Notes forming part of the financial statements

1. SEGMENTAL REPORTING

The Group's business activity is the manufacturing, marketing and distribution of branded beer, cider, wine, spirits, soft drinks and bottled water. As a result of the acquisition of Matthew Clark and Bibendum, four operating segments have been identified in the current financial year; Ireland, Great Britain, International and Matthew Clark and Bibendum ("MCB"). In the prior year, three operating segments were identified; Ireland, Great Britain and International.

The Group continually reviews and updates the manner in which it monitors and controls its financial operations resulting in changes in the manner in which information is classified and reported to the Chief Operating Decision Maker ("CODM"). The CODM, identified as the executive Directors, assesses and monitors the operating results of segments separately via internal management reports in order to effectively manage the business and allocate resources. Due to the acquisition of MCB on 4 April 2018, an additional operating segment has been identified in the current financial year. MCB is run independently with its own Management team and its results are reviewed by the CODM independently of any other element of the Group's business.

In the prior financial year, due to a consolidation in the management of the business in that year, the Group had changed its basis of segmentation. The previous segments of Scotland and C&C Brands are now managed by one Managing Director and are supported by the one management team. The Group therefore combined both, in the prior financial year, to form the new segment Great Britain. The previous segments of Export and North America are also now controlled by one Managing Director and the one management team and were therefore also combined into the new International segment in the prior financial year. There has been no change to this structure in the current financial year and hence this basis of segmentation remains appropriate.

The current basis of segmentation reflects the business model and in all instances is aligned with how the CODM evaluates the results of the business.

The identified business segments are as follows:-

(i) Ireland

This segment includes the financial results from sale of own branded products on the Island of Ireland, principally Bulmers, Outcider, Tennent's, Magners, Clonmel 1650, Five Lamps, Heverlee, Roundstone Irish Ale, Dowd's Lane traditional craft ales, Finches and Tipperary Water. It also includes the financial results from beer, wines and spirits distribution, wholesaling, following the acquisition of Gleeson, the results from sale of third party brands as permitted under the terms of a distribution agreement with AB InBev and production of third party products.

(ii) Great Britain

This segment includes the results from sale of the Group's own branded products in Scotland, England and Wales, with Tennent's, Magners, Heverlee, Caledonia Best, Blackthorn, Olde English, Chaplin & Cork's, Orchard Pig and K Cider being the principal brands. It also includes the financial results from AB InBev beer distribution in Scotland, third party brand distribution and wholesaling in Scotland, following the acquisition of the TCB Wholesale business (formerly Wallaces Express), the distribution of the Italian lager Menabrea, the American lager Pabst, the Chinese beer Tsingtao and the production and distribution of private label products.

(iii) International

This segment includes the results from sale of the Group's cider and beer products, principally Magners, Gaymers, Woodchuck, Wyders, Blackthorn, Hornsby's and Tennent's in all territories outside of Ireland and Great Britain. It also includes the production, sale and distribution of some private label and third party brands.

(iv) Matthew Clark and Bibendum

This segment includes the results from the newly acquired Matthew Clark and Bibendum business. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 4,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark also has a number of exclusive distribution agreements for third party products (mainly wines) into the UK market and also has a limited range of own brand wines. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

1. SEGMENTAL REPORTING (continued)

The analysis by segment includes both items directly attributable to a segment and those, including central overheads, which are allocated on a reasonable basis in presenting information to the CODM.

Inter-segmental revenue is not material and thus not subject to separate disclosure.

(a) Analysis by reporting segment

	2019			2018		
	Revenue €m	Net revenue €m	Operating profit €m	Revenue €m	Net revenue €m	Operating profit as restated €m
Ireland	**318.3**	**219.2**	**40.3**	312.1	215.0	40.1
Great Britain	**482.7**	**306.3**	**42.1**	459.8	292.7	39.5
International	**39.7**	**38.9**	**6.4**	41.6	40.5	6.5
Matthew Clark and Bibendum (MCB)	**1,156.6**	**1,010.5**	**15.7**	-	-	-
Total before exceptional items	**1,997.3**	**1,574.9**	**104.5**	813.5	548.2	86.1
Exceptional items (note 5)	**-**	**-**	**(7.8)**	-	-	(7.0)
Group operating profit	**-**	**-**	**96.7**	-	-	79.1
Finance income (note 6)	**-**	**-**	**0.1**	-	-	0.1
Finance expense (note 6)	**-**	**-**	**(15.7)**	-	-	(8.2)
Share of equity accounted investments' profit after tax before exceptional items (note 13)	**-**	**-**	**4.0**	-	-	1.2
Share of equity accounted investments' exceptional items (note 5)	**-**	**-**	**(3.3)**	-	-	13.3
Total	**1,997.3**	**1,574.9**	**81.8**	813.5	548.2	85.5

Of the exceptional items in the current year of €7.8m on a before tax basis, €0.8m relates to Ireland, €1.1m relates to Great Britain, €5.2m relates to MCB, €0.2m relates to International and €0.5m is unallocated as it does not relate to any particular segment. The exceptional loss with respect to equity accounted investments of €3.3m related to Great Britain. Of the exceptional loss in the prior year of €7.0m on a before tax basis, €4.6m related to Ireland, €1.9m related to Great Britain and €0.5m did not relate to any particular segment. The exceptional gain in the prior year, with respect to the equity accounted investments of €13.3m, related to Great Britain.

Of the share of equity accounted investments' profit after tax before exceptional items of €4.0m in the current financial year, €3.9m relates to Great Britain with €0.1m relating to International. In the prior financial year the share of equity accounted investments' profit after tax of €1.2m related to Great Britain €1.1m and International €0.1m.

Total assets for the year ended 28 February 2019 amounted to €1,429.4m (2018: €1,098.4m).

(b) Other operating segment information

	2019		2018	
	Tangible and intangible expenditure €m	Depreciation /amortisation / impairment €m	Tangible and intangible expenditure €m	Depreciation / amortisation / impairment €m
Ireland	**6.0**	**7.6**	8.6	12.3
Great Britain	**10.2**	**4.4**	1.5	5.6
International	**1.8**	**1.3**	0.6	1.4
Matthew Clark and Bibendum	**4.1**	**2.6**	-	-
Total	**22.1**	**15.9**	10.7	19.3

Notes forming part of the financial statements
(continued)

1. SEGMENTAL REPORTING (continued)

(c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2019 €m	2018 €m	2019 €m	2018 €m
Ireland	**318.3**	312.1	**219.2**	215.0
Great Britain*	**1,639.3**	459.8	**1,316.8**	292.7
International*	**39.7**	41.6	**38.9**	40.5
Total	**1,997.3**	813.5	**1,574.9**	548.2

* The comparatives have been amended to be consistent with current year presentation, the current year presentation is aligned with segmental reporting. Scotland, England and Wales have been included in Great Britain and US, Canada and Other have been included in International.

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 2019				
Property, plant & equipment	**64.2**	**65.5**	**14.8**	**144.5**
Goodwill & intangible assets	**159.2**	**466.4**	**58.1**	**683.7**
Equity accounted investments	**0.3**	**67.6**	**3.5**	**71.4**
Total	**223.7**	**599.5**	**76.4**	**899.6**

	Ireland €m	Great Britain as restated* €m	International* €m	Total as restated €m
28 February 2018				
Property, plant & equipment	68.9	52.5	13.8	135.2
Goodwill & intangible assets	155.9	329.3	55.9	541.1
Equity accounted investments	0.3	58.1	3.3	61.7
Total	225.1	439.9	73.0	738.0

* The comparatives have been amended to be consistent with current year presentation, the current year presentation is aligned with segmental reporting. Scotland, England and Wales have been included in Great Britain and US, Canada and Other have been included in International.

The geographical analysis of non-current assets, with the exception of goodwill & intangible assets, is based on the geographical location of the assets. The geographical analysis of goodwill & intangible assets is allocated based on the country of destination of sales at the date of acquisition.

(e) Disaggregated net revenue

In the following table, net revenue is disaggregated by primary geographic market and by principal activities and products. Geography is the primary basis on which management reviews its businesses across the Group.

Principal activities and products	2019			
Net revenue	Ireland €m	Great Britain €m	International €m	Total €m
Own brand alcohol	**90.6**	**155.5**	**35.7**	**281.8**
Matthew Clark and Bibendum	**-**	**1,010.5**	**-**	**1,010.5**
Other sources*	**128.6**	**150.8**	**3.2**	**282.6**
Total Group from continuing operations	**219.2**	**1,316.8**	**38.9**	**1,574.9**

* Other sources include wholesale, own label, contracts and non-alcoholic beverages (NABs) revenues.

1. SEGMENTAL REPORTING (continued)

Principal activities and products Net revenue	2018 Ireland €m	 Great Britain* €m	 International €m	 Total €m
Own brand alcohol	87.1	153.6	38.3	279.0
Other sources*	127.9	139.1	2.2	269.2
Total Group from continuing operations	215.0	292.7	40.5	548.2

* Other sources include wholesale, own label, contracts and non-alcoholic beverages (NABs) revenues.

2. OPERATING COSTS

	2019 Before exceptional items €m	 Exceptional items (note 5) €m	 Total €m	2018 Before exceptional items €m	 Exceptional items (note 5) €m	 Total €m
Raw material cost of goods sold/bought in finished goods	**1,065.0**	**-**	**1,065.0**	250.4	-	250.4
Inventory write-down/(recovered) (note 14)	**3.2**	**-**	**3.2**	1.2	-	1.2
Employee remuneration (note 3)	**143.4**	**5.3**	**148.7**	60.3	1.5	61.8
Direct brand marketing	**18.0**	**-**	**18.0**	21.6	-	21.6
Other operating, selling and administration costs	**201.9**	**2.1**	**204.0**	100.1	0.5	100.6
Foreign exchange	**(0.9)**	**-**	**(0.9)**	0.4	-	0.4
Depreciation (note 11)	**13.1**	**-**	**13.1**	14.0	-	14.0
Amortisation (note 12)	**2.4**	**-**	**2.4**	0.3	-	0.3
Net profit on disposal of property, plant & equipment	**(0.1)**	**-**	**(0.1)**	(0.8)	-	(0.8)
Auditors remuneration	**1.2**	**-**	**1.2**	0.5	-	0.5
Revaluation/impairment of property, plant & machinery (note 11)	**-**	**0.4**	**0.4**	-	5.0	5.0
Operating lease rentals:						
– land & buildings	**8.5**	**-**	**8.5**	3.7	-	3.7
– plant & machinery	**1.0**	**-**	**1.0**	2.6	-	2.6
– other	**13.7**	**-**	**13.7**	7.8	-	7.8
Total operating expenses	**1,470.4**	**7.8**	**1,478.2**	462.1	7.0	469.1

(a) Auditor remuneration: In the current year, the remuneration of the Group's statutory auditor, being the Irish firm of the principal auditor of the Group, Ernst & Young, Chartered Accountants is as follows:-

	2019 €m	2018 €m
Audit of the Group financial statements	**1.2**	0.5
Total	**1.2**	0.5

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 no non-audit fees paid to Ernst & Young during the current or prior financial year. Included in the amount above are amounts paid to other Ernst & Young offices in relation to subsidiary undertakings of €0.6m (2018: €0.2m).

