensuring that our colleagues are paid a fair and equitable rate for the work they do, regardless of gender or other differences, is of extreme importance to the Board. Outlined in the report are two medium term priorities to continue to drive progress in this critically important area:

- Attracting female talent into our organisation into roles and business areas that have previously been less gender balanced.
- Retaining female talent in our organisation by identifying personal growth and development opportunities and embedding clear succession planning.

Employee Engagement Tracking

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

Responsibility Report (continued)

Our aim will always be to make C&C a great place to work for all colleagues with the Peakon survey being a key channel to capture their views. In 2022, all C&C colleagues were surveyed via Peakon in May and November. These surveys, submitted anonymously, look to identify where we are as a business and how our values reflect colleagues' experience working at C&C.

Peakon survey results are shared with the Executive Committee and the Board and cascaded to direct reports and broader business areas. Actions taken based on survey feedback include a review of reward and remuneration, engaging colleagues on our business strategy via weekly and monthly calls and face-to-face regional roadshows, and a review of colleague benefits. Survey feedback has also resulted in the establishment of our four ERGs, focusing on mental health and wellbeing, physical health, supporting working parents and menopause and our DE&I Advisory Group. These colleague-led forums promote a culture of diversity and inclusion across our business, with many colleagues having personal interest and experience in these areas, which helps guide our business and informs decision making. In FY2023, engagement survey participation rates reached industry-leading levels and we made significant, positive improvement on our engagement score.

The Group recognises that communication is a priority in improving colleague understanding of strategy & mission. Alongside weekly briefings to managers and monthly briefings to all colleagues, roadshows were held in GB and Ireland to present and discuss brand plans and receive feedback from colleagues. In October 2022 and again in March 2023, sessions to communicate strategy were held with senior leaders. The content from these Forum sessions is cascaded across the business, to allow colleagues to identify how C&C's purpose, values and strategy can be embedded in their day-to-day work.

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

Whistleblowing – Vault

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

There were 40 instances of "concern or suspicion related to ethical or compliance related wrongdoing in the Group" raised via Vault in FY2023 (out of 95 instances of concerns raised across the Group).

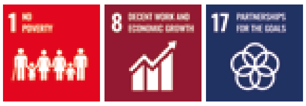
Human Rights

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

Anti-Bribery and Corruption

Our Anti-Bribery and Corruption Policy and accompanying training materials are designed to be straightforward and direct so that it is clear to all employees what they may or may not do as part of normal business transactions. The Policy applies to 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 FY2023, no incidences of bribery or corruption were uncovered across the Group.

Collaborate With Government, NGOs, and Industry Programmes



Building Meaningful Charity Partnerships

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

Case Study: Big Issue Group

In September 2022, C&C announced a three-year partnership with the Big Issue Group ('BIG'), who's aim is to change lives through enterprise for marginalised communities across Great Britain. This partnership is aligned with our charitable agenda across homelessness, addiction, mental health, and poverty. Working with C&C colleagues and the brilliant team at the BIG, we are looking to play a meaningful part in tackling these complex social issues.

In the first six months of the BIG partnership, C&C has hosted three Vendor Days – in Glasgow, Bristol and London – providing an opportunity for colleagues to spend a day with a Big Issue Vendor selling copies of the magazine. Money raised from sales goes towards helping vendors reach their aspirations for the future. For C&C colleagues, the Vendor Days give our teams first-hand experience of working with a vendor, sharing expertise, advice, and guidance, as well as better understanding the positive impact that BIG makes to thousands of peoples' lives.

The partnership focuses on four priorities:

1 Big Issue Foundation and Big Issue Pitch

Supporting vendors with immersion and education opportunities, allowing them to access C&C sites and facilities and to engage and sell magazines to colleagues through Sheltered Pitches.

2 Employability Programme – Big Issue Recruit

Offering opportunities for vulnerable people into work and mainstream living. We have committed to placing 15 Vendors each year in employment across the Group, with our first 6 placements joining in May 2023.

3 Big Issue Breakthrough

Mentoring opportunities between C&C colleagues and Big Issue vendors, offering practical training, support, and skills development. C&C Group will deliver a minimum of 50 mentoring / volunteering opportunities across the year.

4 Cause Related Marketing Campaigns

Collaborate on joint campaigns including colleague fundraising.

Responsibility Report (continued)

Colleague Volunteering & Charity Policy

We know that volunteering creates mutual benefit for C&C, our local communities, and our colleagues. Alongside a positive contribution to the local economy, volunteering also enhances the health, wellbeing, and capability of colleagues. To support this, in April 2023, C&C launched our Colleague Volunteering & Charity Policy, which offers colleagues time off to volunteer, whether it be through Big Issue Group partnership, or local charities, community initiatives and causes that are of personal interest or relevant to our brands and Business Units.

Other Community Partnerships

C&C Group continues to support a range of charitable organisation across the UK and Republic of Ireland. In Dublin, C&C partners with Inner City Enterprise ('ICE'), 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 several of our colleagues have joined their panel of business advisors to support the entrepreneurs that they work with.

In 2023, Matthew Clark will again partner with PubAid and the All-Party Parliamentary Beer Group to support the Community Pub Hero Awards, recognising the critical role that hospitality plays across the UK in helping communities.

Tennent's has a 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.

Now in its second year, the "SpotLight Project" sees Tennent's Light invest 3.5% from every pint and bottle sold to support Scotland's up-and-coming creative talent. In addition to supporting emerging Scottish talent like Paul Black and The Snuts, the scheme continues to support five creatives living and working in Scotland: Danny Aubrey, Katie Doyle, Jubemi Iyiku, Jonny MacKinnon and Michael Rankin, spanning industries including music, sustainable fashion, film, photography and skateboarding.

C&C Group is a funder and active member of Drinkaware, which performs the valuable role of educating consumers about responsible alcohol consumption. In addition, we support Best Bar None in Scotland, a national accreditation and award scheme for licensed premises. Participants are given support and advice to improve the safety of their staff, premises, and customers and to adopt high management standards.

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

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

In FY2023, the Group has responded to the UK Government's consultations including Alcohol Duty Review (UK) and Alcohol Marketing Restrictions and Minimum Unit Pricing Review (Scotland).

In 2023, Matthew Clark will again partner with PubAid and the All-Party Parliamentary Beer Group to support the Community Pub Hero Awards, recognising the critical role that hospitality plays across the UK in helping communities.

Case Study: Tennent's 'Pint & A Plan'

As part of the Group's active membership of the British Beer and Pub Association ('BBPA'), we have again supported the Brewing Green programme, which looks to communicate how Britain's breweries and pubs, alongside their supply chains, play their part in making Britain a world-leader in sustainability. A case study on Tennent's 'Pint & a Plan' initiative was included in this year's BBPA Brewing Green launch event, which was presented at Westminster on 19 April 2023. 'Pint and a Plan' was a series of three events held in 2022. The events were open to anyone who would like to learn more about the climate crisis and understand how they can make a plan for action in a casual and friendly environment. Hosted in pubs around Scotland, the series was created in partnership with Tennent's, 2050 Climate Group and the Scottish Environmental Protection Agency ('SEPA'). The events explored how we can all be empowered to take action on the climate crisis through things we use, how we travel and how we use our money. The events focused on positive discussion and were accessible to all those who want to make a difference, but are not quite sure where to start. The target audience was those aged 18-35 years old who are not yet actively engaged with climate conversations. Tennent's young customer base, as well as that of the chosen venues, was a valuable resource in engaging the target demographic.

The Pint and A Plan events were sold out and over 100 people were engaged in a climate discussion whilst enjoying a beer and meeting new people. 79% of attendees were in the target age bracket – 18-35 year old – and 100% of attendees who completed the feedback survey said that they were 'more motivated to take climate action following the event':

"I thought the event was great. I came on my own so was slightly nervous about that, but the group discussions and focused topics were great. I met lots of interesting people from lots of different sectors who all share an interest in climate change and the need for action"

Responsibility Report
(continued)

Deposit Return Scheme

Scotland
C&C has supported the Scottish Government's aims around the introduction of a Deposit Return Scheme ('DRS') since proposals were first announced in 2017. Since then, we have worked with the Scottish Government, Zero Waste Scotland, our Trade Bodies and all stakeholders to help create an efficient, well-designed DRS for Scotland that delivers on the country's recycling and litter targets and supports ambitions for a more circular economy. In March 2021, C&C became a founding member of Circularity Scotland ('CSL'), the system administrator appointed to operate the DRS in Scotland. The Group continues to collaborate with customers and suppliers and engages fully in all DRS working groups established by the Scottish Government, our Trade Bodies and CSL.

Given the outstanding critical issues around the implementation of the scheme in Scotland, C&C welcomes the announcement by the Scottish Government to delay introduction of DRS until March 2024. To meet the new timetable, although achievable, it still requires resolution of these issues and greater senior engagement between the Scottish Government, CSL and industry.

Republic of Ireland (ROI)
C&C is working with Re-turn, the scheme administrator in ROI, customers, and suppliers on the implementation of DRS in February 2024.

C&C have established a Group Steering Committee and functional project teams to ensure that we prepared for the introduction of DRS in Scotland and the Republic of Ireland.

Minimum Unit Pricing ('MUP')

Scotland
From late 2017, C&C were asked to participate directly in an advisory group supporting the portfolio of studies to assess this ground-breaking legislation. C&C supported Public Health Scotland, which was tasked with evaluating the implementation by the Scottish Government, by regularly contributing to improving the studies and assessments of the economic impacts of MUP, via the Economic Advisory Group ('EAG').

C&C offered analytical expertise, introductions to research agencies, and expert assistance to testing and interpreting some of the observed findings. Our objective was, and remains, to ensure the best possible evaluation of this pioneering legislation. C&C's representative was thanked by Public Health Scotland for their input to both the group, and direct contributions.

In October 2022, the Group participated in the Scottish Government consultation seeking industry views on the level of MUP from May 2024.

C&C Group will participate fully with all stakeholders on the Scottish Government review of MUP commencing in summer 2023.

Republic of Ireland (ROI)
MUP was introduced in ROI on 4 Jan 2022. The Group continues to review the impact of MUP and work with retailers and convenience sectors on implications on pack strategy.

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, as well as VAT and employment taxes.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Directors' Report

The Directors present the Annual Report and audited Consolidated Financial Statements of the Group for the year ended 28 February 2023.

Principal Activities

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

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

Reporting Requirements	Our Policies	Section in Annual Report or Page References	Risks
Environmental matters	Environmental Sustainability	Responsibility Report	Sustainability and Climate Change is one of our principal risks. Please refer to page 33 for more details.
Social and Employee matters	Diversity and Inclusion Health and Safety Speak Up Conflicts of Interest	Responsibility Report	For employee matters, retention and recruitment of staff is one of our principal risks. Please refer to page 34, the ESG Committee Report on pages 105 to 107 and the Nomination Committee report on pages 108 to 114 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 22 to 24	
Non-Financial key performance indicators		Please refer to page 29	

Dividends

Subject to approval at the 2023 Annual General Meeting, it is proposed to pay a final ordinary dividend of 3.79 cent per share for the year ended 28 February 2023 to shareholders who are registered at close of business on 9 June 2023. For the previous financial year ended 28 February 2022, no interim or final dividend was paid.

Board of Directors

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

Director	Function	Appointment
Ralph Findlay	Executive Chair	2023
	Independent Non-Executive Chair	2022
	Independent Non-Executive Director	2022
Patrick McMahon	Group Chief Executive Officer and Group Chief Financial Officer	2023
	Group Chief Financial Officer	2020
Vineet Bhalla	Independent Non-Executive Director	2021
Jill Caseberry	Independent Non-Executive Director	2019
Vincent Crowley	Independent Non-Executive Director	2016
John Gibney	Independent Non-Executive Director	2022
Helen Pitcher	Independent Non-Executive Director	2019
Jim Thompson	Independent Non-Executive Director	2019

Research and Development

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

Listing Arrangements

In order to facilitate entry into the FTSE UK Index Series, the Group cancelled the listing and trading of C&C shares on Euronext Dublin with effect from 8 October 2019. The Group is listed on the premium segment of The London Stock Exchange and was included in the FTSE All-Share Index and the FTSE 250 indices in December 2019.

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

Share Price

The price of the Company's ordinary shares as quoted on the London Stock Exchange at the close of business on 28 February 2023 was £1.49 (28 February 2022: £2.11). The price of the Company's ordinary shares ranged between £1.44 and £2.16 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 Group CEO's Review on pages 10 to 19 and the Strategic Report on pages 2 to 79.
2. The principal risks and uncertainties which the Company and the Group face are set out in the Strategic Report on pages 30 to 39.
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 28 to 29 and in the Group CFO's Review on pages 50 to 55; and further information in respect of environmental and employee matters is set out in the Responsibility Report on pages 56 to 79.
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 CFO's Review on pages 50 to 55 and note 24 to the financial statements.

The Group's Viability Statement is contained in the Strategic Report on pages 38 to 39.

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 88 to 99.

Directors' Report
(continued)

Substantial Interests

As at 28 February 2023 and 19 May 2023, 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 2023	% at 28 February 2023	No. of ordinary shares held as notified at 19 May 2023	% at 19 May 2023
Artemis Investment Management LLP	59,082,210	15.04%	58,939,447	14.99%
FIL Limited	38,307,252	9.75%	38,182,496	9.72%
Aberforth Partners LLP	19,739,135	5.02%	19,739,135	5.02%
Brandes Investment Partners, L.P.	19,674,675	5.01%	19,674,675	5.01%
Silchester International Investors LLP	12,341,061	3.96%	12,341,061	3.96%
BlackRock, Inc.	16,310,918	4.15%	16,310,918	4.15%
Setanta Asset Management Limited	9,803,738	3.16%	9,803,738	3.16%
Magallanes Value Investors SA SGIIC	12,271,597	3.12%	12,271,597	3.12%

As far as the Company is aware, other than as stated in the table above, no other person or company had, at 28 February 2023 or 19 May 2023, 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 7 July 2022, 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 2023 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 2024 and the date 18 months after the passing of the resolution, whichever is earlier.

At the Annual General Meeting held on 7 July 2022 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 2023 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 2024 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 19 May 2023, being the latest practicable date, options to subscribe for a total of 3,762,219 ordinary shares (excluding Recruitment and Retention Awards) are outstanding, representing 0.96% of the Company's total voting rights. If the authority to purchase ordinary shares were used in full, the options would represent 1.07% 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 19 May 2023, being the latest practicable date, the Company has an issued share capital of 402,007,212 ordinary shares of

€0.01 each and an authorised share capital of 800,000,000 ordinary shares of €0.01 each.

At 28 February 2023, the trustee of the C&C Employee Trust held 1,133,822 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 2023, a subsidiary of the Group held 9,025,000 shares in the Company, which were acquired under the authority granted to the Company. These shares are not included in the TVR calculation and are accounted for as treasury shares. Treasury shares represent 2.24% of issued share capital as at 28 February 2023. Further details can be found in Note 25 (Share Capital and Reserves) on page 222.

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 115 to 135.

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

Details of persons with a significant holding of securities in the Company are set out on page 82.

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.

Directors' Report
(continued)

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

Powers of Directors

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

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

Change of control and related matters

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

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

Shareholder Rights Directive II

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

SRD II Regulations codify that Irish companies must seek shareholder approval of a remuneration report annually; and, an advisory remuneration policy once every four years. The Group is, in effect, already in compliance with this requirement having provided shareholders with the opportunity to opine on the Group's remuneration report annually since 2010; and also in providing shareholders with an advisory vote on the Group's Remuneration Policy. The Remuneration Policy ('policy') was last put to our shareholders on an advisory basis at the 2021 AGM.

Political Donations

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

Accounting Records

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

Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, Ernst & Young, Chartered Accountants, will continue in office. Ernst & Young were first appointed as the Company's auditor during the financial year ending 28 February 2018 following a tender process. The Company is committed to mandatory tendering every ten years. Further details are set on page 104.

Disclosure of Information to the Auditor

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

Directors' Compliance Statement (Made in Accordance with Section 225 of the Companies Act 2014)

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

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

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

Financial Instruments

In the normal course of business, the Group has exposure to a variety of financial risks, including foreign currency risk, interest rate risk, liquidity risk and credit risk. The Company's financial risk objectives and policies are set out in Note 24 of the financial statements.

Post Balance Sheet Events

In May 2023, post-FY2023 year-end and upon publication of the Group's FY2023 results, the Group has completed a refinancing of the current multi-currency facility. The facility is a new five-year committed, sustainability-linked, facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two one-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks - namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.

The Group implemented a complex Enterprise Resource Planning ('ERP') transformation in February 2023 in the Matthew Clark and Bibendum ('MCB') business, further aligning and streamlining our technology infrastructure across the Group. This is a key step in our digital transformation and optimisation of the business which will enable further automation and simplification of our business processes.

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

We currently expect a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however net debt / adjusted EBITDA is expected to remain within our stated range of 1.5x to 2.0x. Excluding the impact on MCB, the Group is currently performing in line with expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

On 18 May 2023, David Forde stepped down as the Group's Chief Executive Officer ('CEO') and Director with immediate effect, and consequently Patrick McMahon, Chief Financial Officer ('CFO'), was appointed CEO with immediate effect. Ralph Findlay, Chair, was appointed Executive Chair to support the management transition as Patrick McMahon will also retain his responsibilities as CFO until a new CFO is appointed.

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.

Other Information

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

Information	Location in the Annual Report
Results	Financial Statements – pages 147 to 153.
Principal risks & uncertainties including risks associated with recent emergence of COVID-19	Principal Risks and Uncertainties – pages 30 to 39.
Directors' remuneration, including the interests of the directors and secretary in the share capital of the Company	Directors' Remuneration Committee Report – pages 115 to 135.
Long-Term Incentive Plan, share options and equity settled incentive schemes	Directors' Remuneration Committee Report – pages 115 to 135.
Significant subsidiary undertakings	Financial Statements – Note 29.
Director biographies and Board composition	Directors and Officers – pages 86 to 87.
Audit Committee Report	Pages 100 to 104.

The Directors' Report for the year ended 28 February 2023 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

Patrick McMahon	**Ralph Findlay**
Group Chief Executive Officer and Group Financial Officer	Executive Chair

24 May 2023

Directors and Officers

1. Ralph Findlay OBE

Executive Chair

Ralph Findlay (62) was appointed a Non-Executive Director of the Company in March 2022, Chair on 7 July 2022 and Executive Chair on 18 May 2023. Ralph, a Chartered Accountant and qualified member of the Association of Corporate Treasurers, served as Chief Executive Officer of Marston's, the UK pub group, for 20 years. Ralph served on the Marston's Board from 1996, having previously held the role of Finance Director before being appointed Chief Executive Officer in 2001. Ralph was appointed Non-Executive Chair of Vistry Group plc in May 2022, having served as a Non-Executive Director since 2015 and Senior Independent Director from January 2020. He also previously served as Chair of the British Beer and Pub Association ('BBPA'). Ralph was awarded an OBE for services to the hospitality sector in 2022.

3. Vineet Bhalla

Independent Non-Executive Director

Vineet Bhalla (50) was appointed a Non-Executive Director of the Company in April 2021. Vineet is a highly experienced digital professional, with over 25 years of experience across defence, consumer goods, health and retail sectors. Until March 2021, Vineet was Chief Technology Officer and a Senior Vice President at Burberry plc. He previously held global roles for Unilever as Head of IT for their digital marketing and research and development divisions and had led data-driven and digital transformations at scale. Prior to Unilever, Vineet held global technology positions at Diageo enabling data driven transformation of their UK and Ireland Customer Development Teams. Vineet currently holds a Non-Executive Director position at Moorfields Eye Hospital NHS Foundation Trust and serves as Chair of the Trust's People and Culture Committee. Vineet brings strong digital transformation skills to the Board.

5. Vincent Crowley

Independent Non-Executive Director

Vincent Crowley (68) 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. Most recently, Vincent was appointed Chair of Davy Stockbrokers in December 2022. Vincent brings considerable domestic and international business experience across a number of sectors to the Board.

2. Patrick McMahon

Group Chief Executive Officer and Group Chief Financial Officer

Patrick McMahon (43) was appointed Group Chief Financial Officer in July 2020 and Group Chief Executive Officer in May 2023. 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 17 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 Group Strategy Director prior to his appointment as Group CFO and subsequently Group CEO. Patrick is a Fellow of Chartered Accountants Ireland, having trained at KPMG, and a member of the ESG Committee.

4. Jill Caseberry

Independent Non-Executive Director

Jill Caseberry (58) 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 Senior Independent Director, Chair of the Remuneration Committee and a member of the Nomination 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.

6. John Gibney

Independent Non-Executive Director

John Gibney (63) was appointed as a Non-Executive Director of the Company in October 2022 and as Chair of the Audit Committee in February 2023. John served for 17 years as Chief Financial Officer and board member of Britvic plc, the international soft drinks business, where he was responsible for finance, legal, estates, risk management, quality, safety and environment, and procurement. Prior to joining Britvic plc, John was Senior Corporate Finance and Planning Manager for Bass plc and, before that, Finance Director and subsequently, Deputy Managing Director of Gala Clubs. John was appointed a Non-Executive Director of 4imprint Group plc in 2021 and serves as Chair of their Audit Committee. He previously served as a Non-Executive Director and Chair of the Audit Committee at PureCircle PLC and Dairy Crest plc (now Saputo Dairy UK).

7. Helen Pitcher OBE

Independent Non-Executive Director
Helen Pitcher (65) was appointed a Non-Executive Director of the Company in February 2019 and Chair of the Remuneration Committee in March 2019. Helen is a member of the ESG Committee and Nomination Committee. Most recently, Helen was appointed as Chairman of Judicial Appointments Commission. Helen is also currently Chair of a leading board effectiveness consultancy, Advanced Boardroom Excellence Ltd, Chair of the Criminal Cases Review Commission, Chair of the Public Chairs' Forum, a Non-Executive Director at United Biscuits UK, Senior Independent Director at One Health Group Ltd and Chair of its Remuneration and Nominations Committees, President of INSEAD Directors Network Board and a Chair of INSEAD Directors Club Limited. Helen is the President of Kids Out (a National Children's Charity) and sits on the Advisory Board for Leeds University Law Faculty. Helen was previously Chair of the Queens Counsel Selection Panel, Chairman of the pladis Advisory Board and a Board member and Remuneration Chair for the CIPD. 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.

8. Jim Thompson

Independent Non-Executive Director
Jim Thompson (62) was appointed a Non-Executive Director of the Company, a member of the Audit Committee in March 2019 and Chair of the ESG Committee in September 2020. Jim serves on the board of Directors of Millicom International Cellular SA. He has been a Guest Lecturer at the MBA Programmes at the University of Virginia, Columbia University and George Washington University. He holds an MBA from the Darden School at the University of Virginia where he received the Faculty Award for academic excellence. He has previously worked at Southeastern Asset Management, Mackenzie and Bryant Asset Management. Jim brings substantial international investment management experience to the Company.

9. Mark Chilton

Company Secretary & Group General Counsel
Mark Chilton (60) 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 88 to 89.

Board Committees

Audit Committee
John Gibney (Chair)
Vincent Crowley
Jim Thompson
Vineet Bhalla

Nomination Committee
Ralph Findlay (Chair)
Vincent Crowley
Helen Pitcher

Remuneration Committee
Helen Pitcher (Chair)
Jill Caseberry
Vineet Bhalla

ESG Committee
Jim Thompson (Chair)
Jill Caseberry
Helen Pitcher
Patrick McMahon
Vineet Bhalla

Senior Independent Director
Vincent Crowley

Corporate Governance Report

Dear Shareholder

On behalf of the Board, I am pleased to present the FY2023 Corporate Governance Report.

This report sets out our approach to effective corporate governance and outlines the key areas of focus of the Board and its activities undertaken during the year.

During my first year as Chair, I have met with many C&C colleagues, as well as other key stakeholders, in order to gain a deeper understanding of C&C's culture and business. In my visits to our operations in Ireland and the UK, I gained first hand insight from our local management teams and colleagues about the opportunities and challenges they face. These activities have enabled me over the last twelve months to build a good understanding of C&C, our customers, consumers and suppliers.

I am very grateful to all the colleagues and stakeholders who have taken time to speak with me during the year and to share their insights and experiences. This knowledge, and the ongoing engagement with our key stakeholders, is essential to ensure that I can lead the Board effectively and create the right conditions to enable us to deliver on our strategy.

Board succession and diversity

Board Succession and Effectiveness

This year has been marked by some important changes to the composition of the Board, and while we are sad to see some of our longest-tenured members step down, we are certain that the breadth of skills and contributions from the recently appointed Directors will significantly contribute to the Board's decision-making process. John Gibney was appointed as an independent Non-Executive Director and took on the role of Chair of the Audit Committee, following Emer Finnan's decision to step down from the Board on 8 February 2023. We also announced that Helen Pitcher will not be seeking re-election, following her appointment as Chair of the Judicial Appointments Commission, and Jim Thompson will also be stepping down from his role in light of the difficulties in travel from the USA. The Board would like to thank Emer, Helen and Jim for their significant contributions and service to the Group during their respective tenures on the Board. The process to recruit two additional independent Non-Executive Directors is ongoing. C&C will also appoint a new Chair of the Remuneration Committee to succeed Helen Pitcher. The Board is mindful of the impact of these changes on the gender balance of our Board. I am committed to ensuring that the Board composition reflects a diverse mix of skills, experience, personal attributes as well as broader aspects of diversity. I look forward to announcing progress on the Non-Executive Director search in the near future.

At the 2022 AGM, Stewart Gilliland stepped down from his role as Chair of the Board, after having supported the C&C Board over the last ten years. This change has also given me the opportunity to contribute to the Board in the capacity of Non-Executive Chair, and I appreciate and look forward to the opportunity to support C&C in its ambitious growth strategy, and to continue building relationships with our stakeholders.

As detailed on page 85, on 18 May 2023, David Forde stepped down as the Group's Chief Executive Officer ('CEO') and Director with immediate effect, and consequently Patrick McMahon, Chief Financial Officer ('CFO'), was appointed CEO with immediate effect. I have been appointed Executive Chair to support the management transition as Patrick McMahon will also retain his responsibilities as CFO until a new CFO is appointed.

Our People, Diversity and Culture

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 society, the better equipped we are to meet the needs of our customers and consumers.

Ensuring that we have a culture which promotes and values diversity, and one which is maintained throughout the business, is a continual prime focus and is underpinned by our Diversity, Inclusion and Wellbeing ('DI&W') Policy, which sets out our objectives across the organisation. The importance of this area also forms the basis for Board diversity and succession planning as we consider the best constitution of the Board to successfully take the Group forward, and link to the Group's strategy. Further details about our overall approach to diversity and inclusion can be found in the Nomination Committee Report on pages 111 to 112.

Gender Pay Gap

We published our gender pay gap report for the Group in December 2022. Whilst our mean and median Gender Pay Gaps are lower than the national averages across the UK and Republic of Ireland, we recognise that there's still progression to be made to increase the representation of women across our Group.

In the medium-term, we will be focusing on two priorities to continue to drive progress in this important area: 1) Attracting female talent into our organisation into roles and business areas that have previously been less gender balanced; 2) Retaining female talent in our organisation by identifying personal growth and development opportunities, and embedding clear succession planning. Throughout FY2023 Diversity, Equity and Inclusion ('DE&I') has remained a key focus and we're pleased with our progress, with highlights including:

– Establishing our DE&I Advisory Group, represented by colleagues across business areas and locations, with a clear focus on understanding our colleague population to drive our DE&I Strategy;
– Enrolling four DE&I Executive Committee Sponsors, who support vibrant, committed Employee Resource Groups across mental health and wellbeing, physical health, working parents and menopause.

Sustainability

Important progress has been made in incorporating the Task Force on Climate-related Financial Disclosures ('TCFD') framework into our reporting and risk management processes. During the year, the Board and the ESG Committee received training from an external provider on the quantitative scenario analysis required by TCFD which will extend into FY2024 and builds upon the work completed in FY2022. By strengthening our governance, we continue to accelerate efforts to mitigate climate change risks and identify opportunities for transitioning to be a carbon neutral business by 2050. Full details on the work undertaken on TCFD during FY2023 can be found on pages 40 to 49.

Protecting our environment remains an integral part of the Group's strategy. For this reason, the Board decided that ESG considerations should also be part of the Executive remuneration policy at C&C. With consideration to the strategic ESG targets set out for the Group during FY2023, and with guidance from the ESG Committee, an environmental target has been included in the performance conditions of the 2022 Long Term Incentive Plan ('LTIP'). More details can be found in the Remuneration Committee Report on page 118.

A materiality assessment exercise, in line with the Global Reporting Initiative, was started during the year to ensure that the Group's ESG priorities remain aligned with the views of our key stakeholders. The exercise will strengthen the Group's response to ESG regulations, such as the Corporate Sustainability Reporting Directive, our reporting efforts in line with TCFD, while ensuring that the ESG matters of most importance to stakeholders are captured accurately and are part of the ESG Committee's deliberations.

To promote the alignment of the ESG strategy with financing decisions, the ESG Committee reviewed and supported a proposal to link ESG KPIs on carbon emissions, water efficiency and health and safety, in a debtor securitisation exercise and a re-financing exercise during the year.

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 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 91.

Board Evaluation

It is very important that the performance of the Board, its Committees and individual Directors is rigorously reviewed. This year, an externally facilitated effectiveness review was conducted by Independent Audit Limited ('IAL') (in accordance with the UK Corporate Governance Code 2018 ('the Code') and supported by the Company Secretary and Group General Counsel. The expertise and independence of IAL provides me and my colleagues with a more complete assessment of our strengths and areas of improvement of the Board. The results were insightful and I am pleased to report that key areas of Board strength were held to be its strong composition, shared passion, and the open and collaborative culture within the Board. Leveraging on our strengths, we want to ensure that we work as effectively as possible. There are five areas of improvement that will form part of our action plan for FY2024.

Priority areas for FY2024 are as follows: Board oversight of and input into strategy, succession planning, risk and control oversight, meeting dynamics, and understanding of culture.

Our progress against last year's areas of focus, as well as the outcome of this year's effectiveness review can be found on pages 96 to 97.

Looking forward

As a Board, we will continue to maintain the highest standards of corporate governance across the Group and continue to promote and enhance the inclusive culture we are building at C&C. We will also focus on the delivery of our strategy through such things as the implementation of the Group's complex Enterprise Resource Planning ('ERP') system in our Matthew Clark and Bibendum business, which now aligns them to the same system being used elsewhere across the Group. This is a key step in our digital transformation and optimisation of the business. More details regarding the implementation of the ERP system and the challenges experienced can be found on page 85.

I encourage all stakeholders to take every opportunity presented to engage with the Company and I would welcome you to attend, and in any case vote at, the forthcoming Annual General Meeting on 13 July 2023.

Corporate Governance Report (continued)

I am delighted to be part of the C&C team. I would like to thank my Board colleagues and the Executive Committee for their support during my first year as Chair, and now Executive Chair, as well as for their continued leadership as we build a business which delivers on the interests of all our stakeholders and the communities and wider society in which we operate.

UK Corporate Governance Code

The Corporate Governance Report, which incorporates by reference the Responsibility Report, the Audit Committee Report, the ESG Committee Report, the Nomination Committee Report (which contains the Diversity Report) and the Directors' Remuneration Committee Report, describes how the Company has complied with the provisions of the Code. Further details on the Company's compliance with the Code during FY2023 can be found below.

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

Ralph Findlay
Executive Chair

Compliance with the UK Corporate Governance Code

The Board considers that the Company has, throughout FY2023 complied with the provisions of the Code with the exception of provision 19 of the Code, regarding Chair tenure. At the time of the announcement of David Forde's appointment as CEO in November 2020, the Board extended Stewart Gilliland's role as Non-Executive Chair by an additional 12 months until the AGM in 2022. At the date of the AGM Stewart Gilliland had 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.

Leadership and Company Purpose

Role of the Board

The Group is led and controlled by the Board of Directors ('the Board') and chaired by Ralph Findlay.

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 a 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 sites.

Our Purpose and Strategy

C&C is a premium drinks company which owns, manufactures, markets and distributes a unique portfolio of beer and cider brands in its home markets and across the globe. The Board considers C&C's purpose to play a role in every drinking occasion, delivering joy to our customers and consumers with remarkable brands and service. Further detail on the Group's purpose can be found on page 6. Information on our strategy is set out on pages 20 to 21.

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 a good culture and the role it plays in delivering the long-term success of the Company. C&C colleagues want to work for a company that values them and allows them to be themselves and to thrive. The Board and Executive Committee strive to create a positive culture at C&C, providing colleagues with the opportunity to grow, and develop in an inclusive environment. To create the right culture, it is important that colleagues live and breathe C&C's values, and this starts with our leaders. The Board sets the tone from the top to demonstrate and promote these values, which are a critical element in achieving our purpose of knocking down barriers so everyone can thrive. The Board uses a variety of mechanisms, cultural indicators and reporting lines to monitor the culture, listen to colleagues and act on what they say. The table below highlights some of those indicators.

Cultural Indicators

Health and Safety	Employees	Ethics and Compliance	Customers and Suppliers	Sustainability
• Lost time frequency rates • Workplace safety accident rates • Reporting of injuries, diseases and dangerous occurrences • Number of colleague interactions with Mental Health First Aiders	• Employee "town hall" meetings/face-to-face meetings • Results of "Peakon" employee engagement surveys • Employee turnover rates • Gender pay gap disclosures • Reports on progress on equity, diversity and inclusion	• Internal audit reports and findings • Fraud and misconduct statistics • Annual confirmation of compliance with our anti-financial crime policies • Whistle blower statistics	• Compliance with supply chain standards • Customer retention rates • Supplier audits • Brand satisfaction ratings • On time in full rates	• Tracking of ESG targets in line with the Company's ESG strategy • Collaboration with Governments, NGOs and Industry Programmes • Engagement with stakeholder groups such as suppliers and the community

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 as well as other Non-Executive Directors, particularly as part of their committee responsibilities, 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 across a range of topics that are material to C&C. 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 and Group General Counsel 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
Hybrid AGM	
To ensure that our shareholders were enfranchised with an opportunity to participate in and ask questions at the Company's Annual General Meeting held in July 2022, the AGM was held in a hybrid format and shareholders were invited to join the AGM in person or online, to listen, vote and ask questions. Shareholders were also provided with an opportunity to submit their questions about the business or any matter pertaining to the AGM, in advance of the meeting. All Directors joined the AGM physically, together with the external auditor. All resolutions at the 2022 AGM were voted on a poll. Shareholders who were unable to attend the meeting, were asked to register their vote in advance of the AGM by appointing the Chair of the AGM as proxy and providing their voting instructions. All resolutions were passed with over 94% cast in favour.	• Shareholders • Government and regulators • Employees
Disposal of the Group's stake in Admiral Taverns tenanted pub group	
In May 2022, the Board approved the sale of its entire minority interest in Admiral Taverns to Proprium Capital Partners, with whom it originally invested into Admiral Taverns in September 2017, for total gross aggregate cash consideration of £55.0m. In deciding whether the disposal supported the long-term success of the Group, and with due regard to the interests of the Group's stakeholders, the Board evaluated the contribution of the business, its growth prospects and fit with the overall strategy of the Group. We estimated that the disposal represented an FY2023 EBITDA multiple of 10.9x. The aggregate proceeds receivable were to be used to reduce net debt and contribute to the delivery of our stated medium-term target Net debt/EBITDA multiple of less than 2.0x. As part of the divestment, C&C negotiated a long-term supply agreement into the Admiral estate, which included our owned and agency brands. Following evaluation of these factors, it was determined that the sale of the business was in the best interests of the Group and its stakeholders.	• Customers • Suppliers • Shareholders • Lenders
Re-financing	
The Board approved the decision to re-finance the Group's €450m multi-currency revolving credit facility expiring in July 2024, having regard to the current volatile environment and upward pressure on bond yields. The target of the exercise was to provide ample, but not inefficient liquidity and headroom for the Group, allowing it to execute against its stated strategy. In addition, to ensure a diversified capital structure, whilst optimising the Group's cost of debt and linking any new facility to our sustainability ambitions. In formulating its decision, the directors considered the views of the investor community regarding, 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 re-financing, including that it would reduce leverage, enhance liquidity and strengthen the Group's position, ensuring that C&C remains resilient in the event of further negative macro-economic developments. The Board concluded that it was in the best interests of shareholders, as well as the Group's wider stakeholder community and was accordingly approved by the Board. In May 2023, post-FY2023 year-end and upon publication of the Group's FY2023 results the Group has completed a refinancing of the current multi-currency facility. The facility is a new five-year committed, sustainability-linked, facility comprised of a €250m multi-currency revolving loan facility and a €100m non amortizing Euro term loan, both with a maturity of FY2028. The facility offers optionality of two one-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks - namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.	• Employees • Customers • Suppliers • Shareholders

Division of Responsibilities

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

Chair

The Chair, Ralph Findlay 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 and Group General Counsel 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. He acts as a sounding board for the Chair and acts as an intermediary for the Directors when necessary. He is responsible for annually evaluating the performance of the Chair in consultation with the other Non-Executive Directors.

Non-Executive Directors

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

Chief Executive Officer

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

Company Secretary

Mark Chilton, as Company Secretary, supports the Chair, the Group Chief Executive Officer and the Board Committee Chairs in setting agendas for meetings of the Board and its Committees. He is available to all Directors for advice and support. He is responsible for information flows to and from the Board and the Board Committees and between Directors and senior management. In addition, he supports the Chair in respect of training and the Board and Committee performance evaluations. He also advises the Board on regulatory compliance and corporate governance matters.

Board Committees

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

The Audit Committee Report is on pages 100 to 104, the ESG Committee Report is on pages 105 to 107, the Nomination Committee Report is on pages 108 to 114 and the Directors' Remuneration Committee Report is on pages 115 to 135.

Workforce Engagement

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

Business Unit	Non-Executive Director
Co Sec/Legal and Group Communications	Jim Thompson
Finance	John Gibney
GB	Jill Caseberry
HR	Helen Pitcher
Ireland	Vincent Crowley
IT	Vineet Bhalla
Operations	Helen Pitcher

Corporate Governance Report (continued)

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

Board Meetings in FY2023

The Directors' attendance at Board meetings during the year is shown in the table. 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 7 Board meetings, 7 Audit Committee meetings, 5 ESG Committee meetings, 5 Nomination Committee meetings and 11 Remuneration Committee meetings held in the year under review.

Board and Committee members are expected to attend each scheduled meeting, and, wherever possible, any ad hoc meetings. If a director is unable to attend a meeting due to exceptional circumstances, or pre-existing commitments, they are encouraged to provide comments and observations on the relevant Board and Committee papers, to the Chair of the Board or Committee so that they may be shared with Directors at the meeting. The Board aims to hold at least two meetings in different operating locations each year. When visiting operating locations, Directors can meet with a diverse group of senior business leaders and colleagues, which allows them to gain further insight into how the business works and the opportunity to listen to colleagues' views and ask questions.

Directors may attend any Board Committee meeting they wish, irrespective of whether they are a Committee member. This is subject only to recusal regarding matters concerning the individual(s) or any conflicts of interests.

All Directors holding office at the time attended the 2022 AGM.