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:-

	2019 Number	2018 Number
Sales & marketing	**800**	197
Production & distribution	**1,867**	625
Administration	**577**	363
Total	**3,244**	1,185

The actual number of persons employed by the Group as at 28 February 2019 was 3,153 (28 February 2018: 1,176).

The aggregate remuneration costs of these employees can be analysed as follows:-

	2019 €m	2018 €m
Wages, salaries and other short-term employee benefits	**123.1**	51.6
Restructuring costs (note 5)	**5.3**	1.5
Social welfare costs	**12.6**	5.9
Retirement benefits – defined benefit schemes (note 21)	**0.9**	(1.0)
Retirement benefits – defined contribution schemes, including pension related expenses	**4.7**	2.8
Equity settled share-based payments (note 4)	**1.9**	0.9
Partnership & matching share schemes (note 4)	**0.2**	0.1
Charged to the Income Statement	**148.7**	61.8
Actuarial loss/(gain) on retirement benefits recognised in Other Comprehensive Income (note 21)	**3.6**	(16.8)
Total employee benefits	**152.3**	45.0

Directors' remuneration

	2019 €'m	2018 €'m
Directors' remuneration (note 26)	**6.4**	4.1

In addition to the amounts disclosed above, during the year, a Group subsidiary paid fees for services to Joris Brams BVBA (a company wholly owned by Joris Brams and family) see further details disclosed in note 26 Related Party Transactions.

4. SHARE-BASED PAYMENTS

Equity settled awards

In July 2015 the Group established an equity settled **Executive Share Option Scheme (ESOS 2015)** under which options to purchase shares in C&C Group plc are granted to certain executive Directors and members of management. Under the terms of the scheme, the options are exercisable at the market price prevailing at the date of the grant of the option.

Options granted in May 2016 will be exercisable in May 2019 subject to achieving their performance targets. The vesting of the May 2016 awards is based on compound annual growth in underlying EPS over the three year performance period FY2017-FY2019. If compound annual growth in underlying EPS over the performance period is 3% per annum then 50% 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 were also granted in June 2017, November 2017 and May 2018 under this scheme. The vesting of these awards is based on compound annual growth in underlying EPS over the three year performance period (FY2018-FY2020 for the June 2017 and November 2017 awards and FY2019-FY2021 for the May 2018 awards). 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.

In July 2015, the Group established a **Long-Term Incentive Plan (Part I) (LTIP 2015 (Part I))** under the terms of which options to purchase shares in C&C Group plc are granted at nominal cost to certain executive Directors and members of management. Options have been granted under this scheme since May 2016. All such awards granted are subject to the following three performance conditions:

- 33% of the award is subject to compound annual growth in underlying EPS over the three year performance period FY2017-FY2019. If compound annual growth in underlying EPS over the performance period is 3% per annum then 25% of the awards vest. If the compound annual growth in underlying EPS over the performance period is 8% per annum then 100% of the awards vest.
- 33% of the award is subject to the performance condition that the Free Cash Flow Conversion ratio ('FCF') of the Group (excluding the impact of exceptional items) would be 65% conversion, over the three year performance period FY 2017-FY 2019, at which case 25% of this element of the award would vest. If the FCF was 75% then 100% of this element of the award would vest.
- 33% of the award is subject to a Return on Capital Employed ('ROCE') target. If the ROCE is 9.3% then 25% of this element of the award would vest. If the ROCE was 10% then 100% of this element of the award would vest.

In all three components of the performance conditions of the LTIP 2015 (Part I) there is straight-line vesting between both points and no reward for below threshold performance.

With respect to the January 2019 LTIP 2015 (Part I) award, a two year holding period was introduced in addition to an upder-pin, linked to the business performance of the recently acquired Matthew Clark and Bibendum business. This award will therefore vest in three years and remain subject to a holding period for a further two years.

If awards are made to an individual under both the ESOS 2015 and the LTIP 2015 (Part I) in respect of the same financial year the overall maximum award, other than in exceptional circumstances, will be capped at 250% of salary. In exceptional circumstances the maximum combined ESOS 2015 and LTIP 2015 (Part I) award in respect of any financial year is 500% of salary.

In June 2010, the Group established a **Recruitment and Retention Plan ("R&R")** under the terms of which options to purchase shares in C&C Group plc at nominal cost are granted to certain members of management, excluding executive Directors.

The performance conditions and/or other terms and conditions for awards granted under this plan are specifically approved by the Board of Directors at the time of each individual award, following a recommendation by the Remuneration Committee.

Notes forming part of the financial statements
(continued)

4. SHARE-BASED PAYMENTS (continued)

In May 2012, awards of 1,036,255 were granted under the R&R subject to the performance condition that the Company's TSR must have grown by not less than 25% between 17 May 2012 and 16 May 2014. Awards would have vested in full if the growth in TSR was at least 50% over that period and the Remuneration Committee were satisfied that the extent to which the award vested was appropriate given the general financial performance of the Group over the performance period. Where TSR growth was between 25% and 50% the percentage of the award that vested was calculated on a straight-line basis between 25% and 100%. Options awarded in May 2012 were deemed to have only partially achieved their performance conditions and consequently 65% of the outstanding awards lapsed.

In May 2014 awards of 823,233 were granted under the R&R. 275,851 of the awards were subject to continuous employment while 547,382 of the awards had the performance condition linked to the achievement of annual performance targets related to the business unit to which each recipient is aligned to. Options have now vested or lapsed.

In October 2015, 490,387 awards were granted under the R&R. All such awards were subject to the achievement of specific performance targets related to the business unit to which each recipient is aligned to and also specific performance targets related to the specific role of each recipient and these awards have now vested or lapsed.

In May 2016 and August 2017, 193,817 and 64,469 awards respectively were granted under the R&R. All of these awards were subject to the achievement of performance targets relating to the business unit to which each recipient is aligned to and these awards have now vested or lapsed.

In the current financial year, 7,552 awards were granted in June 2018 and 448,936 awards were granted in February 2019 under the R&R. The June 2018 and 19,143 of the February 2019 awards are subject to a continuous employment performance condition only, and if achieved, will vest in June 2019 and February 2021 respectively. 30,029 of the February 2019 awards are subject to the recipient having a personal shareholding of the Company stock at the end of a two year period post grant and 399,764 awards are subject to the achievement of performance targets relating to the business unit in which each recipient is aligned to.

Obligations arising under the Recruitment and Retention Plan will be satisfied by the purchase of existing shares on the open market. On settlement, any difference between the amount included in the Share-based payment reserve account and the cash paid to purchase the shares is recognised in retained income via the Statement of Changes in Equity.

In November 2011, the Group set up **Partnership and Matching Share Schemes** for all ROI and UK based employees of the Group under the approved profit sharing schemes referred to below. Under these schemes, employees can invest in shares in C&C Group plc (partnership shares) that will be matched on a 1:1 basis by the Company ("matching shares") subject to Revenue approved limits. Both the partnership and matching shares are held on behalf of the employee by the Scheme trustee, Link Group Limited (previously Capita Corporate Trustees Limited). The shares are purchased on the open market on a monthly basis at the market price prevailing at the date of purchase with any remaining cash amounts carried forward and used in the next share purchase. The shares are held in trust for the participating employee, who has full voting rights and dividend entitlements on both partnership and matching shares. Matching shares may be forfeited and/or tax penalties may apply if the employee leaves the Group or removes their partnership shares within the Revenue-stipulated vesting period. The Revenue stipulated vesting period for matching shares awarded under the ROI scheme is three years and under the UK scheme is five years.

The Group held 266,632 matching shares (533,264 partnership and matching) in trust at 28 February 2019 (2018: 240,985 matching shares (481,970 partnership and matching shares held)).

4. SHARE-BASED PAYMENTS (continued)

Award valuation

The fair values assigned to the equity settled awards granted were computed in accordance with a Black Scholes valuation methodology.

As per IFRS 2 *Share-based Payment*, non-market or performance related conditions were not taken into account in establishing the fair value of equity instruments granted, instead these non-market vesting conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately the amount recognised for time and services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest, unless the failure to vest is due to failure to meet a market condition.

The main assumptions used in the valuations for equity settled share-based payment awards granted in the current and prior financial years were as follows:-

	R&R options granted Feb 19	R&R options granted Feb 19	R&R options granted June 18	LTIP options granted Feb 19	LTIP options granted Jan19	LTIP options granted May 18	ESOS options granted May 18	ESOS options granted Jun 2017	ESOS options granted Nov 2017	LTIP options granted Jun 2017	LTIP options granted Nov 2017	LTIP options granted Aug 2017	R & R options granted Aug 2017
Fair value at date of grant	€2.64	€2.77	€2.908	€3.05	€3.30	€2.99	€0.255	€0.328	€0.219	€3.364	€2.88	€3.069	€2.8172
Exercise price	-	-	-	-	-	-	€2.99	€3.40	€2.93	-	-	-	-
Risk free interest rate	0.78%	0.76%	0.51%	-	-	-	0.65%	0.16%	0.59%	-	-	-	0.20%
Expected volatility	23.15%	22.89%	21.77%	-	-	-	21.44%	23.56%	21.14%	-	-	-	21.64%
Expected term until exercise –years	3	2	1	3	5	3	3	3	3	3	3	3	1.8
Dividend yield	4.82%	4.82%	4.78%	-	-	-	4.88%	4.26%	5.06%	-	-	-	4.67%

Expected volatility is calculated by reference to historic share price movements prior to the date of grant over a period of time commensurate with the expected term until exercise. The dividends which would be paid on a share reduces the fair value of an award since, in not owning the underlying shares, a recipient does not receive the dividend income on these shares. For LTIP 2015 (Part I) awards, the participants are entitled to receive dividends, and therefore the dividend yield has been set to zero to reflect this.

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 outstanding at 28 February 2019	Grant price €	Market value at date of grant €	Fair value at date of grant €	Expense / (income) in Income Statement 2019 €m	2018 €m
Executive Share Option Scheme (ESOS 2015)								
12 May 2016	3 years	593,700	401,048	4.18	4.041	0.4245	**-**	-
1 June 2017	3 years	830,702	613,773	3.40	3.364	0.328	**0.1**	0.1
13 November 2017	3 years	246,211	246,211	2.93	2.880	0.219	**-**	-
31 May 2018	3 years	939,466	939,466	2.99	2.99	0.255	**0.1**	-
Long-Term Incentive Plan 2015 (Part I)								
12 May 2016	3 years	395,800	267,365	-	4.041	4.041	**0.1**	0.2
28 Oct 2016	3 years	41,389	41,389	-	3.48	3.48	**-**	0.1
1 June 2017	3 years	553,799	409,180	-	3.364	3.364	**0.4**	0.3
1 August 2017	3 years	494,646	494,646	-	3.069	3.069	**0.5**	0.3
13 November 2017	3 years	164,140	164,140	-	2.880	2.880	**0.2**	0.1
31 May 2018	3 years	626,311	626,311	-	2.990	2.990	**0.5**	-
31 January 2019	3 years	207,991	207,991	-	3.30	3.30	**-**	-
11 February 2019	3 years	478,343	478,343	-	3.05	3.05	**-**	-
Recruitment & Retention Plan								
17 May 2012	2–3 years	1,036,255	44,679	-	3.525	0.58–0.59	**-**	-
21 May 2014	1–3 years	823,233	15,391	-	4.34	1.91–4.19	**-**	-
30 October 2015	2 years	490,387	44,710	-	3.60	3.27–3.53	**-**	-
12 May 2016	1.5–2.5 years	193,817	8,265	-	4.041	3.71–3.84	**-**	(0.2)
1 August 2017	1.8 years	64,469	31,802	-	2.8172	2.8172	**-**	-
5 June 2018	1 year	7,552	7,552	-	3.05	2.908	**-**	-
11 February 2019	2 – 3 years	448,936	448,936	-	3.05	2.64 – 2.77	**-**	-
		8,637,147	**5,491,198**				**1.9**	0.9
Partnership and Matching Share Schemes		533,264*					**0.2**	0.1

* Includes both partnership and matching shares.

The amount charged to the Income Statement includes a credit of €nil (2018: €0.4m), being the reversal of previously expensed charges on equity settled option schemes where the non-market performance conditions were deemed no longer likely to be achieved.

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:-

	2019		2018	
	Number of options/ equity Interests	Weighted average exercise price €	Number of options/ equity Interests	Weighted average exercise price €
Outstanding at beginning of year	**3,250,587**	**1.39**	6,030,227	1.93
Granted	**2,708,599**	**1.04**	2,353,967	1.51
Exercised	**(64,445)**	**-**	(1,850,989)	1.60
Forfeited/lapsed	**(403,543)**	**-**	(3,282,618)	2.35
Outstanding at end of year	**5,491,198**	**1.33**	3,250,587	1.39

The aggregate number of share options/equity Interests exercisable at 28 February 2019 was 113,045 (2018: 151,893).

The unvested share options/equity Interests outstanding at 28 February 2019 have a weighted average vesting period outstanding of 1.8 years (2018: 1.8 years). The weighted average contractual life outstanding of vested and unvested share options/equity Interests is 7.5 years.

The weighted average market share price at date of exercise of all share options/equity Interests exercised during the year was €3.11 (2018: €3.55); the average share price for the year was €3.17 (2018: €3.18); and the market share price as at 28 February 2019 was €3.06 (28 February 2018: €2.89).

5. EXCEPTIONAL ITEMS

	2019 €m	2018 as restated €m
Operating costs		
Restructuring costs	**(5.3)**	(1.9)
Impairment of property, plant & equipment	**(0.4)**	(5.0)
Acquisition related expenditure	**(2.1)**	(0.1)
	(7.8)	(7.0)
Share of equity accounted investments' exceptional items	**(3.3)**	13.3
Total (loss)/profit before tax	**(11.1)**	6.3
Income tax credit	**1.1**	5.4
Total (loss)/profit after tax	**(10.0)**	11.7

(a) Restructuring costs

Restructuring costs of €5.3m were incurred in the current financial year primarily relating to severance costs arising from the acquisition and subsequent integration of Matthew Clark and Bibendum and the previously acquired Orchard Pig into the Group, of €3.4m and €0.5m respectively. Other restructuring initiatives across the Group in the current financial year resulted in a further charge of €1.4m.

In the prior financial year restructuring costs of €1.9m were incurred relating to severance costs of €1.5m arising from the change in the distribution arrangements with AB InBev in England and Wales, as well as other restructuring initiatives in our strategy and export divisions within the Group. Other costs of €0.4m primarily relate to the closure of a warehousing facility.

Notes forming part of the financial statements
(continued)

5. EXCEPTIONAL ITEMS (continued)

(b) Impairment of property, plant & equipment
In the current financial year, the Group took the decision to impair an element of its IT system at a cost of €0.4m which had become redundant following a system upgrade.

Property (comprising land and buildings) and plant & machinery are valued at fair value on the Balance Sheet and reviewed for impairment on an annual basis. The Group engages external valuation teams triennially and during the intervening years management undertake a valuation assessment internally. During the prior financial year, as outlined in detail in note 11, the Group engaged external valuers to value the land and buildings and plant and machinery at the Group's Clonmel (Tipperary) and Wellpark (Glasgow) sites, along with depots in Dublin, Cork and Galway. Using the valuation methodologies, this resulted in a net revaluation loss of €5.0m accounted for in the Income Statement and a gain of €3.4m accounted for within Other Comprehensive Income. The valuations in the current financial year did not result in an adjustment.

(c) Acquisition related expenditure
During the current financial year, the Group incurred €2.1m of acquisition and integration related costs, primarily with respect to professional fees associated with the acquisition and subsequent integration of Matthew Clark and Bibendum into the Group.

In the prior financial year, the Group incurred professional fees of €0.1m associated with the assessment and consideration of strategic opportunities by the Group during that financial year.

(d) Share of equity accounted investments' exceptional items
Property within Admiral Taverns are valued at fair value on the Balance Sheet, the result of the fair value exercise at 28 February 2019 resulted in a revaluation loss (the Group's share of this loss equated to €3.3m) accounted for in the Income Statement and a gain (the Group's share of this gain equated to €7.1m) accounted for within Other Comprehensive Income.

On 6 December 2017, the Group entered into a joint venture arrangement for a 49.9% share in Brady P&C Limited ("Admiral Taverns"), a UK incorporate entity with Proprium Capital Partners (50.1%). Brady P&C Limited subsequently incorporated a UK company, Brady Midco Limited where Admiral management acquired 6.5% of the shares. Brady Midco Limited incorporated Brady Bidco Limited which acted as the acquisition vehicle to acquire the entire share capital of AT Brit Holdings Limited (trading as Admiral Taverns) on the 6 December 2017. The equity investment by the Group was £37.4m (€42.4 euro equivalent on date of investment) representing 46.65% of the issued share capital of Admiral Taverns. In the prior financial year, the Group recognised its provisional estimate of assets acquired. In the current financial year, the Group completed its final determination and the Group's share of assets acquired was calculated at £50.1m (€56.8m euro equivalent on date of investment). The most significant asset acquired was property and detailed fair value calculations were performed to determine the value of the property assets on acquisition; consideration was also given to the value of all other assets and liabilities on acquisition including deferred tax balances. The final determination of assets acquired resulted in a measurement period adjustment of £11.7m (€13.3m euro equivalent) which has been recognised in the prior period in line with IFRS 3 *Business Combinations*. This necessitated the restatement of the prior year equity investment (note 13) balance on the prior year balance sheet and the recognition of negative goodwill which was booked as an exceptional credit in the prior year.

(e) Income tax credit
The tax credit in the current financial year with respect to exceptional items amounted to €1.1m.

Of the total tax credit of €5.4m in the prior financial year, €4.4m related to the reassessment of the calculation of deferred income tax balances arising on historical business combinations. See note 20 Recognised Deferred Income Tax Assets and Liabilities for further details.

6. FINANCE INCOME AND EXPENSE

	2019 €m	2018 €m
Recognised in Income Statement		
Finance income:		
Interest income	**0.1**	0.1
Total finance income	**0.1**	0.1
Finance expense:		
Interest expense	**(12.4)**	(7.2)
Other finance expense	**(2.7)**	(0.7)
Ineffective proportion of cash flow hedge	**(0.3)**	-
Unwinding of discount on provisions	**(0.3)**	(0.3)
Total finance expense	**(15.7)**	(8.2)
Net finance expense	**(15.6)**	(8.1)

	2019 €m	2018 €m
Recognised directly in Other Comprehensive Income		
Foreign currency translation differences arising on the net investment in foreign operations	**13.2**	(17.7)
Net income/(expense) recognised directly in Other Comprehensive Income	**13.2**	(17.7)

Notes forming part of the financial statements
(continued)

7. INCOME TAX

(a) Analysis of charge in year recognised in the Income Statement

	2019 €m	2018 €m
Current tax:		
Irish corporation tax	**3.7**	4.3
Foreign corporation tax	**5.5**	6.9
Adjustment in respect of previous years	**(1.1)**	(0.4)
	8.1	10.8
Deferred income tax:		
Irish	**0.3**	(0.3)
Foreign	**1.4**	(0.3)
Adjustment in respect of previous years	**(0.1)**	(4.3)
	1.6	(4.9)
Total income tax expense recognised in Income Statement	**9.7**	5.9
Relating to continuing operations		
– continuing operations before exceptional items	**10.8**	11.3
– continuing operations exceptional items	**(1.1)**	(5.4)
Total	**9.7**	5.9

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.

	2019 €m	2018 as restated €m
Profit before tax	**81.8**	85.5
Less: Group's share of equity accounted investments' profit after tax	**(0.7)**	(14.5)
Adjusted profit before tax	**81.1**	71.0
Tax at standard rate of corporation tax in the Republic of Ireland of 12.5%	**10.1**	8.9
Actual tax charge is affected by the following:		
Expenses not deductible for tax purposes	**1.6**	2.1
Adjustments in respect of prior years	**(1.2)**	(4.7)
Income taxed at rates other than the standard rate of tax	**0.1**	(1.0)
Other differences	**(2.7)**	(0.8)
Non-recognition of deferred income tax assets	**1.8**	1.4
Total income tax	**9.7**	5.9

7. INCOME TAX (continued)

(b) Deferred income tax recognised directly in Other Comprehensive Income

	2019 €m	2018 €m
Deferred tax arising on movement of derivatives designated as cash flow hedges	**(0.3)**	-
Deferred income tax arising on movement in retirement benefits	**(0.3)**	2.8
Total	**(0.6)**	2.8

(c) Factors that may affect future charges

Future income tax charges may be impacted by changes to the corporation tax rates and/or changes to corporation tax legislation in force in the jurisdictions in which the Group operates.