Director	Number of Meetings Attended*	Maximum Possible Meetings	% of Meetings Attended
Executive			
David Forde	7	7	100
Patrick McMahon	7	7	100
Non-Executive			
Stewart Gilliland [1]	3	3	100
Vineet Bhalla	7	7	100
Jill Caseberry	7	7	100
John Gibney [2]	2	2	100
Vincent Crowley	7	7	100
Emer Finnan	7	7	100
Helen Pitcher	7	7	100
Jim Thompson	7	7	100

1. Meetings attended by Stewart Gilliland until the date of his retirement from the Board.
2. Meetings attended by John Gibney from the date of his appointment.
3. Meetings attended by Emer Finnan until the date of her stepping down from the Board.

Board activity during FY2023

Each Board meeting follows a carefully tailored agenda agreed in advance by the Chair, Group Chief Executive Officer and Company Secretary. A typical meeting will comprise reports on current trading and financial performance from the CEO and CFO, investor relations updates, monitoring strategy, examining investment and acquisition opportunities and presentations/ reports on specific subject areas. A summary of the key activities covered during FY2023 is set out below.

Strategy, Operations and Finance

- Approved the Group's Viability Statement;
- Received presentations from management on brand marketing plans;
- Received presentations from the CEO and CFO and senior management on strategic initiatives and trading performance;
- Approved the annual budget plan and KPIs;
- Reviewed and approved the sale of our shareholding in the Admiral Taverns tenanted pub group;
- Reviewed and approved the Group's full year FY2022 and half year FY2023 results as well as trading updates;
- Approved the Group's 2022 Annual Report (including a fair, balanced and understandable assessment) and 2022 AGM Notice;
- Received and reviewed updates from senior management on the Group's sustainability strategy including ESG frameworks, climate change risks and TCFD reporting;
- Received and discussed presentations from the GB Head of Logistics and the Manufacturing Director;
- Reviewed and approved the terms of the external re-financing arrangements;
- Received Investor relations updates; and
- Received updates from the Technology and Transformation Director on the implementation of the Company's ERP system in our Matthew Clark and Bibendum business, a set of projects whose purpose was to help the Company change systems, process or ways of working, to update and modernise the systems we use and create alignment within the Group on systems and process. More details regarding the projects can be found on page 85.

People and Culture

- Review of succession planning;
- Continued focus on the composition, balance and effectiveness of the Board, including the appointment of a Chair of the Audit Committee;
- Reviewed and discussed six monthly "Peakon" employee satisfaction survey results and monitored culture throughout the Group;
- Considered progress towards greater diversity in the workforce;
- Received reports on engagements with colleagues; and
- Received and discussed a presentation on the Group Remuneration policy and reward strategy.

Safety

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

Internal Control and Risk Management

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

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 2022 internal Board evaluation action plan;
- Conducted an external Board evaluation covering the Board's effectiveness, with the outcome discussed by the Board;
- Approved an updated Whistleblowing Policy and new Volunteering and Community Investment policies;
- Received and reviewed whistleblowing reports and activities;
- Received and discussed six monthly reports and updates presented by the Group Data Protection Officer; and
- Received regular reports from the Chairs of the Audit, Nomination, Remuneration and ESG Committees.

Objectives and Controls

The Group's strategic objectives are set out on pages 20 to 21 and a summary of performance against the Group's KPIs is at pages 28 to 29. 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 30 to 39, to manage the key risks to the Group's business.

Business Model and Risks

The Group's Business model is set out on pages 22 to 25. The Risk Management Report on pages 30 to 39 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

As at 28 February 2023, the Board consisted of a Non-Executive Chair, two Executive Directors and seven independent Non-Executive Directors including the Non-Executive Chair. As at 24 May 2023, the Board consists of the Executive Chair, one Executive Director and six 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, while also including longer serving and more recently appointed Directors. Additionally, the Chair was considered independent on his appointment. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 86 to 87.

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 108 to 114.

Time Commitment and external appointments

Following the Board evaluation process, detailed further on pages 96 to 97, the Board has considered the individual Directors attendance, their contribution and their external appointments and is satisfied that each of the Directors is able to allocate sufficient time to the Group to discharge his or her responsibilities effectively.

Corporate Governance Report (continued)

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

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

- Vincent Crowley's appointment as Chair of the Company's Irish corporate brokers, Davy;
- Jill Caseberry's appointment as Senior Independent Director and Chair of the Remuneration Committee of Bakkavor plc; and
- Helen Pitcher's involvement as Senior Independent Director of One Health Group Limited, which listed on Aquis.

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

Development

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

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

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

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

Information and Support

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

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

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

Re-election of Directors

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

Board Evaluation

FY2023 Board and Committee external evaluation

Each year, the Board undertakes a rigorous review of its own effectiveness and performance, and that of its Committees and individual Directors. At least every three years, the evaluation is externally facilitated. In FY2023, an external effectiveness review was undertaken.

Independent Audit Limited ('IAL'), an external independent evaluator, was engaged to carry out this activity, which took place between January and May 2023. IAL conducted the previous external evaluation in 2020. The Board felt that retaining IAL would allow progress to be tracked on areas of focus identified in the previous effectiveness review. This would also enable C&C's new Chair, Ralph Findlay, to get the benefit of assessing Board performance and progress against the previous external evaluation. In addition, the Board was of the view that IAL's re-appointment was appropriate, taking into account their knowledge of the Company and the evolution of the Board, since the 2020 evaluation, including the change in Board Chair. IAL has no other connection with the Company or any of the Directors. The evaluation was conducted according to the guidance provided in the Code. It was a comprehensive review of all aspects of the board's effectiveness.

The Board considered the results of the evaluation and has separately assessed the independence and time commitment of each Director. It concluded that each Director's performance continues to be effective and that they demonstrate commitment to their roles. These findings are fully considered when making recommendations in respect of their election or re-election to the Board.

Board Evaluation Process

In January, February and March 2023, IAL observed the Board and Committee meetings and carried out a review of Board and Committee papers. In March 2023 Board members, the Company Secretary, the external auditor, the remuneration advisor, and management participants in Board and Committee meetings completed an online questionnaire via IAL's 'Thinking Board' platform.

The findings of the evaluation were discussed with the Chair and the Company Secretary and finalised into a report. IAL presented the findings of the effectiveness review at the May Board meeting, discussed the outcomes and answered directors' questions. A report on the Chair's performance was presented to the Senior Independent Director and the results discussed at a meeting of the Non-Executive Directors without the Chair present. The Chair received feedback on individual Directors' performance, which was followed by one-to-one meetings between the Chair and each individual Director to discuss the findings. Feedback on each Committee was presented to each Committee Chair and was discussed at the relevant Committee meeting.

The Board considered the findings of the effectiveness review and agreed on the priority areas noting that the action plans would be built into the Board's objectives, meeting agendas and engagement activities for FY2024, and progress against these will be monitored and reported in the FY2024 Annual Report.

Key areas of focus identified in FY2022

Area of Focus	Detailed Feedback	Progress
Culture	The evaluation found a strong desire from the Board to develop a deeper understanding of organisational culture. As part of this focus Directors are eager to develop workforce engagement and greater oversight of reward practices throughout the organisation.	Progress was being made by the Board in better understanding how far desired cultures and values were embedded in the Group, as evidenced by Non-Executive Director ('NED') engagement. The engagement of the NEDs with a range of employees from each business unit has provided invaluable insight into the evolution of our culture and values and their link to strategy through a series of 'Our Forum' meetings.
Board logistics and information	In light of the challenges of remote Board meetings, Directors communicated that there may need to be refinement to Board agendas, including ensuring there is a balance struck between insight and excessive detail.	The Board is focused on evolving ways of working to ensure Board time is used in a way that is strategic, appropriate and effective. The agenda has moved to a more focused, specific and strategic footing to reflect this way of working. The Board resumed meetings and engagement activities in person in the latter part of the year.
Risk Picture	The Directors voiced satisfaction with the strength of work done on developing and communicating the updated risk framework in recent years. Feedback indicated that this risk picture needs to be further developed, particularly in relation to emerging non-financial risks and wider economic developments.	The annual board and the audit committee meeting agendas have included a series of updates from executive risk owners in relation to both the Group's principal risks and emerging risks having regard to the fact that the Group operates in a dynamic environment where risks continue to evolve, and the Group continues to develop mitigation measures to address them.

Corporate Governance Report (continued)

FY2023 External Board effectiveness evaluation observations

Based on the review the Board concluded that it has a number of important strengths including good cohesion as a Board, an appropriate balance of experience, skills and knowledge, and Board meetings operating in a spirit of openness and collaboration, fostered by the Chair. The Board, and the now Executive Chair in particular, are committed in retaining this dynamic and cohesive environment, particularly in light of the recent and upcoming changes to the Board.

FY2024 key areas of focus

Area of Focus	Detailed Feedback
Strategy	The evaluation found enthusiasm for having greater Board input into the strategy development process, as well as more focus on monitoring of strategic progress. Directors are keen to spend more time on assessing the resilience of the business model, the role of technology in driving the strategy, and the strategic risks and opportunities that may come from big market shifts.
Succession Planning	Participants in the evaluation communicated a need to continue to make progress on management succession and development planning, including by giving the Board greater exposure to potential successors, and having regular sessions on talent management at the Board and Nomination Committee.
Risk and Control	Feedback indicated that Board oversight of risk could be enhanced, particularly in relation to major projects, crisis preparation and ESG risks. Directors are pleased to see progress on cyber and health and safety risk, and would like to see further progress on legacy control issues in the finance area.
Dynamics and Meetings	The evaluation suggested the Board could be enabled to provide more value in meetings through a variety of mechanisms including increasing time allocated for discussion, more timely information, and changes to the structure of agendas.
People and Culture	There is a desire to increase the focus on people, particularly regarding the skills that will be needed to underpin the strategy, and in terms of fair reward for management. Additionally, feedback suggests board oversight of culture has improved but the area needs further development.

Audit, Risk and Internal Control

Financial and Business Reporting

The Strategic Report on pages 2 to 79 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 can be found on page 136, a Statement on the Accounts being fair, balanced and understandable can be found on page 102 and a statement on the Group as a going concern and the Viability Statement are set out on pages 38 to 39.

Risk Management

Please refer to pages 30 to 39 for information on the risk management process and the Group's principal risks and uncertainties.

Internal Control

Details on the Group's internal control systems are set out on page 102.

Internal Audit

Details of the Internal Audit function are provided within the Audit Committee report on page 103.

Audit Committee and Auditors

For further information on the Group's compliance with the Code and provisions relating to the Audit Committee and auditors, please refer to the Audit Committee Report on pages 100 to 104.

Remuneration

For further information on the Group's compliance with the Code provisions relating to remuneration, please refer to the Directors' Remuneration Committee Report on pages 115 to 135 for the level and components of remuneration. Shareholders approved the Group's current Remuneration Policy at the 2021 AGM. The Policy is designed to promote the long-term success of the Group.

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

Section	Disclosure Locations
Board Leadership and Purpose	Details on how the Board promotes the long-term success of the Company are set out in our Strategic Report on pages 2 to 79 and throughout this Corporate Governance Report on pages 88 to 99. Our purpose and values are set out on page 6. Relations with shareholders are described on page 9. Our whistleblowing programme is described on page 74.
Division of Responsibilities	Pages 86 to 87 gives details of the Board and Management Team. The Board governance structure is detailed on pages 88 to 99.
Composition, Succession and Evaluation	Details on appointments and our approach to succession are set out in the Nomination Committee report on pages 108 to 114. Details on evaluation are set out on pages 96 to 97.
Audit, Risk and Internal Control	The Audit Committee Report can be found on pages 100 to 104, with further detail on the principal risks to the business in the Risk Report on pages 30 to 39.
Remuneration	The Company's Remuneration Policy can be found in the FY2021 Annual Report. The Directors' Remuneration Committee Report can be found on pages 115 to 135.

Constructive Use of the Annual General Meeting

The AGM provides a valuable opportunity for the Board to engage with shareholders and listen to their feedback. In 2022, the AGM was held in a hybrid format and shareholders were invited to join the AGM in person or online, to listen, vote and ask questions. Shareholders were also provided with an opportunity to submit their questions about the business or any matter pertaining to the AGM, in advance of the meeting. All Directors joined the AGM physically, together with the external auditor. All resolutions at the 2022 AGM were voted on a poll. Shareholders who were unable to attend the meeting, were asked to register their vote in advance of the AGM by appointing the Chair of the AGM as proxy and providing their voting instructions. All resolutions were passed with over 94% cast in favour.

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 24 May 2023.

Mark Chilton
Company Secretary

Audit Committee Report

Dear Shareholder

On behalf of the Audit Committee ('the Committee') I am pleased to present its report covering the work of the Committee during FY2023. This provides an overview of the Committee's activities in the year under review and looks forward to our expected activities in the coming year.

I am delighted to have joined the Board of C&C Group plc and to have been appointed as Audit Committee Chair. I am pleased to have found that both the Board and Executive are highly focused on improving the control environment of the Company and I will continue to focus my energies on ensuring our internal control processes continue to operate effectively and remain appropriate for the changing environment in which the Group operates.

Year in Review

I am pleased to present the Audit Committee report covering the work done by the Committee during FY2023. I will continue to build on the excellent work carried out by my predecessor Emer Finnan over the last eight years and will seek to support the Board of Directors of C&C in my capacity as non-executive Chair of the Audit Committee. A vital aspect of the Committee's work is to provide independent scrutiny and challenge to ensure the Annual Report and financial statements provide a true and fair view of the Company's performance, focusing on the accuracy, integrity and communication of our financial reporting.

In discharging its responsibilities in the year, the Committee reviewed and challenged management on the significant accounting judgements and disclosures made in our financial reporting in relation to recoverability of trade receivables and advances to customers, the carrying value of goodwill and intangibles, revenue recognition and various tax provisions, as well as reviewing the analysis behind our going concern and viability statements and considering the processes that underpinned the production of the Annual Report and Accounts. The Committee's consideration of revenue recognition and recoverability of trade receivables required a heightened level of focus, as a result of issues associated with the implementation of a complex Enterprise Resource Planning ('ERP') system upgrade in our Matthew Clark and Bibendum ('MCB') business.

As is usual, the Committee considered the Group's Principal Risk disclosures for the financial year ended 28 February 2023. The Committee is satisfied that the statements made by executive management on pages 30 to 39 of this Annual Report in respect of the Principal Risks are appropriate based on what is currently known to management as at the date of this Report.

During the reporting period, the Committee is pleased with the good progress made in enhancing our information technology systems and controls to defend against cyber-attacks. Our journey to achieving 'Cyber Essentials' accreditation through the National Cyber Security Centre has proved a worthwhile exercise and, with the benefits seen here, we remain committed to continuing the focus on cyber security. Our progress has resulted in positive changes in our IT landscape and has driven a shift in culture and security awareness, which is particularly pleasing.

The Committee's work was supported by the Group's well-established risk and financial management structures, which have continued to operate effectively during the year under review. The Committee has continued to be greatly assisted by the commitment, energy and experience of the finance team, which has enabled the Committee to fulfil its role in providing effective scrutiny and challenge. As Chair, I regularly engage with the Head of Internal Audit and the external auditor both ahead of committee meetings and also as part of a regular dialogue we have on issues relevant to the Committee, in each case in order to ensure that each of their independent views, opinions and comments are reflected in the Committee's deliberations and dealings.

There were seven meetings of the Committee during the year. The meetings of the Committee were generally scheduled to take place in advance of Board meetings. This allowed me and my predecessor, Emer Finnan, to provide the Board with a detailed update on the key items discussed during our meetings. The Board also received copies of the minutes of the Committee meetings.

In my capacity as Audit Chair, I am available to all Board members to discuss any audit or risk related concerns they may have, either on a collective or individual basis. During FY2023, myself and Emer, in our role as Audit Chair, both met with the external audit partner and the Head of Internal Audit, without management on a regular basis.

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

The Year Ahead

Looking forward, the Committee will continue to review the financial reporting of the Group and its accounting policies. Any major accounting issues of a subjective nature will be considered and discussed by the Committee, and the Committee will also adopt a strong focus on changes to the Group's information technology systems and controls, including a review of the resolution of the recent upgrade, and the development of additional risk mitigation actions associated with such IT system changes. The Committee will also consider any additional requirements resulting from the expected UK Corporate Governance changes. The Committee fulfils a key role in assisting the Board in ensuring that the integrity of the Group's financial statements and the effectiveness of the Group's internal financial controls and risk management systems are maintained. Through the Committee's composition, resources and the commitment of its members, I believe that it remains well placed to meet those challenges and to discharge its duties effectively in the year ahead.

On behalf of the Board

John Gibney
Audit Committee Chair
24 May 2023

Role and Responsibilities of the Committee

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

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

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

Membership and Attendance

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

Member	Member Since	Number of Meetings Attended	Maximum Possible Meetings
Emer Finnan (Chair) [1]	2 July 2014	7	7
Vincent Crowley	22 March 2016	7	7
Jim Thompson	1 March 2019	7	7
John Gibney[2]	26 October 2022	2	2
Vineet Bhalla[3]	8 February 2023	1	1

1. Emer Finnan left the Board and Committee on 8 February 2023.
2. John Gibney joined the Board and Committee on 26 October 2022.
3. Vineet Bhalla joined the Committee on 8 February 2023.

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

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 to have the necessary competence and broad experience 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 86 and 87 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 seven scheduled occasions during FY2023. 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, the former Chair, Ralph Findlay, in his capacity as Chair, David Forde, former Group Chief Executive Officer, Patrick McMahon, in his capacity as Group Chief Financial Officer, Vineet Bhalla, Non-Executive Director, the Head of Internal Audit together with members of the Internal Audit team, the Technology and Transformation Director, the Head of IT, the Group Data Protection Officer, the Director of Group Finance together with members of the Group Finance team, and Ernst & Young ('EY'), the External Auditor, were invited to attend meetings.

The Company Secretary and Group General Counsel is Secretary to the Committee.

Significant Judgemental Areas

The key matters reviewed and evaluated by the Committee during the year are set out below. Each of these areas received particular focus from the External Auditor, who provided detailed analysis and assessment of the matters in their report to the Committee.

Going Concern

The Committee and the Board reviewed and challenged management's assessment of base case and downside forecast cash flows for the period to 31 August 2024 including sensitivity to macro-economic uncertainties such as a sustained downturn in demand, higher input costs and interest rates, combined with significant operational disruption, along with the Group's own mitigating actions on costs and cash flows. The Committee also considered the Company's financing facilities, the level of available liquidity and covenant compliance over the forecast period. Based on this, the Committee confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate with no material uncertainties.

Audit Committee Report (continued)

The Committee received a report from EY on the work undertaken to assess going concern and specifically discussed the content of the disclosures made in the going concern statement in the Annual Report and the basis of preparation within the Statement of Accounting Policies of the financial statements on page 154.

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 FY2023 financial statements, please see 'Going Concern' on page 38 and 'Viability Statement' on pages 38 to 39. The Directors' Going Concern statement is set out on page 38.

Recoverability of Trade Receivables and Advances to Customers

The Group has a recoverability risk through exposure to on-trade receivable balances and advances to customers who may experience financial difficulties. The Committee's focus on this area was heightened this year as a result of issues associated with the implementation of a complex ERP system upgrade in our MCB business, in addition to the cost of living crisis, and the consequential impact on some of our customers. The Committee considered the basis used by management in calculating the expected credit losses, whether it adequately captured the risks in the current environment and the level of security in respect of those loans. As a result of the review process, the Committee concluded that the expected credit loss on trade receivables and loans was prudent but appropriate and were properly reflected in the consolidated financial statements.

Carrying value of Goodwill and Intangibles

The Committee considered the carrying value of goodwill and intangible assets as at the year end date to assess whether 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. 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.

Revenue recognition

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

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

Other Areas of Focus

The Committee also during the year:

- approved the Internal Audit plan and agreed the External Auditor's work plans for the Group;
- considered regular reports from the Head of Internal Audit on their findings;
- reviewed and recommended revisions to the Board to the Group Risk Register and the Principal Risks and Uncertainties;
- reviewed the information security and cyber preparedness policies and procedures in place to protect the Group against cyber-attack and the activities under way to further improve cyber security across the Group's technology estate; and
- reviewed the External Auditor's independence and objectivity, the effectiveness of the audit process, the re-appointment of the External Auditor and approved the External Auditor's remuneration.

Fair, Balanced and Understandable Assessment

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

The Committee received a summary of the approach taken by management in the preparation of the FY2023 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 2023 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 considering business changes and performance, challenging and confirming their alignment to the achievement of the Group's strategic objectives. 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. Those changes to our risk profile were then approved by the Board. The Group's principal risks and uncertainties are set out on pages 30 to 39.

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.

Improving IT Systems and Cyber Security

The Group implemented a complex Enterprise Resource Planning ('ERP') transformation in February 2023 in the Matthew Clark and Bibendum ('MCB') business, further aligning and streamlining our technology infrastructure across the Group. This is a key step in our digital transformation and optimisation of the business which will enable further automation and simplification of our business processes.

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently. We will undertake a thorough review of the implementation, system fixes and mitigation plans to ensure the Company has the required level of planning, capability and resilience in its systems to avoid any reoccurrence in the future.

We continued to review our information security and cyber preparedness policies and procedures and further enhanced our Information Technology systems and controls. In the field of information technology and security, the Company undertakes a regular security assurance programme, testing controls, identifying weaknesses and prioritising remediation activities where necessary. This includes periodic best practice specialist security testing by a leading third-party provider and regular system scanning to identify security weaknesses. Issues are assessed for risk and are comprehensively managed as part of the Company's risk management programme. The Committee is presented with regular detailed Information Security Reports by the Technology and Transformation Director and Group Head of IT, which includes recommendations for further reinforcements, and a roadmap for further risk reduction. As a demonstration of our commitment to tackling cyber security we continue to pursue Cyber Essentials Plus accreditation from the National Cyber Security Centre ('NCSC'). Further reassurance and support was provided through the results of a third-party cyber controls assessment, which confirmed that the direction of the improvement project was correct, with the results shared with the Board.

Internal Audit

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

At the beginning of the financial year, the Committee reviewed and approved the Internal Audit plan for the year having considered the principal areas of risk in the business and the adequacy of staffing levels and expertise within the function. During the year, the Committee received regular verbal and written reports from the Head of Internal Audit summarising findings from the work of Internal Audit and the responses from management to deal with the findings. The Committee monitors progress on the implementation of any action plans arising on significant findings to ensure these are completed satisfactorily and meets with the Head of Internal Audit in the absence of management.

The FY2024 audit plan was designed with reference to the Group's principal risks. It was informed by an assessment of the risk profile of the different areas of the business and has considered all existing and emerging risks, incorporating both elements where appropriate.

The Committee remains satisfied that the Internal Audit function has the necessary resources, objectivity, and competency to fulfil its mandate. It is also satisfied that the Internal Audit function has adequate standing and is free from management influence or other restrictions.

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 2022, 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 2023, 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 for the Committee to form a judgement on the financial statements. In addition, we considered the Letter of Representation that the External Auditor requires from the Board.

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

Assessment of Effectiveness of External Audit

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

The Committee also considered the robustness of the FY2023 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. On the basis of the Committee's evaluation and considering the views of other key internal stakeholders, the Committee concluded that both the audit and the audit process were effective, having been carried out in an independent, professional, organised and

Audit Committee Report
(continued)

constructive manner, with an appropriate level of challenge and scepticism over management's treatment of significant reporting and accounting matters.

Audit Tender

As reported last year, the current External Auditor was first appointed for the year ended 28 February 2018. The Group's lead audit engagement partner, Pat O'Neill had been the same since that date. The External Auditor is required to rotate the audit partner every five years and therefore the existing partner was required to rotate after the 2022 AGM. We thank Pat for the thoroughness and commitment he brought to the audit. He has been replaced by Dermot Quinn.

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

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

Non-Audit Services

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

Under this policy the auditor is prohibited from providing non-audit services if the auditor:

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

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

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

In FY2023, EY undertook no non-audit work.

Confidential Reporting Programme

In line with best practice, the Group has an independent and confidential reporting programme in all 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 FY2023, 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 2023 external board evaluation process. The overall conclusion from this year's external evaluation was that the Committee continues to operate effectively. However, we were pleased to receive suggestions and ideas to further improve the way in which the Audit Committee approaches its work, and a number of these will be incorporated into our work. Such areas include a heighted focus on risk management procedures related to IT systems implementation, and increased engagement at Audit Committee meetings with risk owners and recipients of Internal Audit reviews. An explanation of how this process was conducted, the conclusions arising from it and the action items identified is set out on pages 96 to 97. 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 24 May 2023.

John Gibney
Audit Committee Chair

Environmental, Social and Governance Committee Report

Dear Shareholder

I am pleased to present the Group's Environmental, Social and Governance ('ESG') Committee report covering the work of the Committee during FY2023. This report provides an overview of the Committee's activities in the year under review and previews our expected activities in the coming year.

Year in Review

The Board established an ESG Committee in 2020 to reflect C&C's ongoing commitment to operating a sustainable business and provide the Company with rigour, support and challenge on ESG matters. The ESG Committee has primary responsibility for the oversight of sustainability and climate change issues and provides regular updates to the Board on these matters.

The Board attended an ESG Committee meeting during the year to receive a presentation from an external provider on the Task Force on Climate-related Financial Disclosures ('TCFD') and a discussion and critique of the Company's approach to ESG formed part of the Board's annual strategy day.

Throughout the course of FY2023, the priority for the Committee has been the continuous progression of the Company's ESG strategy, as detailed on pages 56 to 79, and ensuring ESG remains at the heart of the Company's strategy and an integral component of its operations.

C&C's Head of ESG and its Communications and Corporate Affairs Director continue to lead the Company towards our vision of "Delivering to a better world!" relating to ESG targets. A team of five ESG Champions from across the business provide additional support by analysing and appraising the ESG strategy, its six pillars and the KPIs and initiatives underpinning it. Our ESG Champions provide invaluable input as we continue to implement the ESG Strategy. ESG Champions are appointed on an 18-month term, allowing them to be involved in the setting of long-term, meaningful targets and providing an opportunity to help shape the future of the business at a strategic level on ESG matters. The ESG Champions report back to their respective teams which ensures an element of alignment on ESG related issues throughout the business. The ESG Champions were invited to participate at the five Committee meetings held during FY2023.

Important progress has been made in incorporating the TCFD framework into our reporting and risk management processes. During the year, the Board and the Committee received additional training from external providers on the quantitative scenario analysis required by TCFD which will extend into FY2024 and builds upon the work completed in FY2022. By strengthening our governance, we continue to accelerate efforts to mitigate climate change risks and identify opportunities for transitioning to be a carbon neutral business by 2050. Full details on the work undertaken on TCFD during FY2023 can be found on pages 40 to 49.

Protecting our environment remains an integral part of the Company's strategy. For this reason, an environmental target was put forward to the Committee during FY2023 and approved by the Remuneration Committee. An environmental target also forms part of the performance conditions of the 2022 Long Term Incentive Plan ('LTIP'). More details can be found in the Remuneration Committee Report on pages 115 to 135.

A materiality assessment exercise, in line with the Global Reporting Initiative, was started during the year to ensure that the Company's ESG priorities remain aligned with the views of our key stakeholders. The exercise will strengthen the Company's response to ESG regulations, such as the Corporate Sustainability Reporting Directive, our reporting efforts in line with TCFD, while ensuring that the ESG matters of most importance to stakeholders are captured accurately and part of the Committee's deliberations. Third-party ratings, including the Group's current AA rating under the MSCI Index, were taken into account to determine impact materiality.

To promote the alignment of the ESG strategy with financing decisions, the Committee reviewed and supported a proposal to link ESG KPIs on carbon emissions, water efficiency and health and safety, in a debtor securitisation exercise and in the re-financing exercise during the year.

A key element of our ESG strategy is to enhance the wellbeing of our employees and foster a diverse, inclusive and equitable workforce. To this end, following feedback received from colleagues, Employee Resource Groups ('ERGs') were set up during FY2023 on the topics of mental health and wellbeing physical health, working parents and menopause. Each ERG is sponsored by an Executive Committee member. The ERGs inspire conversation, connect employees from across the Company and encourage innovative ways to look at challenges. When there are gaps in experiences, the ERGs have been vital in promoting awareness of an underrepresented group which ensures the appropriate action can be taken. The ERGs have met every month during FY2023, given a presentation

Environmental, Social and Governance Committee Report (continued)

to the Executive Committee on progress to date and engaged with our employees to mark cultural and diversity related events during the year. The work of the ERGs is reported to the ESG Committee.

The Non-Executive Directors have continued to engage with a range of employees from each business area through a series of 'Our Forum' meetings during FY2023. The meetings, organised by the Head of ESG, allow employees to raise with the Non-Executive Directors and Executive Committee members, a variety of issues, including views on the effectiveness of the Company's strategy and what the Company could improve to make C&C a great place to work. More details on the Board's engagement with the workforce, including key outcomes from the 'Our Forum' meetings, can be found on pages 93 to 94.

The strength of our team is our most valuable asset and we are committed to creating an open and inclusive culture, which enables all of our people to thrive, and to promote diversity, equity and inclusion ('DE&I') to ensure we have a balanced pipeline of talent for the future. This year we expanded the Company's DE&I agenda by setting up a DE&I Advisory Group, chaired by the Company's GB Commercial Director, and publishing a Gender Pay Gap Report covering the whole Group. One of our ESG KPIs, approved by the Committee, in collaboration with the Nomination Committee, is linked to diversity and inclusion.

The Committee tracks KPI performance at each meeting and considered regular reports on matters pertaining to the pillars of the ESG strategy, such as Ethical and Sustainable Procurement. During the year, the Committee approved the TCFD Disclosure, the Responsibility Report and ESG Committee Report in the 2022 Annual Report and Accounts, reviewed the results of employee surveys and recommended charity and colleague volunteering policies for approval by the Board.

In terms of community engagement, the Committee was delighted to endorse the Company's partnership with the Big Issue Group, one of the UK's leading social enterprises that exists to create innovative solutions through enterprise, to unlock social and economic opportunity for the 14.5m people in the UK living in poverty. The mutually beneficial partnership aligns to our ESG strategy and allows C&C to support some of the most vulnerable people in our community. Volunteering opportunities also enhances the health, wellbeing, and capability of our colleagues. More details on the partnership with the Big Issue Group can be found on 75. We continue to search for partnership opportunities of a similar nature in the Republic of Ireland.

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

Year Ahead

Looking forward, the Committee will continue to challenge the business proactively to tackle the sustainability topics relevant to our stakeholders and ensure the right processes are in place to mitigate climate-related risks and identify opportunities, as we journey towards becoming a carbon neutral business. In recognising the importance of keeping abreast of new developments, further training will be delivered to the Board during FY2024 via the delivery of virtual workshops on ESG matters from an external provider.

In February 2023, I informed the Board that I would not be seeking re-election and will step down from my position as an Independent Non-Executive Director at the conclusion of the 2023 AGM, as it has become increasingly difficult to dedicate the necessary time required to fulfil my responsibilities as Non-Executive Director along with the requisite travel from the USA. It has been my pleasure to Chair the ESG Committee since 2020 and I'm proud of the progress we have achieved to date, supporting the Group's ongoing commitment to environmental, corporate social responsibility and corporate governance matters.

Vineet Bhalla will succeed me as Chair of the ESG Committee at the conclusion of the 2023 AGM. Through the Committee's composition, resources and the commitment of its members, I believe that it remains well placed to meet the challenges of an ever-changing world and to discharge its duties effectively in the year ahead.

On behalf of the Board

Jim Thompson
Chair of the ESG Committee
24 May 2023

Roles and Responsibilities of the Committee

Role of the Committee

The Committee is required to:-

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

The Committee has defined Terms of Reference which can be found in the Investor Centre section of the Group's website at www.candcgroupplc.com.

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 86 and 87. Their remuneration is set out in the Remuneration Report.

The quorum necessary for the transaction of business by the Committee is two, each of whom must be a Non-Executive Director. Only members of the Committee have the right to attend Committee meetings. The Committee Secretary is the Senior Assistant Company Secretary.

Meeting Frequency

The Committee met on five occasions during the year ended 28 February 2023. All members of the Committee attended each meeting except on one occasion where Patrick McMahon could not attend. At the invitation of the Committee, the outgoing Board Chair, the incoming Board Chair, the former Group CEO, the Company Secretary and Group General Counsel, the Head of ESG, the Communications and Corporate Affairs Director, the Group Engineering Manager, the ESG Analyst, the GB Commercial Director, the Group HR Director and the ESG Champions were invited to attend meetings from time to time.

Evaluation of the Committee

The evaluation of the Committee was completed as part of the 2023 external board evaluation process. Based on the review the Committee concluded that it has a number of important strengths including confidence in its reporting, good discussion and debate, and high quality chairing. An explanation of how this process was conducted, the conclusions arising from it and the action items identified is set out on pages 96 to 97. 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 24 May 2023.

Jim Thompson
Chair of the ESG Committee

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	5	5
Vineet Bhalla[1]	9 February 2023	0	0
Jill Caseberry	24 September 2020	5	5
Patrick McMahon[2]	24 September 2020	4	5
Helen Pitcher	24 September 2020	5	5

1. Vineet Bhalla did not attend any ESG Committee meetings during FY2023 given his appointment date to the Committee.
2. Patrick McMahon was unable to attend the meeting on 6 December 2022 due to illness.

Nomination Committee Report

Dear Shareholder

I am pleased to present the Nomination Committee ('the Committee') report covering the work of the Committee during FY2023. The Committee is responsible for leading a formal, rigorous and transparent process for Board appointments and ensuring that plans are in place for orderly succession to the Board and senior management positions. The Committee is also responsible for keeping under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in a competitive marketplace. This report provides an overview of the Committee's activities in the year under review and looks ahead to our anticipated activities in the coming year.

Year in Review

This year, we saw some important changes to the composition of our Board.

At the 2022 AGM, Stewart Gilliland stepped down from his role as Chair of the Board and Chair of the Nomination Committee. During his time at C&C, the Group has been transformed into the leading final-mile distributor to the on-trade in the UK and Ireland, while navigating the business through the most challenging period in our industry's history. On behalf of the Board and all at C&C, I would like to thank Stewart for his commitment and stewardship. This decision has given me the opportunity to join the Board of Directors as Chair of the Board and of the Nomination Committee.

We were pleased to announce the appointment of John Gibney as an independent Non-Executive Director on 26 October 2022. John has taken on the role of Chair of the Audit Committee following Emer Finnan's decision to step down from the Board on 8 February 2023. John's appointment followed a thorough evaluation and succession process led by the Committee in conjunction with an independent search firm, Warren & Partners. In addition to his finance background, John brings significant industry expertise and listed company experience to the Board, and we are delighted to welcome him to C&C. With a deep understanding of the beverage and hospitality sector in the UK and internationally, John has extensive listed company board experience in both an executive and non-executive capacity and has already contributed significantly to Board level deliberations. Vineet Bhalla, was also appointed as a member of the Audit Committee on 8 February 2023 in light of his significant experience in IT and data management, increasingly important in the internal and external audit processes. I want to thank Emer for her significant contribution to the Group and stewardship of the Audit Committee during her tenure on the Board. Emer brought valuable expertise to C&C and we wish her every success in her future endeavours.

In further Board changes, we announced in February 2023 that Helen Pitcher would not seek re-election and would step down from her position as a Non-Executive Director at the conclusion of the 2023 AGM. This followed her appointment as chair of the Judicial Appointments Commission. In addition, Jim Thompson advised the Board that he would not seek re-election and would step down from his position as a Non-Executive Director at the conclusion of the 2023 AGM given the challenges in dedicating the necessary time required to effectively undertake his responsibilities on the Board as he lives in the US. Vineet Bhalla will succeed Jim Thompson as Chair of the ESG Committee. The Board would like to thank both Helen and Jim for their significant contributions and service to the Group during their respective tenures on the Board. As independent directors, both Helen and Jim brought valuable expertise and unique insights to C&C.

The process to recruit two additional independent Non-Executive Directors has commenced. C&C will also appoint a new chair of the Remuneration Committee to succeed Helen Pitcher in due course.

Both the Committee and the Board are mindful that progress needs to be made in relation to the level of female representation on the Board. Following the significant changes to the Board recently, the diversity of our Board has fallen below our diversity aims. The Committee and the Board fully support diversity, equity and inclusion in all its dimensions and recognise the important contribution it makes to high quality decision making and innovative thinking. As we look to appoint two new Directors to the Board, diversity will be part of our key considerations. I look forward to updating our progress in our search for two new additional Non-Executive Directors, and in ensuring the appropriate balance of diversity on our Board. Diversity, equity and inclusion remained firmly on the Committee's agenda, both at a Board level and throughout the Group.

These changes on our Board reflect the importance of succession planning on the Board and throughout the organisation. This includes understanding the steps taken to develop talent from within C&C, as well as overseeing promotions and changes made within the Executive Committee towards ensuring the most appropriate balance of skills to support the execution of our strategy.

As detailed on page 85, on 18 May 2023, David Forde stepped down as the Group's Chief Executive Officer ('CEO') and Director with immediate effect, and consequently Patrick McMahon, Chief Financial Officer ('CFO'), was appointed CEO with immediate effect. I have been appointed Executive Chair to support the management transition as Patrick McMahon will also retain his responsibilities as CFO until a new CFO is appointed.

The evaluation of the Committee was completed as part of the 2023 external board evaluation process. Based on the review the Committee concluded that it has a number of important strengths including confidence in the assessment of new appointments, clear specification of what is needed from candidates and high quality chairing. An explanation of how this process was conducted, the conclusions arising from it and the action items identified is set out on pages 96 to 97. The Committee has considered this in the context of the matters that are applicable to the Committee.

I hope you find the information on the following pages about the work of the Committee helpful and informative.

On behalf of the Board

Ralph Findlay
Nomination Committee Chair
24 May 2023

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, considering the Board's composition against the Group's strategic priorities and the main trends and factors affecting the long-term success and future viability of the Group. The Committee's key objective is to ensure that the Board comprises individuals with the necessary skills, knowledge, experience and diversity to ensure that the Board is effective in discharging its responsibilities and that appropriate succession arrangements are in place. The Committee has defined Terms of Reference which can be found in the Investor Centre section of the Group's website at www.candcgroupplc.com.

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

Membership and Attendance

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

Member	Member Since	Number of Meetings Attended	Maximum Possible Meetings
Ralph Findlay (Chair)[1]	7 July 2022	3	3
Vincent Crowley	1 June 2019	5	5
Emer Finnan[2]	5 July 2018	5	5
Helen Pitcher	23 October 2019	5	5
Stewart Gilliland[3]	24 October 2017	2	2

1. Ralph Findlay joined the Committee on 7 July 2022.
2. Emer Finnan retired from the Board on 8 February 2023.
3. Stewart Gilliland retired from the Board on 7 July 2022.

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

No member of the Committee nor any other Director participates in discussions concerning or votes on his or her own re-election or evaluation of his or her own performance. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 86 and 87. Their remuneration is set out in the Directors' Remuneration Committee Report.

The quorum necessary for the transaction of business by the Committee is two, each of whom must be a Non-Executive Director. Only members of the Committee have the right to attend Committee meetings. The Company Secretary and Group General Counsel is Secretary to the Committee.

Meeting Frequency and Main Activities during the year

The Committee met on five occasions during the year ended 28 February 2023. All members of the Committee attended each meeting. At the invitation of the Committee, the former Group CEO, Vineet Bhalla, Jill Caseberry, John Gibney, Jim Thompson, the interim Group Director of Human Resources and the Group Director of Human Resources 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.

Nomination Committee Report
(continued)

Audit Chair Appointment

As outlined in his introductory letter, the previous Chair of the Audit Committee stepped down from her role in February 2023 following eight years on the Board and four years as Chair of the Audit Committee. A selection process for a new Audit Chair was led by the Chair, and the Committee, with assistance from the Company Secretary and Group General Counsel.