8. DIVIDENDS

	2019 €m	2018 €m
Dividends paid:		
Final: paid 9.37c per ordinary share in July 2018 (2018: 9.37c paid in July 2017)	**28.8**	29.0
Interim: paid 5.33c per ordinary share in December 2018 (2018: 5.21c paid in December 2017)	**16.7**	16.0
Total equity dividends	**45.5**	45.0
Settled as follows:		
Paid in cash	**36.0**	40.6
Scrip dividend	**9.2**	4.4
Accrued with respect to LTIP 2015 (Part 1) dividend entitlements	**0.3**	-
	45.5	45.0

In order to achieve better alignment of the interest of share based remuneration award recipients with the interests of shareholders, shareholder approval was given at the 2012 AGM to a proposal that awards made and that vest under the LTIP 2015 (Part I) incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends during the vesting period. An amount of €0.3m (2018: €nil) was accrued during the current financial year in this regard.

The Directors have proposed a final dividend of 9.98 cent per share (2018: 9.37 cent), to ordinary shareholders registered at the close of business on 31 May 2019, which is subject to shareholder approval at the Annual General Meeting, giving a proposed total dividend for the year of 15.31 cent per share (2018: 14.58 cent). Using the number of shares in issue at 28 February 2019 (excluding those shares for which it is assumed that the right to dividend will be waived) and including an accrual for dividends with respect to LTIP 2015 (Part 1) entitlements, this would equate to a distribution of €31.1m.

Total dividends of 14.70 cent per ordinary share were recognised as a deduction from the retained income reserve in the year ended 28 February 2019 (2018: 14.58 cent).

Final dividends on ordinary shares are recognised as a liability in the financial statements only after they have been approved at an Annual General Meeting of the Company. Interim dividends on ordinary shares are recognised when they are paid.

Notes forming part of the financial statements
(continued)

9. EARNINGS PER ORDINARY SHARE

Denominator computations

	2019 Number '000	2018 Number '000
Number of shares at beginning of year	**317,876**	325,546
Shares issued in lieu of dividend	**3,055**	1,368
Shares issued in respect of options exercised	**-**	454
Share repurchased and subsequently cancelled	**(577)**	(9,492)
Number of shares at end of year	**320,354**	317,876
Weighted average number of ordinary shares (basic)*	**308,460**	308,164
Adjustment for the effect of conversion of options	**1,075**	249
Weighted average number of ordinary shares, including options (diluted)	**309,535**	308,413

* Excludes 10.9m treasury shares (2018: 11.0m).

Profit attributable to ordinary shareholders

	2019 €m	2018 as restated €m
Group profit for the financial year	**72.1**	79.6
Loss attributable to non-controlling interest	**0.2**	-
Profit attributable to equity holders of the company	**72.3**	79.6
Adjustment for exceptional items, net of tax (note 5)	**10.0**	(11.7)
Earnings as adjusted for exceptional items, net of tax and non-controlling interest	**82.3**	67.9

	Cent	Cent
Basic earnings per share		
Basic earnings per share	**23.4**	25.8
Adjusted basic earnings per share	**26.7**	22.0
Diluted earnings per share		
Diluted earnings per share	**23.4**	25.8
Adjusted diluted earnings per share	**26.6**	22.0

9. EARNINGS PER ORDINARY SHARE (continued)

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and accounted for as treasury shares (at 28 February 2019: 10.9m shares; at 28 February 2018: 11.0m 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 (1,222,812 at 28 February 2019 and 1,649,124 at 28 February 2018). If dilutive other contingently issuable ordinary shares are included in diluted EPS based on the number of shares that would be issuable if the end of the reporting period was the end of the contingency period.

10. BUSINESS COMBINATIONS and non-controlling interests

Acquisition of businesses

Year ended 28 February 2019

On 4 April 2018, the Group acquired the entire share capital of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiary businesses, Catalyst, Peppermint (61% holding), Elastic and Walker & Wodehouse (together "Matthew Clark and Bibendum") for cash consideration of £1. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 4,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark also has a number of exclusive distribution agreements for third party products (mainly wines) into the UK market and also has a limited range of own brand wines. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

The Group has a non-controlling interest with respect to Peppermint, in which it has a 61% holding. As outlined in the table below, the Group has recognised the non-controlling interest's proportionate share of net assets acquired, in which the carrying value approximates fair value.

Notes forming part of the financial statements
(continued)

10. BUSINESS COMBINATIONS (continued)

Matthew Clark and Bibendum

The identifiable net assets acquired, including adjustments to final fair values were as follows:

	Initial value assigned €m	Adjustment to initial fair value €m	Revised final fair value €m
ASSETS			
Non-current assets			
Goodwill (note 12)	-	103.5*	103.5
Property, plant & equipment (note 11)	4.3	-	4.3
Brands (note 12)	-	16.9	16.9
Intangible assets (note 12)	2.2	8.1	10.3
Deferred income tax assets (note 20)	2.3	-	2.3
Total non-current assets	**8.8**	**128.5**	**137.3**
Current assets			
Cash	-	-	-
Inventories	61.2	-	61.2
Trade & other receivables	196.2	-	196.2
Current income tax asset	6.3	-	6.3
Current assets	**263.7**	**-**	**263.7**
LIABILITIES			
Trade & other payables	(274.3)	-	(274.3)
Borrowings (note 19)	(116.5)	-	(116.5)
Provisions (note 17)	(5.9)	-	(5.9)
Deferred income tax liabilities (note 20)	-	(4.3)	(4.3)
Total liabilities	**(396.7)**	**(4.3)**	**(401.0)**
Net identifiable (liabilities)/assets acquired	(124.2)	124.2	-
Non-controlling interest/adjustment to goodwill	0.6	(0.6)*	-
Equity holder of the parent (liabilities)/assets acquired	(124.8)	124.8	-
Total	**(124.2)**	**124.2**	**-**
Satisfied by:			
Cash consideration	**-**	**-**	**-**
Analysis of cash flows on acquisition			
Transaction costs of the acquisition (included in cash flows from operating activities)			**0.8**

*Total goodwill attributable to the equity holders of the parent on acquisition was €102.9m (€103.5m gross less non-controlling interest €0.6m).

10. BUSINESS COMBINATIONS (continued)

The principle factor contributing to the recognition of goodwill on acquisition entered into by the Group is the realisation of cost savings and other synergies with existing entities in the Group, which do not qualify for separate recognition as intangible assets. The acquired brands, were valued at fair value on the date of acquisition in accordance with IFRS 3 *Business Combinations* by independent professional valuers. The brands identified as part of the acquisition were predominately the Matthew Clark and Bibendum brands. The deferred tax adjustment is recognised with respect to these intangible assets.

Post-acquisition impact

The post-acquisition impact of acquisitions completed during the current financial year on Group operating profit was as follows:

	2019 €m
Revenue	1,156.6
Operating profit	15.7

The acquisition was completed on 4 April 2018, Operating profit of the Group for the financial year determined in accordance with IFRS as though the acquisition effected during the period had been at the beginning of the period would not have been materially different. The revenue of the Group for the financial year determined in accordance with IFRS as though the acquisition effected during the period had been at the beginning of the period would have been as follows:

	FY2019 acquisitions €m	C&C Group excluding FY2019 acquisitions €m	Pro-forma consolidated Group €m
Revenue	1,287.2	840.7	2,127.9

The gross contractual value of trade and other receivables as at the date of acquisition amounted to €196.2m. The fair value of these receivables is €196.2m, all of which is expected to be recoverable.

Year ended 28 February 2018

In the prior financial year, on 19 April 2017, the Group acquired 100% equity share capital of Orchard Pig for a cash consideration of €10.8m (£9.0m). Also on the 2 May 2017, the Group acquired 100% equity share capital of Badaboom for a cash consideration of €0.7m (£0.6m).

Notes forming part of the financial statements
(continued)

10. BUSINESS COMBINATIONS (continued)

The book values of the assets and liabilities acquired, together with the fair value adjustments made to those carrying values, were as follows:-

Orchard Pig
The identifiable net assets acquired, including adjustments to final fair values, were as follows:

	2018 €m
Property, plant & equipment	0.1
Brands & other intangible assets	4.9
Cash	1.2
Inventories	0.7
Trade & other receivables	1.3
Trade & other payables	(3.6)
Net identifiable assets and liabilities acquired	4.6
Goodwill arising on acquisition	6.2
Satisfied by:	
Cash consideration	10.8

Badaboom
The identifiable net assets acquired, including adjustments to final fair values, were as follows:

	2018 €m
Trade & other receivables	0.1
Trade & other payables	(0.1)
Net identifiable assets and liabilities acquired	-
Goodwill arising on acquisition	0.7
Satisfied by:	
Cash consideration	0.7

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to €1.4m. The fair value of these receivables is €1.4m, all of which is expected to be recoverable.

The principle factor contributing to the recognition of goodwill on acquisition entered into by the Group is the realisation of cost savings and other synergies with existing entities in the Group, which do not quality for separate recognition as intangible assets.

Net cash outflow arising on acquisitions of Orchard Pig and Badaboom in the prior financial year

	2018 €m
Cash consideration	11.5
Less: cash acquired	(1.2)
Total outflow in the Consolidated Cash Flow Statement	10.3

10. BUSINESS COMBINATIONS (continued)

Post-acquisition impact

The post-acquisition impact of acquisitions completed during the prior financial year on Group operating profit for the prior financial year was as follows:-

	2018 €m
Revenue	6.0
Excise duties	(1.5)
Net revenue	4.5
Operating costs	(4.2)
Operating profit	0.3
Finance expense	-
Profit before tax	0.3
Income tax expense	-
Result from acquired business	0.3

The Orchard Pig and Badaboom businesses were acquired on 19 April 2017 and 2 May 2017 respectively and are included in the Great Britain operating segment. The businesses made a profit of €0.3m in the period since acquisition to 28 February 2018. The revenue, net revenue and operating profit of the Group for the financial year ended 28 February 2018 determined in accordance with IFRS as though the acquisitions effected during that year had been at the beginning of that year would therefore not have been materially different from that reported.

All intra-group balances, transactions, income and expenses are eliminated on consolidation in accordance with IFRS 10 *Consolidated Financial Statements*.

Acquisition of equity accounted investments

Details of the Group's investments in the current and prior financial year are outlined in note 13.

Notes forming part of the financial statements
(continued)

11. PROPERTY, PLANT & EQUIPMENT

	Freehold land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Group				
Cost or valuation				
At 1 March 2017	82.8	186.0	70.7	339.5
Translation adjustment	(1.9)	(2.3)	(1.5)	(5.7)
Additions	4.1	0.9	5.7	10.7
Disposals	(1.7)	(0.7)	(2.2)	(4.6)
Revaluation/impairment of property, plant & equipment	3.1	(4.7)	-	(1.6)
Acquisition of Orchard Pig & Badaboom (note 10)	0.1	-	-	0.1
At 28 February 2018	86.5	179.2	72.7	338.4
Translation adjustment	**1.5**	**1.9**	**1.4**	**4.8**
Additions	**1.4**	**12.5**	**5.1**	**19.0**
Impairment of property, plant and equipment	**-**	**-**	**(0.4)**	**(0.4)**
Disposals	**(0.5)**	**-**	**(0.1)**	**(0.6)**
Reclassification to intangible assets (note 12)	**-**	**(2.9)**	**(13.7)**	**(16.6)**
Acquisition of Matthew Clark and Bibendum (note 10)	**1.4**	**0.7**	**2.2**	**4.3**
At 28 February 2019	**90.3**	**191.4**	**67.2**	**348.9**
Depreciation				
At 1 March 2017	12.7	125.8	54.8	193.3
Translation adjustment	(0.2)	(0.9)	(1.3)	(2.4)
Disposals	-	(0.1)	(1.6)	(1.7)
Charge for the year	1.3	7.3	5.4	14.0
At 28 February 2018	13.8	132.1	57.3	203.2
Translation adjustment	**0.1**	**1.0**	**1.2**	**2.3**
Disposals	**(0.5)**	**-**	**(0.1)**	**(0.6)**
Reclassification to intangible assets (note 12)	**-**	**(1.1)**	**(12.5)**	**(13.6)**
Charge for the year	**1.6**	**6.4**	**5.1**	**13.1**
At 28 February 2019	**15.0**	**138.4**	**51.0**	**204.4**
Net book value				
At 28 February 2019	**75.3**	**53.0**	**16.2**	**144.5**
At 28 February 2018	72.7	47.1	15.4	135.2

No depreciation is charged on freehold land which had a book value of €13.0m at 28 February 2019 (28 February 2018: €12.8m).

11. PROPERTY, PLANT & EQUIPMENT (continued)

Valuation of freehold land, buildings and plant & machinery - 28 February 2019

In the current financial year, for all freehold land & buildings and plant & machinery, an internal valuation was completed by the Directors as at 28 February 2019. As part of their valuation assessment, the Directors considered the following factors and their impact in determining year end valuation of the Group's property, plant & equipment:-

- market fluctuations of land and industrial property prices since the date of the last external valuation,
- fluctuations driven by market commodity prices, of the gross replacement cost of property, plant & machinery,
- projected asset utilisation rates based on FY2020 budgeted/forecasted production volumes,
- changes to functional and physical obsolescence of plant & machinery beyond that which would normally be expected, and continued appropriateness of the assumed useful lives of property, plant & machinery.

Having considered the above variables, the Directors estimate that the changes arising from market fluctuations and anticipated utilisation rates would not result in a material change to the valuation of the carrying value of these items of property, plant & equipment and hence no adjustment to their carrying value was deemed necessary.

Valuation of freehold land, buildings and plant & machinery – 28 February 2018

In the prior financial year, the Group engaged the following external valuers to value the Group's land & buildings and plant & machinery at the Groups facilities in Clonmel (Tipperary) and Wellpark (Glasgow) sites, along with the Group's depots in Dublin, Cork and Galway;

- Shane O'Beirne , RICS Registered Valuer (VRS), BSc (Surv) DIP AVEA MSCSI MRICS, Divisional Director and Paddy Farrelly MSc (Real Estate), in Lisney to value its freehold properties at the Group's Clonmel site. The portfolio report was prepared under the direction of Brian Gilson, BSc (Surv) MSCSI MRICS, FCI Arb, Director.
- David Fawcett, FRICS, IRRV (Hons) RICS Registered Valuer, RICS Registered Expert Witness, Partner, Asset Advisory, Machinery & Business Assets in Sanderson Weatherall to value its plant & machinery at the Group's Clonmel site. The portfolio report was prepared under the direction of Brian Gilson, BSc (Surv) MSCSI MRICS, FCI Arb, Director.
- Shane O'Beirne, RICS Registered Valuer (VRS), BSc (Surv) DIP AVEA MSCSI MRICS, Divisional Director with the assistance of Paddy Farrelly MSc (Real Estate) and Edwards Hanafin RICS Registered Valuer (VRS) BSc Surv (Hons) MRICS MSCSI, Director with the assistance of Nicholas O'Connell RICS Registered Valuer (VRS) BSc Surv (Hons) MRICS MSCSI all under the direction of Brian Gilson, BSc (Surv) MSCSI MRICS, FCI Arb, Director in Lisney to value its freehold properties at the Group's Dublin, Cork and Galway Depots.
- Timothy Smith BSc MRICS RICS Registered Valuer and Martin Clarkson BSc MRICS RICS Registered Valuer in Gerald Eve LLP to value its freehold properties at the Wellpark Brewery site.
- Finlo Corrin MRICS RICS Registered Valuer of Elston Sutton Industrial Appraisal Limited together with the assistance of Derek Elston, FRICS to value the plant & equipment at the Wellpark Brewery site.

The Wellpark valuations were prepared in accordance with the requirements of the RICS Valuation – Global Standards 2017 and undertaken on a Fair Value basis adopting the Cost Approach, using the Depreciated Replacement Cost method.

Gerald Eve LLP and Elston Sutton Industrial Appraisal Limited have previously provided valuation advice in respect of Wellpark Brewery and have valuer rotation policies in place.

Lisney and Sanderson Weatherall have also previously provided valuation advice in respect of Clonmel and have valuer rotation policies in place.

The result of these external valuations, as at 28 February 2018, was an increase in the value of land of €2.8m of which €2.8m was credited to the revaluation reserve. The value of buildings increased by a net of €0.4m as a result of this valuation with €1.3m being credited to the revaluation reserve with respect to an increase in the value of an element of the Group's buildings, €0.7m being offset against a previously recognised revaluation gain on the same asset and €0.3m expensed to the Income Statement as there was no previously recognised gain in the revaluation reserve against which to offset. The value of plant & machinery was written down by a cumulative €4.7m which was expensed to the income statement as there was no previously recognised gain in the revaluation reserve against which to offset.

Notes forming part of the financial statements
(continued)

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 years
Bottling & packaging equipment	15–20 years
Process automation	10 years
Buildings	50 years

	Land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Net book value				
Carrying value at 28 February 2019 post revaluation	**75.3**	**53.0**	**16.2**	**144.5**
Carrying value at 28 February 2019 pre revaluation	**75.3**	**53.0**	**16.2**	**144.5**
Gain/(loss) on revaluation	**-**	**-**	**-**	**-**

	Land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Net book value				
Carrying value at 28 February 2018 post revaluation	72.7	47.1	15.4	135.2
Carrying value at 28 February 2018 pre revaluation	69.6	51.8	15.4	136.8
Gain/(loss) on revaluation	3.1	(4.7)	-	(1.6)
28 February 2018 classified within:				
Income Statement	(0.3)	(4.7)	-	(5.0)
Other Comprehensive Income	3.4	-	-	3.4

11. PROPERTY, PLANT & EQUIPMENT (continued)

Fair value hierarchy

The valuations of land & buildings and plant & machinery 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 land & buildings and plant & machinery are classified as 'Level 3' as defined by IFRS *13 Fair Value Measurement*, and as illustrated below:

	Carrying amount	Quoted prices Level 1	Significant observable Level 2	Significant unobservable Level 3
	€m	€m	€m	€m
Recurring measurements				
Freehold land & buildings measured at market value	**45.5**	**-**	**-**	**45.5**
Freehold land & buildings measured at depreciated replacement cost	**29.8**	**-**	**-**	**29.8**
Plant & machinery measured at depreciated replacement cost	**53.0**	**-**	**-**	**53.0**
At 28 February 2019	**128.3**	**-**	**-**	**128.3**

	Carrying amount	Quoted prices Level 1	Significant observable Level 2	Significant unobservable Level 3
	€m	€m	€m	€m
Recurring measurements				
Freehold land & buildings measured at market value	44.2	-	-	44.2
Freehold land & buildings measured at depreciated replacement cost	28.5	-	-	28.5
Plant & machinery measured at depreciated replacement cost	47.1	-	-	47.1
At 28 February 2018	119.8	-	-	119.8

Measurement techniques

The Group used the following techniques to determine the fair value measurements categorised in Level 3:

- Land & buildings in Ireland, US, TCB Wholesale and Portugal and plant & machinery located in Portugal and Borrisoleigh 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.
- Land & buildings and plant & machinery in the UK, and plant & machinery located in Ireland and the US have been 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.

Notes forming part of the financial statements
(continued)

11. PROPERTY, PLANT & EQUIPMENT (continued)

Unobservable inputs
The significant unobservable inputs used in the market value measurement of land and buildings is as follows:

Valuation technique	Significant unobservable inputs	Range of unobservable inputs – Land ('000)	Range of unobservable inputs – Buildings	Relationship of unobservable inputs to fair value
Comparable market transactions	Price per square foot/ acre			The higher the price per square foot/acre, the higher the fair value.
	Republic of Ireland	€13–€29 per hectare	€47–€257 per square meter	
	United States	$25–$70 per acre	$7–$50 per square foot	
	United Kingdom	£100 per acre	£0 to £169 per square foot	

The significant unobservable inputs used in the depreciated cost measurement of land & buildings and plant & machinery are as follows:-

Gross replacement cost adjustment	Increase in gross replacement cost of plant and machinery of 0% (2018: 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% (2018: 0% to 100%). The weighted average obsolescence factor by site is as follows: Cidery, Ireland – 59%; Brewery Scotland – 73% and Cidery, United States – 54%
Physical and functional obsolescence adjustment factor	Adjustment for changes to physical and functional obsolescence – nil (2018: nil)

The carrying value of plant & machinery in the Group which is valued on the depreciated replacement cost basis, would increase/(decrease) by €2.7m if the economic obsolescence adjustment factor was increased/(decreased) by 5%. If the gross replacement cost was increased/(decreased) by 2% the carrying value of the Group's plant & machinery would increase/(decrease) by €1.1m.

The carrying value of freehold land & buildings which is valued on the depreciated replacement cost basis, would increase/(decrease) by €1.4m if the economic obsolescence adjustment factor was increased/(decreased) by 5%. The estimated carrying value of the same land & buildings would increase/(decrease) by €0.6m if the gross replacement cost was increased/(decreased) by 2%.

The carrying value of freehold land & buildings located in Ireland, the US, TCB Wholesale and Portugal would increase/(decrease) by €2.3m if the comparable open market value increased/(decreased) by 5%.

Company
The Company has no property, plant & equipment.