The services of an executive search firm were used to identify potential candidates. The Committee considered the credentials of several search consultants before recommending the appointment of Warren & Partners, which is a signatory to the voluntary code of conduct for executive search firms. Warren & Partners does not have any connection to the Group or with individual Directors.

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

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

- Experience as an Audit Committee Chair;
- Qualified accountant;
- Plc experience and an understanding of the UK corporate governance environment;
- Broad sector experience; and
- A positive match with the culture of the Group and the members of the Board.

The search from Warren & Partners was rigorous 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 and social backgrounds). The Committee unanimously selected John Gibney as its preferred candidate. John brings significant industry expertise and listed company experience to the Board. With a deep understanding of the beverage and hospitality sector in the UK and internationally, John has extensive listed company board experience in both an executive and non-executive capacity.

Following the Committee's recommendation and due consideration by the Board, John Gibney was appointed our new Audit Chair designate, joining the Board on 26 October 2022 and succeeded Emer Finnan as Audit Chair on 8 February 2023. The Board is pleased to have recruited an individual with his experience and expertise to chair the Audit Committee.

Induction of New Board Members

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

Chair Induction

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

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

Other Board Changes

In February 2023, we announced that that Helen Pitcher would not seek re-election and would step down from her position as a Non-Executive Director at the conclusion of the 2023 AGM. This followed her appointment as chair of the Judicial Appointments Commission.

In addition, Jim Thompson advised the Board that he would not seek re-election and would step down from his position as a Non-Executive Director at the conclusion of the 2023 AGM, as he was finding it increasingly difficult to dedicate the necessary time required as a non-executive director and the requisite travel from the USA. The Committee, recognising Vineet Bhalla's interest, passion, knowledge and enthusiasm for environmental, social and governance matters, were firmly of the view that Vineet Bhalla was a worthy and imminently suitable candidate to succeed Jim Thompson as Chair of the ESG Committee. Vineet Bhalla will succeed Jim Thompson as Chair of the ESG Committee on that date and joined the ESG Committee on 8 February 2023.

New Non-Executive Directors

The process for making new appointments to the Board is usually led by the Chair, except when the Committee is dealing with the Board Chair succession. When considering new appointments, all recommendations to the Board are made on merit against objective criteria which take into account experience, skills and ensuring an appropriate diversity, in the broadest sense, in the resulting membership of the Board. Time commitment, independence and potential conflicts of interest are considered before any recommendation is made to the Board. Any candidates who are shortlisted are interviewed by the Board Chair, Committee members, other Directors and the Company Secretary and Group General Counsel. The Board is updated on the progress of the selection process and receives recommendations from the Committee for appointment.

The Committee is mindful that progress needs to be made in relation to the level of gender diversity on the Board to ensure we meet the recommendations set by the FTSE Women Leaders Review and targets specified in the Financial Conduct Authority's Listing Rules, under which C&C will report in FY2024. This is an area of focus for the Committee. The target set by the Parker Review continues to be met.

The process to recruit two additional Non-Executive Directors has commenced and we look forward to updating as to progress.

Succession Planning

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

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

In order to ensure that there are effective succession plans in place for the Executive Committee team and senior management, the Board has visibility of a wide range of colleagues who have been identified as potential succession candidates in the short, medium and long term.

Developing C&C's diverse pipeline of internal talent, and the organisation's ability to attract, retain and develop skilled, high potential individuals is a focus of discussion. To that end, individuals identified in the talent pipeline are provided with the opportunity to interact with Board members both informally and through attendance at Board and Committee meetings to present on specialist topics. This not only provides valuable experience and exposure for those individuals to the Board, but also assists the Board when assessing the strength of succession plans in place and areas of development need for relevant individuals. In FY2023, a number of Executive Committee members and senior management were invited to present to the Board and its Committees on topics pertaining to C&C's strategic priorities, financials and ESG. Opportunities for interactions outside of the Board meeting calendar were also pursued and developed. This will continue to be an area of focus during FY2024 and beyond.

Separately, on at least an annual basis, each Director's intentions are discussed regarding 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. More details can be found on pages 112 to 113.

Diversity

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

We have a Diversity, Inclusion and Wellbeing Policy and the Committee is satisfied that it supports the development of a more diverse workforce within the business and is consistent with the Group's inclusive and welcoming culture. The policy equally applies to our Board members and all our employees, regardless of their contract, location or role in the business.

As at 28 February 2023, female representation on the Board was 22% (two out of nine). The Committee is mindful of both the FTSE Women Leaders Review and the FCA's diversity targets at Board level. The Company is fully supportive of these aims and is committed to ensuring that the proportion of female representation will meet this requirement by 2025.

Nomination Committee Report
(continued)

As at 28 February 2023, the composition of the Board met the Parker Review recommendations as it has done since 2021.

As at 28 February 2023, the percentage of females on the Executive Committee was 33%. More details on workforce diversity can be found below.

We aim to ensure our inclusivity applies to all aspects of their careers, including recruitment, selection, benefits and opportunities for training and promotion. 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 equity, 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 equity, diversity and inclusion is a core part of how we operate, it's embedded in our culture, and reflected in our people and their behaviours.

In FY2022, we conducted a diversity and inclusion survey, "Getting to Know You", to better understand our colleagues and their needs, to gain their views on inclusion and wellbeing and to obtain identity (diversity demographics) data. Subsequently, in FY2023 we established employee relations groups ('ERGs') in the areas of mental health and wellbeing, physical health, working parents, menopause and diversity, equity and inclusion as one of a number of intended concrete and meaningful steps to reinforce our commitment to diversity and inclusion. The diversity, equity and inclusion ERG consists of employees from across the Group. The ERG met every month during FY2023, gave a presentation to the Executive Committee on progress to date and engaged with our employees to mark cultural and diversity related events during the year. The work of the ERG is reported to the ESG Committee. A further diversity, equity and inclusion survey is to be conducted in FY2024 to add to our understanding.

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; and
- Authentically telling our diversity and inclusion story and celebrating our approach, both inside and outside our organisation.

Statistical gender diversity employment data for the Company as at 28 February 2023 is as follows:

	Male Number/ Percentage	Female Number/ Percentage
Directors	7/78%	2/22%
Senior Managers	58/64%	32/36%
Other employees	1,913/75%	647/25%

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.

Skills Balance and Directors' Performance Evaluation

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

Having undertaken a performance evaluation of both the Board and individual Directors, the Committee considered the independence of each of the Non-Executive Directors, being Vineet Bhalla, Jill Caseberry and Vincent Crowley, each of them having confirmed their willingness to stand for re-election at the forthcoming AGM. 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 Jill Caseberry, the Group had regard to the products purchased from St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director. The Committee remains fully satisfied this relationship is not material and has in no way impaired her independence.

The Committee had also undertaken a review of each of the Non-Executive Directors' other interests, external time commitments and tenure, 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 Group to enable it to discharge its duties to lead and steward the business.

Time Commitment

In line with its terms of reference, the Committee performs an annual review of the time required from the Chair, Senior Independent Director and Non-Executive Directors to perform their duties. As part of this process, the Committee reflects on a director's attendance at scheduled meetings and their availability at other times during the year. In the year under review, the Directors were available, often at short notice and outside regular working hours, to discuss matters that required a prompt decision.

Evaluation of the Committee

The Board is committed to transparency and conducts a formal and rigorous evaluation of its performance including the performance of its Committees, individual Directors and the Chair annually. The Committee's last external effectiveness review was conducted in FY2020 and, in compliance with the Code, in FY2023, an external effectiveness review and evaluation was undertaken. The Committee discusses the outcome of the review of its effectiveness annually.

Based on the review the Committee concluded that it has a number of important strengths including confidence in the assessment of new appointments, clear specification of what is needed from candidates, and high quality chairing.

For further information on the evaluation of the Board, the Committees and individual Directors, including details of the evaluation process, outcome and next steps, please refer to pages 96 and 97 of the annual report.

This report was approved by the Board of Directors on 24 May 2023.

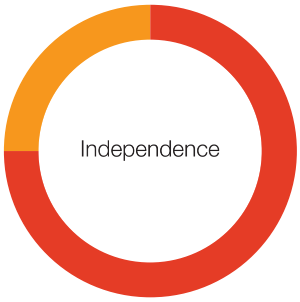
Ralph Findlay
Chair of the Nomination Committee

Nomination Committee Report
(continued)

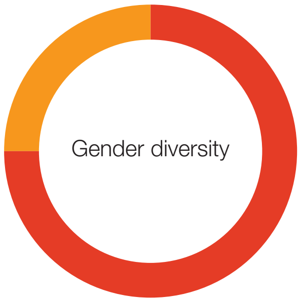
Diverse and Effective Board

The Board comprises 8 Directors, with a broad and complementary set of technical skills, educational and professional experience, nationalities, personalities, cultures and perspectives.

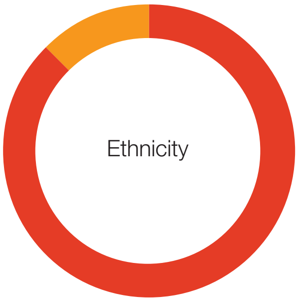
Board balance



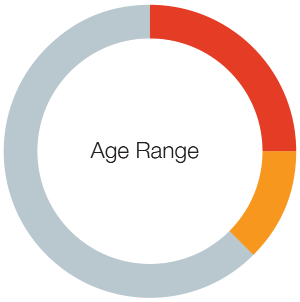
Independent	6
Non-independent (including Executive Chair)	2



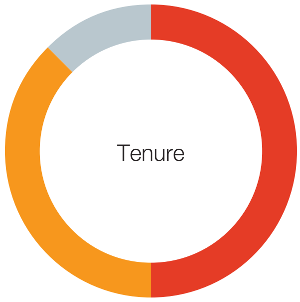
Male	6
Female	2



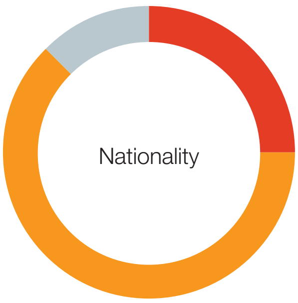
White	7
Indian	1



40-50	2
51-60	1
61-70	5



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



Irish	2
British	5
USA	1

Board Skills Matrix

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

Directors' Remuneration Committee Report

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Committee Report ('Report') for the year ended 28 February 2023.

The Company is incorporated in Ireland and is therefore not subject to the UK company law requirement to submit its Directors' Remuneration Policy ('Policy') to a binding vote. Nonetheless, in line with our commitment to best practice, at the AGM in July 2021, our revised Policy was approved by our shareholders on an advisory basis, with a vote in favour of over 90%. As no changes to the Policy are proposed this year, the Policy will not be subject to a vote at the 2023 AGM. Therefore, we have not included the full Policy in this report but have included those parts that we think shareholders will find most useful. The full Policy is included in the Annual Report and Accounts for the year ended 28 February 2021, which is available on the Company's website at www.candcgroup.com. The Committee will review the Policy and incentive framework over the next year in advance of our intention to seek shareholder approval of an updated Remuneration Policy at the 2024 AGM in line with the usual three year timetable.

Last year, shareholders showed a high level of support for our Remuneration Report, reflected in the significant shareholder support of this proposal at the 2022 AGM.

Information on the membership of the Remuneration Committee and its main activities in FY2023 is set out on page 119.

The Committee remains mindful that decisions around executive pay should be proportionate and demonstrate a strong link between reward, performance and shareholder alignment. In this light, we are comfortable that the policy has operated as intended and remuneration is appropriate, considering internal and external factors and measures (including pay ratios and gaps, colleague pay, the cost-of-living crisis and the overall stakeholder experience).

Business context

FY2023 has been another challenging year, from the impact of the war in Ukraine, to a tightening labour market and an increasing inflationary environment, with significant hikes experienced in both the cost of labour and energy prices. Our colleagues have remained resilient and dedicated throughout this period and have continued to work tirelessly to meet customer demands. The strength and resilience of our business and our team is reflected in the strong results for this year, with C&C delivering significant revenue and operating profit growth, as detailed throughout this Annual Report. The inherent strength of our business model and continued disciplined cash management with bank net debt at historic lows has allowed for the resumption of the dividend.

The Group implemented a complex Enterprise Resource Planning ('ERP') transformation in February 2023 in the Matthew Clark and Bibendum ('MCB') business, further aligning and streamlining our technology infrastructure across the Group. This is a key step in our digital transformation and optimisation of the business which will enable further automation and simplification of our business processes.
The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. More details can be found on page 85.

Executive Remuneration Outcomes FY2023

The FY2023 remuneration outcomes for the Executive Directors are set out in the following table:

	Opportunity	Performance Measures	Out-turn
Annual Bonus	125% of salary	The annual bonus plan during FY2023 was based on three performance measures, which were a mix of financial and non-financial metrics: • Group Operating Profit ('GOP') (65% of the opportunity) • Free Cash Flow Conversion ('FCF') (20% of the opportunity, subject to the achievement of GOP) • ESG metric (15% of the opportunity, subject to the achievement of GOP)	Actual performance, as detailed on page 126, was as follows: • GOP – €84.1m • FCF – 64.6% • ESG metric – 7.4 Considering that GOP for 2023 was below target, no bonuses will be paid to Executive Directors in respect of FY2023, in spite of the achievement of our ESG metric.

Directors' Remuneration Committee Report (continued)

	Opportunity	Performance Measures	Out-turn
Long-term Incentives awarded in the year	LTIP: 150% of salary	As set out on page 118, the vesting of the FY2023 LTIP awards will be subject to three performance conditions: • EPS Growth (45% of the opportunity) • Free Cash Flow Conversion (35% of the opportunity) • Environmental Target (20% of the opportunity)	Performance will be assessed over the three year period ending with FY2025.
Long-term incentives vesting in respect of performance in FY2023	LTIP: 134% of salary	As set out on page 127, the LTIP awards granted to the Executive Directors in FY2021 were subject to an assessment of overall financial performance over the period FY2021 – FY2023, and separate performance conditions based on the following three measures: • FY2021 Liquidity (30% of the opportunity) • FY2022 Net debt to EBITDA (35% of the opportunity) • FY2023 EPS (35% of the opportunity)	Reflecting the solid performance over the period, the awards vested at 65% of the maximum as detailed on page 127. The vested awards will be subject to a further two year holding period.

Application of the Executive Remuneration Policy in FY2024

Our approach to the implementation of the Policy in FY2024 is set out on pages 120 to 125.

FY2024 Bonus

In line with the Policy, the Executive Directors will be eligible to earn a bonus of up to 125% of salary, with 50% of any bonus earned paid in cash and 50% deferred into shares for three years. The bonuses will be subject to performance conditions based on a mixture of financial and non-financial measures. Financial measures will account for 75% of the overall opportunity (split between operating profit (50%) and cash (25%)). Non-financial measures will be based on strategic goals (15% of the overall bonus opportunity) and an ESG measure based on workforce engagement (10%). Details of the targets will be disclosed in the Directors' Remuneration Report next year.

FY2024 LTIP awards

For the FY2024 grants, it is proposed that the Free Cash Flow metric will be removed, and replaced with a relative Total Shareholder Return ('TSR') metric. This change reflects market practice, the Company's strategic priorities and the fact that cash is a performance measure for the annual incentive. The FY2024 LTIP awards will be based:

- 45% on EPS (as this captures long-term sustainable earnings performance aligned with the financial performance expected by our shareholders);
- 35% on relative TSR against a bespoke group of companies in the Travel and Leisure Sector and the Food, Beverage and Tobacco industry sector. This provides alignment of Executive Directors' interests with value created for shareholders and reflects the importance of execution of the strategy translating to increases in our share price. The TSR constituents are: Domino's Pizza Group, JD Wetherspoon, Mitchells & Butlers, SSP, Fullers, Gym Group, Hollywood Bowl, Marston's, Restaurant Group, Ten Entertainment Group, Britvic, Cranswick, Hilton Food Group, Premier Foods, Tate & Lyle, AG Barr, Bakkavor, Devro, Greencore, FeverTree; and
- 20% environmental targets (scope 1 & scope 2 reduction targets) reflecting the Group's decarbonisation goals.

Details of the targets are set out on page 134.

In line with our usual practice, the Executive Directors' LTIP awards will be granted at the level of 150% of salary. The Committee has carefully considered the quantum of the LTIP taking into account the macro-economic environment, the modest level of incentive pay-outs for our Executive Directors since they joined the business and the need to retain and incentivise key executives (including those below the Board) in what continues to be challenging conditions for the sector. The Committee also recognised that stretching targets have been set and that the inclusion of a relative TSR measure mitigates the risk of any "windfall gain" given the need for performance relative to peers for this element of the award to vest. In line with the Policy and the LTIP rules, the Committee has discretion to adjust LTIP vesting outturns if 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.

Cost of Living Crisis and Employee Engagement
The macro-economic headwinds have not only impacted our business but also the livelihoods of our colleagues at all levels of the organisation. With that in mind, the Committee has once again devoted considerable time and attention to the appropriateness of the Company's remuneration policies and procedures, in the context of the "cost of living crisis". To further support colleagues, C&C has carried out a pay review budget for FY2024, with pay review matrices to ensure the budget is focused on our lowest paid colleagues. To do so, C&C has taken a "blended" salary approach, with 83% of colleagues receiving an increase of 5.4% and the lowest paid receiving an increase of 7.0%. The CEO and CFO's salaries will increase by 1.2%. The approach, that prioritises support to our lowest paid employees, has been deemed appropriate in these current exceptional times and was endorsed in a leadership forum attended by senior personnel across the Group.

In further steps, the Company has implemented a benefits platform, which amongst other things, facilitates and enables employee funded benefits such as discounted shopping vouchers for example, giving employees the opportunity to have choices based on their personal circumstances to supplement employer funded benefits. Additionally, the Company has introduced Digicare+ Workplace in the UK, a remote health assessment tool for employees as well as being a hub for other services and supports the pillars of physical, mental and financial wellness. This mirrors a similar scheme in the ROI where colleagues were offered physical health checks from an external provider. It is pleasing in those circumstances, to be able to report that colleague engagement has improved significantly, with engagement in our employee survey exceeding 95% of employees.

Remuneration Practices across C&C
The Committee considers pay and employment conditions across the wider Group when determining pay for Executive Directors. The Group Director of Human Resources makes regular presentations to the Committee on the remuneration structures across the Group, the salary review process for the wider colleague base as well as benefit and pension arrangements. In considering increases to the base salary for Executive Directors, the Committee takes the Group-wide annual salary review process into account.

In the leadership forum, our Group Director of Human Resources presented on C&C's remuneration philosophy and principles, as well as the proposed FY2024 salary increases and participated in a question-and-answer session. Feedback from colleagues was relayed to the Committee and taken into account when finalising remuneration arrangements. My role as the Non-Executive Director responsible for engaging with HR and Operations is an invaluable resource when reviewing wider employee incentive arrangements, particularly considering the difficult macroeconomic environment we are living in. During those meetings I can outline our Company-wide remuneration policy and director and wider workforce pay and reward matters, sharing our aspirations around equitable rewards and discussing the increasing use of ESG measures in goal setting and shareholder expectations.

Gender pay gap reporting
We published our inaugural gender pay gap report in December 2022, in line with the regulatory requirements for companies in Ireland having published gender pay gap reports in the UK since the regulations were introduced in 2019. This constitutes an opportunity to further assess and report on our strategy and progress towards promoting equality, diversity and inclusion at C&C, and as we build a culture where everyone can progress. Ensuring that our colleagues are paid a fair and equitable rate for the work they do, regardless of gender or other differences, is of extreme importance to the Board. Going forward we will continue to focus on areas that improve our gender pay gap, and continue to update our stakeholders on our progress. Further details can be found on pages 88 to 89.

Conclusion

I will be stepping down as Chair of the Committee following the conclusion of the 2023 AGM, and consequently this will be my final report.

I would like to take this opportunity to thank our major shareholders and the key institutional investor bodies for the time taken to engage with us during my tenure as Chair. The feedback provided by investors has influenced our perspective and contributed greatly to the decision-making of the Committee.

I hope you will join the Board in supporting the resolution to approve the FY2023 Remuneration Report at this year's AGM.

Helen Pitcher OBE
Remuneration Committee Chair
24 May 2023

Directors' Remuneration Committee Report
(continued)

Executive Remuneration Outcomes for FY2023

Salary

As reported last year, Executive Directors' salaries increased by 3.5% in FY2023 in line with the wider workforce.

FY2023 Bonus

As set out in the Chair's letter no bonuses will be paid to Executive Directors in respect of FY2023, in spite of the achievement of our ESG metric.

FY2021 LTIP Awards

In the Report for FY2021, we explained that the LTIP awards for that year were subject to an assessment of the Company's underlying financial performance across the three-year performance period FY2021 – FY2023, along with three separate performance conditions aligned to the Company's key priorities for each of the three years. The performance conditions for FY2021 and FY2022 were set out in the Directors' Remuneration Reports for those years. The performance conditions for FY2023 were set in the year and are based on Earnings Per Share ('EPS'). Details of the performance conditions for each year are set out on page 127. Based on the achievement of the performance conditions, the awards vested at 65%. The Committee has considered this formulaic outcome and determined that the pay-out level is appropriate in light of the overall performance and shareholder experience over the three-year performance period, and that no discretion is necessary to adjust the outturn.

Long-Term Incentives Awarded in FY2023

In June 2022, the Committee made awards to the Executives under the LTIP. The Committee determined that for the FY2023 LTIP, awards would vest subject to the satisfaction of performance metrics based on earnings per share, free cash flow and an environmental metric to give impetus to the Group's sustainability agenda and decarbonisation efforts, as set out below.

The vesting of the FY2023 LTIP awards will be subject to an assessment of the Company's underlying financial performance across the three-year performance period FY2023 – FY2025.

Weighting	Measure	Further detail
45%	Earnings per share	Threshold (25% vesting) – 22.2c Maximum – 26.0c By the end of year 3 target range (end of FY2025) rather than as a cumulative target.
35%	Free cash flow conversion	Threshold (25% vesting) – 65% Maximum – 75% By the end of year 3 target range (end of FY2025) rather than as a cumulative target.
20%	Environmental target	To reduce Scope 1 emissions and Scope 2 emissions* over the three financial years ending with FY2025 as follows: Threshold (25% vesting) – 6% reduction Maximum – 12% reduction *Definitions Scope 1 – direct emissions from owned or controlled sources, which includes emissions from company-owned or operated facilities and vehicles. Scope 2 – Indirect emissions from the generation of purchased energy e.g. electricity, steam, heat and cooling.

Executive Directors' awards will be subject to a further two-year holding period.

Gender Pay Gap Disclosure

In December 2022 we published our latest Gender Pay Gap report, in line with the requirements for companies in the UK with more than 250 employees. Companies in Ireland with more than 250 employees are now also required to disclose their gender pay gap, in line with the Gender Pay Gap Information Act 2021. Our report includes disclosures pertaining to the following entities: Matthew Clark Bibendum Limited, Tennent Caledonian Breweries Limited and M&J Gleeson Co u.c.. We also report our gender pay gap metrics for Bulmers Limited on a voluntary basis, given that the entity is close to the reporting threshold of 250 employees (248 employees). Details can be found on the Company's website at www.candcgroup.com.

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.

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	11	11
Vineet Bhalla	27 October 2021	11	11
Jill Caseberry[1]	1 March 2019	9	11

1. Jill Caseberry was unable to attend the meetings on 6 June 2022 and 9 June 2022, which were called at short notice, 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, the outgoing Board Chair, the incoming Board Chair, the Chair of the ESG Committee, the former Group CEO, the Group CFO, the interim Group Director of Human Resources, the Group Director of Human Resources, members of the HR team, along with representatives from Deloitte, remuneration advisers, were invited to attend meetings (although never during the discussion of any item affecting their own remuneration or employment).

The Company Secretary and Group General Counsel is Secretary to the Committee.

Main Activities in FY2023

- Considering the remuneration arrangements of Executive Committee members and senior management;
- Receiving an update upon the review to evaluate and grade each role, leading to the creation of a framework for consistent, transparent and appropriate compensation and benefits group wide;
- Considering the FY2022 bonus outcome;
- Approval of the Directors' Remuneration Committee Report for the financial year ended 28 February 2022;
- Approval of the FY2023 bonus and LTIP measures;
- Setting the LTIP measures for the FY2023 element of the FY2021 grants;
- Considering the FY2024 remuneration strategy and structure;
- Considering the results and implications of the gender pay gap report and reviewing and commenting on recommendations to address the gap and challenges faced by the sector;
- Approval of the FY2024 salary review; and
- Consideration of the FY2024 bonus and LTIP measures.

External Advisers

The Committee seeks and considers advice from independent remuneration advisers where appropriate. During the year ended 28 February 2023, the Committee obtained advice from Deloitte LLP. Deloitte's fees for this advice amounted to £30,000 (excluding VAT) charged on a time or fixed fee basis. Deloitte is one of the founding members of the Remuneration Consultants' Code of Conduct and adheres to this Code in its dealings. The Committee is satisfied that the advice provided by Deloitte is objective and independent. The Committee is comfortable that the Deloitte engagement team who provide remuneration advice to the Committee do not have connections with the Company that may impair their independence.

Committee Evaluation

The evaluation of the Committee was completed as part of the FY2023 external board evaluation process. Based on the review the Committee concluded that it has a number of important strengths including well managed remuneration disclosures, improved communication with the Board and other committees and high quality chairing. An explanation of how this process was conducted, the conclusions arising from it and the action items identified are set out on pages 96 to 97. The Committee has considered this in the context of the matters that are applicable to the Committee.

Remuneration at a glance

Remuneration Outcomes as at 28 February 2023

Element	David Forde	Patrick McMahon
Base salary as at 28 February 2023	€714,150	€434,700
Pension (% of base salary)	5%	5%
Benefits (% of base salary)	7.5%	7.5%
Annual Bonus	0%	0%
LTIP (% of max)	65%	65%

Directors' Remuneration Committee Report (continued)

Remuneration Policy

Introduction

The current Remuneration Policy for Directors was approved at the 2021 AGM. As no changes to the Policy are proposed this year, the Policy will not be subject to a vote at the 2023 AGM. Therefore, we have not included the full Policy in this report, but have included those parts that we think shareholders will find most useful; the full Policy is included in the Annual Report and Accounts for the year ended 28 February 2021, which is available on the Company's website at www.candcgroup.com. The Committee will review the Policy and incentive framework over the next year in advance of our intention to seek shareholder approval of an updated Remuneration Policy at the 2024 AGM in line with the usual three year timetable.

Policy Table

Executive Directors

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

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

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

Directors' Remuneration Committee Report
(continued)

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

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Share-based rewards – all-employee plans			
Align the interests of eligible employees with those of shareholders through share ownership.	The C&C Profit Sharing Scheme is an all-employee share scheme and has two parts. Part A relates to employees in Ireland and has been approved by the Irish Revenue Commissioners ('the Irish APSS'). Part B relates to employees in the UK and is a HMRC qualifying plan of free, partnership, matching or dividend shares (or cash dividends) with a minimum three year vesting period for matching shares ('the UK SIP'). UK resident Executive Directors are eligible to participate in Part B only. There is currently no equivalent plan for Directors resident outside of Ireland or the UK.	Under the Company's Irish APSS, the maximum value of shares that may be allocated each year is as permitted in accordance with the relevant tax legislation (currently €12,700, which is the combined value for the employer funded and employee foregone elements). Under the Company's UK SIP the current maximum value of partnership shares that may be acquired is £1,500 per annum, with an entitlement to matching shares of £1,500 per annum. However, the Committee reserves the right to increase the maximum to the statutory limits (being £1,800 in respect of partnership shares, £3,600 in respect of matching shares and £3,600 in respect of free shares, or in any case such greater limit as may be specified by the tax legislation from time to time).	No performance conditions would usually be required in tax-advantaged plans.

Shareholding guidelines

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

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

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

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

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.

Directors' Remuneration Committee Report (continued)

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 misstatement of the Group's published accounts, material corporate failure, significant reputational damage, error in assessing a performance condition, or the Committee reasonably determines that a participant has been guilty of gross misconduct. The clawback provisions will apply for a period of two years following the end of the performance period; in the case of any deferred bonus award or LTIP award which is not released until the end of a holding period, clawback may be implemented by cancelling the award before it vests/is released.

Executive Directors

Service Contracts

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

Name	Contract date	Notice period	Unexpired term of contract
David Forde	2 November 2020	12 months	n/a
Patrick McMahon	8 July 2020	12 months	n/a

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.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
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 at 28 February 2023 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
Ralph Findlay	16 September 2021 (Chair – 7 July 2022)
Vineet Bhalla	26 April 2021
Jill Caseberry	7 February 2019
Vincent Crowley	23 November 2015
John Gibney	26 October 2022
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 2023

Directors' Remuneration (Audited)

The following table sets out the total remuneration for directors for the year ended 28 February 2023 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 2023 and the prior year.

Year ended February	Salary/fees (a) 2023 €'000	Salary/fees (a) 2022 €'000	Taxable benefits (b) 2023 €'000	Taxable benefits (b) 2022 €'000	Annual bonus (c) 2023 €'000	Annual bonus (c) 2022 €'000	Long term incentives (d) 2023 €'000	Long term incentives (d) 2022 €'000	Pension related benefits (e) 2023 €'000	Pension related benefits (e) 2022 €'000	Total fixed remuneration 2023 €'000	Total fixed remuneration 2022 €'000	Total variable remuneration 2023 €'000	Total variable remuneration 2022 €'000	Total 2023 €'000	Total 2022 €'000
Executive Directors																
David Forde	714	690	54	52	-	-	427	-	36	34	804	776	427	-	1,231	776
Patrick McMahon	435	420	34	33	-	-	260	-	22	21	491	474	260	-	751	474
Andrea Pozzi[1]	-	188	-	14	-	-	-	-	-	38	-	240	-	-	-	240
Total	1,149	1,298	88	99	-	-	687	-	58	93	1,295	1,490	687	-	1,982	1,490

1. Figures for Andrea Pozzi are to 1 September 2021 (the date he left the Board). 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. The remuneration for Andrea Pozzi was translated from Sterling using the average exchange rate for the relevant year.

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

Notes to Directors' Remuneration Table

(a) Salaries and fees
The amounts shown are the amounts earned in respect of the financial year.

(b) Taxable benefits
The Executive Directors received a cash allowance of 7.5% of base salary. The Group provided death-in-service cover of four times annual base salary and permanent health insurance (or reimbursement of premiums paid into a personal policy).

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

(c) Annual bonus
As set out in the Chair's letter, no bonuses will be paid to Executive Directors in respect of FY2023. The annual bonus for Executive Directors was based on performance against Group Operating Profit ('GOP') (65%), Free Cash Flow Conversion (20%) and an ESG metric (15%). Further details of the bonus outturn are provided in the table below.

Measure	Performance Targets 'Target' (30% outturn)	Performance Targets 'Maximum' (100% outturn)	Actual Performance	Bonuses outturn
GOP (65%)	€113m	€116.5m	€84.1m	No pay-out
Free Cash Flow Conversion (20%)	48%	55%	64.6%	No pay-out
ESG metric (15%)*	7.1	7.2	7.4	No pay-out

*The target was to move from the Group's previous engagement score of 6.8 in November 2021 to 7.2 in FY2023.

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

The Committee assessed the underlying financial performance across the three year performance period and having regard to the Group's balance sheet strength and robust cash generating capabilities and the strong revenue and operating profit performance concluded that it was appropriate for the awards to vest based on the extent to which the targets for each year were achieved.

The performance conditions for FY2021 and FY2022 were set out in the Directors' Remuneration Reports for those years. The performance conditions for FY2023 were set in the year and are based on EPS. Details of the performance conditions and outturns for each year are set out below.

LTIP Performance Conditions

Performance condition	Weighting	Performance target	% of element vesting	Outturn	Vesting
FY2021 liquidity (Group's cash on hand plus availability from the Group's RCF as at 28 February 2021)	30%				
Threshold		€250m	25%	€314.6m	100%
Maximum		€300m	100%		(30% of total award)
FY2022 Net debt to EBITDA	35%				
Threshold		4.1x	25%	3.4x	100%
Maximum		3.8x	100%		(35% of total award)
FY2023 EPS	35%				
Threshold		20c	25%	13.3c	0%
Maximum		23c	100%		(0% of total award)

Therefore the awards vested at 65% of the maximum. Although the vested awards will not be released to the Executive Directors until the end of a two year holding period, in line with the UK Regulations their value is included in the single total figure of remuneration on the following basis.

	Share subject to award[1]	Vested shares	Value of shares in the single total figure of remuneration[2]
David Forde	387,772	252,052	€427,480
Patrick McMahon	236,035	153,423	€260,205

1. As adjusted in FY2022 for the rights issue, as disclosed in the FY2022 Directors' Remuneration Report
2. Based on a share price at vesting of £1.487 (representing the average closing price between 24 February 2023 and 28 February 2023 (converted to €1.696 using an FX rate of 0.87701). The share price used to determine the value of the shares in the single total figure table is less than the share price at grant and, accordingly, no amount of the award is attributable to share price appreciation.

(e) Pensions related benefits

No Executive Director accrued any benefits under a defined benefit pension scheme. Under their service contracts, the Group's current Executive Directors received a cash payment of 5% of base salary in order to provide their own pension benefits as disclosed in column (e) of the table.

Directors' Remuneration Committee Report (continued)

Additional Information

Fees from external appointments

None.

Payments to Former Directors and Payments for Loss of Office

There were no payments to former Directors or payments for loss of office in FY2023.

Directors' Shareholdings and Share Interests

Shareholding guidelines

Executive Directors are required to build up (and maintain) a minimum holding of shares in the Company. Under the Policy, the Executive Directors are expected to maintain a personal shareholding of at least two times' salary.

Executive Directors are expected to retain 50% of the after tax value of vested share awards until at least the shareholding guideline has been met.

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

The beneficial interests, including family interests, of the Directors and the Company Secretary in office at 28 February 2023 in the share capital of the Company are detailed below:

	28 February 2023 Total	1 March 2022 Total
Directors		
David Forde	48,092	48,092
Patrick McMahon	94,728	87,939
Total	142,820	136,031

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

Director	Shareholding	Target value	Value as at 28 February 2023*
David Forde	48,092	€1,380,000	€81,756
Patrick McMahon	94,728	€840,000	€161,038

* The value is based on the number of shares multiplied by the closing share price on 28 February 2023, converted into Euro using a FX rate of 0.87701, being £1.49 (€1.70).

Company Secretary

	28 February 2023 Total	1 March 2022 Total
Mark Chilton	22,693	22,693

Between 28 February 2023 and 16 May 2023, being the latest practicable date, Patrick McMahon acquired 500 shares under the Irish APSS. There were no other changes in the above Directors' or the Company Secretary's interests between these dates. No Executive Director participates in the UK SIP.

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

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

Share incentive plan interests awarded during year (Audited)

LTIP

The table below sets out the plan interests awarded to Executive Directors during the year ended 28 February 2023. Awards granted under the LTIP are subject to performance conditions as set out on page 118 measured over a performance period ending at the end of February 2025.

Executive Director	Type of award	Maximum opportunity	Number of shares	Face value (at date of grant in Euros)[2]	% of maximum opportunity vesting at threshold
David Forde	LTIP	150% of base salary	458,023	1,071,224	25%
Patrick McMahon	LTIP	150% of base salary	278,796	652,048	25%

1. The LTIP awards were granted on 9 June 2022 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 mid-market closing share price on 8 June 2022 (being the day before the date of grant) converted into Euro, being £2.00 (converted into €2.3388 using an exchange rate of £1: €1.1694).

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 2022 (or date of appointment if later)	Awarded in year	Exercised in year	Lapsed in year	Total at 28 February 2023
David Forde	3/11/20	€0.00	Buy-out 1[1]	3/11/22-3/11/30	449,627	-	-	-	449,627
	3/11/20	€0.00	Buy-out 2[1]	3/11/23-3/11/30	449,627	-	-	-	449,627
	2/12/20	€0.00	LTIP	2/12/23 – 2/12/30	387,772	-	-	(135,720)[2]	252,052
	15/06/21	€0.00	LTIP	15/06/24 – 15/06/31	377,953	-	-	-	377,953
	09/06/22	€0.00	LTIP	09/06/25 – 09/06/30	-	458,023	-	-	458,023
				Total	1,664,979	458,023	-	(135,720)	1,987,282
Patrick McMahon	2/12/20	€0.00	LTIP	2/12/23 – 2/12/30	236,035	-	-	(82,612)[2]	153,423
	15/06/21	€0.00	LTIP	15/06/24 – 15/06/31	230,058	-	-	-	230,058
	09/06/22	€0.00	LTIP	09/06/25 – 09/06/32	-	278,796	-	-	278,796
				Total	466,093	278,796	-	(82,612)	662,277
Mark Chilton	16/06/21	€0.00	R&R	16/06/22 – 16/06/28	48,894	-	-	-	48,894
	09/06/22	€0.00	R&R	09/06/25 – 09/06/32	-	50,000	-	-	50,000
				Total	48,894	50,000	-	-	98,894

Key: LTIP – Long Term Incentive Plan approved in 2015;
1. During FY2021, David Forde was granted awards ("Buy-Out Awards") to replace remuneration forfeited upon his departure from his former employer. The Buy-Out Awards were granted in the form of nil cost options over €0.01 ordinary shares in the Company. The number of shares under award was determined by reference to the value of the forfeited remuneration.
2. The FY2021 awards partially lapsed during the year.

No price was paid for any award of options. The price of the Company's ordinary shares as quoted on the London Stock Exchange at the close of business on 28 February 2023 was £1.49 (28 February 2022: £2.11). The price of the Company's ordinary shares ranged between £1.44 and £2.16 during the year.

There was no movement in the interests of the Directors in options over the Company ordinary shares between 28 February 2023 and 24 May 2023.

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 2023 and the prior year.

Year ended February	Salary/fees 2023 €'000	2022 €'000
Non-Executive Directors		
Vineet Bhalla	76	54
Jill Caseberry	80	75
Jim Clerkin[1]	-	46
Vincent Crowley[2]	93	121
Emer Finnan[2 3]	98	126
Stewart Gilliland[4]	81	230
Helen Pitcher	100	93
Jim Thompson	95	90
Ralph Findlay[5]	187	-
John Gibney[6]	26	-
Total	836	835

1. Jim Clerkin left the Board on 27 October 2021.
2. An additional fee of €32,500 was paid to Vincent Crowley and Emer Finnan to reflect the significant additional time given to assisting the business on a number of projects particularly in relation to the Rights Issue during FY2022.
3. Emer Finnan left the Board on 8 February 2023.
4. Stewart Gilliland left the Board on 7 July 2022.
5. The fees paid to Ralph Findlay for the year ended 28 February 2023 reflect his position as a Non-Executive Director between 1 March 2022 and 7 July 2022, and his position as Non-Executive Chair for the remainder of the year.
6. John Gibney was appointed to the Board on 26 October 2022, the figures reflect his remuneration for the year from appointment.

Fees paid to Non-Executive Directors are determined and approved by the Board as a whole. The Committee recommends the remuneration of the Chair to the Board.

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

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

Non-Executive Role / Position	Fees €
Non-Executive Chair	250,000
Base fee	67,015
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 three years of the date approval of the 2021 Policy, if later.