12. GOODWILL & INTANGIBLE ASSETS

	Goodwill €m	Brands €m	Other intangible assets €m	Total €m
Cost				
At 1 March 2017	480.4	303.3	4.6	788.3
Acquisition of Orchard Pig	6.2	4.9	-	11.1
Acquisition of Badaboom	0.7	-	-	0.7
Adjustment for previous business combination (note 20)	9.0	-	-	9.0
Translation adjustment	(1.6)	(8.0)	(0.1)	(9.7)
At 28 February 2018	494.7	300.2	4.5	799.4
Acquisition of Matthew Clark and Bibendum (note 10)	**102.9**	**16.9**	**10.3**	**130.1**
Additions	**-**	**-**	**3.1**	**3.1**
Reclassification from property, plant & equipment (note 11)	**-**	**-**	**16.6**	**16.6**
Translation adjustment	**3.6**	**5.0**	**0.2**	**8.8**
At 28 February 2019	**601.2**	**322.1**	**34.7**	**958.0**
Amortisation and impairment				
At 1 March 2017	76.2	180.4	1.4	258.0
Amortisation charge for the year	-	-	0.3	0.3
At 28 February 2018	76.2	180.4	1.7	258.3
Reclassification from property, plant & equipment (note 11)	**-**	**-**	**13.6**	**13.6**
Amortisation charge for the year	**-**	**-**	**2.4**	**2.4**
At 28 February 2019	**76.2**	**180.4**	**17.7**	**274.3**
Net book value				
At 28 February 2019	**525.0**	**141.7**	**17.0**	**683.7**
At 28 February 2018	418.5	119.8	2.8	541.1

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

Goodwill

Goodwill has been attributed to cash generating units (as identified under IAS 36 *Impairment of Assets*) as follows:

	Ireland €m	Scotland €m	C&C Brands €m	North America €m	Export €m	MCB €m	Total €m
At 1 March 2017	154.5	49.8	174.7	9.2	16.0	-	404.2
Acquisition of Orchard Pig (note 10)	-	-	6.2	-	-	-	6.2
Acquisition of Badaboom (note 10)	-	0.7	-	-	-	-	0.7
Adjustment for previous business combination (note 20)	-	9.0	-	-	-	-	9.0
Translation adjustment	-	(1.0)	(0.6)	-	-	-	(1.6)
At 28 February 2018	154.5	58.5	180.3	9.2	16.0	-	418.5
Acquisition of Matthew Clark and Bibendum (note 10)	**-**	**-**	**-**	**-**	**-**	**102.9**	**102.9**
Translation adjustment	**-**	**1.0**	**0.5**	**-**	**-**	**2.1**	**3.6**
At 28 February 2019	**154.5**	**59.5**	**180.8**	**9.2**	**16.0**	**105.0**	**525.0**

Goodwill consists both of goodwill capitalised under Irish GAAP which at the transition date to IFRS was treated as deemed cost and goodwill that arose on the acquisition of businesses since that date which was capitalised at cost and subsequently at fair value and represents the synergies arising from cost savings and the opportunity to utilise the extended distribution network of the Group to leverage the marketing of acquired products.

In line with IAS 36 *Impairment of Assets* goodwill is allocated to each cash generating unit (which may comprise more than one cash generating unit) which is expected to benefit from the combination synergies. These CGU's represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

All goodwill is regarded as having an indefinite life and is not subject to amortisation under IFRS but is subject to annual impairment testing.

Brands

Brands are expected to generate positive cash flows for as long as the Group owns the brands and have been assigned indefinite lives.

Capitalised brands include the Tennent's beer brands and the Gaymers cider brands acquired during the financial year ended 28 February 2010 and the Vermont Hard Cider Company cider brands and Waverley wine brands acquired during the financial year ended 28 February 2013.

The Tennent's, Gaymers and Vermont Hard Cider Company brands were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 (2008) *Business Combinations* by independent professional valuers. The Waverley wine brands were valued at cost.

The carrying value of the Tennent's beer brand as at 28 February 2019 amounted to €74.6m (2018: €72.4m) and has an indefinite life which is subject to annual impairment testing. The movement is due to currency exchange.

12. GOODWILL & INTANGIBLE ASSETS (continued)

In the current financial year, as a result of the acquisition of Matthew Clark and Bibendum the Group acquired brands which were valued at fair value on the date of acquisition in accordance with IFRS 3 *Business Combinations* by independent professional valuers. The brands identified as part of the acquisition were predominantly the Matthew Clark and Bibendum brand. The brands have an indefinite life and are subject to annual impairment testing.

In the prior financial year, the Group completed the acquisition of Orchard Pig which included the acquisition of the Orchard Pig brand (note 10).

The carrying amount of brands with indefinite lives are allocated to operating segments as follows:-

	Great Britain	International	MCB	Total
	€m	€m	€m	€m
At 28 February 2017	87.5	35.4	-	122.9
Acquisition of Orchard Pig (note 10)	4.9	-	-	4.9
Translation adjustment	(3.3)	(4.7)	-	(8.0)
At 28 February 2018	89.1	30.7	-	119.8
Acquisition of Matthew Clark and Bibendum (note 10)	**-**	**-**	**16.9**	**16.9**
Translation adjustment	**2.6**	**2.1**	**0.3**	**5.0**
At 28 February 2019	**91.7**	**32.8**	**17.2**	**141.7**

The brands are protected by trademarks, which are renewable indefinitely in all major markets where they are sold and it is the Group's policy to support them with the appropriate level of brand advertising. In addition, there are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands. Accordingly, the Directors believe that it is appropriate that the brands be treated as having indefinite lives for accounting purposes.

No intangible assets were acquired by way of government grant, there is no title restriction on any of the capitalised intangible assets and no intangible assets are pledged as security. There are no contractual commitments in relation to the acquisition of intangible assets at year end.

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

Other intangible assets

Other intangible assets have been attributed to operating segments (as identified under IFRS 8 *Operating Segments*) as follows:

	Ireland €m	Great Britain €m	International €m	MCB €m	Total €m
Cost					
At 1 March 2017	2.0	2.6	-	-	4.6
Translation adjustment	-	(0.1)	-	-	(0.1)
At 28 February 2018	2.0	2.5	-	-	4.5
Additions	**1.7**	**-**	**-**	**1.4**	**3.1**
Arising on acquisition of Matthew Clark and Bibendum (note 10)	**-**	**-**	**-**	**10.3**	**10.3**
Reclassification from property, plant & equipment (note 11)	**3.1**	**13.2**	**0.3**	**-**	**16.6**
Translation adjustment	**-**	**0.1**	**-**	**0.1**	**0.2**
At 28 February 2019	**6.8**	**15.8**	**0.3**	**11.8**	**34.7**
Amortisation					
At 1 March 2017	0.4	1.0	-	-	1.4
Amortisation charge for the year	0.1	0.2	-	-	0.3
At 28 February 2018	0.5	1.2	-	-	1.7
Reclassification from property, plant & equipment (note 11)	**1.1**	**12.3**	**0.2**	**-**	**13.6**
Amortisation charge for the year	**0.5**	**0.7**	**-**	**1.2**	**2.4**
At 28 February 2019	**2.1**	**14.2**	**0.2**	**1.2**	**17.7**
Net book value					
At 28 February 2019	**4.7**	**1.6**	**0.1**	**10.6**	**17.0**
At 28 February 2018	1.5	1.3	-	-	2.8

In the current year, due to the acquisition of Matthew Clark and Bibendum, the Group acquired trade relationships which were valued at fair value at the date of acquisition in accordance with the requirements of IFRS 3 *Business Combinations* by independent professional valuers. These trade relationships have a finite life and are subject to amortisation on a straight-line basis.

Other intangible assets also comprise the fair value of trade relationships acquired as part of the acquisition of TCB Wholesale (formerly Wallaces Express) during FY2015, the Gleeson trade relationships acquired during FY2014 and 20 year distribution rights for third party beer products acquired as part of the acquisition of the Tennent's business during FY2010. These were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 (2008) *Business Combinations* by independent professional valuers. The intangible assets have a finite life and are subject to amortisation on a straight-line basis.

During the current financial year, the Group reclassified assets from property, plant & equipment which were deemed to be more appropriately classified as intangible assets. This assets primarily related to software and licences.

The amortisation charge for the year ended 28 February 2019 with respect to intangible assets was €2.4m (2018: €0.3m).

12. GOODWILL & INTANGIBLE ASSETS (continued)

Impairment testing

To ensure that goodwill and brands that are considered to have an indefinite useful economic life are not carried at above their recoverable amount, impairment testing is performed comparing the carrying value of the assets with their recoverable amount using value-in-use computations. Impairment testing is performed annually or more frequently if there is an indication that the carrying amount may not be recoverable. Where the value-in-use exceeds the carrying value of the asset, the asset is not impaired.

As permitted by IAS 36 *Impairment of Assets*, the value of the Group's goodwill has been allocated to groups of cash generating units, which are not larger than an operating segment determined in accordance with IFRS 8 *Operating Segments*. These business segments represent the lowest levels within the Group at which the associated goodwill is monitored for management purposes.

The recoverable amount is calculated using value-in-use computations based on estimated future cash flows discounted to present value using a discount rate appropriate to each cash generating unit and brand. Terminal values are calculated on the assumption that cash flows continue in perpetuity.

The key assumptions used in the value-in-use computations using level 3 inputs in accordance with fair value hierarchy are:-
Expected volume, net revenue and operating profit growth rates – cash flows for each CGU and brand are based on detailed financial budgets and plans;

- Long-term growth rate – cash flows after the first five years were extrapolated using a long-term growth rate, on the assumption that cash flows for the first five years will increase at a nominal growth rate in perpetuity;
- Discount rate.

The key assumptions were based on management assessment of anticipated market conditions for each CGU. A terminal growth rate of 1.75%-2.00% (2018: 0%-1.75%) 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 6.0%-8.3% (2018: 5.6%-8.5%); these rates are in line with the Group's estimated pre-tax weighted average cost of capital for the three main geographies in which the Group operates (Ireland, Great Britain and North America), arrived at using the Capital Asset Pricing Model as adjusted for asset and country specific factors.

In formulating the budget the Group takes into account historical experience, an appreciation of its core strengths and weaknesses in the markets in which it operates and external factors such as macro-economic factors, inflation expectations by geography, regulation and expected changes in regulation (such as expected changes to duty rates and minimum pricing), market growth rates, sales price trend, competitor activity, market share targets and strategic plans and initiatives.

The Group has performed the detailed impairment testing calculations by cash generating unit's with the following discount rates being applied:

Market	Discount rate 2019	Discount rate 2018	Terminal growth rate 2019	Terminal growth rate 2018
Ireland	**8.3%**	8.5%	**2.00%**	1.25%
Scotland	**6.2%**	6.0%	**2.00%**	1.25%
C&C Brands	**6.2%**	6.0%	**2.00%**	1.25%
North America	**6.0%**	5.6%	**1.75%**	0.00%
Export	**6.2%**	6.0%	**2.00%**	1.75%
Matthew Clark Bibendum	**6.2%**	N/A	**2.00%**	N/A

Notes forming part of the financial statements
(continued)

12. GOODWILL & INTANGIBLE ASSETS (continued)

The impairment testing carried out at 28 February 2019 and 28 February 2018 identified headroom in the recoverable amount of all of the Group's goodwill & intangible assets.