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

The beneficial interests, including family interests, of the Non-Executive Directors in office at 28 February 2023 in the share capital of the Company are detailed below:

	28 February 2023 (or date of retirement from the board if earlier) Total	1 March 2022 (or date of appointment if later) Total
Directors		
Vineet Bhalla	10,000	10,000
Jill Caseberry	6,304	6,304
Vincent Crowley	25,216	25,216
Ralph Findlay[1]	47,100	21,668
Emer Finnan	10,028	10,028
Stewart Gilliland	166,089	166,089
Helen Pitcher	8,015	8,015
Jim Thompson	157,780	157,780
John Gibney	-	-
Total	430,532	405,100

1. Ralph Findlay was appointed to the Board as Non-Executive Director on 1 March 2022.

There were no changes in the above Non-Executive Directors' share interests between 28 February 2023 and 24 May 2023.

Performance graph and table

This graph shows the value, at 28 February 2023, of £100 invested in the Company on 28 February 2013 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

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 2022:

		Total Remuneration €'000	Annual Bonus (as % of maximum opportunity)	Long term incentives vesting (as % of maximum number of shares)
FY2014	Stephen Glancey	1,152	18.75%	7%
FY2015	Stephen Glancey	980	Nil	Nil
FY2016	Stephen Glancey	1,230	25%	Nil
FY2017	Stephen Glancey	1,052	Nil	Nil
FY2018	Stephen Glancey	994	18%	Nil
FY2019	Stephen Glancey	1,777	100%	Nil
FY2020	Stephen Glancey (to 15/01/20)	2,219	25%	100%
FY2020	Stewart Gilliland (from 16/01/20)	71	N/A	N/A
FY2021	Stewart Gilliland (to 02/11/20)	301	N/A	N/A
FY2021	David Forde (from 02/11/20)	1,731	Nil	Nil
FY2022	David Forde	776	Nil	Nil
FY2023	David Forde	1,231	Nil	65%

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

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

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

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

The table below shows the ratio of the pay of the CEO to that of the UK lower quartile, median and upper quartile full-time equivalent employees in FY2021, FY2022 and FY2023. For the wider workforce, the value of benefits provided in the year has not been included as the data is not readily available. In the view of the Company, this does not have a meaningful impact on the pay ratios.

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

The UK regulations provide three methods for the calculation of the CEO Pay Ratio, A, B and C with Option A (modified) being the preferred method as it is the most statistically accurate one. Remuneration for other employees for the purposes of the calculation is for the financial year FY2023. In calculating the ratio, the Company determined full time equivalent annual remuneration for UK employees, employed in the business as at 28 February 2023. Set out below is the remuneration and salary component of that remuneration for the CEO and for employees in the 25th, 50th (median) and 75th quartiles.

Year	CEO total remuneration (salary) €	25th percentile employee remuneration (salary) €	Median employee remuneration (salary) €	75th percentile employee remuneration (salary) €
2020	2,218,941 697,964	26,146 24,080	32,257 30,024	45,075 39,232
2021	2,031,946 531,161	23,465 22,146	29,667 27,894	42,290 38,358
2022	776,250 690,000	26,759 25,281	34,125 31,511	45,338 41,613
2023	1,230,899 714,150	28,957 27,450	35,795 33,661	47,986 44,183

Salary Only Ratios

Year	Method	25th percentile ratio	Median ratio	75th percentile ratio
2020	Option A	29.0:1	23.2:1	17.8:1
2021	Option A	24.0:1	19.0:1	13.8:1
2022	Option A	27.3:1	21.9:1	16.6:1
2023	Option A	26.0:1	21.2:1	16.2:1

Total Remuneration Ratios

Year	Method	25th percentile ratio	Median ratio	75th percentile ratio
2020	Option A	84.9:1	68.8:1	49.2:1
2021	Option A	86.6:1	68.5:1	48.0:1
2022	Option A	29.0:1	22.7:1	17.1:1
2023	Option A	42.5:1	34.4:1	25.7:1

The Company believes that the median pay ratio for FY2023 is consistent with the pay, reward and progression policies for the UK employees. The change in the ratios between FY2022 and FY2023 is attributable to 83% of employees receiving an increase in pay of 5.4%.

Annual Percentage Change in Remuneration of Directors and Employees

The table below reports the annual percentage change in salary/fees and bonus of the Directors and employees between FY2022 and FY2023 in accordance with the UK Regulations. The UK Regulations also require that this disclosure be included in relation to benefits however due to the difficulty in obtaining this data, we have decided not to include benefits for the purpose of the calculation, consistent with our approach to the CEO Pay Ratio. The "average employee" disclosure shows the average percentage change in the same remuneration over the same period in respect of the Company's UK full time equivalent employees, by reported numbers. We have used the Company's UK full time equivalent employees as the comparator group for consistency with the approach to the CEO Pay Ratio calculation.

The average employee change has been calculated by reference to the mean of employee pay. Ralph Findlay and John Gibney were appointed to the Board during FY2023 and, accordingly, have been excluded from the table below. Stewart Gilliland and Emer Finnan left the Board during FY2023 and, accordingly, have been excluded from the table below.

		Average Employee	David Forde	Patrick McMahon	Jill Caseberry	Vincent Crowley[3]	Helen Pitcher	Jim Thompson
Salary/Fees	FY2020 – FY2021	(4.2%)	N/A	N/A	(7.2%)	(7.0%)	(3.5%)	2.9%
	FY2021 – FY2022	1.6%	0.0%	0.0%	21.9%	54.4%	22.0%	31.0%
	FY2022 – FY2023	7.4%	3.5%	3.5%	6.7%	(23.1%)	7.5%	5.6%
Annual Bonus	FY2020 – FY2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY2021 – FY2022	0.6%	N/A	N/A	N/A	N/A	N/A	N/A
	FY2022 – FY2023	0.0%	N/A	N/A	N/A	N/A	N/A	N/A

1. As reported last year, Executive Directors' salaries increased by 3.5% in line with the workforce and Non-Executive base fees increased by 3.1% in FY2023.
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.
3. An additional fee of €32,500 was paid to Vincent Crowley in FY2022 to reflect the significant additional time given to assisting the business on a number of projects particularly in relation to the Rights Issue. This was not paid in FY2023.

Directors' Remuneration Committee Report
(continued)

Implementation of the Remuneration Policy in FY2024

Based on the continuation of the existing approach, the Committee intends to take the following approach to the implementation of the Policy for FY2024:

Salary

Cognisant of the impact of the cost of living, 83% of the workforce will receive an increase of 5.4%, with the lowest paid receiving an increase of 7.0%. Executive salaries will increase by 1.2%. This is below the average percentage increase awarded to our workforce.

Annual Bonus

As noted in the Chair's statement, the Executive Directors' annual bonus opportunity for FY2024 will be 125% of salary, with 50% of any bonus earned paid in cash and 50% deferred into shares for three years. The performance conditions will be based on a mix of financial and non-financial measures, with 75% of the overall opportunity based on financial measures (split between operating profit (50%) and cash (25%)) and the remainder on non-financial measures (with a 15% weighting given to strategic goals and a 10% weighting given to an ESG measure based on workforce engagement).

Long-Term Incentives

The current intention is that the LTIP will be made in late May / early June 2023.

As noted in the Chair's letter on page 116, for FY2024, it is proposed that the Free Cash Flow metric will be removed from the LTIP and replaced with a relative TSR metric.

Details of the anticipated targets are set out below.

Measure	Weighting	Targets
EPS	45%	Threshold (25% vesting): 15.2c Maximum: 16.0c
Relative TSR	35%	Threshold (25% vesting): The Company's TSR performance over the performance period[1] is at the median of the comparator group[2] Maximum: The Company's TSR performance over the performance period[1] is at the upper quartile of the comparator group[2]
Environmental	20%	To give impetus to C&C's de-carbonisation efforts, the Company has set a target to reduce its Scope 1 and Scope 2 emissions over the next three financial years ending FY2026. Threshold - 6% reduction Maximum - 12% reduction

1. The performance period for the relative TSR measure will be the three financial years FY2024, FY2025 and FY2026, with TSR performance assessed by reference to a three month average TSR measurement before the start of the performance period and at the end of the performance period.
2. The comparator group for the relative TSR measure will be Domino's Pizza Group, JD Wetherspoon, Mitchells & Butlers, SSP, Fullers, Gym Group, Hollywood Bowl, Marston's, Restaurant Group, Ten Entertainment Group, Britvic, Cranswick, Hilton Food Group, Premier Foods, Tate & Lyle, AG Barr, Bakkavor, Devro, Greencore and FeverTree.

Non-Executive Directors

Following a review, the Board has agreed that non-executive base fees will remain unchanged in FY2024.

Chair Fee

Ralph Findlay succeeded Stewart Gilliland as Chair following the 2022 AGM. On his appointment as Chair, Ralph's fee was set at €250,000. This will remain unchanged for FY2024.

Shareholder Voting on the Directors' Remuneration Report and Directors' Remuneration Policy

The following table sets out the votes at the 2022 AGM in respect of the Report and at the 2021 AGM the Policy.

Directors' Remuneration Report

AGM	For	Against	Withheld
2022	315,970,596	185,112	3,705

Directors' Remuneration Policy

AGM	For	Against	Withheld
2021	273,330,524	14,729,936	4,153

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

The Company is incorporated in Ireland and is therefore not subject to the UK company law requirement to submit its Directors' Remuneration Policy ('Policy') to a binding vote. Nonetheless, in line with our commitment to best practice, at the AGM in July 2021, our Policy was approved by our shareholders on an advisory basis.

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

Helen Pitcher OBE
Remuneration Committee Chair
24 May 2023

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 Group Chief Financial Officer, in order to ensure that those requirements are met.

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

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

Each of the Directors, whose names and functions are listed on pages 88 and 89 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- So far as they are aware, there is no relevant audit information of which the Company's statutory auditor is unaware;
- They have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information.
- The Group Financial Statements, prepared in accordance with IFRS as adopted by the European Union and the Company financial statements prepared in accordance with FRS 101 give a true and fair view of the assets, liabilities, financial position of the Group and Company at 28 February 2023 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

Patrick McMahon	**Ralph Findlay**
Group Chief Executive Officer and Group Financial Officer	Executive Chair

24 May 2023

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 2023, 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 2023;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity and the Company Statement of Changes in Equity for the year then ended; and
- the notes forming part of the financial statements, including the Statement of Accounting Policies set out on pages 154 to 232.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, Accounting Standards including FRS 101 *Reduced Disclosure Framework* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 28 February 2023 and the Group's profit for the year then ended;
- the Company financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 28 February 2023;
- the Group financial statements have been properly prepared in accordance with IFRS 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 issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process and also engaging with management early to ensure all key factors were considered in their assessment;
- Considering whether events or conditions existed that may cast doubt on the entity's ability to continue as a going concern for a period to 31 August 2024;
- Obtaining management's board-approved going concern assessment, including the cash forecasts and covenant calculations for the going concern period, which covered a period to 31 August 2024;
- Considering the consistency of information obtained from other areas of the audit such as the forecasts used for impairment assessments;
- Considering past historical accuracy of management's forecasts;
- Considering the appropriateness of the methods used to calculate the cash forecasts and covenant calculations and determining through inspection and testing of the methodology and calculations that the methods utilised were appropriately sophisticated to be able to make an assessment for the Group;
- Considering the mitigating factors included in the cash forecasts and covenant calculations that are within the control of the Group. This included our review of the Group's non-operating cash outflows and evaluating the Group's ability to control these outflows as mitigating actions if required. We also verified the credit facilities available to the Group;
- Performing reverse stress testing in order to identify what factors would lead to the Group breaching financial covenants during the going concern period; and
- Reviewing the Group's going concern disclosures included in the annual report in order to assess if the disclosures were appropriate and in conformity with the reporting standards.

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

Our key observations

We have observed that the Group has adapted to a high-inflation environment, generating operating cash flows of €86.0 million in the year ended 28 February 2023. Further, the Group continues to have access to significant liquidity. At 28 February 2023, the Group has unrestricted cash and cash equivalents of €115.3 million and unused committed debt facilities of up to €355 million from a revolving bank credit facility expiring in July 2024. We note that the Group has negotiated a refinancing of the Group's current multi-currency facility agreement. Following the publication of the Group's FY2023 results, the Group will enter into a new five-year committed sustainability-linked facility comprised of a €250 million multi-currency revolving loan facility and a €100 million non-amortising Euro term loan, both with maturity in FY2028.

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 or the Company's ability to continue as a going concern for a period to 31 August 2024.

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 ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 13 components and performed audit procedures on specific balances for a further 2 components. • We performed specified procedures at a further 6 components that were determined by the Group audit team in response to specific risk factors. We also performed review procedures at a further 1 component. • The components where we performed either full or specific audit procedures accounted for 91.5% of the Group's Profit before tax, 99.6% of the Group's Net revenue and 97.3% of the Group's Total assets. • Components represent business units across the Group considered for audit scoping purposes.
Key audit matters	• Recoverability of on-trade receivable balances and advances to customers. • Carrying value of goodwill and intangible brand assets. • Revenue recognition.
Materiality	• Overall Group materiality was assessed to be €3.34 million which represents approximately 5% of the Group's profit before tax before non-recurring exceptional items. In our prior year audit, we adopted a materiality of €3.85 million which represented approximately 5% of the Group's Normalised Earnings based on the average profit before tax and pre-exceptional items for the years ended 28 February 2019 to 28 February 2022 excluding 28 February 2021.
What has changed?	• In the prior year, our auditor's report included key audit matters in relation to the *Assessment of the valuation of Property, Plant and Equipment (PP&E).*

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 2023: €125.6m, 2022: €147.5m, advances to customers 2023: €41.9m, 2022: €43.0m) The Group has a risk through exposure to on-trade receivable balances and advances to customers who may experience financial difficulty given the current economic climate. Refer to the Audit Committee Report (page 102); Accounting policies (page 166); and Note 15 of the consolidated Financial Statements (pages 197 to 199).	We have evaluated the process and key controls, designed and implemented by management, related to assessing recoverability of on-trade receivable balances and advances to customers. We have reviewed the model used by management in calculating the expected credit losses to ensure that it is compliant with IFRS 9 *'Financial Instruments'* and adequately captures the additional risks in the current environment. We have tested a consistent methodology tailored for local nuances has been applied in calculating expected credit losses. We have considered management's assumptions around the impact of the current environment on the debtor portfolios. Additionally, we have benchmarked the expected credit losses using information such as credit default swaps for comparable groups operating in the same sector and found these to be reasonable. Given the inherent level of uncertainty and the sensitivity of judgements and estimates, we reviewed all related disclosures of the key assumptions used and judgements made in estimating the Expected Credit Loss (ECL) for compliance with IFRS 9. The above procedures were performed by the local audit teams.	We completed our planned audit procedures with no exceptions noted. Our observations included our assessment of management's methodology for calculating expected credit losses in accordance with IFRS 9. We focused on the significant judgements made by management, benchmarked key assumptions and the appropriate disclosure of these in the financial statements.

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Carrying value of goodwill & intangible brand assets (2023: €645.5m, 2022: €656.5m) The Group holds significant amounts of goodwill & intangible brand assets on the balance sheet. In line with the requirements of IAS 36 '*Impairment of Assets*' (IAS 36), management tests goodwill balances annually for impairment, and also tests intangible assets where there are indicators of impairment. The annual impairment testing was significant to our audit because of the financial quantum of the assets it supports as well as the fact that the testing relies on a number of critical judgements, estimates and assumptions by management. Judgemental aspects include cash-generating unit (CGU) determination for goodwill purposes, assumptions of future profitability, revenue growth, margins and forecast cash flows, and the selection of appropriate discount rates, all of which may be subject to management override. Refer to the Audit Committee Report (page 102); Statement of Accounting Policies (page 160); and Note 12 of the Consolidated Financial Statements (pages 190 to 194).	We have evaluated the process and key controls, designed and implemented by management, related to the impairment assessment of goodwill & intangible brand assets. Valuation 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 EBIT growth rate contained in the financial projections for year one (which are then projected out for years two, three, four and five) when viewed against the prior year and current year actual growth; • the results of our sensitivity analysis; and • all disclosures are appropriate to the requirements of IAS 36.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition (2023: €1,689.0m, 2022: €1,438.1m) The Group generates revenue from a variety of geographies and across a large number of separate legal entities spread across the Group's two reporting 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 production capacity, and other material complex arrangements with customers. Revenue is an important element of how the Group measures its performance, and revenue recognition is therefore inherently susceptible to the risk of management override. Refer to the Audit Committee Report (page 102); Statement of Accounting Policies (page 163); and note 1 of the Consolidated Financial- Statements (pages 170 to 173).	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 evaluated the systems and key controls, designed and implemented by management, related to revenue recognition; • We considered the appropriateness of the Group's revenue recognition policy; • We discussed with management the key assumptions, estimates and judgements related to recognition, measurement, classification of revenue and related disclosures in accordance with IFRS 15 *'Revenue from Contracts with Customers'*; • In addition, we have discussed significant and complex customer contracts, discounts and the treatment of marketing contributions to ensure that accounting policies are applied correctly; and • We performed journal entry testing and verification of proper cut-off at yearend. The above procedures were performed by the local audit teams.	We completed our planned audit procedures with no exceptions noted. Our observations included: • an overview of the risk; • an outline of the procedures performed; and • the judgements we focused on and the results of our testing.

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

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 to be €3.34 million, which is approximately 5% of the Group's profit before tax before non-recurring exceptional items (2022: €3.85 million which represented approximately 5% of the Group's Normalised Earnings based on the average profit before tax and pre-exceptional items for the years ended 28 February 2019 to 28 February 2022 excluding 28 February 2021). We believe that profit before tax before non-recurring exceptional items provides us with the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance metric 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
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% (2022: 50%) of our planning materiality, namely €1.67 million (2022: €1.93 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.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was €0.30 million to €1.13 million (2022: €0.39 million to €0.96 million).

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 €0.167 million (2022: €0.193 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 assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected 15 (2022: 15) components covering entities across Ireland, UK and the US which represent the principal business units within the Group.

Of the 15 (2022: 15) components selected, we performed an audit of the complete financial information of 13 (2022: 12) components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 2 (2022: 3) components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

In addition to the 15 (2022: 15) components discussed above, we selected a further 6 (2022: 7) components where we performed procedures at the component level that were specified by the Group audit team in response to specific risk factors.

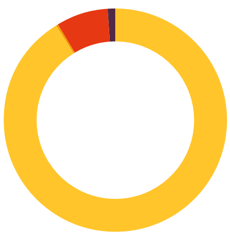
The reporting components where we performed audit procedures accounted for 99.1% (2022: 99.6%) of the Group's Profit before tax, 99.6% (2022: 99.6%) of the Group's Net revenue and 98.9% (2022: 95.9%) of the Group's Total assets.

For the current year, the full scope components contributed 91.2% (2022: 91.8%) of the Group's Profit before tax, 99.6% (2022: 99.6%) of the Group's Net revenue and 97.3% (2022: 95.8%) of the Group's Total assets. The specific scope component contributed 0.3% (2022: 2.5%) of the Group's Profit before tax, 0.0% (2022: 0.0%) of the Group's Net revenue and 0.0% (2022: 0.0%) 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 7.6% (2022: 5.3%) of the Group's Profit before tax, 0.0% (2022: 0.0%) of the Group's Net revenue and 1.6% (2022: 0.1%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining components that together represent 0.9% (2022: 0.4%) of the Group's Profit before tax, none are individually greater than 5% (2022: 5%) of the Group's Profit before tax. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Group financial statements.

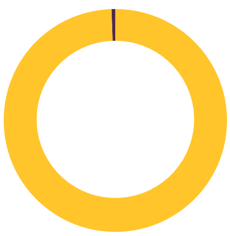
The charts below illustrate the coverage obtained from the work performed by our audit teams.

Group's Profit before tax



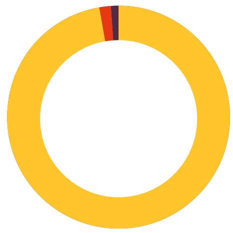
91.2%	Full scope components
0.3%	Specific scope components
7.6%	Specified procedures
0.9%	Other procedures

Group's Net Revenue



99.6%	Full scope components
0.0%	Specific scope components
0.0%	Specified procedures
0.4%	Other procedures

Group's Total Assets



97.3%	Full scope components
0.0%	Specific scope components
1.6%	Specified procedures
1.1%	Other procedures

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

We issued detailed instructions to each component auditor in scope for the Group audit, with specific audit requirements and requests across key areas. The Group audit team 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 locations. During the current year's audit cycle, visits were undertaken by the primary audit team to component teams as follows: Matthew Clark & Bibendum (MCB) in Bristol, Tennent's in Glasgow and Bulmers in Clonmel, 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 performed file reviews for MCB, Tennent's and Bulmers.

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.

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

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 38) 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 38) in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group's and the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 6.8.3(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation (set out on pages 38 to 39) in the annual report as to how they have assessed the prospects of the Group and the 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 Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Other information

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

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 102) – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- *Audit committee reporting* (set out on pages 100 to 104) – 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 90)– the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 6.8.6 do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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

Matters on which we are required to report by exception

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

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. We have nothing to report in this regard.

We have nothing to report in respect of section 13 of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, which require us to report to you if, in our opinion, the Company has not provided in the non-financial statement the information required by Section 5(2) to (7) of those Regulations, in respect of 28 February 2022.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 136, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the 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.

Explanation to what extent the audit was considered capable detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud, that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedures will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

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

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 with 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.

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.

Dermot Quinn
for and on behalf of
Ernst & Young
Chartered Accountants and Statutory Audit Firm
Dublin

24 May 2023

Consolidated Income Statement
For the financial year ended 28 February 2023

	Notes	Year ended 28 February 2023 Before exceptional items €m	Exceptional items (note 5) €m	Total €m	Year ended 28 February 2022 Before exceptional items €m	Exceptional items (note 5) €m	Total €m
Revenue	1	**2,060.7**	**-**	**2,060.7**	1,796.1	-	1,796.1
Excise duties		**(371.7)**	**-**	**(371.7)**	(358.0)	-	(358.0)
Net revenue	1	**1,689.0**	**-**	**1,689.0**	1,438.1	-	1,438.1
Operating costs	2	**(1,604.9)**	**(0.2)**	**(1,605.1)**	(1,390.2)	10.6	(1,379.6)
Group operating profit	1	**84.1**	**(0.2)**	**83.9**	47.9	10.6	58.5
Profit on disposal	5	**-**	**1.1**	**1.1**	-	4.5	4.5
Finance income	6	**-**	**0.2**	**0.2**	-	0.2	0.2
Finance expense	6	**(17.3)**	**(2.0)**	**(19.3)**	(16.1)	(6.7)	(22.8)
Share of equity accounted investments' profit after tax	13	**-**	**-**	**-**	2.6	2.7	5.3
Profit before tax		**66.8**	**(0.9)**	**65.9**	34.4	11.3	45.7
Income tax expense	7	**(14.2)**	**0.2**	**(14.0)**	(6.2)	(2.4)	(8.6)
Group profit for the financial year		**52.6**	**(0.7)**	**51.9**	28.2	8.9	37.1
Basic earnings per share (cent)	9			**13.3**			9.9
Diluted earnings per share (cent)	9			**13.2**			9.9

All of the results are related to continuing operations.

Consolidated Statement of Comprehensive Income
For the financial year ended 28 February 2023

	Notes	2023 €m	2022 €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	**(19.8)**	11.9
Foreign currency recycled on disposal of asset held for sale	6	**0.4**	-
Foreign currency recycled on disposal of subsidiary	6	**-**	(0.2)
Gain/(loss) relating to cash flow hedges	24	**1.2**	(0.1)
Items that will not be reclassified to Income Statement in subsequent years:			
Revaluation of property, plant & equipment	11	**(0.7)**	2.5
Deferred tax on revaluation of property, plant and equipment	22	**0.3**	(0.6)
Actuarial gain on retirement benefits	23	**4.3**	32.8
Deferred tax charge on actuarial gain on retirement benefits	22	**0.1**	(4.3)
Share of equity accounted investments' Other Comprehensive Income	13	**-**	2.2
Net (loss)/gain recognised directly within Other Comprehensive Income		**(14.2)**	44.2
Group profit for the financial year		**51.9**	37.1
Total comprehensive income for the financial year		**37.7**	81.3

Consolidated Balance Sheet
As at 28 February 2023

	Notes	2023 €m	2022 €m
ASSETS			
Non-current assets			
Property, plant & equipment	11	**210.3**	214.0
Goodwill & intangible assets	12	**645.5**	656.5
Equity accounted investments/financial assets	13	**1.3**	1.3
Retirement benefits	23	**42.2**	37.6
Deferred tax assets	22	**25.0**	27.0
Derivative financial assets	10, 24	**5.6**	4.3
Trade & other receivables	15	**38.0**	43.0
		967.9	983.7
Current assets			
Inventories	14	**174.9**	168.2
Trade & other receivables	15	**164.1**	186.3
Current income tax assets		**0.7**	-
Cash		**115.3**	64.7
		455.0	419.2
Assets held for sale	16	**-**	65.8
		455.0	485.0
TOTAL ASSETS		**1,422.9**	1,468.7
EQUITY			
Capital and reserves			
Equity share capital	25	**4.0**	4.0
Share premium	25	**347.2**	347.2
Treasury shares	25	**(34.1)**	(36.0)
Other reserves	25	**80.3**	98.3
Retained income		**341.8**	285.5
Total Equity		**739.2**	699.0
LIABILITIES			
Non-current liabilities			
Lease liabilities	19	**57.1**	59.8
Interest bearing loans & borrowings	20	**100.0**	219.4
Provisions	18	**4.9**	3.9
Deferred tax liabilities	22	**34.2**	30.2
		196.2	313.3
Current liabilities			
Lease liabilities	19	**16.7**	20.2
Derivative financial liabilities	24	**-**	0.1
Trade & other payables	17	**370.7**	386.1
Interest bearing loans & borrowings	20	**94.2**	36.6
Provisions	18	**5.4**	8.2
Current income tax liabilities		**0.5**	5.2
		487.5	456.4
Total liabilities		**683.7**	769.7
TOTAL EQUITY & LIABILITIES		**1,422.9**	1,468.7

On behalf of the Board

R Findlay	**P McMahon**	**DATE**
Executive Chair	Chief Executive Officer	24 May 2023

Consolidated Cash Flow Statement
For the financial year ended 28 February 2023

	Notes	2023 €m	2022 €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Group profit for the year		**51.9**	37.1
Finance income	6	**(0.2)**	(0.2)
Finance expense	6	**19.3**	22.8
Income tax expense	7	**14.0**	8.6
Profit on share of equity accounted investments	13	**-**	(5.3)
Impairment of intangible asset	12	**-**	0.6
Impairment of equity accounted investments	5, 13	**-**	6.4
Revaluation of property, plant & equipment	5	**-**	(0.6)
Depreciation of property, plant & equipment	2, 11, 19	**30.0**	29.2
Amortisation of intangible assets	2, 12	**2.5**	2.6
Profit on disposal	5	**(1.1)**	(4.5)
Net profit on disposal of property, plant & equipment		**-**	(1.6)
Rights Issue costs recorded as exceptional	5	**0.7**	2.6
Charge for equity settled share-based payments	4	**2.5**	1.5
Pension contributions: adjustment from (credit)/charge to payment	23	**(0.6)**	0.3
		119.0	99.5
Increase in inventories		**(12.2)**	(43.6)
Decrease/(increase) in trade & other receivables		**18.5**	(84.0)
(Decrease)/increase in trade & other payables		**(6.6)**	89.6
Decrease in provisions		**(1.3)**	(0.9)
		117.4	60.6
Interest and similar costs paid		**(19.4)**	(24.4)
Income taxes paid		**(12.0)**	(3.2)
Net cash inflow from operating activities		**86.0**	33.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment	11	**(10.1)**	(14.9)
Purchase of intangible assets	12	**(5.1)**	(2.2)
Net proceeds on disposal of property, plant & equipment		**-**	2.3
Sale of asset held for sale	16	**63.6**	-
Sale of business – net of cash disposed	5, 10	**0.7**	12.9
Cash outflow re acquisition of equity accounted investments/financial assets	13	**-**	(0.3)
Net cash inflow/(outflow) from investing activities		**49.1**	(2.2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options/equity interests		**-**	0.7
Proceeds from Rights Issue	5	**-**	176.3
Drawdown of debt	21	**48.5**	49.5
Repayment of debt	21	**(108.5)**	(271.7)
Payment of lease liabilities	19	**(22.5)**	(21.9)
Payment of Rights Issue costs	5	**(0.7)**	(9.2)
Net cash outflow from financing activities		**(83.2)**	(76.3)
Net increase/(decrease) in cash		**51.9**	(45.5)
Reconciliation of opening to closing cash			
Cash at beginning of year		**64.7**	107.7
Translation adjustment		**(1.3)**	2.5
Net increase/(decrease) in cash		**51.9**	(45.5)
Cash at end of financial year		**115.3**	64.7

A reconciliation of cash to net debt is presented in note 21 to the financial statements.

Consolidated Statement of Changes in Equity
For the financial year ended 28 February 2023

	Equity share capital €m	Share premium €m	Other capital reserves* €m	Cash flow hedge reserve €m	Share-based payments reserve €m	Currency translation reserve €m	Revaluation reserve €m	Treasury shares €m	Retained income €m	Total €m
At 28 February 2021	3.2	171.3	25.8	-	3.3	41.6	12.4	(36.5)	225.0	446.1
Profit for the financial year	-	-	-	-	-	-	-	-	37.1	37.1
Other comprehensive income/ (expense)	-	-	-	(0.1)	-	11.7	2.5	-	30.1	44.2
Total comprehensive income/ (expense)	-	-	-	(0.1)	-	11.7	2.5	-	67.2	81.3
Ordinary Share Capital Issued (note 25)	0.8	175.5	-	-	-	-	-	-	-	176.3
Share issue costs (note 5)	-	-	-	-	-	-	-	-	(6.6)	(6.6)
Exercised share options (note 25)	-	0.4	-	-	-	-	-	-	-	0.4
Reclassification of share-based payments reserve	-	-	-	-	(0.4)	-	-	-	0.4	-
Sale of treasury shares/purchase of shares to satisfy employee share entitlements (note 25)	-	-	-	-	-	-	-	0.5	(0.5)	-
Equity settled share-based payments (note 4)	-	-	-	-	1.5	-	-	-	-	1.5
Total transactions with owners	0.8	175.9	-	-	1.1	-	-	0.5	(6.7)	171.6
At 28 February 2022	4.0	347.2	25.8	(0.1)	4.4	53.3	14.9	(36.0)	285.5	699.0
Profit for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**51.9**	**51.9**
Other comprehensive income/ (expense)	**-**	**-**	**-**	**1.2**	**-**	**(19.4)**	**(0.7)**	**-**	**4.7**	**(14.2)**
Total comprehensive income/ (expense)	**-**	**-**	**-**	**1.2**	**-**	**(19.4)**	**(0.7)**	**-**	**56.6**	**37.7**
Reclassification of share-based payments reserve	**-**	**-**	**-**	**-**	**(1.6)**	**-**	**-**	**-**	**1.6**	**-**
Sale of treasury shares/purchase of shares to satisfy employee share entitlements (note 25)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.9**	**(1.9)**	**-**
Equity settled share-based payments (note 4)	**-**	**-**	**-**	**-**	**2.5**	**-**	**-**	**-**	**-**	**2.5**
Total transactions with owners	**-**	**-**	**-**	**-**	**0.9**	**-**	**-**	**1.9**	**(0.3)**	**2.5**
At 28 February 2023	**4.0**	**347.2**	**25.8**	**1.1**	**5.3**	**33.9**	**14.2**	**(34.1)**	**341.8**	**739.2**

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

Company Balance Sheet
As at 28 February 2023

	Notes	2023 €m	2022 €m
ASSETS			
Non-current assets			
Financial assets	13	**1,158.6**	1,158.2
		1,158.6	1,158.2
Current assets			
Trade & other receivables	15	**285.1**	114.7
Cash		**0.2**	0.1
		285.3	114.8
TOTAL ASSETS		**1,443.9**	1,273.0
EQUITY			
Equity share capital	25	**4.0**	4.0
Share premium	25	**1,048.2**	1,048.2
Other reserves	25	**5.1**	4.2
Retained income		**231.8**	21.5
Total equity		**1,289.1**	1,077.9
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	20	**100.0**	143.4
		100.0	143.4
Current liabilities			
Interest bearing loans & borrowings	20	**(0.8)**	(0.9)
Trade & other payables	17	**55.6**	52.6
		54.8	51.7
Total liabilities		**154.8**	195.1
TOTAL EQUITY & LIABILITIES		**1,443.9**	1,273.0

As permitted by section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its separate Income Statement in the Financial Statements and from filing it with the Registrar of Companies. The Company's profit for the financial year is €208.7m (FY2022: loss of €17.0m). In the current financial year, there were dividends received of €219.9m from subsidiaries (FY2022: €nil).

On behalf of the Board

R Findlay	**P McMahon**	**DATE**
Executive Chair	Chief Executive Officer	24 May 2023

Company Statement of Changes in Equity
For the financial year ended 28 February 2023

	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 2021	3.2	872.3	0.9	2.2	44.7	923.3
Loss for the financial year	-	-	-	-	(17.0)	(17.0)
Total comprehensive expense	-	-	-	-	(17.0)	(17.0)
Ordinary Share Capital Issued (note 25)	0.8	175.5	-	-	-	176.3
Share issue costs (note 5)	-	-	-	-	(6.6)	(6.6)
Exercised share options (note 25)	-	0.4	-	-	-	0.4
Reclassification of share-based payments reserve	-	-	-	(0.4)	0.4	-
Equity settled share-based payments (note 4)	-	-	-	1.5	-	1.5
Total transactions with owners	0.8	175.9	-	1.1	(6.2)	171.6
At 28 February 2022	4.0	1,048.2	0.9	3.3	21.5	1,077.9
Profit for the financial year	**-**	**-**	**-**	**-**	**208.7**	**208.7**
Total comprehensive expense	**-**	**-**	**-**	**-**	**208.7**	**208.7**
Reclassification of share-based payments reserve	**-**	**-**	**-**	**(1.6)**	**1.6**	**-**
Equity settled share-based payments (note 4)	**-**	**-**	**-**	**2.5**	**-**	**2.5**
Total transaction with owners	**-**	**-**	**-**	**0.9**	**1.6**	**2.5**
At 28 February 2023	**4.0**	**1,048.2**	**0.9**	**4.2**	**231.8**	**1,289.1**

Statement of Accounting Policies
For the year ended 28 February 2023

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 2023 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 2023.

The Company and Group financial statements, together the 'financial statements', were authorised for issue by the Directors on 24 May 2023.

The accounting policies applied in the preparation of the financial statements for the year ended 28 February 2023 are set out below. Except if mentioned otherwise these have been applied consistently for all periods presented in these financial statements and by all Group entities.

Statement of compliance
The Group financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the EU and as applied in accordance with Companies Act 2014. The individual financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101'). In accordance with Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:
- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly-owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the financial statements of the Group include the equivalent disclosures, the Company has also taken exemptions under FRS 101 available in respect of the following disclosures:
- IFRS 2 *Share-Based Payments* in respect of Group equity settled share-based payments.

Changes in accounting policies and disclosures
IFRS as adopted by the EU applied by the Company and Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 28 February 2023. 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 2023:

Reference to the Conceptual Framework – Amendments to IFRS 3
- 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, however the amendment does not have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- 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 does not have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- 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 amendment does not have a material impact on the Group.

AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

- As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards.* The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments do not have a material impact on the Group.

AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

- 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 amendments do not have a material impact on the Group.

AIP 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 amendment does not have a material impact on 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 2023 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.

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 impact of this standard is currently under assessment, but is not expected to have any material impact on the Group.

Definition of Accounting Estimates - Amendments to IAS 8 (1 January 2023)

- In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)

- In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policy information and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement

Statement of Accounting Policies
For the year ended 28 February 2023 (continued)

2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (1 January 2023)
- In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted. The amendments are currently under assessment but are not expected to have a material impact on the Group.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1 (1 January 2024)
- In January 2020 and October 2022, the IASB issued amendments to 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; and
- Disclosures.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendments are currently under assessment but are not expected to have a material impact on the Group.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (1 January 2024)
- In September 2022 the Board issued *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments to IFRS 16 apply to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. The amendment is currently under assessment but are not expected to have a material impact on the Group.

Significant accounting policies

The significant accounting policies applied by the Group in the preparation of these financial statements are as follows:

Basis of preparation

The Group and the individual financial statements of the Company are prepared on the going concern and historical cost basis, except for, retirement benefits, the revaluation of certain items of property, plant & equipment, share-based payments at date of grant and derivative financial instruments. The accounting policies have been applied consistently by Group entities and for all periods presented.

The financial statements are presented in Euro millions to one decimal place.

(i) Going concern basis
The Directors have adopted the going concern basis in preparing the financial statements after assessing the Group's principal risks.

Liquidity and net debt reduction have been a key focus for the Group throughout FY2023, and disciplined balance sheet management has led to net debt excluding leases and liquidity of €78.9m and €470.3m respectively at year end compared with €191.3m and €438.7m respectively in FY2022. The Group delivered a leverage of 1.3x Net Debt/EBITDA as at 28 February 2023.

The Group has successfully negotiated and completed a refinancing of the current multi-currency facility agreement which will be repayable in a single instalment following the publication of the Group's FY2023 Results, at which point the new facility will begin. The Group will enter into a new five-year committed sustainability-linked facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks - namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.

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; however, given the strong return of trading on re-opening, the Group successfully exited waivers early with its bank syndicate in June 2022, returning to normal covenants at pre-COVID-19 levels. With regard to the new facility, which will go live in FY2024, the Group has agreed the same covenants as the previous agreement with the Group's lending group.

The Directors assessed the Group's cash flow forecasts for the period ending 31 August 2024 (the going concern "assessment period"). The cash flow projections included various stress testing scenarios involving higher costs, an evolving inflationary environment, reduced volumes impacted by consumer confidence and capital returns to shareholders. In each scenario, the Group demonstrated sufficient headroom in relation to covenants.

Overall conclusion
The headroom on the covenants within the financing facilities have been reviewed in detail by management and assessed by the Directors. Given the return to unrestricted trading, revenue and volume growth in the Group's core markets, the implemented price increases, and cost hedge positions taken; the cash flow forecasts demonstrate significant headroom on the covenants within the financing facilities. Given the quantum of headroom, the Directors have concluded that the covenants will be satisfied and therefore consider it appropriate to adopt the going concern basis of accounting with no material uncertainties as to the Group's ability to continue to do so.

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and all subsidiary undertakings together with the Group's share of the results of equity accounted investments for the year ended 28 February 2023.

(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.

Statement of Accounting Policies
For the year ended 28 February 2023 (continued)

Unrealised gains arising from transactions with equity accounted investments are eliminated against the investment to the extent of the Group's interest in the investment.

(iv) Company Financial Statements
Investments in subsidiaries are carried at cost less provision for impairment. Dividend income is recognised when the right to receive payment is established.

Property, plant and equipment (note 11)

Property (comprising freehold land & buildings) is recognised at estimated fair value with the changes in the value of the property reflected in Other Comprehensive Income in the case of a revaluation gain, to the extent it does not reverse previously recognised losses, or as an impairment loss in the Income Statement to the extent it does not reverse previously recognised revaluation gains. The fair value is based on estimated market value at the valuation date, being the estimated amount for which a property could be exchanged in an arm's length transaction, to the extent that an active market exists. Such valuations are determined based on benchmarking against comparable transactions for similar properties in similar locations as those of the Group or on the use of valuation techniques including the use of market yields on comparable properties. If no active market exists or there are no other observable comparative transactions, the fair value may be determined using a valuation technique known as a Depreciated Replacement Cost approach.

Plant & machinery is carried at its revalued amount. In view of the specialised nature of the Group's plant & machinery and the lack of comparable market-based evidence of a similar plant sold, upon which to base a market approach of fair value, the Group uses a Depreciated Replacement Cost approach to determine a fair value for such assets.

Depreciated Replacement Cost is assessed, firstly, by the identification of the gross replacement cost for each class of plant & machinery. A depreciation factor derived from both the physical and functional obsolescence of each class of asset, taking into account estimated residual values at the end of the life of each class of asset, is then applied to the gross replacement cost to determine the net replacement cost. An economic obsolescence factor, which is derived based on current and anticipated capacity or utilisation of each class of plant & machinery as a function of total available production capacity, is applied to determine the Depreciated Replacement Cost.

Motor vehicles & other equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant & equipment have different useful lives, they are accounted for as separate items (major components) of property, plant & equipment. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

Property, plant & equipment, other than freehold land and assets under construction, which are not depreciated, were depreciated using the following rates which are calculated to write-off the value of the asset, less the estimated salvage value of 5% for other plant & machinery and 15% for storage tanks, over its expected useful life:

Land & Buildings	
Land	n/a
Buildings – ROI, 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 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.

Statement of Accounting Policies
For the year ended 28 February 2023 (continued)

Where the consideration to be transferred is contingent on future events the consideration is initially recorded at fair value with any changes recognised in the Income Statement. The only exception to this is where the consideration transferred meets the definition of an equity instrument, in which case the consideration is not remeasured, and the settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the cost of acquisition, non-controlling interests and any previous interest held over the fair value of the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Income Statement immediately.

Goodwill (note 12)

As at the date of acquisition any goodwill acquired is allocated to each cash-generating unit (CGU) (which may comprise more than one cash-generating unit) expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. These CGUs represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the business segment retained.

Goodwill relating to associates and joint ventures is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Where indicators of impairment of an investment arise in accordance with the requirements of IAS 36, the carrying amount is tested for impairment by comparing its recoverable amount with its carrying amount.

Intangible assets (other than goodwill) (note 12)

An intangible asset, which is a non-monetary asset without a physical substance, is capitalised separately from goodwill as part of a business combination at cost (fair value at date of acquisition) to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its fair value can be reliably measured. Acquired brands and other intangible assets are deemed to be identifiable and recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets considered to have an indefinite useful economic life are reviewed for indicators of impairment regularly and are subject to impairment testing on an annual basis unless events or changes in circumstances indicate that the carrying values may not be recoverable and impairment testing is required earlier.

Software costs incurred with respect to new systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the development side of the project.

Cloud software license agreements to use cloud software are treated as service contracts and expensed in the Income Statement, unless the Group has both the contractual right to take possession of the software anytime without significant penalty, and the ability to run the software independently of the host vendor. In such cases, the license agreement is capitalised as software within intangible assets.

The amortisation charge on intangible assets considered to have finite lives is calculated to write-off the book value of the asset over its useful life on a straight-line basis on the assumption of zero residual value.

The useful lives of the Group's intangible assets are as follows:

Trade relationship re Tennent's acquisition	20 years
Trade relationship re Wallaces acquisition	10 years
Trade relationship re Gleeson acquisition	15 years
Trade relationship re Matthew Clark and Bibendum acquisition	15 years
Software and licence costs	5 - 8 years

Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Goodwill and intangible assets with indefinite lives: Note 12
- Intangible assets: Note 12
- Property, plant and equipment: Note 11
- Investments in associates and joint ventures: Note 13

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable 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.

Statement of Accounting Policies
For the year ended 28 February 2023 (continued)

The resultant defined benefit pension net surplus or deficit is shown within either non-current assets or non-current liabilities on the face of the Balance Sheet and comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. The assumptions (disclosed in note 23) underlying these valuations are updated at each reporting period date based on current economic conditions and expectations (discount rates, salary inflation and mortality rates) and reflect any changes to the terms and conditions of the post-retirement pension plans. The deferred tax liabilities and assets arising on pension scheme surpluses and deficits are disclosed separately within deferred tax assets or liabilities, as appropriate.

When the benefits of a defined benefit scheme are improved, the portion of the increased benefit relating to the past service of employees is recognised as an expense immediately in the Income Statement.

The expected increase in the present value of scheme liabilities arising from employee service in the current period is recognised in arriving at operating profit or loss together with the net interest expense/(income) on the net defined benefit liability/(asset). Differences between the actual return on plan assets and the interest income, experience gains and losses on scheme liabilities, together with the effect of changes in the current or prior assumptions underlying the liabilities are recognised in Other Comprehensive Income. The amounts recognised in the Income Statement and Other Comprehensive Income and the valuation of the defined benefit pension net surplus or deficit are sensitive to the assumptions used.

Company
The Company has no direct employees and is not the sponsoring employer for any of the Group's defined benefit pension schemes.

Income tax (note 7 and note 22)

Current income tax
Current tax expense represents the expected tax amount to be paid in respect of taxable income for the current year and is based on reported profit and the expected statutory tax rates, reliefs, and allowances applicable in the jurisdictions in which the Group operates. Current tax for the current and prior years, to the extent that it is unpaid, is recognised as a liability in the Balance Sheet.

Deferred tax
Deferred tax is provided on the basis of the Balance Sheet liability method on all temporary differences at the reporting date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised for all temporary differences except where they arise from:
- The initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit or loss nor the taxable profit or loss at the time of the transaction, or,
- Taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference is subject to the Group's control and it is probable that a reversal will not be recognised in the foreseeable future.

Deferred tax assets in respect of deductible temporary differences are recognised only to the extent that it is probable that taxable profits or taxable temporary differences will be available against which to offset these items. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. The recognition of deferred tax assets is based on management's judgement and estimate of the most probable amount of future taxable profits and taking into consideration applicable tax legislation in the relevant jurisdiction. The carrying amounts of deferred tax assets are subject to review at each reporting date and are reduced to the extent that future taxable profits are considered to be insufficient to allow all or part of the deferred tax asset to be utilised.

The Group offsets deferred tax assets and deferred tax liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax and current tax are recognised as a component of the tax expense in the Income Statement except to the extent that they relate to items recognised directly in Other Comprehensive Income or equity (for example, certain derivative financial instruments and actuarial gains and losses on defined benefit pension schemes), in which case the related tax is also recognised in Other Comprehensive Income or equity.

Company financial assets

The change in legal parent of the Group on 30 April 2004, as disclosed in detail in that year's annual report, was accounted for as a reverse acquisition. This transaction gave rise to a financial asset in the Company's accounts, which relates to the fair value at that date of its investment in subsidiaries. Financial assets are reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Share options granted to employees of subsidiary companies are accounted for as an increase in the carrying value of the investment in subsidiaries and the share-based payment reserve.

Revenue recognition

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue comprises an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer, these are exclusive of value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives. Provision is made for returns where appropriate. The Group recognises revenue in the amount of the price expected to be received for goods and services supplied at a point in time or over time, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Where revenue is earned over time as contractual performance obligations are satisfied, the percentage-of-completion method remains the primary method by which revenue recognition is measured.

The Group manufactures and distributes branded cider, beer, wine, spirits and soft drinks in which revenue is recognised at a point in time when control is deemed to pass to the customer upon leaving the Group's premises or upon delivery to a customer depending on the terms of sale. Contracts do not contain multiple performance obligations (as defined by IFRS 15).

Across the Group, goods are often sold with discounts or rebates based on cumulative sales over a period. The variable consideration is only recognised when it is highly probable that it will not be subsequently reversed and is recognised using the most likely amount or expected value methods, depending on the individual contract terms. In the application of appropriate revenue recognition, judgement is exercised by management in the determination of the likelihood and quantum of such items based on experience and historical trading patterns.

The Group is deemed to be a principal to an arrangement when it controls a promised good or service before transferring them to a customer; and accordingly recognises the revenue on a gross basis. The Group is determined to be an agent to a transaction, in circumstances where the Group arranges for the provision of goods or services by another third party, based on the principal of control; the net amount retained after the deduction of any costs to the principal is recognised as revenue.

Excise duty

Excise duty is levied at the point of production in the case of the Group's manufactured products and at the point of importation in the case of imported products in the relevant jurisdictions in which the Group operates. As the Group's manufacturing and warehousing facilities are revenue approved and registered excise facilities, the excise duty liability generally crystallises on transfer of product from duty in suspense to duty paid status which normally coincides with the point of sale. The duty number disclosed represents the cash cost of duty paid on the Group's products. Where goods are bought duty paid, and subsequently sold, the duty element is not included in the duty line within net revenue but is included within the cost of goods sold.

Net revenue

Net revenue is defined by the Group as revenue less excise duty paid by the Group.

Exceptional items

The Group has adopted an accounting policy and Income Statement format that seeks to highlight specific significant items of income and expense within the Group results for the year. The Directors believe this provides a more useful analysis. These significant items are determined based on the following qualitative and quantitative framework. The Group considers items which are significant either because of their size or their nature, and which are non-recurring.

For items to be considered significant, it must initially meet at least one of the following criteria:

- Non-recurring items – these are events/transactions that are infrequent and unusual, or one-off in nature. These include items such as restructuring and integration projects, litigation costs and settlements, impairment of assets, COVID-19, acquisition related costs, and gains/losses from the sale of assets or businesses.
- Inconsistent items – these are items which are inconsistent amounts year on year (where applicable) such as revaluation gains/losses.
- For an item to be deemed exceptional, it must have a significant effect on C&C's profitability and should therefore be separately disclosed. For the purposes of FY2023 year-end, the Group determined a material amount that would influence the economic decisions of a user of the financial statements.

If an item meets at least one of the criteria, the Directors then exercise judgement evaluated based on the above criteria as to whether the item meets the Group definition of significant.

Statement of Accounting Policies
For the year ended 28 February 2023 (continued)

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 either represents a separate major line of business or geographic area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative Income Statement and Other Comprehensive Income is represented as if the operation had been discontinued from the start of the comparative year.

Segmental reporting

Operating segments are reported in a manner consistent with the internal organisational and management structure of the Group and the internal financial information provided to the Chief Operating Decision-Maker (CODM), the executive Directors, who are responsible for the allocation of resources and the monitoring and assessment of performance of each of the operating segments.

Following a business review and organisational structure change in the prior financial year, this transitioned from four segment operating model (Ireland, Great Britain, Matthew Clark and Bibendum and International) to a two-segment operating model. The Group has determined that its reportable segments are Ireland and Great Britain. The reportable segments reflect the way financial information is reviewed by the Group's CODM.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads that are allocated on a reasonable basis to those segments in internal financial reporting packages.

For further information on operating segments see note 1.

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.

Statement of Accounting Policies
For the year ended 28 February 2023 (continued)

Share-based payments

The Group operates a number of Share Option Schemes, Performance Share Plans and cash settled award schemes, listed below:

- Executive Share Option Scheme (the 'ESOS'),
- Long-Term Incentive Plan (the 'LTIP'),
- Recruitment and Retention Plan,
- Deferred Bonus Plan ('DBP'), and
- Partnership and Matching Share Schemes.

Equity settled share-based payment transactions

Group share schemes allow certain employees to acquire shares in the Company. The fair value of share entitlements granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity, while the cost of acquiring shares on the open market to satisfy the Group's obligations under the Partnership and Matching Share Schemes is recognised in the Income Statement as incurred.

All awards are subject to non-market vesting conditions only, the details of which are set out in note 4.

The expense for the share entitlements shown in the Income Statement is based on the fair value of the total number of entitlements expected to vest and is allocated to accounting periods on a straight-line basis over the vesting period. The cumulative charge to the Income Statement at each reporting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. It is reversed only where entitlements do not vest because all non-market performance conditions have not been met or where an employee in receipt of share entitlements leaves the Group before the end of the vesting period and forfeits those options as a 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 allowance for impairment losses. The Group applies the simplified approach permitted by IFRS 9 *Financial Instruments* to measure expected credit losses for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The carrying amount of these receivables approximates their fair value as these are short-term in nature; hence, the maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

Trade receivables are derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Cash

Cash in the Balance Sheet comprises of cash at bank and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash for the purpose of the statement of cash flows.

Advances to customers

Advances to customers, which can be categorised as either an advance of discount or a repayment/annuity loan conditional on the achievement of contractual sales targets, are initially recognised at fair value, amortised to the Income Statement (and classified within sales discounts as a reduction in revenue) over the relevant period to which the customer commitment is made, and subsequently carried at amortised cost less an impairment allowance. Where there is a volume target the amortisation of the advance is included in sales discounts as a reduction to revenue. Regarding advances to customers, the Group applies the general approach to measure expected credit losses which requires a loss provision to be recognised based on twelve month or lifetime expected credit losses, provided a significant increase in credit risk has occurred since initial recognition. The Group Credit Committee reviews debt collection trends and commercial market information to assess any significant change in credit risk.

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.

Statement of Accounting Policies
For the year ended 28 February 2023 (continued)

Share capital/premium

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the gross proceeds.

Treasury shares

Equity share capital issued under its Joint Share Ownership Plan, which is held in trust by an Employee Trust is classified as treasury shares on consolidation until such time as the Interests lapse and the shares are cancelled or disposed of by the Trust.

Own shares acquired under share buyback programme

The cost of ordinary shares purchased by a subsidiary of the Group on the open market is recorded as a deduction from equity on the face of the Group Balance Sheet. When these shares are cancelled, an amount equal to the nominal value of any shares cancelled is included within other undenominated capital fund and the cost is deducted from retained earnings.

Dividends

Final dividends on ordinary shares are recognised as a liability in the financial statements only after they have been approved at an Annual General Meeting of the Company. Interim dividends on ordinary shares are recognised when they are paid.

Significant Judgements and Estimates

The preparation of the consolidated financial statements in conformity with IFRS as adopted by the EU requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The significant judgements, estimates and assumptions used by management may differ from the actual outcome of the transaction and consequently the realised value of the associated assets and liabilities may vary. The Group has considered the impact of climate change on the consolidated financial statements as at 28 February 2023, including the carrying value of assets, the useful economic life of assets, and provisions. The significant judgements and estimates which have been applied, and which are expected to have a material impact, are as follows:

Significant judgements

Income Taxes

The Group is subject to income tax in a number of jurisdictions, and judgement is required in determining the worldwide provision for taxes. There are many transactions and calculations during the ordinary course of business, for which the ultimate tax determination is uncertain and the complexity of the tax treatment may be such that the final tax charge may not be determined until a formal resolution has been reached with the relevant tax authority which may take extended time periods to conclude. The ultimate tax charge may, therefore, be different from that which initially is reflected in the Group's consolidated tax charge and provision and any such differences could have a material impact on the Group's income tax charge and consequently financial performance.
The determination of the provision for income tax is based on management's understanding of the relevant tax law and judgement as to the appropriate tax charge, and management believe that all assumptions and estimates used are reasonable and reflective of the tax legislation in jurisdictions in which the Group operates. Where the final tax charge is different from the amounts that were initially recorded, such differences are recognised in the income tax provision in the period in which such determination is made.

Deferred tax assets in respect of deductible temporary differences are recognised only to the extent that it is probable that taxable profits or taxable temporary differences will be available against which to offset these items. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. The recognition of deferred tax assets is based on management's judgement and estimate of the most probable amount of future taxable profits and taking into consideration applicable tax legislation in the relevant jurisdiction.

Valuation of property, plant and equipment

The Group values its freehold land & buildings and plant & machinery at market value/Depreciated Replacement Cost and consequently, carries out an annual valuation. The Group engages external valuers to value the Group's property, plant & machinery at a minimum every three years or as at the date of acquisition for assets acquired as part of a business combination. An external valuation was conducted at 28 February 2023 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.

Revenue recognition

The Group generates revenue from a variety of geographies and across a large number of separate legal entities spread across the Group's two business segments and has contract packaging agreements with a number of customers, to utilise excess manufacturing capacity, that are non-standard and complex and involve judgment regarding revenue recognition with regard to IFRS 15 *Revenue from Contracts with Customers* and also has some significant and complex customer contracts regarding discounts and marketing contributions. The Group has well developed policies, systems and controls to inform management's judgements and estimates with regard to revenue recognition, measurement and classification for its contract packaging agreements and complex customer contracts.

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. The Group also considered the potential impact of climate change. This is an area of estimation and judgement. As a result, the accounting for such items could result in different estimates or amounts if management used different assumptions or if different conditions occur in future accounting periods.

The inputs to the value in use calculations are disclosed in note 12.

Incremental borrowing rates on leases

Management use estimation in determining the incremental borrowing rates for leases which has a significant impact on the lease liabilities and right-of-use assets recognised. The incremental borrowing rates includes several key components such as, a reference rate (incorporating currency, economic environment and term of lease), a financing spread adjustment, an entity specific adjustment (if applicable) and a lease specific adjustment (if applicable, for example, a property lease compared to vehicle/other leases, and the term of the lease).

Please refer to note 19 for the carrying amounts of the right-of-use assets and the lease liability impacted.

Pension valuation

Significant estimates are used in the determination of the pension obligation, the amounts recognised in the Income Statement and Statement of Other Comprehensive Income and the valuation of the defined benefit pension net surplus or deficit are sensitive to the assumptions used. The assumptions underlying the actuarial valuations (including discount rates, rates of increase in future compensation levels, mortality rates, salary and pension increases, future inflation rates and healthcare cost trends), from which the amounts recognised in the consolidated financial statements are determined, are updated annually based on current economic conditions and for any relevant changes to the terms and conditions of the pension and post-retirement plans. These assumptions can be affected by (i) the discount rate, changes in the rates of return on high-quality corporate bonds; (ii) for future compensation levels, future labour market conditions and (iii) for healthcare cost trend rates, the rate of medical cost inflation in the relevant regions. The weighted average actuarial assumptions used and sensitivity analysis in relation to the significant assumptions employed in the determination of pension and other post-retirement liabilities are contained in note 23 to the consolidated financial statements.

Whilst management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the obligations and expenses recognised in future accounting periods. The assets and liabilities of defined benefit pension schemes may exhibit significant period-on-period volatility attributable primarily to changes in bond yields and longevity. In addition to future service contributions, cash contributions may be required to remediate past service deficits. A sensitivity analysis of the change in these assumptions is provided in note 23.

Expected credit losses

The Group applies the simplified approach permitted by IFRS 9 *Financial Instruments* to measure expected credit losses for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

Notes forming part of the financial statements

1. SEGMENTAL REPORTING

The Group's business activity is the manufacturing, marketing and distribution of branded beer, cider, wine, spirits and soft drinks. Two operating segments have been identified in the current and prior financial year: Ireland and Great Britain.

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 manage the business and allocate resources effectively.

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, Finches and Tipperary Water. The Group also operates the Bulmers Ireland drinks distribution business, a leading distributor of third-party drinks to the licenced On and Off-trades in Ireland. The Group distributes San Miguel and Budweiser Brewing Group's portfolio of beer brands across the island of Ireland on an exclusive basis. The Group's primary manufacturing plant in this segment 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 the sale of the Group's own branded products in Scotland, with Tennent's, Caledonia Best, Heverlee and Magners being 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. The Group's primary manufacturing plant in this segment is the Wellpark Brewery in Glasgow, with major distribution and administration centres in Glasgow, Bristol and London.

The division includes Tennent's Direct, Scotland's leading drinks distributor which serves the Scottish On-Trade with an unrivalled range of drinks led by beer and cider, and includes exclusive distribution of Moët Hennessy products, such as Moët and Glenmorangie, and UK distribution of international brands Tsingtao and Menabrea.

The segment includes the financial results from Matthew Clark, the largest independent distributor to the GB On-trade drinks sector. Matthew Clark delivers a market leading composite drinks range across Wine, Spirits, beer, cider, and softs including a number of exclusive distribution agreements with wine producers and third-party brands.

In addition, it includes Bibendum, the UK's leading independent wine specialist servicing customer across the On-trade, independent retail (through Walker & Wodehouse) and Off-trade nationwide. Delivering a market leading range of premium wine, a selection of exclusive globally recognised artisan and innovative wine producers.

The Group's Tennent's Direct, Matthew Clark and Bibendum distribution businesses operate a nationwide distribution network serving the independent free trade, national accounts, independent retail and Off-trade customers.

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

The Group's analysis by segment includes both items directly attributable to a segment and those, including central overheads, which are allocated on a reasonable basis in presenting information to the CODM.

Inter-segmental revenue is not material and thus not subject to separate disclosure.

1. SEGMENTAL REPORTING (continued)

(a) Analysis by reporting segment

	2023 Revenue €m	2023 Net revenue €m	2023 Operating profit €m	2022 Revenue €m	2022 Net revenue €m	2022 Operating profit €m
Ireland	**388.0**	**278.5**	**28.1**	338.3	224.3	16.7
Great Britain	**1,672.7**	**1,410.5**	**56.0**	1,457.8	1,213.8	31.2
Total before exceptional items	**2,060.7**	**1,689.0**	**84.1**	1,796.1	1,438.1	47.9
Exceptional items (note 5)	**-**	**-**	**(0.2)**	-	-	10.6
Total	**2,060.7**	**1,689.0**	**83.9**	1,796.1	1,438.1	58.5
Profit on disposal (note 5)			**1.1**			4.5
Finance income (notes 5, 6)			**0.2**			0.2
Finance expense (note 6)			**(17.3)**			(16.1)
Finance expense exceptional items (notes 5, 6)			**(2.0)**			(6.7)
Share of equity accounted investments' profit after tax before exceptional items (note 13)			**-**			2.6
Share of equity accounted investments' exceptional items (note 5)			**-**			2.7
Profit before tax			**65.9**			45.7

The exceptional items in the current financial year are €0.2m, of which €0.4m relates to Ireland and a credit of €0.2m relates to Great Britain. The exceptional items in the prior financial year are a €10.6m credit, of which €9.2m relates to Ireland and €1.4m relates to Great Britain.

Profit on disposal of €0.4m in the current financial year relates to Great Britain and €0.7m relates to Ireland. Profit on disposal of €4.5m in the prior financial year related to Great Britain.

The prior year share of equity accounted investments' profit after tax before exceptional items of €2.6m relates to Great Britain. The prior year share of equity accounted investments' exceptional items of €2.7m relates to Great Britain.

Total assets for the year ended 28 February 2023 amounted to €1,422.9m (FY2022: €1,468.7m).

(b) Other operating segment information

	2023 Tangible and intangible expenditure €m	2023 Lease additions €m	2023 Depreciation /amortisation / impairment / revaluation €m	2022 Tangible and intangible expenditure €m	2022 Lease additions €m	2022 Depreciation / amortisation / impairment/ revaluation €m
Ireland	**6.0**	**2.3**	**6.3**	7.3	4.1	6.2
Great Britain	**13.5**	**24.6**	**26.2**	5.9	19.0	25.6
Total	**19.5**	**26.9**	**32.5**	13.2	23.1	31.8

Notes forming part of the financial statements (continued)

1. SEGMENTAL REPORTING (continued)

(c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2023 €m	2022 €m	2023 €m	2022 €m
Ireland	**388.0**	338.3	**278.5**	224.3
Great Britain	**1,648.5**	1,439.0	**1,386.3**	1,195.1
International*	**24.2**	18.8	**24.2**	18.7
Total	**2,060.7**	1,796.1	**1,689.0**	1,438.1

* International as a geographic region consists of multiple countries that in aggregate represent 1% of Group revenue.

The geographical analysis of revenue and net revenue is based on the location of the third-party customers.

(d) Geographical analysis of non-current assets

	Ireland €m	Great Britain €m	International €m	Total €m
28 February 2023				
Property, plant & equipment	**74.6**	**130.7**	**5.0**	**210.3**
Goodwill & intangible assets	**157.1**	**463.2**	**25.2**	**645.5**
Equity accounted investments/financial assets	**0.4**	**0.7**	**0.2**	**1.3**
Total	**232.1**	**594.6**	**30.4**	**857.1**

	Ireland €m	Great Britain €m	International €m	Total €m
28 February 2022				
Property, plant & equipment	73.4	135.9	4.7	214.0
Goodwill & intangible assets	157.6	473.7	25.2	656.5
Equity accounted investments/financial assets	0.4	0.7	0.2	1.3
Total	231.4	610.3	30.1	871.8

The geographical analysis of non-current assets, with the exception of goodwill & intangible assets, is based on the geographical location of the assets. The geographical analysis of goodwill & intangible assets is allocated based on the country of destination of sales at the date of acquisition.

(e) Disaggregated net revenue

In the following table, net revenue is disaggregated by principal activities and products. Principal activities and products is the primary basis on which management reviews its businesses across the Group. To aid in more useful analysis of the Group's business performance, the Group introduced Branded and Distribution in the prior year to better reflect how the business is managed commercially and the distinct revenue sources which drive its performance as a brand-led distributor in the UK and Ireland.

Principal activities and products Net revenue	Ireland €m	2023 Great Britain €m	Total €m
Branded*	**105.9**	**192.5**	**298.4**
Distribution**	**170.6**	**1,190.9**	**1,361.5**
Co pack/Other	**2.0**	**27.1**	**29.1**
Total Group from continuing operations	**278.5**	**1,410.5**	**1,689.0**

* Branded defined as being brands either fully owned by C&C or sold by C&C as part of a long-term distribution deal, whereby C&C are responsible for the marketing as well as sale of the brand in the associated geography.

** Distribution defined as third-party brands sold through the Group's distribution businesses and brands where C&C act as an exclusive agent for a brand in a specific geography.

1. SEGMENTAL REPORTING (continued)

Principal activities and products Net revenue	2022 Ireland €m	Great Britain €m	Total €m
Branded*	78.3	170.1	248.4
Distribution**	139.8	1,005.5	1,145.3
Co pack/Other	6.2	38.2	44.4
Total Group from continuing operations	224.3	1,213.8	1,438.1

* Branded defined as being brands either fully owned by C&C or sold by C&C as part of a long-term distribution deal, whereby C&C are responsible for the marketing as well as sale of the brand in the associated geography.

** Distribution defined as third-party brands sold through the Group's distribution businesses and brands where C&C act as an exclusive agent for a brand in a specific geography.

2. OPERATING COSTS

	2023 Before exceptional items €m	Exceptional items (note 5) €m	Total €m	2022 Before exceptional items €m	Exceptional items (note 5) €m	Total €m
Raw material cost of goods sold/bought in finished goods	**1,288.2**	**-**	**1,288.2**	1,108.9	-	1,108.9
Inventory write-down/(recovered) (note 14)	**0.2**	**-**	**0.2**	1.1	(4.1)	(3.0)
Employee remuneration (note 3)	**144.6**	**1.1**	**145.7**	125.5	0.6	126.1
Direct brand marketing	**28.7**	**-**	**28.7**	17.7	-	17.7
Other operating, selling and administration costs	**109.6**	**(0.9)**	**108.7**	102.4	(11.1)	91.3
Foreign exchange	**(0.4)**	**-**	**(0.4)**	0.5	-	0.5
Depreciation (notes 11, 19)	**30.0**	**-**	**30.0**	29.2	-	29.2
Amortisation (note 12)	**2.5**	**-**	**2.5**	2.6	-	2.6
Net (profit)/loss on disposal of property, plant & equipment	**-**	**-**	**-**	0.2	(1.8)	(1.6)
Auditor's remuneration (a)	**1.5**	**-**	**1.5**	1.5	-	1.5
Impairment of intangible assets (note 12)	**-**	**-**	**-**	0.6	-	0.6
Impairment of equity accounted investment (note 13)	**-**	**-**	**-**	-	6.4	6.4
Net revaluation of property, plant & machinery (note 11)	**-**	**-**	**-**	-	(0.6)	(0.6)
Total operating expenses	**1,604.9**	**0.2**	**1,605.1**	1,390.2	(10.6)	1,379.6

(a) Auditor's remuneration: The remuneration of the Group's statutory auditor, being the Irish firm of the principal auditor of the Group, Ernst & Young, Chartered Accountants is as follows:

	EY Ireland 2023 €m	Other EY Offices 2023 €m	Total 2023 €m	EY Ireland 2022 €m	Other EY Offices 2022 €m	Total 2022 €m
Audit of the Group financial statements	**0.6**	**-**	**0.6**	0.4	-	0.4
Audit of subsidiaries	**0.9**	**-**	**0.9**	0.4	0.3	0.7
Non-audit services	**-**	**-**	**-**	0.4	-	0.4
Total	**1.5**	**-**	**1.5**	1.2	0.3	1.5

The audit fee for the audit of the financial statements of the Company was less than €0.1m in the current and prior financial year. There were €0.4m of non-audit fees paid to Ernst & Young during the prior financial in connection with the Rights Issue.

Notes forming part of the financial statements
(continued)

3. EMPLOYEE NUMBERS & REMUNERATION COSTS

The average number of persons employed by the Group (including Executive Directors) during the year, analysed by category, was as follows:

	2023 Number	2022 Number
Sales & marketing	**445**	435
Production & distribution	**1,613**	1,454
Administration	**868**	852
Total	**2,926**	2,741

The actual number of persons employed by the Group as at 28 February 2023 was 2,897 (FY2022: 2,822).

The aggregate remuneration costs of these employees can be analysed as follows:

	2023 €m	2022 €m
Wages, salaries and other short-term employee benefits, net of government grants (a)	**122.8**	106.7
Restructuring costs (note 5)	**1.1**	0.6
Social welfare costs	**12.4**	10.3
Retirement benefits – defined benefit schemes (note 23)	**(0.1)**	0.7
Retirement benefits – defined contribution schemes, including pension related expenses	**6.3**	5.5
Equity settled share-based payments (note 4)	**2.5**	1.5
Other non-equity settled share-based payments and PRSI accrued with respect to share-based payments	**0.7**	0.8
Charged to the Income Statement	**145.7**	126.1
Actuarial gain on retirement benefits recognised in Other Comprehensive Income (note 23)	**(4.3)**	(32.8)
Total employee benefits	**141.4**	93.3

Directors' remuneration

	2023 €m	2022 €m
Directors' remuneration (note 28)	**3.7**	4.1

(a) Government grants and assistance

In the prior financial year, wages and salaries amounting to €106.7m were stated net of wage subsidies received by the Group from the Irish and UK governments. These wage subsidies were offset against the related wages and salaries expense over the period in which they were incurred.

	2023 €m	2022 €m
Employment Wage Subsidy Scheme (Ireland)	**-**	1.7
Coronavirus Job Retention Scheme (UK)	**-**	2.9
Grants related to income	**-**	4.6

In the prior financial year, the Group was in compliance with all the conditions of the respective schemes. The grant income received was offset against the related costs in operating costs in the Income Statement.

3. EMPLOYEE NUMBERS & REMUNERATION COSTS (continued)

Government assistance

In the prior year, 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 in FY2022 of €0.3m.

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), no additional tax liabilities were deferred in FY2023 (FY2022: €11.0m VAT and €3.2m payroll taxes were deferred). Payments made to the Irish tax authorities in respect of deferred tax liabilities during FY2023 totalled €15.6m for VAT and €2.5m for payroll taxes (FY2022: €14.5m VAT and €2.1m payroll taxes). At the end of FY2023, there were no deferred VAT and payroll taxes liabilities (FY2022: €15.6m VAT and €2.3m payroll taxes) due to the Irish tax authorities.

In the UK, no tax liabilities were deferred during FY2023 or FY2022. In FY2023 no payments were made to the UK tax authorities in respect of deferred tax liabilities (FY2022: €32.7m (£27.9m) VAT and €15.0m (£12.8m) Excise Duties). VAT liabilities of €0.1m (£0.1m) were deferred at the end of FY2023 (FY2022: €0.2m (£0.1m)) and excise duty liabilities of €10.0m (£8.8m) were deferred at the end of FY2023 (FY2022: €10.5m (£8.8m)), included in the Euro equivalent closing balances is a retranslation gain of €0.6m.

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 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 achieved their performance conditions and therefore vested in full.

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.

The vesting of LTIP awards granted in December 2020 is subject to an assessment of the Group's underlying financial performance across the three-year period FY2021 – FY2023. Each award was subject to the following three separate performance conditions:

- 30% of the award was subject to FY2021 liquidity, which was defined as the Group's cash on hand plus availability from the Group's Revolving Credit Facility as at 28 February 2021. If liquidity was €250.0m, 25% of this element of the award would have vested and if liquidity was €300.0m, 100% of this element of the award would have vested. This condition was achieved in full in relation to FY2021 liquidity.
- 35% of the award was subject to FY2022 Net Debt to FY2022 EBITDA ratio, with a minimum threshold of 4.1x and a maximum threshold of 3.8x required. This condition was achieved in full in relation to FY2022 Net Debt to FY2022 EBITDA ratio.
- 35% of the award is subject to FY2023 EPS targets being met, with a minimum threshold set of 20c and a maximum threshold of 23c. This condition was not achieved in relation to FY2023 EPS.

Threshold vesting in respect of any year will be no more than 25%, but subject to the overriding three-year financial performance assessment. No award will vest until the end of the full three-year performance period, and Executive Directors' awards will then be subject to a further two-year holding period.

Notes forming part of the financial statements
(continued)

4. SHARE-BASED PAYMENTS (continued)

The vesting of LTIP awards granted in June 2021 will be subject to the following performance conditions assessed across the three-year performance period FY2022 - FY2024. In each case, threshold vesting will be 25% of the maximum.

- 45% of the award is subject to certain EPS targets being met, with a minimum threshold set of 22c and a maximum of 27c. This is to be achieved by the end of the year three target range (end of FY2024) rather than as a cumulative target.
- 35% of the award is subject to the performance condition that the Free Cash Flow Conversion ratio ('FCF') of the Group (excluding the impact of exceptional items) would be a minimum threshold of 65% conversion and a maximum threshold of 75% by the end of the year three target range (end of FY2024) rather than as a cumulative target.
- 20% of the award is subject to the performance condition that certain environmental targets are met. To give impetus to the Group's de-carbonisation efforts, a target has been set to reduce its Scope 1 emissions (being direct emissions from owned or controlled sources, which includes emissions from company-owned or operated facilities and vehicles) and Scope 2 emissions (being indirect emissions from the generation of purchased energy e.g. electricity, steam, heat and cooling) over the three financial years ending with FY2024, with a threshold of a 6% reduction set and a maximum of a 12% reduction.

The vesting of LTIP awards granted in June 2022 and October 2022 will be subject to the following performance conditions assessed across the three-year performance period FY2023 - FY2025. All such awards granted from June 2022 to October 2022 are subject to the following three performance conditions:

- 45% of the award is subject to certain EPS targets being met, with a minimum threshold set of 22.2c and a maximum of 26c. This is to be achieved by the end of the year three target range (end of FY2025) rather than as a cumulative target.
- 35% of the award is subject to the performance condition that the Free Cash Flow Conversion ratio ('FCF') of the Group (excluding the impact of exceptional items) would be a minimum threshold of 65% conversion and a maximum threshold of 75% by the end of the year three target range (end of FY2025) rather than as a cumulative target.
- 20% of the award is subject to the performance condition that certain environmental targets are met. To give impetus to the Group's de-carbonisation efforts, a target has been set to reduce its Scope 1 emissions (being direct emissions from owned or controlled sources, which includes emissions from company-owned or operated facilities and vehicles) and Scope 2 emissions (being indirect emissions from the generation of purchased energy e.g. electricity, steam, heat and cooling) over the three financial years ending with FY2025, with a threshold of a 6% reduction set and a maximum of a 12% reduction.

Following the appointment of David Forde as Group Chief Executive Officer, the Group made an award of 842,636 shares to him on 3 November 2020 **("Buy-Out Awards")**. These shares were to compensate him 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 vested in respect of 50% of the shares in November 2022 **("Buy-Out 1")** and 50% of the shares will vest in November 2023 **("Buy-Out 2")**.

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.

4. SHARE-BASED PAYMENTS (continued)

In November 2011, the Group set up **Partnership and Matching Share Schemes** for all ROI and UK based employees of the Group under the approved profit sharing schemes referred to below. Under these schemes, employees can invest in shares in C&C Group plc (partnership shares) that will be matched on a 1:1 basis by the Company (matching shares) subject to tax authority 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 923,081 matching shares (1,845,879 partnership and matching) in trust at 28 February 2023 (FY2022: 696,476 matching shares (1,392,646 partnership and matching shares held)).

In FY2020 the Group, recognising that some employees of Matthew Clark and Bibendum ('MCB') (which the Group acquired in FY2019) had previously lost money in a share scheme operated by the previous owners of MCB and prior to MCB being acquired by the Group, committed to allocating to those employees C&C Group plc shares in May 2021, equivalent in value to the amount they had lost in the share scheme of the previous owners of MCB. The employees must also be investing in the Group's partnership and matching share scheme to qualify for the award. In the prior financial year, these awards were granted with immediate vesting to participants who were still employees of the Group on the date of grant.

Award valuation

The fair values assigned to the equity settled awards granted were computed in accordance with a Black-Scholes valuation methodology.

As per IFRS 2 *Share-based Payment*, non-market or performance-related conditions were not taken into account in establishing the fair value of equity instruments granted. Instead, these non-market vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that ultimately the amount recognised for time and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest, unless the failure to vest is due to failure to meet a market condition.

The main assumptions used in the valuations for equity settled share-based payment awards granted in the current and prior financial years were as follows:

	LTIP options granted October 22	LTIP options granted Jun 22	LTIP options granted Jun 21	R&R options granted December 22	R&R options granted June 22	R&R options granted Jun 21	R&R options granted May 21
Fair value at date of grant	€1.87	€2.36	€2.70	€2.05	€2.22	€2.70	€2.90
Exercise price	-	-	-	-	-	-	-
Risk free interest rate	3.22%	1.89%	0.16%	3.19%	1.89%	0.02%	-
Expected volatility	41.6%	42.9%	38.9%	37.7%	41.5%	44.7%	n/a
Expected term until exercise (years)	3	3	3	2	3	1	Immediate
Dividend yield	-	-	-	2%	2%	-	-

Expected volatility is calculated by reference to historic share price movements prior to the date of grant over a period of time commensurate with the expected term until exercise. The dividends which would be paid on a share reduces the fair value of an award since, in not owning the underlying shares, a recipient does not receive the dividend income on these shares. For LTIP, 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 2023**	Grant price €	Market value at date of grant €	Fair value at date of grant* €	Expense / (income) in Income Statement 2023 €m	Expense / (income) in Income Statement 2022 €m
Executive Share Option Scheme								
1 June 2017	3 years	840,568	156,699	3.40	3.364	0.307	**-**	-
Long-Term Incentive Plan								
2 December 2020	3 years	824,888	536,177	-	2.54	2.47	**0.2**	0.7
15 June 2021	3 years	812,921	812,921	-	2.74	2.70	**0.7**	0.5
9 June 2022	2.72 years	1,327,763	1,327,763	-	2.38	2.36	**0.8**	-
28 October 2022	2.34 years	11,579	11,579	-	1.87	1.87	**-**	-
Buy-Out Award								
3 November 2020	2-3 years	899,254	899,254	-	1.685	1.51	**0.5**	0.6
Recruitment & Retention Plan								
1 August 2017	1.8 years	65,585	17,750	-	2.8172	2.64	**-**	-
11 February 2019	2-3 years	477,081	6,008	-	3.05	2.47 – 2.77	**0.4**	(0.7)
12 December 2019	2.5 years	476,052	-	-	4.66	4.00	**(0.3)**	(0.2)
18 February 2020	2 years	60,171	-	-	4.52	3.91	**-**	0.1
22 October 2020	2 years	17,826	17,826	-	1.98	1.85	**-**	-
3 November 2020	1.5 years	149,041	-	-	1.61	1.51	**-**	0.2
27 May 2021****	Immediate	196,963	121,317	-	2.93	2.90	**-**	-
15 June 2021	1 year	170,230	154,287	-	2.74	2.70	**0.2**	0.3
9 June 2022	3 years	50,000	50,000	-	2.38	2.22	**-**	-
7 December 2022	2 years	23,349	23,349	-	2.05	2.05	**-**	-
Deferred Bonus Plan								
11 February 2019	2 years	14,420	-	-	3.05	2.88	**-**	-
22 October 2020	2 years	17,826	17,826	-	1.98	1.85	**-**	-
		6,435,517	4,152,756				**2.5**	1.5
Partnership and Matching Share Schemes		1,845,879 ***					**0.7**	0.7

* The Group completed a successful Rights Issue in June 2021 at a discounted price of £1.86. The number of options/equity Interests granted and the fair value at date of grant were rebased following the Rights Issue.