Significant goodwill amounts

The goodwill allocated to Ireland, C&C Brands and MCB CGU's amount to 29% (2018: 38%), 34% (2018: 43%) and 20% (2018: nil) of the total carrying amount of goodwill respectively.

	Ireland		C&C Brands		MCB	
	2019	2018	2019	2018	2019	2018
Goodwill allocated to the cash-generating unit at balance sheet date	**154.5**	154.5	**180.8**	180.3	**105.0**	-
Discount rate applied to the cash flow projections (real pre-tax)	**8.3%**	8.5%	**6.2%**	6.0%	**6.2%**	-

Sensitivity analysis

In the current financial year, the impairment testing carried out as at 28 February 2019 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 the cash generating units. The cash generating unit with the least headroom is North America. The table below identifies the impact of a movement in the key inputs of the brand in North America:

	2019		2018	
	Movement %	Increase/ (decrease on headroom €m	Movement %	Increase/ (decrease) on headroom €m
Increase/decrease in operating profit	**2.5/(2.5)**	**1.0/(1.0)**	2.5/(2.5)	1.2/(1.2)
Increase in discount rate	**0.25**	**(2.9)**	0.25	(2.5)
Decrease in discount rate	**(0.25)**	**3.2**	(0.25)	2.8
Increase in terminal growth rate	**0.25**	**2.7**	0.25	2.4
Decrease in terminal growth rate	**(0.25)**	**(2.4)**	(0.25)	(2.1)

The Group concludes that no reasonable movement in any of the underlying assumptions would result in a material impairment in any of the Group's cash generating units or brands.

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS

(a) Equity accounted investments – Group

	Joint ventures		Associates		
	Admiral Taverns as restated €m	Drygate Brewing Company Limited €m	Canadian Investment €m	Whitewater Brewing Company Limited €m	Total as restated €m
Investment in equity accounted investments					
Carrying amount at 1 March 2017	-	0.3	1.8	0.3	2.4
Purchase price paid	42.4	-	1.8	-	44.2
Acquisition costs	1.1	-	-	-	1.1
Share of profit after tax	1.1	-	0.1	-	1.2
Finalisation of value of investment previously recognised – exceptional gain (note 5)	13.3	-	-	-	13.3
Translation adjustment	-	(0.1)	(0.4)	-	(0.5)
Carrying amount at 28 February 2018	57.9	0.2	3.3	0.3	61.7
Share of profit after tax	**3.8**	**0.1**	**0.1**	**-**	**4.0**
Share of exceptional loss after tax (note 5)	**(3.3)**	**-**	**-**	**-**	**(3.3)**
Share of Other Comprehensive Income	**7.1**	**-**	**-**	**-**	**7.1**
Translation adjustment	**1.8**	**-**	**0.1**	**-**	**1.9**
Carrying amount at 28 February 2019	**67.3**	**0.3**	**3.5**	**0.3**	**71.4**

Summarised financial information for the Group's investment in joint ventures and associates which are accounted for using the equity method is as follows:

	Admiral Taverns* 2019 €m	Joint ventures 2019 €m	Associates 2019 €m	Joint ventures 2018 €m	Associates 2018 €m
Non-current assets	**303.2**	**2.8**	**7.7**	268.2	8.5
Current assets	**37.0**	**1.0**	**4.5**	23.4	1.9
Non-current liabilities	**(168.5)**	**(2.0)**	**(6.5)**	(175.3)	(8.7)
Current liabilities	**(27.4)**	**(1.2)**	**(3.8)**	(22.5)	(1.9)
Net assets	**144.3****	**0.6**	**1.9**	93.8	(0.2)
Revenue	**77.4**	**4.8**	**17.4**	9.7	16.1
Profit & loss before tax	**8.5**	**0.1**	**1.0**	1.0	0.7
Other Comprehensive Income	**7.1**	**-**	**-**	-	-

* Included in current assets for Admiral Taverns is cash and cash equivalents of €22.2m (2018: €6.6m). Admiral Taverns also had depreciation and amortisation of €6.7m (2018 from date of acquisition: €1.5m) and net interest costs of €10.9m (2018: from date of acquisition €2.6m).
** Net assets of €144.3m by the Group's share in equity of 46.65% amounts to €67.3m which equates to the carrying amount in Admiral Taverns.

A listing of the Group's equity accounted investments is contained in note 27.

Admiral Taverns

On 6 December 2017, the Group entered into a joint venture arrangement for a 49.9% share in Brady P&C Limited ("Admiral Taverns"), a UK incorporate entity with Proprium Capital Partners (50.1%). Brady P&C Limited subsequently incorporated a UK company, Brady Midco Limited where Admiral management acquired 6.5% of the shares. Brady Midco Limited incorporated Brady Bidco Limited which acted as the acquisition vehicle to acquire the entire share capital of AT Brit Holdings Limited (trading as Admiral Taverns) on the 6 December 2017. The equity investment by the Group was £37.4m (€42.4 euro equivalent on date of investment) representing 46.65% of the issued share capital of Admiral Taverns. The Group has 50% representation on the board and no decision can be made without 100% agreement by all Directors. The Group determined that Admiral Taverns was to be accounted for as a Joint Venture. In the prior financial year the

Notes forming part of the financial statements
(continued)

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (continued)

Group recognised its provisional estimate of assets acquired. In the current financial year the Group completed its final determination and the Group's share of assets acquired was calculated at £50.1m (€56.8m euro equivalent on date of investment). The most significant asset acquired was property and detailed fair value calculations were performed to determine the value of the property assets on acquisition; consideration was also given to the value of all other assets and liabilities on acquisition including deferred tax balances. The final determination of assets acquired resulted in a measurement period adjustment of £11.7m (€13.3m euro equivalent) which has been recognised in the prior period in line with IFRS 3 Business Combinations. This necessitated the restatement of the prior year equity Investment balance on the prior year balance sheet and the recognition of an exceptional credit in the prior year (note 5).

The financial result of Admiral Taverns attributable to the Group for the financial year ended 28 February 2019 included a share of profit before exceptional items of €3.8m; €3.3m exceptional loss in the Income Statement and a €7.1m revaluation gain recognised in Other Comprehensive Income.

Drygate Brewing Company Limited
In 2015, the Group entered into a joint venture arrangement with Heather Ale Limited, run by the Williams brothers who are recognised as leading family craft brewers in Scotland, to form a new entity Drygate Brewing Company Limited. The joint venture, which is run independently of the joint venture partners existing businesses, operates a craft brewing and retail facility adjacent to Wellpark brewery. The financial result for the current financial year attributable to the Group was €0.1m (2018: less than €0.1m).

Canadian Investment
In the prior financial year, on 28 July 2017, the Group acquired 10.7% of the equity share capital of a Canadian Company for CAD$2.5m (€1.8m euro equivalent on date of investment,). This followed an earlier investment, on 11 May 2016, when the Group acquired 14% of the equity share capital for CAD$2.5m. The financial result for the current financial year attributable to the Group with respect to this investment was €0.1m (2018: €0.1m).

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). The financial result for the current and prior financial year attributable to the Group was less than €0.1m.

Other
In the current financial year the Group made a 33.3% investment in a Belgium entity CVBA Braxatorium Parcensis for less than €0.1m. This entity did not trade during the current financial year. The Group also assumed an equity investment in European Wine Partnerships LLP following its acquisition of Matthew Clark and Bibendum. This was a dormant entity which has subsequently been dissolved. The Group also has an equity investment in Shanter Inns Limited, Beck & Scott (Services) Limited (Northern Ireland) and The Irish Brewing Company Limited (Ireland). The value of each of these investments is less than €0.1m in the current and prior financial year.

(b) Financial Assets – Company

	2019 €m	2018 €m
Equity investment in subsidiary undertakings at cost		
At beginning of year	**980.2**	979.3
Capital contribution in respect of share options granted to employees of subsidiary undertakings	**1.9**	0.9
At end of year	**982.1**	980.2

The total expense of €1.9m (2018: €0.9m) attributable to equity settled awards granted to employees of subsidiary undertakings has been included as a capital contribution in financial assets.

In the opinion of the Directors, the shares in the subsidiary undertakings are worth at least the amounts at which they are stated in the Balance Sheet. Details of subsidiary undertakings are set out in note 27.

14. INVENTORIES

	2019 €m	2018 €m
Group		
Raw materials & consumables	**47.2**	43.0
Finished goods & goods for resale	**136.9**	45.1
Total inventories at lower of cost and net realisable value	**184.1**	88.1

An analysis of the Group's cost of sale expense is provided in Note 2 to the financial statements. Inventory write-down recognised as an expense within operating costs amounted to €3.2m (2018: €1.2m). The inventory write-down in the current financial year of €3.2m is primarily due to the write-down of obsolete stock of €1.7m as a result of a change in a distribution company and the write-down of obsolete stock in our newly acquired distribution business of €1.5m due to a discontinued product. The level of inventory write-down in the prior financial year is primarily as a result of the distribution partnership with AB InBev and the closure of a warehouse facility in Great Britain resulting in obsolete stock.

15. TRADE & OTHER RECEIVABLES

	Group		Company	
	2019 €m	2018 €m	2019 €m	2018 €m
Amounts falling due within one year:				
Trade receivables	**90.0**	48.5	**-**	-
Amounts due from Group undertakings	**-**	-	**346.0**	355.7
Advances to customers	**27.7**	10.2	**-**	-
Prepayments and other receivables	**44.9**	21.2	**0.2**	0.4
	162.6	79.9	**346.2**	356.1
Amounts falling due after one year:				
Advances to customers	**23.7**	40.0	**-**	-
Prepayments and other receivables	**2.0**	0.4	**-**	0.3
	25.7	40.4	**-**	0.3
Total	**188.3**	120.3	**346.2**	356.4

Amounts due from Group undertakings includes a combination of interest free and interest bearing loans and 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 €152.6m to Group cash (2018: €63.5m) at 28 February 2019. The Group's debtors would therefore have been €152.6m higher (2018:€63.5m) had the programme not being in place The Group's trade receivables programme is not recognised on the balance sheet as it meets the de-recognition criteria under IFRS 9.