** Excludes awards that are deemed to be not capable of achieving their performance conditions as at 28 February 2023.

*** Includes both partnership and matching shares.

**** Previously named 'MCB compensation awards'.

The amount charged to the Income Statement includes a credit of €0.3m (FY2022: credit of €0.9m), 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:

	2023 Number of options/ equity Interests	2023 Weighted average exercise price €	2022 Number of options/ equity Interests	2022 Weighted average exercise price €
Outstanding at beginning of year	**3,577,335**	**0.15**	3,160,858	0.30
Granted	**1,412,691**	**-**	1,380,647*	-
Exercised	**(445,236)****	**-**	(265,749)	1.61
Forfeited/lapsed	**(392,034)**	**-**	(698,421)	-
Outstanding at end of year	**4,152,756**	**0.13**	3,577,335	0.15

* The granted value of shares includes the shares allotted in FY2022 as a result of the number of options/equity Interests granted and the fair value at date of grant being rebased following the Rights Issue.

** The exercised number of shares excludes additional granted shares of 155,495 that were granted due to changes in vesting assumptions on share options during FY2023, which were also exercised in FY2023.

The aggregate number of share options/equity Interests exercisable at 28 February 2023 was 941,340 (FY2022: 420,923).

The unvested share options/equity Interests (excluding those awards which are not deemed capable of vesting) outstanding at 28 February 2023 have a weighted average vesting period outstanding of 1.4 years (FY2022: 1.4 years). The weighted average contractual life outstanding of vested and unvested share options/equity Interests (excluding those which are not deemed capable of vesting) is 5.2 years (FY2022: 5.9 years).

The weighted average market share price at date of exercise of all share options/equity Interests exercised during the year was £1.75 or €2.00 euro equivalent (FY2022: €2.97); the average share price for the year was £1.81 or €2.10 euro equivalent (FY2022: €2.87); and the market share price as at 28 February 2023 was £1.49 or €1.70 euro equivalent (28 February 2022: £2.11 or €2.52 euro equivalent).

5. EXCEPTIONAL ITEMS

	2023 €m	2022 €m
COVID-19 (a)	**1.5**	17.5
Restructuring (costs)/credits (b)	**(1.1)**	1.2
Impairment of equity accounted investment (c)	**-**	(6.4)
Reversal of impairment of property, plant & equipment (d)	**-**	0.6
Rights Issue costs (e)	**(0.7)**	(2.6)
Other (f)	**0.1**	0.3
Operating profit/(loss) exceptional items	**(0.2)**	10.6
Profit on disposal (g)	**1.1**	4.5
Finance income (h)	**0.2**	0.2
Finance expense (i)	**(2.0)**	(6.7)
Share of equity accounted investments' exceptional items (c)	**-**	2.7
Included in profit before tax	**(0.9)**	11.3
Income tax credit/(charge) (j)	**0.2**	(2.4)
Included in profit after tax	**(0.7)**	8.9

Notes forming part of the financial statements (continued)

5. EXCEPTIONAL ITEMS (continued)

(a) COVID-19
The Group has accounted for the COVID-19 pandemic as an exceptional item and realised an exceptional credit of €1.5m from operating activities in FY2023 (FY2022: credit of €17.5m), broken down as follows: in FY2023 the Group reviewed the recoverability of its trade debtor and advances to customers and realised a credit of €0.9m with respect to its provision against trade debtors (FY2022: credit of €7.9m) and a credit of €0.4m with respect to its provision for advances to customers (FY2022: credit of €5.5m). Also, during the current financial year, the Group released €0.2m in relation to a provision for lost kegs (FY2022: €nil). In the prior year the Group released a credit of €4.1m with respect to inventory that had previously been deemed at risk of obsolescence as a consequence of the COVID-19 restrictions.

(b) Restructuring costs
A cost of €1.1m relating to restructuring costs was incurred in the current financial year in relation to severance costs which arose as a consequence of the ongoing optimisation of the delivery networks and operations in England and Scotland (FY2022: credit of €1.2m).

(c) Equity accounted investments' exceptional items
On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners, for a total consideration of €65.8m (£55.0m). Admiral Taverns was classified as an asset held for sale as at 24 February 2022 and the sale of the shares was completed in three tranches during FY2023.

The net impact of exceptional items in relation to Admiral was a charge of €3.7m in FY2022. The Group continued to equity account for this investment up until this date, with the Group recognising a credit of €2.7m with respect to its share of Admiral Taverns' exceptional items. This included a credit of €4.1m with respect to the Group's share of the revaluation gain arising from the fair value exercise to value Admiral's property assets. The Group also in FY2022 recognised an exceptional charge of €1.4m in relation to its share of other exceptional items for the year, including the Group's share of acquisition costs of €1.4m incurred with respect to Admiral Taverns' acquisition of Hawthorn. The Group also recognised its share of other exceptional items in FY2022 of €0.5m, primarily relating to restructuring costs. This was offset by a release from the expected loss provision with respect to the recoverability of Admiral Taverns' debtor book as a consequence of COVID-19 of €0.5m.

As a result of the same property valuation exercise, a gain of €2.2m with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income in FY2022.

Also in the prior financial year, the Group assessed the carrying value of its equity accounted investment as a result of its classification as an asset held for sale as at 24 February 2022 and recognised an impairment charge of €6.4m. This impairment charge reversed previously accumulated gains and losses in relation to the application of equity accounting for the Admiral Taverns investment, to reflect the recoverable value of the Group's investment in line with the agreed consideration of £55.0m (€65.9m at date of classification as held for sale, €65.8m at the prior year end rate).

(d) Reversal of impairment of property, plant & equipment
Property (comprising freehold land & buildings) and plant & machinery are valued at fair value on the Consolidated Balance Sheet and reviewed for impairment on an annual basis. During the current and prior financial years, 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, no change in value was recorded through the Consolidated Income Statement (FY2022: gain of €0.6m) and a loss of €0.7m accounted for within Other Comprehensive Income (FY2022: gain of €2.5m).

(e) Rights Issue costs
The Group completed a successful Rights Issue in June 2021 issuing 81,287,315 New Ordinary Shares at 186 pence per New Ordinary Share, raising gross proceeds of £151.2m (€176.3m). During FY2022, attributable costs of €9.2m were incurred, of which €6.6m was debited directly to Equity and €2.6m was recorded as an exceptional charge in the Group's Consolidated Income Statement. In FY2023, additional costs of €0.7m were incurred as a result of the Rights Issue – this cost was in respect of a clarification of VAT treatment by the European Court of Justice on 8 September 2022.

5. EXCEPTIONAL ITEMS (continued)

(f) Other
In the current financial year €0.1m was released in relation to a provision for legal disputes (FY2022: €0.3m release).

(g) Profit on disposal
During the current financial year, as described in c) above, the Group completed the sale of its asset held for sale, Admiral Taverns, to Proprium Capital Partners for a total consideration of €63.6m (£55.0m), realising a profit of €0.4m on disposal.

Also, during the current financial year, the Group received contingent consideration of €0.7m in relation to the sale of its Tipperary Water Cooler business, the sale of which was completed in FY2021.

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

(h) Finance income
The Group earned finance income of €0.2m in both the current and prior financial years relating to promissory notes issued as part of the disposal of the Group's subsidiary Vermont Hard Cider Company in FY2022.

(i) Finance expense
The Group incurred costs of €2.0m (FY2022: €6.7m) during the current financial year directly associated with covenant waivers due to the impact of COVID-19. These costs included waiver fees, increased margins payable and other professional fees associated with covenant waivers.

(j) Income tax credit/(charge)
The tax credit in the current financial year, with respect to exceptional items, amounted to €0.2m (FY2022: €2.4m charge).

6. FINANCE INCOME AND EXPENSE

	2023 €m	2022 €m
Recognised in Income Statement		
Finance expense:		
Interest expense	**(9.4)**	(9.4)
Other finance expense	**(4.8)**	(3.4)
Interest on lease liabilities (note 19)	**(3.1)**	(3.3)
Total finance expense	**(17.3)**	(16.1)
Exceptional finance expense:		
Interest expense	**(2.0)**	(6.7)
Total exceptional finance expense	**(2.0)**	(6.7)
Exceptional finance income:		
Interest income	**0.2**	0.2
Total exceptional finance income	**0.2**	0.2
Net finance expense	**(19.1)**	(22.6)

Notes forming part of the financial statements
(continued)

6. FINANCE INCOME AND EXPENSE (continued)

	2023 €m	2022 €m
Recognised directly in Other Comprehensive Income		
Foreign currency translation differences arising on the net investment in foreign operations	**(19.8)**	11.9
Foreign currency recycled on disposal of asset held for sale	**0.4**	-
Foreign currency recycled on disposal of subsidiary	**-**	(0.2)
Net (expense)/income recognised directly in Other Comprehensive Income	**(19.4)**	11.7

7. INCOME TAX

(a) Analysis of expense in year recognised in the Income Statement

	2023 €m	2022 €m
Current tax:		
Irish corporation tax	**3.2**	2.3
Foreign corporation tax	**4.2**	2.0
Adjustments in respect of previous years	**0.8**	(1.4)
	8.2	2.9
Deferred tax:		
Irish	**0.5**	0.5
Foreign	**4.5**	2.2
Adjustments in respect of previous years	**1.5**	3.1
Rate change impact	**(0.7)**	(0.1)
	5.8	5.7
Total income tax expense recognised in Income Statement	**14.0**	8.6
Relating to continuing operations		
– continuing operations before exceptional items	**14.2**	6.2
– continuing operations exceptional items	**(0.2)**	2.4
Total	**14.0**	8.6

7. INCOME TAX (continued)

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:

	2023 €m	2022 €m
Profit before tax	**65.9**	45.7
Less: Group's share of equity accounted investments' profit after tax	**-**	(5.3)
Adjusted profit before tax	**65.9**	40.4
Tax at standard rate of corporation tax in the Republic of Ireland of 12.5%	**8.2**	5.1
Actual tax expense is affected by the following:		
Expenses not deductible for tax purposes	**1.3**	1.7
Adjustments in respect of prior years	**1.9**	1.7
Income taxed at rates other than the standard rate of tax	**2.8**	5.8
Group relief received	**(0.1)**	(4.4)
Other	**(1.0)**	0.2
Non-recognition/(recognition) of deferred tax assets	**0.9**	(1.5)
Total income tax expense	**14.0**	8.6

(b) Deferred tax recognised directly in Other Comprehensive Income

	2023 €m	2022 €m
Deferred tax arising on revaluation of property, plant & machinery reflected in revaluation reserve	**(0.3)**	0.6
Deferred tax arising on movement of retirement benefits	**(0.1)**	4.3
Total deferred tax (credit)/charge	**(0.4)**	4.9

(c) Factors that may affect future charges

Future income tax charges may be impacted by changes to the corporation tax rates and/or changes to corporation tax legislation in force in the jurisdictions in which the Group operates. Under Finance Act 2021, the current UK corporation tax of 19% increased to 25% from 1 April 2023.

8. DIVIDENDS

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.

Subject to shareholder approval at the Annual General Meeting, the Directors have proposed a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023. No interim dividend was paid with respect to FY2023; therefore, the Group's full year dividend will amount to 3.79 cent per share. Using the number of shares in issue at 28 February 2023 and excluding those shares for which it is assumed that the right to dividend will be waived, this would equate to a distribution of €15.0m. There is no scrip dividend alternative proposed. Due to the impact of COVID-19, total dividends for the prior financial year were €nil.

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.

Notes forming part of the financial statements (continued)

9. EARNINGS PER ORDINARY SHARE

Denominator computations

	2023 Number '000	2022 Number '000
Number of shares at beginning of year	**401,914**	320,480
Shares issued in respect of options exercised	**93**	147
Shares issued in respect of Rights Issue	**-**	81,287
Number of shares at end of year (note 25)	**402,007**	401,914
Weighted average number of ordinary shares (basic)*	**391,269**	374,560
Adjustment for the effect of conversion of options	**1,697**	1,374
Weighted average number of ordinary shares, including options (diluted)	**392,966**	375,934

* Excludes 10.2m treasury shares (FY2022: 10.7m).

Profit attributable to ordinary shareholders

	2023 €m	2022 €m
Group profit for the financial year	**51.9**	37.1
Adjustment for exceptional items, net of tax (note 5)	**0.7**	(8.9)
Earnings as adjusted for exceptional items, net of tax	**52.6**	28.2

	Cent	Cent
Basic earnings per share		
Basic earnings per share	**13.3**	9.9
Adjusted basic earnings per share	**13.4**	7.5
Diluted earnings per share		
Diluted earnings per share	**13.2**	9.9
Adjusted diluted earnings per share	**13.4**	7.5

Basic earnings per share is calculated by dividing the Group 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 (FY2023: 10.2m shares, FY2022: 10.7m shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period of the year that the options were outstanding.

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 (FY2023: 445,410; FY2022: 499,828). If dilutive other contingently issuable ordinary shares are included in diluted EPS based on the number of shares that would be issuable if the end of the reporting period was the end of the contingency period.

10. BUSINESS COMBINATIONS/DIVESTMENTS AND NON-CONTROLLING INTERESTS

The Group had no new business combinations or divestments during the current financial year.

The Group continues to hold the non-cash consideration from the sale of Vermont Hard Cider Company (VHCC) of the promissory notes issued of USD 4.8m as a derivative financial asset. This has been revalued to €4.5m in the current financial year (FY2022: €4.3m).

Year ended 28 February 2022
In the prior financial year, the Group disposed of €12.1m of net assets with respect to VHCC for an initial consideration of €17.5m. Transaction costs of €0.5m were also incurred (included in the cash flows from operating activities) resulting in a profit on disposal of €4.5m (note 5).

11. PROPERTY, PLANT & EQUIPMENT

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Group				
Cost or valuation				
At 28 February 2021	88.6	205.5	55.9	350.0
Translation adjustment	1.9	2.7	1.7	6.3
Additions	3.2	5.7	2.2	11.1
Revaluation of property, plant & machinery	3.1	-	-	3.1
Group transfer reclassification	(0.5)	0.5	-	-
Disposals	(1.4)	(0.3)	(0.3)	(2.0)
At 28 February 2022	94.9	214.1	59.5	368.5
Translation adjustment	**(2.5)**	**(3.4)**	**(1.3)**	**(7.2)**
Additions	**0.4**	**10.9**	**3.1**	**14.4**
Revaluation of property, plant & machinery	**(0.6)**	**(0.1)**	**-**	**(0.7)**
Group transfer reclassification	**0.8**	**(0.8)**	**-**	**-**
At 28 February 2023	**93.0**	**220.7**	**61.3**	**375.0**
Depreciation				
At 28 February 2021	18.3	145.4	47.0	210.7
Translation adjustment	0.4	1.5	1.5	3.4
Disposals	(0.8)	(0.2)	(0.3)	(1.3)
Charge for the year	2.3	4.2	3.2	9.7
At 28 February 2022	20.2	150.9	51.4	222.5
Translation adjustment	**(0.6)**	**(1.8)**	**(1.1)**	**(3.5)**
Charge for the year	**2.3**	**5.3**	**2.6**	**10.2**
At 28 February 2023	**21.9**	**154.4**	**52.9**	**229.2**
Net book value				
At 28 February 2023	**71.1**	**66.3**	**8.4**	**145.8**
At 28 February 2022	74.7	63.2	8.1	146.0

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 2023				
Leased right-of-use assets				
At 28 February 2023, net carrying amount (note 19)	**31.2**	**0.2**	**33.1**	**64.5**
Total property, plant & equipment	**102.3**	**66.5**	**41.5**	**210.3**
28 February 2022				
Leased right-of-use assets				
At 28 February 2022, net carrying amount (note 19)	34.0	3.3	30.7	68.0
Total property, plant & equipment	108.7	66.5	38.8	214.0

Cash outflow with respect to property, plant & equipment was €10.1m (FY2022: €14.9m) primarily due to an increase in closing capital accruals as at 28 February 2023. No depreciation is charged on freehold land which had a book value of €16.1m at 28 February 2023 (FY2022: €18.2m).

Valuation of freehold land & buildings and plant & machinery - 28 February 2023

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 2023, was a decrease in the value of freehold land & buildings of €0.6m of which €0.4m was credited to the Income Statement and €1.0m was charged to Other Comprehensive Income. Additionally, there was a decrease in the value of plant & machinery of €0.1m of which €0.4m was charged to the Income Statement and €0.3m was credited to Other Comprehensive Income.

For all other items of land & buildings and plant & machinery the Group completed an internal assessment of the appropriateness of their carrying value. Assisted by a market overview provided by the valuation team from PricewaterhouseCoopers LLP, with respect to the geographic locations of the Group's assets, the Group concluded that the carrying value was appropriate at 28 February 2023 and no adjustment was recorded in this regard.

Valuation of freehold land & buildings and plant & machinery - 28 February 2022

In the prior financial year, the Group also engaged the Real Estate & Capital Equipment Valuation team of PricewaterhouseCoopers LLP to value the Group's freehold land & buildings and plant & machinery at the Group's manufacturing facilities in Clonmel (Tipperary), Wellpark (Glasgow) and the Group's facility in Castel Branco in Portugal. The valuers are members of the Royal Institution of Chartered Surveyors with experience of undertaking property, plant and equipment valuations on a global basis.

For specialised assets, comprising the production facilities at Clonmel, Wellpark Brewery and Portugal the Depreciated Replacement Cost approach has been applied to value land & buildings. The Depreciated Replacement Cost approach was also used to derive fair value for the plant & machinery at the Group's manufacturing facilities given their specialised nature.

The result of these external valuations, as at 28 February 2022, was an increase in the value of freehold land & buildings of €3.1m of which €0.6m was credited to the Income Statement and €2.5m was credited to the revaluation reserve via Other Comprehensive Income.

11. PROPERTY, PLANT & EQUIPMENT (continued)

Useful Lives

The following useful lives were attributed to the assets:

Asset category	Useful life
Tanks	30–35 years
Process equipment	20 –25 years
Bottling & packaging equipment	15–20 years
Process automation	10 years
Buildings	50 years

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Net book value (pre right-of-use assets)				
Carrying value at 28 February 2023 post revaluation	**71.1**	**66.3**	**8.4**	**145.8**
Carrying value at 28 February 2023 pre revaluation	**71.7**	**66.4**	**8.4**	**146.5**
Loss on revaluation	**(0.6)**	**(0.1)**	**-**	**(0.7)**

28 February 2023 classified within:	
Other Comprehensive Income	**(0.7)**

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Net book value (pre right-of-use assets)				
Carrying value at 28 February 2022 post revaluation	74.7	63.2	8.1	146.0
Carrying value at 28 February 2022 pre revaluation	71.6	63.2	8.1	142.9
Gain on revaluation	3.1	-	-	3.1

28 February 2022 classified within:	
Income Statement	0.6
Other Comprehensive Income	2.5

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	**13.5**	**-**	**-**	**13.5**
Freehold land & buildings measured at Depreciated Replacement Cost	**57.6**	**-**	**-**	**57.6**
Plant & machinery measured at Depreciated Replacement Cost	**66.3**	**-**	**-**	**66.3**
At 28 February 2023	**137.4**	**-**	**-**	**137.4**

Notes forming part of the financial statements (continued)

11. PROPERTY, PLANT & EQUIPMENT (continued)

	Carrying amount €m	Quoted prices Level 1 €m	Significant observable Level 2 €m	Significant unobservable Level 3 €m
Recurring measurements				
Freehold land & buildings measured at market value	15.5	-	-	15.5
Freehold land & buildings measured at Depreciated Replacement Cost	59.2	-	-	59.2
Plant & machinery measured at Depreciated Replacement Cost	63.2	-	-	63.2
At 28 February 2022	137.9	-	-	137.9

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.

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 (FY2022: €50–€150) per hectare	€54– €1,249 (FY2022: €59–€1,169) per square metre	
	Portugal	€40 (FY2022: no change from current year price) per hectare	€100 – €611 (FY2022: €100 - €585) per square metre	
	United Kingdom	£150 – £250 (FY2022: £275- £325) per acre	£254 – £1,645 (FY2022: £254 to £1,593) per square metre	

11. PROPERTY, PLANT & EQUIPMENT (continued)

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% (FY2022: 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% (FY2022: 0% to 100%). The weighted average obsolescence factor by site is as follows: Cidery, Ireland – 21% (FY2022: 21%); Brewery Scotland – 8% (FY2022: 4%) and Cidery, Portugal – 0% (FY2022: 0%)
Physical and functional obsolescence adjustment factor	Adjustment for changes to physical and functional obsolescence ranging from 63% to 83% (FY2022: 64% to 86%)

The carrying value of depot freehold land & buildings would increase/(decrease) by €0.7m (FY2022: €0.8m) if the comparable open market value increased/(decreased) by 5%.

The carrying value of freehold land & buildings which is valued on the Depreciated Replacement Cost basis, would increase by €2.4m (FY2022: €2.9m) if the economic obsolescence adjustment factor was decreased by 5%. If the economic obsolescence adjustment increased by 5% the value would decrease by €2.9m (FY2022: €2.9m). The estimated carrying value of the same land & buildings would increase/(decrease) by €1.1m (FY2022: €1.1m) if the gross replacement cost was increased/(decreased) by 2%.

The carrying value of plant & machinery in the Group, which is valued on the Depreciated Replacement Cost basis, would increase by €3.2m (FY2022: €2.5m) if the economic obsolescence adjustment factor was decreased by 5%. If the economic obsolescence adjustment increased by 5% the value would decrease by €4.0m (FY2022: €2.5m). If the gross replacement cost was increased by 2% the carrying value of the Group's plant & machinery would increase by €0.8m (FY2022: €0.9m). If the gross replacement cost decreased by 2% the carrying value of the Group's plant & machinery would decrease by €1.2m (FY2022: €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 28 February 2021	599.8	321.9	40.5	962.2
Additions	-	-	2.2	2.2
Translation adjustment	6.5	4.5	0.5	11.5
At 28 February 2022	606.3	326.4	43.2	975.9
Additions	**-**	**-**	**5.1**	**5.1**
Translation adjustment	**(7.7)**	**(5.3)**	**(0.6)**	**(13.6)**
At 28 February 2023	**598.6**	**321.1**	**47.7**	**967.4**
Amortisation and impairment				
At 28 February 2021	76.2	214.6	25.4	316.2
Impairment charge for the year	-	-	0.6	0.6
Amortisation charge for the year	-	-	2.6	2.6
At 28 February 2022	76.2	214.6	28.6	319.4
Amortisation charge for the year	**-**	**-**	**2.5**	**2.5**
At 28 February 2023	**76.2**	**214.6**	**31.1**	**321.9**
Net book value				
At 28 February 2023	**522.4**	**106.5**	**16.6**	**645.5**
At 28 February 2022	530.1	111.8	14.6	656.5

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 28 February 2021	154.5	59.1	180.6	9.2	16.0	104.2	523.6
Translation adjustment	-	1.5	0.7	-	-	4.3	6.5
At 28 February 2022	154.5	60.6	181.3	9.2	16.0	108.5	530.1
Translation adjustment	**-**	**(1.7)**	**(0.8)**	**-**	**-**	**(5.2)**	**(7.7)**
At 28 February 2023	**154.5**	**58.9**	**180.5**	**9.2**	**16.0**	**103.3**	**522.4**

Goodwill consists both of goodwill capitalised under Irish GAAP, which at the transition date to IFRS was treated as deemed cost and goodwill that arose on the acquisition of businesses since that date which was capitalised at cost and subsequently at fair value and represents the synergies arising from cost savings and the opportunity to utilise the extended distribution network of the Group to leverage the marketing of acquired products.

12. GOODWILL & INTANGIBLE ASSETS (continued)

In line with IAS 36 *Impairment of Assets* goodwill is allocated to each cash generating unit (CGU) which is expected to benefit from the combination synergies. These CGUs represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

All goodwill is regarded as having an indefinite life and is not subject to amortisation under IFRS but is subject to annual impairment testing.

Brands

Brands are expected to generate positive cash flows for as long as the Group owns the brands and have been assigned indefinite lives.

Capitalised brands include the Tennent's beer brands and the Gaymers cider brands acquired during FY2010, Waverley wine brands acquired during FY2013 and the Matthew Clark and Bibendum brands acquired during FY2019.

The Tennent's, Gaymers and Matthew Clark and Bibendum brands were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 *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 2023 amounted to €73.0m (FY2022: €76.6m) 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 value of brands with indefinite lives are allocated to operating segments as follows:

	Ireland €m	Great Britain €m	Total €m
At 28 February 2021	-	107.3	107.3
Translation adjustment	-	4.5	4.5
At 28 February 2022	-	111.8	111.8
Translation adjustment	**-**	**(5.3)**	**(5.3)**
At 28 February 2023	**-**	**106.5**	**106.5**

The brands are protected by trademarks, which are renewable indefinitely in all major markets where they are sold, and it is the Group's policy to support them with the appropriate level of brand advertising. In addition, there are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands. Accordingly, the Directors believe that it is appropriate that the brands be treated as having indefinite lives for accounting purposes.

No intangible assets were acquired by way of government grant. There are no title restrictions on any of the capitalised intangible assets and no intangible assets are pledged as security. There are no contractual commitments in relation to the acquisition of intangible assets at year end.

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

Other intangible assets

Other intangible assets have been attributed to operating segments (as identified under IFRS 8 *Operating Segments*) as follows:

	Ireland €m	Great Britain €m	Total €m
Cost			
At 28 February 2021	7.0	33.5	40.5
Additions	0.1	2.1	2.2
Translation adjustment	-	0.5	0.5
At 28 February 2022	7.1	36.1	43.2
Additions	**0.2**	**4.9**	**5.1**
Translation adjustment	**-**	**(0.6)**	**(0.6)**
At 28 February 2023	**7.3**	**40.4**	**47.7**
Amortisation and impairment			
At 28 February 2021	3.4	22.0	25.4
Impairment charge for the year	-	0.6	0.6
Amortisation charge for the year	0.6	2.0	2.6
At 28 February 2022	4.0	24.6	28.6
Amortisation charge for the year	**0.7**	**1.8**	**2.5**
At 28 February 2023	**4.7**	**26.4**	**31.1**
Net book value			
At 28 February 2023	**2.6**	**14.0**	**16.6**
At 28 February 2022	3.1	11.5	14.6

In the prior financial year, the Group wrote off IT intangible assets of €0.6m relating to cloud software licence agreements treated as service contracts.

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 *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 2023 with respect to intangible assets was €2.5m (FY2022: €2.6m).

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 to compare the carrying value of the assets with their recoverable amount through 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 (CGUs), 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.

12. GOODWILL & INTANGIBLE ASSETS (continued)

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, Board-approved, financial projections for year one which are then projected out for years two, three, four and five.
- Long-term growth rate – cash flows after the first five years are 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 are based on management's assessment of anticipated market conditions for each CGU. Cash flow forecasts assume the continuation of trading with no lockdowns or the reintroduction of COVID-19 restrictions. Persistent cost inflation pressures have been partially mitigated by implementing a series of price increases and cost hedge positions, providing a degree of protection from the inflationary environment as the Group enters FY2024. Historical experience was considered, along with an analysis of core strengths and weaknesses in the markets of operation. External factors considered include macroeconomic conditions, inflation expectations by geography, regulation and anticipated regulatory changes (such as expected adjustments to duty rates and minimum pricing), market growth rates, sales price trends, competitor activity, market share objectives, and strategic plans and initiatives.

The impact of climate change has been incorporated into the Group's Goodwill impairment assessment and financial forecasts for each Cash Generating Unit (CGU). This includes considering the recoverability of Goodwill taking into account the Group's sustainability initiatives, examples of which include the Out of Plastics project, the installation of Ireland's largest rooftop solar panel system in Clonmel, and heat recovery systems at the Group's manufacturing sites. The Group recognises that sustainability is an integral part of the Group's brands' growth journeys and consumers are increasingly concerned about the environmental impact of the brands they support.

A terminal growth rate of 2.00% (FY2022: 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 7.17%-8.74% (FY2022: 5.92%-6.68%); these rates are in line with the Group's estimated pre-tax weighted average cost of capital for the two main geographies in which the Group operates (Ireland and Great Britain), arrived at using the Capital Asset Pricing Model as adjusted for asset and country specific factors.

The Group has performed the detailed impairment testing calculations by cash generating units with the following discount rates being applied:

Market	Discount rate 2023	Discount rate 2022	Terminal growth rate 2023	Terminal growth rate 2022
Ireland	**8.74%**	6.68%	**2.00%**	2.00%
Scotland	**8.15%**	6.12%	**2.00%**	2.00%
C&C Brands	**8.15%**	6.12%	**2.00%**	2.00%
North America	**7.17%**	5.92%	**2.00%**	1.75%
Export	**8.15%**	6.12%	**2.00%**	2.00%
Matthew Clark Bibendum (MCB)	**8.15%**	6.12%	**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 (FY2022: €nil impairment charge).

Significant goodwill amounts

The goodwill allocated to Ireland, C&C Brands and MCB CGUs amount to 30% (FY2022: 29%), 35% (FY2022: 34%) and 20% (FY2022: 20%) of the total carrying amount of goodwill respectively.

	Ireland		C&C Brands		MCB	
	2023	2022	2023	2022	2023	2022
Goodwill allocated to the cash generating unit at balance sheet date	**154.5**	154.5	**180.5**	181.3	**103.3**	108.5
Discount rate applied to the cash flow projections (real pre-tax)	**8.74%**	6.68%	**8.15%**	6.12%	**8.15%**	6.12%

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

Sensitivity analysis

In the current financial year, the impairment testing carried out as at 28 February 2023 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.

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 €41m. The table below identifies the impact of a movement in the key inputs with respect to C&C Brands.

	2023 Movement %	2023 Increase/(decrease) on headroom €m	2022 Movement %	2022 Increase/(decrease) on headroom €m
Increase/(decrease) in operating profit	**2.5/(2.5)**	**7.3/(7.3)**	2.5/(2.5)	8.3/(8.3)
Increase in discount rate	**0.25**	**(12.6)**	0.25	(19.6)
Decrease in discount rate	**(0.25)**	**13.5**	(0.25)	22.1
Increase in terminal growth rate	**0.25**	**10.9**	0.25	18.9
Decrease in terminal growth rate	**(0.25)**	**(10.1)**	(0.25)	(16.8)

The Group concludes that no reasonable movement in any of the underlying assumptions would result in a material impairment in any of the Group's cash generating units or brands.

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS

(a) Equity accounted investments/financial assets – Group

	Joint ventures		Associates		
	Admiral Taverns €m	Drygate Brewing Company Limited €m	Whitewater Brewing Company Limited €m	Other €m	Total €m
Investment in equity accounted investments/financial assets					
Carrying amount at 1 March 2021	62.1	-	0.4	0.6	63.1
Purchase price paid	-	-	-	0.3	0.3
Share of profit after tax	2.6	-	-	-	2.6
Share of exceptional profit after tax (note 5)	2.7	-	-	-	2.7
Impairment of equity investment	(6.4)	-	-	-	(6.4)
Share of Other Comprehensive Income	2.2	-	-	-	2.2
Translation adjustment	2.7	-	-	-	2.7
Classified as asset held for sale (note 16)	(65.9)	-	-	-	(65.9)
Carrying amount at 28 February 2022	-	-	0.4	0.9	1.3
Purchase price paid	**-**	**-**	**-**	**-**	**-**
Share of profit after tax	**-**	**-**	**-**	**-**	**-**
Translation adjustment	**-**	**-**	**-**	**-**	**-**
Carrying amount at 28 February 2023	**-**	**-**	**0.4**	**0.9**	**1.3**

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:

	Joint ventures 2023 €m	Associates 2023 €m	Admiral Taverns 2022* €m	Joint ventures 2022 €m	Associates 2022 €m
Non-current assets	**2.0**	**2.8**	668.4	2.5	3.4
Current assets	**1.1**	**1.4**	74.9	0.9	1.5
Non-current liabilities	**(1.3)**	**(1.8)**	(466.3)	(1.7)	(2.2)
Current liabilities	**(2.1)**	**(0.5)**	(105.9)	(1.5)	(0.8)
Net assets/(liabilities)	**(0.3)**	**1.9**	171.1**	0.2	1.9
Revenue	**2.6**	**2.1**	127.3	2.7	1.2
(Loss)/profit before tax	**(0.5)**	**0.3**	4.9	(0.2)	(0.1)
Other Comprehensive Income	**-**	**-**	4.4	-	-

* Included in the current assets for Admiral Taverns is cash and cash equivalents of €32.0m for the prior year. In the prior year, Admiral Taverns also had depreciation and amortisation of €13.7m, net interest costs of €29.0m and a tax credit of €5.9m.

** Net assets of €171.1m by the Group's share in equity at 24 February 2022 of 48.85% amounted to €83.6m however the percentage ownership of the Group had changed multiple times since the original investment and therefore the weighted share of net assets attributable to the Group at 24 February 2022 was €81.7m. The Group also booked an impairment charge of €6.4m in the prior financial year which translated at FY2023 rates was €6.3m.

A listing of the Group's equity accounted investments is contained in note 29.

Admiral Taverns

On 17 May 2022, the Group announced the sale of its joint venture investment in Brady P&C Limited ('Admiral Taverns'), at which point C&C's shareholding in Admiral Taverns was 48.85%, to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). Admiral Taverns was classified as an asset held for sale as at 24 February 2022. The Group continued to equity account for this investment up until this date. The sale of the shares was completed in three tranches during FY2023.

In the prior financial year, the share of profit before exceptional items of Admiral Taverns attributable to the Group was €2.6m. The Group also recognised a credit of €2.7m with respect to its share of Admiral Taverns' exceptional items in the prior year. This included a credit of €4.1m with respect to the Group's share of the revaluation gain arising from the fair value exercise to value Admiral's property assets. The Group also recognised an exceptional charge of €1.4m in the prior year in relation to its share of other exceptional items, including the Group's share of acquisition costs of €1.4m incurred with respect to Admiral Taverns' acquisition of Hawthorn. The Group also recognised its share of other exceptional items for the prior year of €0.5m, primarily relating to restructuring costs and this was offset by a release from the expected loss provision with respect to the recoverability of Admiral Taverns' debtor book as a consequence of COVID-19 of €0.5m.

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

Also in the prior financial year, the Group assessed the carrying value of its equity accounted investment as a result of its classification as an asset held for sale as at 24 February 2022 and recognised an impairment charge of €6.4m. This impairment charge reverses previously accumulated gains and losses in relation to the application of equity accounting for the Admiral Taverns investment, to reflect the recoverable value of the Group's investment in line with the agreed consideration of £55.0m (€65.9m at date of classification as held for sale, €65.8m at FY2022 year end rate).

Drygate Brewing Company Limited

In 2015, the Group entered into a joint venture arrangement with Heather Ale Limited – run by the Williams brothers, who are recognised as leading family craft brewers in Scotland – to form a new entity Drygate Brewing Company Limited. The joint venture, which is run independently of the joint venture partners' existing businesses, operates a craft brewing and retail facility adjacent to Wellpark brewery.

Notes forming part of the financial statements
(continued)

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (continued)

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 year, the Group disposed of its 50% investment in 3 Counties Spirits Limited, for €nil consideration, which had been acquired for €nil consideration during FY2021.

During the prior financial year, the Group made an additional investment into Jubel Ltd of €0.3m (£0.2m), the additional subscription of shares in Jubel maintained the Group's existing percentage shareholding of 8.4%.

During FY2021, the Group made a 1% investment in an English entity Bramerton Condiments Limited for €0.1m (£0.1m) and also acquired an 8% shareholding in Innis & Gunn Holdings Limited at €nil cost for which share subscription costs of €0.1m (£0.1m) were incurred in this regard.

The Group has a 33.33% investment in Braxatorium Parcensis CVBA (Belgium) of €0.2m. The Group also has equity investments in Shanter Inns Limited (Scotland), 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

	2023 €m	2022 €m
Equity investment in subsidiary undertakings at cost		
At beginning of year	**1,158.2**	985.4
Capital contribution in respect of share options granted to employees of subsidiary undertakings	**2.5**	1.5
Capital contribution into subsidiary undertakings	**0.4**	-
Reclassification of capital contribution in respect of share options granted to employees of subsidiary undertakings to Trade & other receivables	**(2.5)**	-
Capital contribution in respect of the Rights Issue	**-**	171.3
At end of year	**1,158.6**	1,158.2

The total expense of €2.5m (FY2022: €1.5m) attributable to equity settled awards granted to employees of subsidiary undertakings has been included as a capital contribution in financial assets. In the current year this has been reclassified to Trade & other receivables.

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 Company Balance Sheet. Details of subsidiary undertakings are set out in note 29.

14. INVENTORIES

	2023 €m	2022 €m
Group		
Raw materials & consumables	**43.8**	37.6
Finished goods & goods for resale	**131.1**	130.6
Total inventories at lower of cost and net realisable value	**174.9**	168.2

Inventory write-downs recognised within operating costs before exceptional items amounted to €0.2m in the current year and €1.1m in FY2022 and were with respect to breakages and write-offs of damaged and obsolete stock. In the prior year, the Group realised an exceptional credit of €4.1m with respect to inventory, which related to recoveries on inventory that had been deemed at risk of obsolescence as a consequence of COVID-19 restrictions.

Inventory impairment allowance levels are reviewed by management and revised where appropriate, taking account of the latest available information on the recoverability of carrying amounts.

15. TRADE & OTHER RECEIVABLES

	Group		Company	
	2023 €m	2022 €m	2023 €m	2022 €m
Amounts falling due within one year:				
Trade receivables	**125.6**	147.5	**-**	-
Amounts due from Group undertakings	**-**	-	**285.1**	114.7
Advances to customers	**8.8**	4.6	**-**	-
Prepayments and other receivables	**29.7**	34.2	**-**	-
	164.1	186.3	**285.1**	114.7
Amounts falling due after one year:				
Advances to customers	**33.1**	38.4	**-**	-
Prepayments and other receivables	**4.9**	4.6	**-**	-
	38.0	43.0	**-**	-
Total	**202.1**	229.3	**285.1**	114.7

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 €94.1m to Group cash (FY2022: €84.1m) at 28 February 2023. The Group's debtors would therefore have been €94.1m higher (FY2022: €84.1m) had the programme not been in place. The Group's trade receivables programme is not recognised on the Group's Consolidated Balance Sheet as it meets the de-recognition criteria under IFRS 9 *Financial Instruments.*

Notes forming part of the financial statements (continued)

15. TRADE & OTHER RECEIVABLES (continued)

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 2023 and 28 February 2022 were as follows:

	Trade receivables		Advances to customers		Total		Total	
	Gross 2023 €m	Impairment 2023 €m	Gross 2023 €m	Impairment 2023 €m	Gross 2023 €m	Impairment 2023 €m	Gross 2022 €m	Impairment 2022 €m
Group								
Not past due	**98.8**	**(1.8)**	**41.7**	**(3.9)**	**140.5**	**(5.7)**	173.7	(7.2)
Past due:								
Past due 0-30 days	**16.0**	**(0.8)**	**0.4**	**(0.3)**	**16.4**	**(1.1)**	5.0	(0.3)
Past due 31-120 days	**10.2**	**(0.4)**	**0.3**	**(0.1)**	**10.5**	**(0.5)**	10.0	(0.4)
Past due 121-365 days	**3.8**	**(0.5)**	**1.4**	**(0.5)**	**5.2**	**(1.0)**	8.6	(0.6)
Past due more than one year	**6.0**	**(5.7)**	**3.9**	**(1.0)**	**9.9**	**(6.7)**	11.0	(9.3)
Total	**134.8**	**(9.2)**	**47.7**	**(5.8)**	**182.5**	**(15.0)**	208.3	(17.8)

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.

The Group applies the simplified approach permitted by IFRS 9 *Financial Instruments* to measure expected credit losses for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables are assessed collectively in groups that share similar credit risk characteristics, such as customer segments, historical information on payment patterns including the payment patterns over the last twelve-month period, terms of payment and the impact of government schemes coming to an end as markets reopened. The Group recorded an exceptional credit of €0.9m with respect to the Group's receivables balances in the current financial year (FY2022: €7.9m) in this regard (note 5).

Regarding advances to customers, the Group applies the general approach to measure expected credit losses which requires a loss provision to be recognised based on twelve-month or lifetime expected credit losses, provided a significant increase in credit risk has occurred since initial recognition. The Group assesses the expected credit losses for advances to customers based on historical information on repayment patterns including the repayment patterns over the last twelve-month period. The credit risk on advances to customers can be reduced through the value of security and/or collateral given. In the prior financial year, COVID-19 had a material impact on the assessment of credit losses with regard to advances to customers at year end and the Group recorded an exceptional credit of €0.4m (FY2022: credit of €5.5m) in this regard (note 5).

Trade receivables are on average receivable within 24 days (FY2022: 32 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.

15. TRADE & OTHER RECEIVABLES (continued)

The movement in the allowance for impairment in respect of trade receivables and advances to customers during the year was as follows:

	Trade receivables 2023 €m	Advance to customers 2023 €m	Total 2023 €m	Total 2022 €m
Group				
At beginning of year	**10.4**	**7.4**	**17.8**	27.7
Recovered during the year	**(0.9)**	**(0.4)**	**(1.3)**	(13.4)
Provided during the year	**2.2**	**-**	**2.2**	4.6
Derecognised on disposal	**(0.6)**	**(0.3)**	**(0.9)**	(0.5)
Written off during the year	**(1.8)**	**(0.7)**	**(2.5)**	(1.9)
Translation adjustment	**(0.1)**	**(0.2)**	**(0.3)**	1.3
At end of year	**9.2**	**5.8**	**15.0**	17.8

At 28 February 2023, regarding the impact of the expected credit loss model on trade receivables and advances to customers, the Group has provided for expected credit losses over the next twelve months of €4.2m (FY2022: €5.7m) and expected lifetime losses of €10.8m (FY2022: €12.1m).

16. ASSET HELD FOR SALE

During the current financial year, the Group completed the sale of its asset held for sale, Admiral Taverns, to Proprium Capital Partners for a total consideration of €63.6m (£55.0m), realising a profit on disposal of €0.4m. In the prior financial year, the Group classified its joint venture investment in Admiral Taverns as an asset held for sale as at 24 February 2022, with a value at the prior year end of €65.8m (£55.0m).

17. TRADE & OTHER PAYABLES

	Group		Company	
	2023 €m	2022 €m	2023 €m	2022 €m
Trade payables	**241.3**	206.8	**-**	-
Payroll taxes & social security	**4.1**	6.5	**-**	-
VAT	**17.6**	32.3	**-**	-
Excise duty	**28.7**	46.2	**-**	-
Accruals	**79.0**	94.3	**2.0**	2.9
Amounts due to Group undertakings	**-**	-	**53.6**	49.7
Total	**370.7**	386.1	**55.6**	52.6

Amounts due to Group undertakings are a combination of interest bearing and interest free payables and are all payable on demand.

The Group's exposure to currency and liquidity risk related to trade & other payables is disclosed in note 24.

Company

The Company has entered into financial guarantee contracts to guarantee the indebtedness of the liabilities of certain of its subsidiary undertakings. As at 28 February 2023, the Directors consider these to be in the nature of insurance contracts and do not consider it probable that the Company will have to make a payment under these guarantees and as such discloses them as a contingent liability as detailed in note 27.

Notes forming part of the financial statements (continued)

18. PROVISIONS

	Restructuring 2023 €m	Dilapidation 2023 €m	Other 2023 €m	Total 2023 €m	Total 2022 €m
At 1 March	0.2	5.4	6.5	12.1	12.7
Translation adjustment	-	(0.2)	(0.2)	(0.4)	0.3
Charged during the year	-	2.8	0.9	3.7	3.1
Released during the year	-	(2.6)	(0.1)	(2.7)	(0.9)
Utilised during the year	(0.2)	-	(2.2)	(2.4)	(3.1)
At end of year	-	5.4	4.9	10.3	12.1

	Total 2023 €m	Total 2022 €m
Classified within:		
Current liabilities	5.4	8.2
Non-current liabilities	4.9	3.9
	10.3	12.1

Restructuring
Restructuring costs of €0.6m were incurred in prior year. These related to severance costs of €0.6m which were incurred with respect to the restructuring of the Group as a consequence of the COVID-19 pandemic, €0.2m of which was outstanding at the end of the prior year. During the current financial year €0.2m was paid with no costs outstanding at the year end.

Dilapidation
The Group has a dilapidation provision of €5.4m at 28 February 2023 (FY2022: €5.4m). During the current year €2.8m was incurred in relation to leased depots in Scotland. During the year €2.6m was released in relation to leased depots in England: €1m of this was due to a depot which is being vacated during FY2023 and €1.6m was in relation to several other depots in England where a new assessment was conducted to update the existing provisions, as a result of which it was concluded that the existing provisions were in excess of what was required. The Group's dilapidation provision at 28 February 2023 is split between dilapidation costs for leased depots of €5.1m (FY2022: €5.1m) and a €0.3m dilapidation provision for the leased fleet (FY2022: €0.3m).

Other
A significant proportion of the Other provision balance of €4.9m relates primarily to a provision with respect to lost kegs. During the year additional costs were incurred in respect of legal disputes, and €2.2m was paid and €0.1m released in relation to these during the year.

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 2021, net carrying amount	30.3	0.9	33.5	64.7
Translation adjustment	1.1	-	1.3	2.4
Additions	0.4	-	22.7	23.1
Reclassification	-	3.1	(3.1)	-
Remeasurement	7.2	(0.3)	(4.8)	2.1
Disposals	-	-	(4.8)	(4.8)
Depreciation charge for the year	(5.0)	(0.4)	(14.1)	(19.5)
At 28 February 2022	34.0	3.3	30.7	68.0
Translation adjustment	**(1.4)**	**(0.1)**	**(1.4)**	**(2.9)**
Additions	**5.0**	**0.1**	**21.8**	**26.9**
Remeasurement	**(0.4)**	**(3.0)**	**3.2**	**(0.2)**
Disposals	**-**	**-**	**(7.5)**	**(7.5)**
Depreciation charge for the year	**(6.0)**	**(0.1)**	**(13.7)**	**(19.8)**
At 28 February 2023	**31.2**	**0.2**	**33.1**	**64.5**

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Leased liabilities				
At 1 March 2021, net carrying amount	(43.0)	(0.8)	(35.8)	(79.6)
Translation adjustment	(1.8)	(0.2)	(1.2)	(3.2)
Additions to lease liabilities	(0.4)	-	(22.7)	(23.1)
Reclassification	-	(3.1)	3.1	-
Remeasurement	(6.5)	0.4	5.2	(0.9)
Disposals	-	-	4.9	4.9
Payments*	8.5	0.5	16.2	25.2
Interest (discount unwinding)	(1.6)	-	(1.7)	(3.3)
At 28 February 2022	(44.8)	(3.2)	(32.0)	(80.0)
Translation adjustment	**2.0**	**-**	**1.6**	**3.6**
Additions to lease liabilities	**(5.0)**	**(0.1)**	**(21.8)**	**(26.9)**
Remeasurement	**1.4**	**2.3**	**(4.1)**	**(0.4)**
Disposals	**-**	**-**	**7.4**	**7.4**
Payments*	**9.6**	**0.8**	**15.2**	**25.6**
Interest (discount unwinding)	**(1.9)**	**(0.1)**	**(1.1)**	**(3.1)**
At 28 February 2023	**(38.7)**	**(0.3)**	**(34.8)**	**(73.8)**

* Payments are apportioned between finance charges €3.1m (FY2022: €3.3m) and payment of lease liabilities €22.5m (FY2022: €21.9m) in the Cash Flow Statement

Notes forming part of the financial statements
(continued)

19. LEASES (continued)

Lease liabilities classified within:

	Total 2023 €m	Total 2022 €m
Current liabilities	**(16.7)**	(20.2)
Non-current liabilities	**(57.1)**	(59.8)
	(73.8)	(80.0)

The table below shows a maturity analysis of the discounted and undiscounted lease liability arising from the Group's leasing activities. These 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 2023		As at 28 February 2022	
	Discounted €m	Undiscounted €m	Discounted €m	Undiscounted €m
Within one year	**(16.7)**	**(19.4)**	(20.2)	(23.1)
Between one and two years	**(13.7)**	**(15.8)**	(14.7)	(16.9)
Between two and three years	**(11.9)**	**(13.5)**	(11.9)	(13.5)
Between three and four years	**(8.3)**	**(9.5)**	(10.4)	(11.6)
Between four and five years	**(5.9)**	**(6.8)**	(7.0)	(7.9)
After five years	**(17.3)**	**(18.7)**	(15.8)	(18.4)
Total	**(73.8)**	**(83.7)**	(80.0)	(91.4)

The Group avails of the exemption from capitalising lease costs for short-term leases and low-value assets where the relevant criteria for accounting for them under IFRS 16 *Leases* are met. The following lease costs have been charged to the Income Statement as incurred:

	2023 €m	2022 €m
Expense relating to short-term leases (included in operating costs)	**1.1**	1.5
Total	**1.1**	1.5

20. INTEREST BEARING LOANS & BORROWINGS

	Group		Company	
	2023 €m	2022 €m	2023 €m	2022 €m
Current liabilities				
Unsecured loans repayable by one repayment on maturity	**(95.0)**	0.7	**-**	0.7
Unsecured loans repayable by instalment	**0.7**	(37.4)	**0.7**	0.1
Private Placement notes repayable by instalment	**0.1**	0.1	**0.1**	0.1
	(94.2)	(36.6)	**0.8**	0.9
Non-current liabilities				
Unsecured loans repayable by one repayment on maturity	**-**	(75.0)	**-**	1.0
Private Placement notes repayable by instalment	**0.6**	-	**0.6**	-
Private Placement notes repayable by one repayment on maturity	**(100.6)**	(144.4)	**(100.6)**	(144.4)
	(100.0)	(219.4)	**(100.0)**	(143.4)
Total borrowings	**(194.2)**	(256.0)	**(99.2)**	(142.5)

20. INTEREST BEARING LOANS & BORROWINGS (continued)

Group and Company

Outstanding borrowings of the Group and Company are net of unamortised issue costs. During FY2020, 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 2023 was €1.4m (FY2022: €2.9m) of which €0.8m (FY2022: €0.9m) is netted against current liabilities and €0.6m (FY2022: €2.0m) is netted against non-current liabilities.

Terms and debt repayment schedule

Group	Currency	Nominal rates of interest at 28 February 2023	Year of maturity	2023 Carrying value €m	2022 Carrying value €m
Unsecured loans repayable by one repayment on maturity	Multi	Euribor/Sonia + 2.4%	2024	**95.0**	76.0
Unsecured loans repayable by instalment	Euro	Euribor + 2.85%	2022	**-**	37.5
Private Placement notes repayable by one repayment on maturity	Euro/GBP	1.6%-2.74%	2030/2032	**100.6**	145.4
				195.6	258.9

Company	Currency	Nominal rates of interest at 28 February 2023	Year of maturity	2023 Carrying value €m	2022 Carrying value €m
Private Placement notes repayable by one repayment on maturity	Euro/GBP	1.6%-2.74%	2030/2032	**100.6**	145.4
				100.6	145.4

Borrowing facilities

Group

The Group manages its borrowing requirements by entering into committed loan facility agreements. It also holds 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. During FY2023, Ulster Bank left the syndicate, following the sale of their Irish commercial loan book to Allied Irish Bank; however the facility remains unchanged at €450m. In FY2021, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment was paid on 12 July 2022.

The Group has successfully negotiated and completed a refinancing of the current multi-currency facility agreement which will be repayable in a single instalment following the publication of the Group's FY2023 Results, at which point the new facility will begin. The Group will enter into a new five-year committed sustainability-linked facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks - namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.

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. Following the disposal of Admiral Taverns in May 2022 for £55.0m, the first two of three tranches of proceeds of €42.8m (£36.7m) were received in August 2022. A condition of the negotiated waiver agreement (which ceased in October 2022) was that these proceeds were made available to USPP noteholders to divest. With noteholders divesting in November 2022, the subsequent new holding as at 28 February 2023 is €100.6m (FY2022: €145.4m). This waiver condition ceased with the publication of the Group's Condensed Consolidated Interim Financial Statements in October 2022, and the third and final tranche of Admiral proceeds of €20.8m (£18.3m) received in February 2023 was fully retained by the business.

Notes forming part of the financial statements
(continued)

20. INTEREST BEARING LOANS & BORROWINGS (continued)

Under the terms of the multi-currency facility and the Euro term loan, the Group must pay a commitment fee based on 35% of the applicable margin on undrawn committed amounts and variable interest on drawn amounts based on variable Euribor/Sonia interest rates plus a margin, the level of which is dependent on the Net Debt: EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, two, three or six months. These conditions are mirrored in the new multi-currency facility and the Euro term loan, which will go live in FY2024.

Under the terms of the USPP, the Group pays a margin of 1.6% with respect to €13.4m FY2023 (FY2022: €19.0m) USPP notes with a 10-year tenure; 1.73% with respect to €40.4m (FY2022: €57.0m) USPP notes with a 12 year tenure and 2.74% with respect to £41.1m (FY2022: £58.0m) notes with a 10 year tenure. A fee is payable where Group EBITDA is below €120.0m and a below investment grade fee payable when the Group's credit rating is below investment grade. These fees will remain applicable until the conditions are met and total 1.50%.

The current and future multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility upon approval from the Group's banking syndicate.

All bank loans drawn are unsecured and rank pari passu. All borrowings of the Group are guaranteed by a number of the Group's subsidiary undertakings. The USPP allows the early prepayment of the notes at any time subject to the payment of a make whole amount to compensate the note holders for the interest that would have been received on the notes had they not been prepaid early.

All borrowings of the Group at 28 February 2023 are repayable in full on change of control of the Group.

The Group considers the refinancing of its multi-currency facility to be a post balance sheet event, as described in Note 30.

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 multi-currency revolving credit facility drawn debt at 28 February 2023.

The Company is a borrower with respect to the Group's USPP notes of €100.6m (FY2022: €145.4m) as at 28 February 2023. Under the terms of the USPP, the Company pays a margin of 1.6% with respect to €13.4m USPP notes (FY2022: €19.0m) with a 10 year tenure; 1.73% with respect to €40.4m FY2023 (FY2022: €57.0m) USPP notes with a 12 year tenure and 2.74% with respect to £41.1m (FY2022: £58.0m) notes with a 10 year tenure. A fee is payable where Group EBITDA is below €120.0m and a below investment grade fee payable when the Group's credit rating is below investment grade. These fees will remain applicable until the conditions are met and total 1.50%.

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; however, given strong return of trading on re-opening, the Group successfully exited waivers early with its bank syndicate in June 2022, returning to normal covenants at pre-COVID-19 levels. With regard to the new facility, which will go live in FY2024, the Group has agreed the same covenants as the previous agreement with the Group's lending group.

The Group's multi-currency debt facility incorporates the following financial covenants (before the current waivers were secured):
- Interest cover: The ratio of EBITDA to net interest for a period of twelve months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of twelve months ending on a half-year date will not exceed 3.5:1

The Company and Group also had covenants with respect to its non-bank financial indebtedness (before the current waivers were secured).
- Interest cover: The ratio of EBITDA to net interest for a period of twelve months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of twelve months ending on a half-year date will not exceed 3.5:1

There is no effect on the Group's covenants as a result of implementing IFRS 16 *Leases* as all covenants are calculated on a pre-IFRS 16 *Leases* adoption basis.

Further information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in note 24.

21. ANALYSIS OF NET DEBT

	1 March 2022 €m	Translation adjustment €m	Additions/ disposals/ remeasurement €m	Cash Flow, net €m	Non-cash changes €m	28 February 2023 €m
Group						
Interest bearing loans & borrowings	**(256.0)**	**3.3**	**-**	**60.0**	**(1.5)**	**(194.2)***
Cash	**64.7**	**(1.3)**	**-**	**51.9**	**-**	**115.3**
Net debt excluding leases	**(191.3)**	**2.0**	**-**	**111.9**	**(1.5)**	**(78.9)**
Lease liabilities (note 19)	**(80.0)**	**3.6**	**(19.9)**	**25.6**	**(3.1)**	**(73.8)**
Net debt including leases	**(271.3)**	**5.6**	**(19.9)**	**137.5**	**(4.6)**	**(152.7)**

* Interest bearing loans & borrowings at 28 February 2023 are net of unamortised issue costs of €1.4m.

	1 March 2021 €m	Translation adjustment €m	Additions/ disposals/ remeasurement €m	Cash Flow, net €m	Non-cash changes €m	28 February 2022 €m
Group						
Interest bearing loans & borrowings	(470.0)	(7.2)	-	222.2	(1.0)	(256.0)*
Cash	107.7	2.5	-	(45.5)	-	64.7
Net debt excluding leases	(362.3)	(4.7)	-	176.7	(1.0)	(191.3)
Lease liabilities (note 19)	(79.6)	(3.2)	(19.1)	25.2	(3.3)	(80.0)
Net debt including leases	(441.9)	(7.9)	(19.1)	201.9	(4.3)	(271.3)

* Interest bearing loans & borrowings at 28 February 2022 are net of unamortised issue costs of €2.9m.

	1 March 2022 €m	Translation adjustment €m	Cash Flow, net €m	Non-cash changes €m	28 February 2023 €m
Company					
Interest bearing loans & borrowings	**(142.5)**	**3.2**	**41.6**	**(1.5)**	**(99.2)***
Cash	**0.1**	**-**	**0.1**	**-**	**0.2**
	(142.4)	**3.2**	**41.7**	**(1.5)**	**(99.0)**

* Interest bearing loans & borrowings at 28 February 2023 are net of unamortised issue costs of €1.4m.

	1 March 2021 €m	Translation adjustment €m	Cash Flow, net €m	Non-cash changes €m	28 February 2022 €m
Company					
Interest bearing loans & borrowings	(144.4)	(3.0)	5.9	(1.0)	(142.5)*
Cash	0.7	-	(0.6)	-	0.1
	(143.7)	(3.0)	5.3	(1.0)	(142.4)

* Interest bearing loans & borrowings at 28 February 2022 are net of unamortised issue costs of €2.9m.

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 €1.5m (FY2022: €1.0m). The non-cash changes for the Group's lease liabilities in the current financial year relate to lease interest/discount unwinding of €3.1m (FY2022: €3.3m) – see note 19.

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 2023.

Notes forming part of the financial statements
(continued)

22. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

	2023			2022		
	Assets €m	Liabilities €m	Net (liabilities)/assets €m	Assets €m	Liabilities €m	Net (liabilities)/assets €m
Group						
Property, plant & equipment	**2.6**	**(15.2)**	**(12.6)**	2.6	(12.8)	(10.2)
Intangible assets	**7.4**	**(9.7)**	**(2.3)**	7.2	(9.4)	(2.2)
Retirement benefits	**0.4**	**(6.1)**	**(5.7)**	0.2	(6.3)	(6.1)
Trade related items & losses	**14.6**	**(3.2)**	**11.4**	17.0	(1.7)	15.3
	25.0	**(34.2)**	**(9.2)**	27.0	(30.2)	(3.2)

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.

€14.9m (FY2022: €16.5m) of deferred tax assets have been recognised at the end of FY2023 in respect of tax losses that require future taxable profits to arise in excess of profits arising from the reversal of existing temporary differences. Following a forecasting exercise, the Group is estimating sufficient future taxable profits to recognise these deferred tax assets.

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 €42.5m (FY2022: €43.1m). In the event that sufficient taxable profits arise or the tax treatment becomes sufficiently certain in the relevant jurisdictions in future years, these losses may be utilised. With the sale of Vermont Hard Cider Company, the losses in connection with this business expired in 2021/2022 and the majority of the remaining losses are due to expire in 2035/2038.

Company
The Company had no deferred tax assets or liabilities at 28 February 2023 or at 28 February 2022.

Analysis of movement in net deferred tax (liabilities)/assets

	1 March 2022 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Translation adjustment €m	28 February 2023 €m
Group					
Property, plant & equipment: ROI	**(0.2)**	**(1.7)**	**-**	**-**	**(1.9)**
Property, plant & equipment: other	**(10.0)**	**(0.9)**	**0.3**	**(0.1)**	**(10.7)**
Trade related items & losses	**15.3**	**(3.6)**	**-**	**(0.3)**	**11.4**
Intangible assets	**(2.2)**	**0.2**	**-**	**(0.3)**	**(2.3)**
Retirement benefits	**(6.1)**	**0.2**	**0.1**	**0.1**	**(5.7)**
	(3.2)	**(5.8)**	**0.4**	**(0.6)**	**(9.2)**

22. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES (continued)

From 1 April 2023, the UK corporation tax is expected to increase from 19% to 25%. An assessment on the expected unwind of UK deferred tax assets and UK deferred liabilities has been calculated resulting in a €0.7m credit to the P&L (FY2022: €0.1m charge) and a charge to OCI of €nil (FY2022: €0.5m).

	1 March 2021 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Translation adjustment €m	28 February 2022 €m
Group					
Property, plant & equipment: ROI	0.4	(0.6)	-	-	(0.2)
Property, plant & equipment: other	(7.0)	(2.2)	(0.6)	(0.2)	(10.0)
Trade related items & losses	16.5	(1.5)	-	0.3	15.3
Intangible assets	(0.8)	(1.4)	-	-	(2.2)
Retirement benefits	(1.8)	-	(4.3)	-	(6.1)
	7.3	(5.7)	(4.9)	0.1	(3.2)

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 (FY2022: no active members). There are 50 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (FY2022: 51 active members) and 2 active members in the NI defined benefit pension scheme (FY2022: 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. The most recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2020. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

The funding requirements in relation to the Group's ROI defined benefit pension schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. Arising from the formal actuarial valuations of the Group's staff defined benefit pension scheme, the Group committed to contributions of €418,000 per annum commencing in calendar year 2021 and increasing at a rate of 1.4% each calendar year thereafter. This will be reviewed at the next actuarial valuation, which is due in the normal course of events at 1 January 2024. There is no funding requirement with respect to the Group's ROI executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to any surplus remaining in these schemes in the event the scheme concludes.

Notes forming part of the financial statements
(continued)

23. RETIREMENT BENEFITS (continued)

The Group is exposed to a number of risks in relation to the funding position of these schemes, namely:

Asset volatility: It is the Group's intention to pursue a long-term investment policy that emphasises investment in secure monetary assets to provide for the contractual benefits payable to members. The investment portfolio has exposure to equities, other growth assets and fixed interest investments, the returns from which are uncertain and may fluctuate significantly in line with market movements. Assets held are valued at fair value using bid prices where relevant.

Discount rate: The discount rate is the rate of interest used to discount post-employment benefit obligations and is determined by reference to market yields at the balance sheet date on high quality corporate bonds with a currency and term consistent with the currency and estimated term of the Group's post-employment benefit obligations. Movements in discount rates have a significant impact on the value of the schemes' liabilities.

Longevity: The value of the defined benefit obligations is influenced by demographic factors such as mortality experience and retirement patterns. Changes to life expectancy have a significant impact on the value of the schemes' liabilities.

Method and assumptions

The schemes' independent actuary, Mercer (Ireland) Limited, has employed the projected unit credit method to determine the present value of the defined benefit obligations arising and the related current service cost.

The financial assumptions that have the most significant impact on the results of the actuarial valuations are those relating to the discount rate used to convert future pension liabilities to current values and the rate of inflation/salary increase. These, and other assumptions used to determine the retirement benefits and current service cost under IAS 19 *Employee Benefits,* are set out below.

Mortality rates also have a significant impact on the actuarial valuations, as the number of deaths within the scheme have been too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality, the rates used have been based on the most up-to-date mortality tables, (the S3PMA CMI 2019 1.5% (males) and S3PFA CMI 2019 1.5% (females) for the ROI schemes and S3PMA CMI 2020 1.5% (males) and S3PFA CMI 2020 1.5% (females) for the NI scheme) with age ratings and loading factors to allow for future mortality improvements. These tables conform to best practice. The growing trend for people to live longer and the expectation that this will continue has been reflected in the mortality assumptions used for this valuation as indicated below. This assumption will continue to be monitored in light of general trends in mortality experience. Based on these tables, the assumed life expectations on retirement are:

		ROI		NI	
		2023	2022	2023	2022
Future life expectations at age 65		No. of years	No. of years	No. of years	No. of years
Current retirees – no allowance for future improvements	Male	**22.6-23.5**	22.5-23.3	**22.4**	22.4
	Female	**24.4-25.3**	24.2-25.1	**24.2**	24.2
Future retirees – with allowance for future improvements	Male	**23.4-24.2**	23.2-24.1	**24.0**	24.0
	Female	**25.3-26.2**	25.2-26.0	**26.0**	26.0

Scheme liabilities

The average age of active members is 53 and 50 years (FY2022: 51 and 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 12 to 17 years (FY2022: 13 to 22 years).

23. RETIREMENT BENEFITS (continued)

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 2023 and 28 February 2022 are as follows:

	2023 ROI	2023 NI	2022 ROI	2022 NI
Salary increases	**0.0%-2.6%**	**3.6%**	0.0%-2.6%	4.0%
Increases to pensions in payment	**2.6%**	**1.8%**	2.0%	2.0%
Discount rate	**4.3%**	**5.0%**	1.8%-2.0%	2.6%
Inflation rate	**2.6%**	**3.2%**	1.6%-1.7%	3.6%

A reduction in discount rate used to value the schemes' liabilities by 0.25% would increase the valuation of liabilities by €4.8m (FY2022: €6.9m) while an increase in inflation/salary increase expectations of 0.25% would increase the valuation of liabilities by €4.7m (FY2022: €7.4m). 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 IAS 19 *Employee Benefits*.

(a) Impact on Income Statement

	2023 ROI €m	2023 NI €m	2023 Total €m	2022 ROI €m	2022 NI €m	2022 Total €m
Analysis of defined benefit pension expense:						
Current service cost	**(0.6)**	**-**	**(0.6)**	(0.7)	-	(0.7)
Interest cost on scheme liabilities	**(3.1)**	**(0.2)**	**(3.3)**	(2.6)	(0.2)	(2.8)
Interest income on scheme assets	**3.7**	**0.3**	**4.0**	2.6	0.2	2.8
Total income/(expense) recognised in Income Statement	**-**	**0.1**	**0.1**	(0.7)	-	(0.7)

Analysis of amount recognised in Other Comprehensive Income:

	2023 ROI €m	2023 NI €m	2023 Total €m	2022 ROI €m	2022 NI €m	2022 Total €m
Actual return on scheme assets	**(24.8)**	**(5.1)**	**(29.9)**	13.4	0.7	14.1
Expected interest income on scheme assets	**(3.7)**	**(0.3)**	**(4.0)**	(2.6)	(0.2)	(2.8)
Experience gains and losses on scheme liabilities	**(3.9)**	**(0.3)**	**(4.2)**	12.2	-	12.2
Effect on changes in financial assumptions	**39.3**	**3.1**	**42.4**	5.9	0.3	6.2
Effect of changes in demographic assumptions	**-**	**-**	**-**	2.9	0.2	3.1
Total income/(expense)	**6.9**	**(2.6)**	**4.3**	31.8	1.0	32.8
Scheme assets	**164.3**	**8.5**	**172.8**	195.1	14.4	209.5
Scheme liabilities	**(125.7)**	**(4.9)**	**(130.6)**	(164.0)	(7.9)	(171.9)
Deficit in scheme	**-**	**-**	**-**	-	-	-
Surplus in scheme	**38.6**	**3.6**	**42.2**	31.1	6.5	37.6

Notes forming part of the financial statements
(continued)

23. RETIREMENT BENEFITS (continued)

(b) Impact on Balance Sheet

The retirement benefits surplus at 28 February 2023 and 28 February 2022 is analysed as follows:

Analysis of net pension surplus:

	2023 ROI €m	2023 NI €m	2023 Total €m	2022 ROI €m	2022 NI €m	2022 Total €m
Investments quoted in active markets						
Bid value of assets at end of year:						
Equity*	**31.2**	**1.2**	**32.4**	35.7	2.9	38.6
Bonds	**111.6**	**7.3**	**118.9**	120.9	11.4	132.3
Alternatives	**8.2**	**-**	**8.2**	23.1	-	23.1
Cash	**0.5**	**-**	**0.5**	2.4	0.1	2.5
Investments unquoted						
Property	**12.8**	**-**	**12.8**	13.0	-	13.0
	164.3	**8.5**	**172.8**	195.1	14.4	209.5
Actuarial value of scheme liabilities	**(125.7)**	**(4.9)**	**(130.6)**	(164.0)	(7.9)	(171.9)
Deficit in the scheme	**-**	**-**	**-**	-	-	-
Surplus in the scheme	**38.6**	**3.6**	**42.2**	31.1	6.5	37.6
Surplus/(deficit) in the scheme	**38.6**	**3.6**	**42.2**	31.1	6.5	37.6
Related deferred tax liability (note 22)	**(4.8)**	**(1.3)**	**(6.1)**	(4.0)	(2.1)	(6.1)
Net pension surplus/(deficit)	**33.8**	**2.3**	**36.1**	27.1	4.4	31.5

*The defined benefit pension schemes have a passive self-investment in C&C Group plc of €nil (FY2022: €nil).

The alternative investment category includes investments in various asset classes including equities, commodities, currencies and funds. The investments are managed by fund managers.

Reconciliation of scheme assets

	2023 ROI €m	2023 NI €m	2023 Total €m	2022 ROI €m	2022 NI €m	2022 Total €m
Assets at beginning of year	**195.1**	**14.4**	**209.5**	187.1	13.7	200.8
Movement in year:						
Translation adjustment	**-**	**(0.6)**	**(0.6)**	-	0.6	0.6
Expected interest income on scheme assets	**3.7**	**0.3**	**4.0**	2.6	0.2	2.8
Actual return less interest income on scheme assets	**(28.5)**	**(5.4)**	**(33.9)**	10.8	0.5	11.3
Employer contributions	**0.5**	**-**	**0.5**	0.4	-	0.4
Member contributions	**0.1**	**-**	**0.1**	0.2	-	0.2
Other movements	**0.1**	**-**	**0.1**	-	-	-
Benefit payments	**(6.7)**	**(0.2)**	**(6.9)**	(6.0)	(0.6)	(6.6)
Assets at end of year	**164.3**	**8.5**	**172.8**	195.1	14.4	209.5

The expected employer contributions to fund defined benefit scheme obligations for year ending 28 February 2024 is €0.5m.

23. RETIREMENT BENEFITS (continued)

The scheme assets had the following investment profile at the year end:

	2023		2022	
	ROI	NI	ROI	NI
Investments quoted in active markets				
Equities	**19%**	**14%**	18%	20%
Bonds	**68%**	**86%**	62%	80%
Alternatives	**5%**	**-**	12%	-
Cash	**-**	**-**	1%	-
Investments unquoted				
Property	**8%**	**-**	7%	-
	100%	**100%**	100%	100%

Reconciliation of actuarial value of scheme liabilities

	2023			2022		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Liabilities at beginning of year	**164.0**	**7.9**	**171.9**	187.5	8.4	195.9
Movement in year:						
Translation adjustment	**-**	**(0.2)**	**(0.2)**	-	0.4	0.4
Current service cost	**0.6**	**-**	**0.6**	0.7	-	0.7
Interest cost on scheme liabilities	**3.1**	**0.2**	**3.3**	2.6	0.2	2.8
Member contributions	**0.1**	**-**	**0.1**	0.2	-	0.2
Actuarial gain immediately recognised in equity	**(35.4)**	**(2.8)**	**(38.2)**	(21.0)	(0.5)	(21.5)
Benefit payments	**(6.7)**	**(0.2)**	**(6.9)**	(6.0)	(0.6)	(6.6)
Liabilities at end of year	**125.7**	**4.9**	**130.6**	164.0	7.9	171.9

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 2023/28 February 2022 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 closely these and all other financial risks faced by the Group.

Notes forming part of the financial statements
(continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This is executed through various committees to which the Board has delegated appropriate levels of authority. An essential part of this framework is the role undertaken by the Audit Committee, supported by the internal audit function and the Group Chief Financial Officer. The Board, through its Committees, has reviewed the internal control environment and the risk management systems and process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers them to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

The Group's risk management programme seeks to minimise the potential adverse effects, arising from fluctuations in financial markets, on the Group's financial performance in a non-speculative manner at a reasonable cost when economically viable to do so. The Group achieves the management of these risks in part, where appropriate, through the use of derivative financial instruments. All derivative financial contracts entered into in this regard are in liquid markets with credit-worthy parties. Treasury activities are performed within strict terms of reference that have been approved by the Board. See currency risk and interest rate risk sections for further details.

(b) Financial assets and liabilities
The carrying and fair values of financial assets and liabilities by measurement category were as follows:

	Financial assets €m	Financial liabilities €m	Carrying value €m	Fair value €m
Group				
28 February 2023				
Financial assets:				
Cash*	**115.3**	**-**	**115.3**	**115.3**
Trade receivables*	**125.6**	**-**	**125.6**	**125.6**
Advances to customers*	**41.9**	**-**	**41.9**	**41.9**
Derivative contracts**	**1.1**	**-**	**1.1**	**1.1**
Financial liabilities:				
Interest bearing loans & borrowings*	**-**	**(194.2)**	**(194.2)**	**(195.6)**
Trade & other payables*	**-**	**(370.7)**	**(370.7)**	**(370.7)**
Provisions*	**-**	**(10.3)**	**(10.3)**	**(10.3)**
	283.9	**(575.2)**	**(291.3)**	**(292.7)**

* At amortised cost
** Derivatives designated as hedging instruments

	Financial assets €m	Financial liabilities €m	Carrying value €m	Fair value €m
Group				
28 February 2022				
Financial assets:				
Cash*	64.7	-	64.7	64.7
Trade receivables*	147.5	-	147.5	147.5
Advances to customers*	43.0	-	43.0	43.0
Financial liabilities:				
Interest bearing loans & borrowings*	-	(256.0)	(256.0)	(258.9)
Derivative contracts**	-	(0.1)	(0.1)	(0.1)
Trade & other payables*	-	(386.1)	(386.1)	(386.1)
Provisions*	-	(12.1)	(12.1)	(12.1)
	255.2	(654.3)	(399.1)	(402.0)

* At amortised cost
** Derivatives designated as hedging instruments

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

	Financial assets €m	Financial liabilities €m	Carrying value €m	Fair value €m
Company				
28 February 2023				
Financial assets:				
Cash*	**0.2**	**-**	**0.2**	**0.2**
Amounts due from Group undertakings*	**285.1**	**-**	**285.1**	**285.1**
Financial liabilities:				
Interest bearing loans & borrowings*	**-**	**(99.2)**	**(99.2)**	**(100.6)**
Amounts due to Group undertakings*	**-**	**(53.6)**	**(53.6)**	**(53.6)**
Accruals*	**-**	**(2.0)**	**(2.0)**	**(2.0)**
	285.3	**(154.8)**	**130.5**	**129.1**

* At amortised cost

	Financial assets €m	Financial liabilities €m	Carrying value €m	Fair value €m
Company				
28 February 2022				
Financial assets:				
Cash*	0.1	-	0.1	0.1
Amounts due from Group undertakings*	114.7	-	114.7	114.7
Financial liabilities:				
Interest bearing loans & borrowings*	-	(142.5)	(142.5)	(145.4)
Amounts due to Group undertakings*	-	(49.7)	(49.7)	(49.7)
Accruals*	-	(2.9)	(2.9)	(2.9)
	114.8	(195.1)	(80.3)	(83.2)

* At amortised cost

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 (Level 2).

Notes forming part of the financial statements
(continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk
Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Commodity price risk
The Group is exposed to variability in the price of commodities used in the production or in the packaging of finished products, such as apples, glass, barley, aluminium, polymer, wheat and sugar/glucose. Commodity price risk is managed, where economically viable, through fixed price contracts with suppliers incorporating appropriate commodity hedging and pricing mechanisms. The Group does not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. It is Group policy to fix the cost of a certain level of its energy requirement through fixed price contractual arrangements directly with its energy suppliers.

Currency risk
The Company's functional and reporting currency is Euro. The Euro is also the Group's reporting currency and the currency used for all planning and budgetary purposes. The Group is exposed to currency risk in relation to sales and purchase transactions by Group companies in currencies other than their functional currency (transaction risk), and fluctuations in the Euro value of the Group's net investment in foreign currency (primarily Sterling) denominated subsidiary undertakings (translation risk). Currency exposures for the entire Group are managed and controlled centrally. The Group seeks to minimise its foreign currency transaction exposure, when possible, by offsetting the foreign currency input costs against the same foreign currency receipts, creating a natural hedge. When the remaining net currency exposure is material, the Group enters into foreign currency forward contracts to mitigate and protect against adverse movements in currency risk and remove uncertainty over the foreign currency equivalent cash flows. At 28 February 2023 the Group had €11.5m of forward foreign currency cash flow hedges outstanding (FY2022: €22.2m).

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.

	2023 €m	2022 €m
Derivatives		
Cash flow hedges – currency forwards	**0.1**	(0.1)
Total	**0.1**	(0.1)

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through the Income Statement. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

	2023 €m	2022 €m
Hedging reserves – currency hedges		
Opening balance 1 March	**(0.1)**	-
Change in fair value of hedging recognised in Other Comprehensive Income for the year	**0.1**	(0.1)
Closing balance 28 February – continuing currency hedges	**-**	(0.1)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item, such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness might arise if the timing of the forecast transaction changes from what was originally estimated, or if a degree of forecast purchases are no longer highly probable to occur. The hedging ratio is 1:1 as the quantity of purchases designated matches the notional amount of the hedging instrument.

No ineffectiveness was recognised in the Income Statement in the current or prior financial year.

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 28 February 2023 is as follows:

	Euro €m	Sterling €m	USD €m	AUD €m	NZD €m	SGD €m	Not at risk €m	Total €m
Group								
Cash	**2.5**	**4.7**	**7.1**	**1.6**	**0.2**	**0.1**	**99.1**	**115.3**
Trade receivables	**2.4**	**2.4**	**1.2**	**1.0**	**0.1**	**-**	**118.5**	**125.6**
Advances to customers	**-**	**-**	**-**	**-**	**-**	**-**	**41.9**	**41.9**
Interest bearing loans & borrowings	**(95.0)**	**(46.8)**	**-**	**-**	**-**	**-**	**(52.4)**	**(194.2)**
Lease liabilities	**-**	**(0.2)**	**-**	**-**	**-**	**-**	**(73.6)**	**(73.8)**
Trade & other payables	**(16.4)**	**(14.9)**	**(2.5)**	**(0.2)**	**(1.3)**	**-**	**(335.4)**	**(370.7)**
Provisions	**-**	**(0.7)**	**-**	**-**	**-**	**-**	**(9.6)**	**(10.3)**
Gross currency exposure	**(106.5)**	**(55.5)**	**5.8**	**2.4**	**(1.0)**	**0.1**	**(211.5)**	**(366.2)**

	Sterling €m	Not at risk €m	Total €m
Company			
Cash	**-**	**0.2**	**0.2**
Interest bearing loans & borrowings	**(46.8)**	**(52.4)**	**(99.2)**
Net amounts due to Group undertakings	**14.8**	**216.7**	**231.5**
Accruals	**(1.0)**	**(1.0)**	**(2.0)**
Total	**(33.0)**	**163.5**	**130.5**

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 2022 is as follows:

	Euro €m	Sterling €m	USD €m	CAD/AUD €m	NZD €m	SGD €m	Not at risk €m	Total €m
Group								
Cash	5.7	2.3	3.3	0.3	0.1	0.1	52.9	64.7
Trade receivables	3.5	0.1	1.4	0.4	0.2	-	141.9	147.5
Advances to customers	-	-	-	-	-	-	43.0	43.0
Interest bearing loans & borrowings	-	-	-	-	-	-	(256.0)	(256.0)
Lease liabilities	-	-	-	-	-	-	(80.0)	(80.0)
Trade & other payables	(13.7)	(14.5)	(3.1)	(0.3)	(1.1)	-	(353.4)	(386.1)
Provisions	-	-	-	-	-	-	(12.1)	(12.1)
Gross currency exposure	(4.5)	(12.1)	1.6	0.4	(0.8)	0.1	(463.7)	(479.0)

	Sterling €m	Not at risk €m	Total €m
Company			
Cash	-	0.1	0.1
Interest bearing loans & borrowings	-	(142.5)	(142.5)
Net amounts due to Group undertakings	20.0	45.0	65.0
Accruals	(1.2)	(1.7)	(2.9)
Total	18.8	(99.1)	(80.3)

A 10% strengthening in the Euro against all currencies noted above, based on outstanding financial assets and liabilities at 28 February 2023, would have a €4.4m positive impact (FY2022: €1.4m) on the Income Statement. A 10% weakening in the Euro against all currencies noted above would have a €5.4m negative effect (FY2022: €1.7m) on the Income Statement. This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk

The interest rate profile of the Group and Company's interest-bearing financial instruments at the reporting date is summarised as follows:

	Group		Company	
	2023 €m	2022 €m	2023 €m	2022 €m
Variable/fixed rate instruments				
Interest bearing loans & borrowings	**(195.6)**	(258.9)	**(100.6)**	(145.4)
Cash	**115.3**	64.7	**0.2**	0.1
	(80.3)	(194.2)	**(100.4)**	(145.3)

The Group exposure to interest rate risk arises principally from its long-term debt obligations. A 0.25% increase/decrease in Euribor and Sonia rates would result in a €0.1m (FY2022: €0.1m) impact on the Income Statement, over the duration of the tenure, with respect to the interest charge on interest bearing loans & borrowings.

The Group is exposed to interest rate risk in relation to its €450m multi-currency interest bearing revolving credit facility. With the Group's USPP notes, there is a portion of long-term debt obligations where the interest is fixed for the duration of the facilities and not subject to changes in Euribor and Sonia rates. Interest rate exposures for the Group are managed and controlled centrally. The Group seeks to minimise its interest rate exposure by assessing and executing hedging strategies in a non-speculative manner, in line with Group policy and at a reasonable cost when economically viable to do so.

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

As at 28 February 2023, C&C Group had a portion of its interest rate risk hedged with the objective to manage risk of the Group's long-term exposure to interest rates and in line with C&C Group Policy. With rising interest rate environment, coming from both the European Central Bank and Bank of England, following recent history of modest or negative interest rates, the Group executed a €60m three-year Euro interest rate hedge against Euro debt facilities exposed to EURIBOR fluctuations. The hedge was executed in line with the Group guardrails and ensures that 82% of the Group's interest-bearing loans and borrowings as at 28 February 2023 are now either hedged or fixed through the USPP notes. The USPP notes were issued in March 2020 with a fixed interest rate for Euro and GBP notes, the notes have maturity dates ranging from 2030 to 2032.

	2023 €m
Derivatives	
Cash flow hedges – interest rate	**1.1**
Total	**1.1**

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through the Income Statement. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

	2023 €m
Hedging reserves – interest rate hedges	
Opening balance 1 March	-
Change in fair value of hedging recognised in Other Comprehensive Income for the year	1.1
Closing balance 28 February – continuing interest rate hedges	1.1

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of interest rates, 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 interest rates, ineffectiveness might arise on the sale of the business or repayment of debt which would impact hedged item.

No ineffectiveness was recognised in the Income Statement in the current or prior financial year.

(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.

Notes forming part of the financial statements (continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Generally, individual 'risk limits' are set on a customer-by-customer basis 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 or 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 2023, the Group's year end cash had benefited by €94.1m (FY2022: €84.1m) with respect to this purchase arrangement. The Group's trade receivables purchase arrangement is not recognised on the Balance Sheet as it meets the de-recognition criteria under IFRS 9 *Financial Instruments*.

Advances to customers are generally secured by, amongst others, rights over property or intangible assets, such as the right to take possession of the premises of the customer. During the financial year, the Group did not exercise its right to take possession of any material collateral that would require disclosure. At 28 February 2023, the Group held collateral of €0.8m (FY2022: €1.3m) on financial assets that are credit impaired and recognised no expected credit loss on financial assets of €7.2m (FY2022: €6.3m) due to collateral.

Interest rates calculated on repayment/annuity advances are generally based on the risk-free rate plus a margin, which takes into account the risk profile of the customer and value of security given. The Group establishes an allowance for impairment of customer's advances that represents its estimate of potential future losses.

From time to time, the Group holds significant cash balances, which are invested on a short-term basis and disclosed under cash in the Consolidated 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	
	2023 €m	2022 €m	2023 €m	2022 €m
Trade receivables	**125.6**	147.5	**-**	-
Advances to customers	**41.9**	43.0	**-**	-
Amounts due from Group undertakings	**-**	-	**285.1**	114.7
Cash	**115.3**	64.7	**0.2**	0.1
	282.8	255.2	**285.3**	114.8

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.

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(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 cash projections; and (c) keeps refinancing options under review. In addition, the Group maintains an overdraft facility that is unsecured.

Cash and liquidity have continued to be a key focus for the Group throughout FY2023.

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.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three-year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank and Ulster Bank. During FY2023, Ulster Bank left the syndicate, following the sale of their Irish commercial loan book to Allied Irish Bank, however the facility remains unchanged at €450m. In FY2021, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment was paid on 12 July 2022.

The Group has successfully negotiated and completed a refinancing of the current multi-currency facility agreement which will be repayable in a single instalment following the announcement of the Group's FY2023 Results, at which point the new facility will begin. The Group will enter into a new five-year committed sustainability-linked facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.

The multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility. At 28 February 2023 the Group had €95.0m drawn down from the term loan and multi-currency revolving facilities (FY2022: €113.5m), €100.6m drawn down from Private Placement notes (FY2022: €145.4m) and €nil from its non-bank financial indebtedness

The Company and Group had no financial indebtedness in the form of non-bank debt.

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 2023 are repayable in full on change of control of the Group.

The Company and the Group complied with all covenants at each reporting date in the current and prior financial year. There is no effect on the Group's covenants as a result of implementing IFRS 16 *Leases* in FY2020 as all covenants are calculated on a pre-IFRS 16 Leases adoption basis.

The Group repaid €18.1m of tax deferrals to the Irish tax authorities in FY2023. For FY2024, €10.1m (£8.9m) remains to be repaid to the UK tax authorities and there are €nil amounts remaining to be repaid to the Irish tax authorities.

Notes forming part of the financial statements (continued)

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

The following are the contractual maturities of financial liabilities, including interest payments:

	Carrying amount €m	Contractual cash flows €m	6 months or less €m	6–12 months €m	1–2 years €m	Greater than 2 years €m
Group						
2023						
Interest bearing loans & borrowings	**(195.6)**	**(243.4)**	**0.1**	**(4.3)**	**(9.3)**	**(229.9)**
Trade & other payables	**(370.7)**	**(370.7)**	**(370.7)**	**-**	**-**	**-**
Lease liabilities	**(73.8)**	**(87.1)**	**(11.7)**	**(11.1)**	**(13.5)**	**(50.8)**
Provisions	**(10.3)**	**(10.3)**	**(3.6)**	**(1.7)**	**(0.3)**	**(4.7)**
Total contracted outflows	**(650.4)**	**(711.5)**	**(385.9)**	**(17.1)**	**(23.1)**	**(285.4)**
Group						
2022						
Interest bearing loans & borrowings	(256.0)	(294.6)	(40.6)	(2.7)	(5.3)	(246.0)
Trade & other payables	(386.1)	(386.1)	(386.1)	-	-	-
Lease liabilities	(80.0)	(86.3)	(10.8)	(10.9)	(16.3)	(48.3)
Provisions	(12.1)	(12.1)	(2.0)	(5.1)	(1.1)	(3.9)
Total contracted outflows	(734.2)	(779.1)	(439.5)	(18.7)	(22.7)	(298.2)
Company						
2023						
Interest bearing loans & borrowings	**(100.6)**	**(121.0)**	**(1.9)**	**(1.9)**	**(3.7)**	**(113.5)**
Amounts due to Group undertakings	**(53.6)**	**(53.6)**	**(53.6)**	**-**	**-**	**-**
Accruals	**(2.0)**	**(2.0)**	**(2.0)**	**-**	**-**	**-**
Total contracted outflows	**(156.2)**	**(176.6)**	**(57.5)**	**(1.9)**	**(3.7)**	**(113.5)**
2022						
Interest bearing loans & borrowings	(142.5)	(173.5)	(1.6)	(1.6)	(3.2)	(167.1)
Amounts due to Group undertakings	(49.7)	(49.7)	(49.7)	-	-	-
Accruals	(2.9)	(2.9)	(2.9)	-	-	-
Total contracted outflows	(195.1)	(226.1)	(54.2)	(1.6)	(3.2)	(167.1)

25. SHARE CAPITAL AND RESERVES

	Authorised Number	Allotted and called up Number	Authorised €m	Allotted and called up €m
At 28 February 2023				
Ordinary shares of €0.01 each	**800,000,000**	**402,007,212***	**8.0**	**4.0**
At 28 February 2022				
Ordinary shares of €0.01 each	800,000,000	401,913,690**	8.0	4.0
At 28 February 2021				
Ordinary shares of €0.01 each	800,000,000	320,480,164***	8.0	3.2

* Inclusive of 10.2m (3%) treasury shares.
** Inclusive of 10.7m (3%) treasury shares.
*** Inclusive of 10.8m (3%) treasury shares.

All shares in issue carry equal voting and dividend rights.

Reserves
Group

	Allotted and called-up Ordinary Shares 2023 '000	2022 '000
As at 1 March	**401,914**	320,480
Shares issued in respect of options exercised	**93**	147
Shares issued in Rights Issue	**-**	81,287
As at 28 February	**402,007***	401,914*

* 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 No. of shares	Consideration €	Total €m	Other Treasury Shares No. of shares	Consideration €	Total €m	Total Treasury Shares No. of shares	Consideration €	Total €m
As at 1 March 2022	**1,644,942**	**3.83**	**6.3**	**9,025,000**	**3.29**	**29.7**	**10,669,942**	**3.37**	**36.0**
Shares disposed of or transferred to Participants	**(511,121)**	**3.71**	**(1.9)**	**-**	**-**	**-**	**(511,121)**	**3.71**	**(1.9)**
As at 28 February 2023	**1,133,821**	**3.88**	**4.4**	**9,025,000**	**3.29**	**29.7**	**10,158,821**	**3.36**	**34.1**

	Ordinary Shares held by the Trustee of the Employee Trust No. of shares	Consideration €	Total €m	Other Treasury Shares No. of shares	Consideration €	Total €m	Total Treasury Shares No. of shares	Consideration €	Total €m
As at 1 March 2021	1,766,324	3.85	6.8	9,025,000	3.29	29.7	10,791,324	3.38	36.5
Shares disposed of or transferred to Participants	(121,382)	3.71	(0.5)	-	-	-	(121,382)	3.71	(0.5)
As at 28 February 2022	1,644,942	3.83	6.3	9,025,000	3.29	29.7	10,669,942	3.37	36.0

Notes forming part of the financial statements
(continued)

25. SHARE CAPITAL AND RESERVES (continued)

Nominal value – Treasury Shares	2023 No. of shares	2023 Nominal Value €	2023 Total €	2022 No. of shares	2022 Nominal Value €	2022 Total €
As at 1 March	**10,669,942**	**0.01**	**106,699**	10,791,324	0.01	107,913
Shares disposed of or transferred to Participants	**(511,121)**	**0.01**	**(5,111)**	(121,382)	0.01	(1,214)
As at 28 February	**10,158,821**	**0.01**	**101,588**	10,669,942	0.01	106,699

Movements in the year ended 28 February 2023
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 2023 continue to be included in the treasury share reserve. During the financial year, 511,121 shares were sold by the Trustees and are no longer accounted for as treasury shares.

Movements in the year ended 28 February 2022
All shares held by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the C&C Employee Trust which were neither cancelled nor disposed of by the Trust at 28 February 2022 continued to be included in the treasury share reserve. During the prior financial year, 121,382 shares were sold by the Trustees and are no longer accounted for as treasury 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 presentational purposes in the Group financial statements, has been netted against the share premium in the Balance Sheet.

During the prior financial year, the movement primarily relates to the completion of the Rights Issue. This led to an increase in the Group's share premium of €175.5m. Also during the prior year there was the exercise of share options equating to €0.4m.

Share premium – Company
The share premium, as stated in the Company Balance Sheet, represents the premium recognised on shares issued and amounts to €1,048.2m as at 28 February 2023 (FY2022: €1,048.2m).

The prior year movement primarily relates to the completion of the Rights Issue. This led to an increase in the Company's share premium of €175.5m. Also during the prior year there was the exercise of share options equating to €0.4m.

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 €0.7m 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) and Portugal sites. Using the valuation methodologies, this resulted in a net revaluation gain of €0.6m accounted for in the Income Statement and a gain of €2.5m accounted for within the revaluation reserve via Other Comprehensive Income.

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; maintain investor, creditor and market confidence; and sustain the future development of the business through the optimisation of the value of its debt and equity shareholding balance.

The Board considers capital to comprise of long-term debt and equity. The Board periodically reviews the capital structure of the Group, considering the cost of capital and the risks associated with each class of capital. The Board approves any material adjustments to the capital structure in terms of the relative proportions of debt and equity. In order to maintain or adjust the capital structure, the Group may issue new shares, dispose of assets to reduce debt, alter dividend policy by increasing or reducing the dividend paid to shareholders, return capital to shareholders and/or buyback shares.

On 26 May 2021, the Group announced a Rights Issue, which the Group successfully completed in June 2021 raising gross cash proceeds of £151m (€176m). As a result of this, the Group reduced leverage, improving the Group's overall liquidity position and providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy.

Please refer to Note 20 for details of the Group's loans and borrowings.

Subject to shareholder approval at the Annual General Meeting, the Directors have proposed a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023. No interim dividend was paid with respect to FY2023; therefore, the Group's full year dividend will amount to 3.79 cent per share. There is no scrip dividend alternative. Due to the impact of COVID-19, total dividends for the prior financial year were €nil.

In the financial year ended 28 February 2015, a subsidiary of the Group invested €30.0m as part of an on-market share buyback programme, purchasing 9,025,000 of the Company's shares at an average price of €3.29. All shares acquired as part of this share buyback programme are held as Treasury shares.

Notes forming part of the financial statements
(continued)

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:

	2023 €m	2022 €m
Contracted	**5.3**	2.8
Not contracted	**13.7**	14.2
	19.0	17.0

The contracted capital commitments at 28 February 2023 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:

2023	Apples €m	Glass €m	Marketing €m	Barley** €m	Aluminium €m	Gas €m	Total* €m
Payable in less than one year	**3.1**	**3.0**	**3.5**	**-**	**0.4**	**-**	**10.0**
Payable between 1 and 5 years	**3.4**	**-**	**4.5**	**-**	**-**	**0.2**	**8.1**
Payable greater than 5 years	**6.7**	**-**	**-**	**-**	**-**	**-**	**6.7**
	13.2	**3.0**	**8.0**	**-**	**0.4**	**0.2**	**24.8**

* Commitment obligations range from between 1 year to 23 years.
** The commitments with respect to Barley were revised downwards to nil due to the favourable change in the open market price and consequently the option for the Group to resell its commitment to the market.

2022	Apples** €m	Glass €m	Marketing €m	Barley*** €m	Aluminium €m	Total* €m
Payable in less than one year	4.4	2.2	3.1	8.4	2.8	20.9
Payable between 1 and 5 years	8.9	-	5.9	0.6	-	15.4
Payable greater than 5 years	6.0	-	-	-	-	6.0
	19.3	2.2	9.0	9.0	2.8	42.3

* Commitment obligations range from between 1 year to 24 years.
** In the prior financial year, the Group exited some commitments regarding Apples and the value of some of the continuing Apple commitments were also revised downwards in line with the latest estimate of their cost of completion.
*** In the prior financial year, the commitments with respect to Barley were revised downwards due to the change in the open market price and consequently the option for the Group to resell its commitment to the market.

Where the Group has hedged an input cost, but a market exists for the Group to resell that input cost in the open market, then the Group does not classify that as a commitment.

27. GUARANTEES AND CONTINGENCIES

Where the Group or subsidiaries enters into financial guarantee contracts to guarantee the indebtedness of other companies or joint ventures and associates within the Group, the Group/subsidiaries consider these to be insurance arrangements and account for them as such. The Group/subsidiary treats the guarantee contract as a contingent liability until such time as it becomes probable that it will be required to make a payment under the guarantee.

As outlined in note 20, the Group has US Private Placement notes and a multi-currency revolving facility in place at year end. The Company has US Private Placement notes in place at year end. The Company, together with a number of its subsidiaries, gave a letter of guarantee to secure its obligations in respect of all borrowings as at 28 February 2023. The actual loans outstanding for the Group at 28 February 2023 amounted to €195.6m (FY2022: €258.9m).

27. GUARANTEES 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.

The resolution of uncertain tax positions, including those arising from ongoing Irish Revenue tax reviews, could vary from what the Company and its subsidiaries has assumed, which could have an adverse effect on the business.

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 2023 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).

Details of transactions with equity accounted investments during the year and related outstanding balances at the year end are as follows:

	Joint ventures		Associates	
	2023 €m	2022 €m	2023 €m	2022 €m
Net revenue	**0.4**	1.3	**0.3**	0.5
Trade & other receivables	**0.5**	0.5	**-**	-
Purchases	**0.7**	0.9	**0.6**	0.5
Trade & other payables	**0.1**	0.1	**0.1**	-
Loans	**1.3**	1.5	**0.7**	0.9

All outstanding trading balances with equity accounted investments, which arose from arm's length transactions, are to be settled in cash within 60 days of the reporting date.

Notes forming part of the financial statements
(continued)

28. RELATED PARTY TRANSACTIONS (continued)

Key management personnel

For the purposes of the disclosure requirements of IAS 24 *Related Party Disclosures*, the Group has defined the term 'key management personnel', as its Executive and Non-Executive Directors. Executive Directors participate in the Group's equity share award schemes (note 4) and are covered for death in service by an insurance policy. Executive Directors may also benefit from medical insurance under a Group policy (or the Group offers a cash alternative). No other non-cash benefits are provided. Non-Executive Directors do not receive share-based payments nor post-employment benefits.

Details of key management remuneration, charged to the Income Statement, are as follows:

	2023 Number	2022 Number
Number of individuals	**9**	10

	€m	€m
Salaries and other short-term employee benefits	**2.0**	2.3
Post-employment benefits	**0.1**	0.1
Equity settled share-based payment charge and related dividend accrual	**1.6**	1.7
Total	**3.7**	4.1

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 – who was the Group's Chair until 7 July 2022 – is a Non-Executive Director;
- The Group purchases from and sells stock to St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director; and
- The Group purchases from and sells stock to Britvic plc, of which Emer Finnan – who was a Non-Executive Director of the Group until 8 February 2023 – 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 FY2023 was €nil (FY2022: €nil).

(b) Company

The Company has a related party relationship with its subsidiary undertakings. Details of the transactions in the year between the Company and its subsidiary undertakings are as follows:

	2023 €m	2022 €m
Dividend income	**219.9**	-
Expenses paid on behalf of and recharged by subsidiary undertakings to the Company	**(3.2)**	(2.8)
Equity settled share-based payments for employees of subsidiary undertakings	**2.5**	1.5
Injection of cash funding and other movements with subsidiary undertakings	**(52.8)**	(16.9)

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS

	Notes	Nature of business	Class of shares held as at 28 February 2023 (100% unless stated)
Trading subsidiaries			
Incorporated and registered in Republic of Ireland			
Bulmers Limited	(a) (l)	Cider	Ordinary
C&C Financing DAC	(b) (l) (m)	Financing company	Ordinary
C&C Group International Holdings Limited	(a) (l) (m)	Holding company	Ordinary & Convertible
C&C Group Irish Holdings Limited	(a) (l)	Holding company	Ordinary
C&C Group Sterling Holdings Limited	(b) (l)	Holding company	Ordinary
C&C (Holdings) Limited	(a) (l)	Holding company	Ordinary
C&C Management Services Limited	(a) (l)	Provision of management services	6% Cumulative Preference, 5% Second Non-Cumulative Preference & Ordinary Stock
C&C Finco Limited	(b) (l) (m)	Financing company	Ordinary
Cantrell & Cochrane Limited	(a) (l)	Holding company	Ordinary
Latin American Holdings Limited	(b) (l)	Holding company	Ordinary
M&J Gleeson & Co Unlimited Company	(b) (l)	Wholesale of drinks	Ordinary
Tennent's Beer Limited	(a) (l)	Beer	Ordinary
The Annerville Financing Company Unlimited Company	(a) (l)	Financing company	Ordinary
The Five Lamps Dublin Beer Company Limited	(b) (l)	Beer	Ordinary
Wm. Magner Limited	(a) (l)	Cider	Ordinary
Wm. Magner (Trading) Limited	(a) (l)	Financing company	Ordinary
Bibendum Wine Ireland Limited	(b) (l) (o)	Wine	Not applicable
Incorporated and registered in Northern Ireland			
C&C Holdings (NI) Limited	(c)	Holding company	Ordinary
Gleeson N.I. Limited	(c)	Wholesale of drinks	Ordinary
Tennent's NI Limited	(c)	Cider and beer	Ordinary & 3.25% Cumulative Preference
Incorporated and registered in England and Wales			
Bibendum Group Limited	(j)	Holding company	Ordinary
Bibendum PLB (Topco) Limited	(i)	Holding company	Ordinary
C&C Management Services (UK) Limited	(i)	Provision of management services	Ordinary
Magners GB Limited	(i)	Cider and beer	Ordinary
Matthew Clark Bibendum (Holdings) Limited	(i)	Holding company	Ordinary
Matthew Clark Bibendum Limited	(i)	Wholesale of drinks	Ordinary
Bibendum Off Trade Limited	(j)	Wholesale of drinks	Ordinary
The Orchard Pig Limited	(i)	Cider	Ordinary

Notes forming part of the financial statements (continued)

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2023 (100% unless stated)
Walker & Wodehouse Wines Limited	(j)	Wine	Ordinary
C&C IP UK Limited	(i)	Licensing activity	Ordinary
The Wondering Wine Company Limited	(i)	Wine	Ordinary
Incorporated and registered in Scotland			
Badaboom Limited	(d)	Marketing	Ordinary
Macrocom (1018) Limited	(d)	Investment	Ordinary
Tennent Caledonian Breweries UK Limited	(d)	Beer and cider	Ordinary
Tennent Caledonian Breweries Wholesale Limited	(d)	Wholesale of drinks	Ordinary
Wallaces Express Limited	(d)	Holding company	Ordinary
Wellpark Financing Limited	(d)	Financing company	Ordinary
Incorporated and registered in Luxembourg			
C&C IP Sàrl	(e)	Licensing activity	Class A to J Units
C&C IP (No. 2) Sàrl	(e)	Licensing activity	Class A to J Units
C&C Luxembourg Sàrl	(e)	Holding and financing company	Class A to J Units
Incorporated and registered Portugal			
Frutíssima - Concentrados de Frutos da Cova da Beira, Lda	(f)	Ingredients	Ordinary
Frontierlicious Limitada	(f)	Orchard management	Ordinary
Incredible Prosperity Limitada	(f)	Orchard management	Ordinary
Incorporated and registered in Delaware, US			
Vermont Hard Cider Company Holdings, Inc.	(g)	Holding company	Common Stock
Wm. Magner, Inc.	(g)	Cider	Common Stock
Incorporated and registered in Singapore			
C&C International (Asia) Pte. Ltd.	(h) (o)	Sales & Marketing	Not applicable
Non-trading subsidiaries			
Incorporated and registered in Republic of Ireland			
C&C Brands Limited	(a) (l)	Non-trading	Ordinary

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2023 (100% unless stated)
C&C Gleeson Group Pension Trust Limited	(b) (l) (o)	Non-trading	Not applicable
C&C Group Pension Trust Limited	(a) (l)	Non-trading	Ordinary
C&C Group Pension Trust (No. 2) Limited	(a) (l) (o)	Non-trading	Not applicable
C&C Profit Sharing Trustee Limited	(a) (l)	Non-trading	Ordinary
Ciscan Net Limited	(a) (l)	Non-trading	Ordinary & A Ordinary
Cooney & Co. Unlimited Company	(b) (l) (o)	Non-trading	Not applicable
Cravenby Limited	(a) (l)	Non-trading	Ordinary
Crystal Springs Water Company Limited	(b) (l) (o)	Non-trading	Not applicable
Dowd's Lane Brewing Company Limited	(a) (l)	Non-trading	Ordinary
Edward and John Burke (1968) Limited	(a) (l) (o)	Non-trading	Not applicable
Findlater (Wine Merchants) Limited	(a) (l)	Non-trading	Ordinary & A Ordinary
Fruit of the Vine Limited	(a) (l)	Non-trading	Ordinary
Gleeson Logistic Services Limited	(b) (l) (o)	Non-trading	Not applicable
Gleeson Wines & Spirits Limited	(b) (l)	Non-trading	Ordinary
Greensleeves Confectionery Limited	(b) (l)	Non-trading	Ordinary, 12% Cumulative Convertible Redeemable Preference & 3% Cumulative Redeemable Convertible Preference
M.& J. Gleeson (Investments) Limited	(b) (l)	Non-trading	Ordinary
M&J Gleeson Nominees Limited	(b) (l)	Non-trading	Ordinary & Preference
M. and J. Gleeson (Manufacturing) Company u.c.	(b) (l)	Non-trading	Ordinary
M and J Gleeson (Manufacturing) Company Holdings Limited	(b) (l)	Non-trading	Ordinary & Non-Voting Ordinary
M and J Gleeson and Company Holdings Limited	(b) (l)	Non-trading	Ordinary
M & J Gleeson Property Development Limited	(b) (l) (o)	Non-trading	Not applicable
Magners Irish Cider Limited	(a) (l)	Non-trading	Ordinary
Sceptis Limited	(a) (l)	Non-trading	Ordinary
Showerings (Ireland) Limited	(a) (l)	Non-trading	Ordinary
Tennmel Limited	(b) (l) (o)	Non-trading	Not applicable
Thwaites Limited	(a) (l)	Non-trading	A & B Ordinary
Tipperary Natural Mineral Water Company Holdings Limited	(b) (l)	Non-trading	Ordinary
Tipperary Natural Mineral Water (Sales) Holdings Limited	(b) (l)	Non-trading	Ordinary
Tipperary Pure Irish Water Unlimited Company	(a) (l)	Non-trading	Ordinary
Vandamin Limited	(a) (l) (o)	Non-trading	Not applicable

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 2023 (100% unless stated)
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	(i) (n)	Non-trading	Ordinary
Bibendum Limited	(i) (o)	Non-trading	Not applicable
Bibendum Wine Limited	(j) (n)	Non-trading	Ordinary
Catalyst-PLB Brands Limited	(i) (o)	Non-trading	Not applicable
Chalk Farm Wines Limited	(i) (o)	Non-trading	Not applicable
Elastic Productions Limited	(i) (p)	Non-trading	Ordinary
Gaymer Cider Company Limited	(i)	Non-trading	Ordinary
Instil Drinks Limited	(i) (o)	Non-trading	Not applicable
Matthew Clark and Sons Limited	(i) (o)	Non-trading	Not applicable
Matthew Clark Limited	(i) (o)	Non-trading	Not applicable
Matthew Clark (Scotland) Limited	(d) (o)	Non-trading	Not applicable
Matthew Clark Wholesale Bond Limited	(i) (o)	Non-trading	Not applicable
Mixbury Drinks Limited	(i)	Non-trading	Ordinary
Odyssey Intelligence Limited	(i) (o)	Non-trading	Not applicable
PLB Wines Limited	(i) (p)	Non-trading	Ordinary
The Real Rose Company Limited	(i) (p)	Non-trading	Ordinary
The Wine Studio Limited	(i) (o)	Non-trading	Not applicable
The Yorkshire Fine Wines Company Limited	(i) (o)	Non-trading	Not applicable
West Country Beverages Limited	(k) (o)	Non-trading	Not applicable

Notes (a) – (p)
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, BT26 6JJ, United Kingdom.
(d) Wellpark Brewery, 161 Duke Street, Glasgow, G31 1JD, United Kingdom.
(e) L-2132 Luxembourg, 18 Avenue Marie-Therese, Luxembourg.
(f) Quinta Da Ferreira De Baxio, Castelo Branco, Fundão Parish, 6230 610 Salgueiro, Portugal.
(g) 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, US.
(h) 143, Cecil Street, #03-01, GB Building, Singapore – 069542.
(i) Whitchurch Lane, Bristol, BS14 0JZ, United Kingdom.
(j) 109A Regents Park Road, London, NW1 8UR, United Kingdom.
(k) C/O Tlt, 1 Redcliff Street, Bristol, BS1 6TP, United Kingdom.
(l) Companies covered by Section 357, Companies Act 2014 guarantees (note 27).
(m) Immediate subsidiary of C&C Group plc.
(n) Entities that have availed of the audit exemption set out within Section 479A of the Companies Act 2006.
(o) Struck off during the year ended 28 February 2023.
(p) Struck off after the year ended 28 February 2023.

29. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

Equity accounted investments

	Notes	Nature of business	Class of share held as at 28 February 2023
Joint venture			
Beck & Scott (Services) Limited (Northern Ireland)	(a)	Wholesale of drinks	Ordinary, 50%
Brady P&C Limited (England and Wales)	(b) (l)	Holding Company	Not applicable
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) (m)	Spirits	Not applicable
Associate			
Braxatorium Parcensis CVBA (Belgium)	(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 (England and Wales)	(i)	Brewing	Ordinary, 8.4%
Innis & Gunn Holdings Limited (Scotland)	(j)	Brewing	8%
Bramerton Condiments Limited (England & Wales)	(k)	Food and beverage	Ordinary, 1%

Notes: (a) – (m)
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, United Kingdom.
(b) Proprium Capital Partners, 65 Grosvenor Street, London, W1K 3JH, United Kingdom.
(c) 85 Drygate, Glasgow, G4 0UT, United Kingdom.
(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, United Kingdom.
(h) Lakeside Brae, Castlewellan, BT31 9RH, United Kingdom.
(i) Office 311, Edinburgh House, 170 Kennington Lane, London, SE11 5DP, United Kingdom.
(j) Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS, United Kingdom.
(k) 25 Farringdon Street, London, EC4A 4AB, United Kingdom.
(l) On 17 May 2022, the Group announced the sale of its joint venture investment in Brady P&C Limited ('Admiral Taverns'), to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). Admiral Taverns was classified as an asset held for sale as at 24 February 2022 and was sold in three tranches during FY2023 for a total consideration of €63.6m (£55.0m).
(m) Disposed of during FY2023 for €nil consideration.

Notes forming part of the financial statements
(continued)

30. POST BALANCE SHEET EVENTS

The Group has successfully negotiated and completed a refinancing of its current multi-currency facility agreement which will be repayable in a single instalment following the publication of the Group's FY2023 Results, at which point the new facility will begin. The Group will enter into a new five-year committed sustainability-linked facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively.

During February 2023, the Group implemented a complex Enterprise Resource Planning ('ERP') system upgrade in the Matthew Clark and Bibendum ('MCB') business. The implementation is a key step in the Group's digital transformation and optimisation program in GB, designed to enhance the service the Group provides to customers and, in time, improve efficiency and maximise capacity utilisation through more automated processes.

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

The Group currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however net debt/EBITDA is expected to remain within the Group's stated range of 1.5x to 2.0x. Excluding the impact on MCB, C&C is currently performing in line with management expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

On 18 May 2023, David Forde stepped down as the Group's Chief Executive Officer ('CEO') and Director with immediate effect, and consequently Patrick McMahon, Chief Financial Officer ('CFO'), was appointed CEO with immediate effect and Ralph Findlay, Chair, was appointed Executive Chair to support the management transition as Patrick McMahon will also retain his responsibilities as CFO until a new CFO is appointed.

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 24 May 2023.

Financial Definitions

Adjusted earnings	Profit for the year attributable to equity shareholders as adjusted for exceptional items
Company	C&C Group plc
Constant Currency	Prior year revenue, net revenue and operating profit for each of the Group's reporting segments is restated to constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's non-Euro denominated subsidiaries by revaluing the prior year figures using the current year average foreign currency rates
DWT	Dividend Withholding Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation charges excluding the Group's share of equity accounted investments' profit/(loss) after tax
Adjusted EBITDA	EBITDA as adjusted for exceptional items
EBIT	Earnings before Interest and Tax
Adjusted EBIT	EBIT as adjusted for exceptional items
Effective tax rate (%)	Income and deferred tax charges relating to continuing activities before the tax impact of exceptional items calculated as a percentage of profit before tax for continuing activities before exceptional items and excluding the Group's share of equity accounted investments' profit/(loss) after tax
EPS	Earnings per share
EU	European Union
Exceptional	Significant items of income and expense within the Group results for the year which by virtue of their size or nature are disclosed in the Income Statement and related notes as exceptional items
Free Cash Flow	Free Cash Flow is a measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. Free Cash Flow highlights the underlying cash generating performance of the ongoing business
GB	Great Britain (i.e. England, Wales and Scotland). For the purposes of segmental reporting, GB includes all sales executed and managed outside the Island of Ireland.
Group	C&C Group plc and its subsidiaries
HL	Hectolitre (100 Litres)
	kHL = kilo hectolitre (100,000 litres)
	mHL = millions of hectolitres (100 million litres)
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards as adopted by the EU
Interest cover	Calculated by dividing the Group's EBITDA excluding exceptional items and discontinued activities by the Group's interest expense, excluding IFRS 16 *Leases* finance charges, issue cost write-offs, fair value movements with respect to derivative financial instruments and unwind of discounts on provisions, for the same period
Export	Sales in territories outside of Ireland, Great Britain and North America
LAD	Long Alcoholic Drinks
Liquidity	Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility

Financial Definitions
(continued)

Net debt	Net debt comprises borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 *Leases*
Net debt/EBITDA	A measurement of leverage, calculated as the Group's Net debt divided by its EBITDA excluding exceptional items and discontinued activities. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for the Group to pay back its debt if net debt and EBITDA are held constant
Net revenue	Net revenue is defined by the Group as revenue less excise duty. The duty number disclosed represents the cash cost of duty paid on the Group's products. Where goods are bought duty paid and subsequently sold, the duty element is not included in the duty line but within the cost of goods sold. Net revenue therefore excludes duty relating to the brewing and packaging of certain products. Excise duties, which represent a significant proportion of revenue, are set by external regulators over which the Group has no control and are generally passed on to the consumer
NI	Northern Ireland
Non-controlling interest	Non-controlling interest is the share of ownership in a subsidiary entity that is not owned by the Group
Off-trade	All venues where drinks are sold for off-premise consumption including shops, supermarkets and cash & carry outlets selling alcohol for consumption off the premises
On-trade	All venues where drinks are sold at retail for on-premise consumption including pubs, hotels and clubs selling alcohol for consumption on the premises
Operating profit	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
Operating margin	Operating margin is based on operating profit before exceptional items and is calculated as a percentage of net revenue
PPE	Property, plant & equipment
Revenue	Revenue comprises the fair value of goods supplied to external customers exclusive of intercompany sales and value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives
ROI	Republic of Ireland
TSR	Total Shareholder Return
UK	United Kingdom (Great Britain and Northern Ireland)
US	United States of America

Shareholder and Other Information

C&C Group plc is an Irish registered company (registered number: 383466). Its ordinary shares are quoted on the London Stock Exchange (ISIN: IE00B010DT83 SEDOL: B010DT8).

C&C Group plc also has a Level 1 American Depository Receipts (ADR) programme for which Deutsche Bank acts as depository (symbol CCGGY). Each ADR share represents three C&C Group plc ordinary shares.

The authorised share capital of the Company at 28 February 2023 was ordinary 800,000,000 ordinary shares at €0.01 each. The issued share capital at 28 February 2023 was 402,007,212 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	2023	2022
Share price at year end	£1.49	£2.11

	2023 Number	2022 Number
No of Shares in issue at year end	402,007,212	401,913,690
Market capitalisation 28 February	£599m	£848m

Share price movement during the financial year		
– high	£2.16	£3.36
– low	£1.44	£1.45

Dividend Payments

The Company may, by ordinary resolution declare dividends in accordance with the respective rights of shareholders, but no dividend shall exceed the amount recommended by the Directors. The Directors may also declare and pay interim dividends if they believe they are justified by the profits of the Company available for distribution.

Subject to shareholder approval at the Annual General Meeting, the Directors have proposed a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023. No interim dividend was paid with respect to FY2023; therefore, the Group's full year dividend will amount to 3.79 cent per share. There is no scrip dividend alternative proposed. Due to the impact of COVID-19, total dividends for the prior financial year were €nil.

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.

Shareholder and Other Information
(continued)

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 LinkGroup)
P.O. Box 7117, Dublin 2.(if delivered by post) or;
Suite 149, The Capel Building, Mary's Abbey, Dublin 7, D07 DP79, Ireland.(if delivered by hand)
Tel: +353 1 553 0050
Fax: +353 1 224 0700
Email: enquiries@linkgroup.ie
Website: www.linkgroup.eu

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

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 Centre, Harcourt Street, Dublin 2, D02 YA40.

Website

Further information on C&C Group plc is available at www.candcgroupplc.com sourcedesign.ie

C&C group plc

Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702.
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