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 neither past due nor impaired and amounts past due at 28 February 2019 and 28 February 2018 were as follows:-

	Trade receivables		Advance to customers			Total		Total
	Gross 2019 €m	Impairment 2019 €m	Gross 2019 €m	Impairment 2019 €m	Gross 2019 €m	Impairment 2019 €m	Gross 2018 €m	Impairment 2018 €m
Group								
Neither past due nor impaired	**60.0**	**-**	**52.7**	**(1.4)**	**112.7**	**(1.4)**	80.5	-
Past due:-								
Past due 0-30 days	**7.7**	**-**	**0.1**	**-**	**7.8**	**-**	7.3	(0.1)
Past due 31-120 days	**11.2**	**(0.6)**	**0.1**	**(0.1)**	**11.3**	**(0.7)**	8.4	(0.4)
Past due 121-365 days	**13.7**	**(2.0)**	**1.4**	**(1.4)**	**15.1**	**(3.4)**	4.5	(1.5)
Past due more than one year	**8.9**	**(8.9)**	**2.8**	**(2.8)**	**11.7**	**(11.7)**	11.3	(11.3)
Total	**101.5**	**(11.5)**	**57.1**	**(5.7)**	**158.6**	**(17.2)**	112.0	(13.3)

Trade receivables, advances to customers and other receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance or impairment losses.

Specifically for advances to customers, any difference between the present value and the nominal amount at inception is treated as an advance of discount prepaid to the customer, and is recognised in the Income Statement in accordance with the terms of the agreement. The discount rate calculated by the Group is at least based on the risk-free rate plus a margin, which takes into account the risk profile of the customer. At 28 February 2019, the Group recognised an advance of discount prepaid of €4.6m.

The Group applies the simplified approach permitted by IFRS 9 ***Financial Instruments*** to measure expected credit losses for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables are assessed collectively in groups that share similar credit risk characteristics, such as customer segments, historical information on payment patterns, terms of payment and days past due. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit loss experience. The historical loss rates are adjusted to reflect current and forward-looking information on customer specific and macroeconomic factors, which affect the ability of customers to settle receivables.

Regarding advances to customers, the Group applies the general approach to measure expected credit losses which requires a loss provision to be recognised based on twelve month or lifetime expected credit losses, provided a significant increase in credit risk has occurred since initial recognition. The Group assesses the expected credit losses for advances to customers based on historical information on payment patterns, monitoring customer ordering activities, concentration maturity, and information about the current or forecasted general economic conditions, which affect the ability of customers to settle advances. The credit risk on advances to customers can be reduced through the value of security and/or collateral given.

Trade receivables are on average receivable within 18 days (2018: 25 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 22.

The movement in the allowance for impairment in respect of trade receivables and advances to customers during the year was as follows:

15. TRADE & OTHER RECEIVABLES (continued)

	Trade receivables 2019 €m	Advance to customers 2019 €m	Total 2019 €m	Total 2018 €m
Group				
At beginning of year	**7.5**	**5.8**	**13.3**	15.7
Arising on acquisition	**6.9**	**-**	**6.9**	-
Recovered during the year	**(6.4)**	**(0.1)**	**(6.5)**	(1.2)
Provided during the year	**6.3**	**-**	**6.3**	1.0
Written off during the year	**(2.7)**	**-**	**(2.7)**	(2.1)
Translation adjustment	**(0.1)**	**-**	**(0.1)**	(0.1)
At end of year	**11.5**	**5.7**	**17.2**	13.3

At 28 February 2019, regarding the impact of the expected loss model on trade receivables and advances to customers, the Group has provided for expected credit losses over the next twelve months of €1.4m and expected lifetime losses of €15.8m.

16. TRADE & OTHER PAYABLES

	Group		Company	
	2019 €m	2018 €m	2019 €m	2018 €m
Trade payables	**225.7**	62.5	**-**	-
Payroll taxes & social security	**3.6**	2.0	**-**	-
VAT	**16.3**	7.1	**-**	-
Excise duty	**23.0**	18.8	**-**	-
Accruals	**67.7**	42.3	**0.6**	0.6
Amounts due to Group undertakings	**-**	-	**326.3**	317.1
Total	**336.3**	132.7	**326.9**	317.7

Amounts due to Group undertakings include a combination of interest free and interest bearing loans and are payable on demand.

The Group's exposure to currency and liquidity risk related to trade & other payables is disclosed in note 22.

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 2019, 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 25.

17. PROVISIONS

	Onerous lease 2019 €m	Dilapidation 2019 €m	Other 2019 €m	Total 2019 €m	Total 2018 €m
At beginning of year	**11.0**	**-**	**0.4**	**11.4**	14.2
Translation adjustment	**0.3**	**-**	**-**	**0.3**	(0.5)
Arising on acquisition	**-**	**4.1**	**1.8**	**5.9**	-
Charged during the year	**0.2**	**0.1**	**0.1**	**0.4**	4.0
Unwind of discount on provisions	**0.3**	**-**	**-**	**0.3**	0.3
Utilised during the year	**(1.5)**	**(0.4)**	**(0.7)**	**(2.6)**	(6.6)
At end of year	**10.3**	**3.8**	**1.6**	**15.7**	11.4
Classified within:					
Current liabilities				**4.6**	3.6
Non-current liabilities				**11.1**	7.8
				15.7	11.4

Notes forming part of the financial statements
(continued)

17. PROVISIONS (continued)

Onerous leases
The onerous lease provision relates to two onerous leases in relation to warehousing facilities acquired as part of the acquisition of the Gaymers cider business in 2010. One of these leases has now expired and final settlement of the related dilapidations is expected to take place during FY2020 and the other will expire in 2026. Also included in the provision is an onerous lease with respect to the Tennent's Lager founts which was created in the prior financial year. In Great Britain, the Group leases its dispense equipment and in the prior financial year an additional lease was rolled out for the new Tennent's Lager fount. This necessitated the creation of an onerous lease provision in respect of the old leased brands dispense equipment for which the Group was deriving no economic benefit. The leases affected all expire in 2024, and the provision will be unwound over the course of 2018 to 2024.

Dilapidation
In the current financial year, following the acquisition by the Group of Matthew Clark and Bibendum, the Group has a dilapidation provision of €4.1m arising on acquisition (€3.8m at year end). The provision as at 28 February 2019, is for dilapidation costs with respect to leased depots of €3.5m and leased fleet of €0.3m.

Other
Other provisions carried forward from the prior financial year relate to a provision for the Group's exposure to employee and third party insurance claims. Under the terms of employer and public liability insurance policies, the Group bears a portion of the cost of each claim up to the specified excess. The provision is calculated based on the expected portion of settlement costs to be borne by the Group in respect of specific claims arising before the Balance Sheet date.

In the current financial year, following the acquisition of Matthew Clark and Bibendum, the Group recognised a provision of €1.8m, on acquisition, with respect to various legal claims; of this €0.7m was utilised during the period.

18. INTEREST BEARING LOANS & BORROWINGS

	Group		Company	
	2019 €m	2018 €m	2019 €m	2018 €m
Current assets				
Unsecured loans repayable by one repayment on maturity	**-**	0.4	**-**	0.4
	-	0.4	**-**	0.4
Non-current assets				
Unsecured loans repayable by one repayment on maturity	**-**	-	**-**	0.3
	-	-	**-**	0.3
Current liabilities				
Unsecured loans repayable by one repayment on maturity	**1.2**	-	**1.2**	-
Unsecured loans repayable by instalment	**(56.4)**	-	**(11.4)**	-
	(55.2)	-	**(10.2)**	-
Non-current liabilities				
Unsecured loans repayable by one repayment on maturity	**(268.6)**	(383.5)	**2.9**	-
Unsecured loans repayable by instalment	**(122.2)**	-	**(17.2)**	-
	(390.8)	(383.5)	**(14.3)**	-
Total borrowings	**(446.0)**	(383.1)	**(24.5)**	0.7

18. INTEREST BEARING LOANS & BORROWINGS (continued)

Group

Outstanding borrowings of the Group are net of unamortised issue costs which are being amortised to the Income Statement over the remaining life of the Euro term loan and multi-currency revolving facilities agreement and the Group's previous 2014 multi-currency revolving loan facility to which they relate. The value of unamortised issue costs at 28 February 2019 was €4.6m of which €1.4m is netted against current liabilities and €3.2m is netted against non-current liabilities. In the prior financial year, the value of unamortised issue costs was €0.7m with respect to the Group's 2014 multi-currency revolving loan facility of which €0.3m was netted against non-current liabilities and €0.4m was shown as a current asset on the Balance Sheet.

Company

Outstanding borrowings of the Company are net of unamortised issue costs which are being amortised to the Income Statement over the remaining life of the Euro term loan and multi-currency revolving facilities agreement and the Group's previous 2014 multi-currency revolving loan facility to which they relate. The value of unamortised issue costs at 28 February 2019 was €4.6m of which €1.4m is netted against current liabilities and €3.2m is netted against non-current liabilities. In the prior financial year, the value of unamortised issue costs was €0.7m with respect to the Group's 2014 multi-currency revolving loan facility of which €0.3m was netted against non-current assets in the Company balance sheet and €0.4m was shown as a current asset on the Company Balance Sheet.

Terms and debt repayment schedule

Group	Currency	Nominal rates of interest	Year of maturity	2019 Carrying value €m	2018 Carrying value €m
Unsecured loans repayable by one repayment on maturity	Multi	Euribor/Libor + 1.4%	2019	-	383.8
Unsecured loans repayable by one repayment on maturity	Multi	Euribor/Libor + 1.6%	2023	**271.5**	-
Unsecured loans repayable by instalment	Euro	Euribor + 1.7%	2021	**150.0**	-
Unsecured loans repayable by instalment	GBP	Libor + 2.0%	2021	**29.1**	-
				450.6	383.8

Company	Currency	Nominal rates of interest	Year of maturity	2019 Carrying value €m	2018 Carrying value €m
Unsecured loans repayable by instalment	GBP	Libor + 2.0%	2021	**29.1**	-
				29.1	-

Borrowing facilities

Group

The Group manages its borrowing requirements by entering into committed loan facility agreements.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank, and Ulster Bank. The multi-currency facility agreement is repayable in a single instalment on 12 July 2023 while the Euro term loan is repayable in instalments, with the last instalment payable on 12 July 2021.

Notes forming part of the financial statements
(continued)

18. 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/Libor interest rates plus a margin, the level of which is dependent on the net debt: EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, three or six months.

The Group has further financial indebtedness of €29.1m at 28 February 2019, which is repayable by instalments with the last instalment payable on 3 April 2021. The Group pays variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €200m, subject to agreeing the terms and conditions with the lenders. Consequently the Group is permitted under the terms of the agreement, to have debt capacity of €900m of which €450.6m was drawn at 28 February 2019. In the prior financial year, the Group had €383.8m of drawn debt under the Group's 2014 multi-currency revolving loan facility.

All bank loans drawn under the Group's Euro term loan and multi-currency revolving loan facility are unsecured and rank pari passu. All borrowings of the Group are guaranteed by a number of the Group's subsidiary undertakings. The Euro term loan and multi-currency facilities agreement allows the early repayment of debt without incurring additional charges or penalties.

All borrowings of the Group at 28 February 2019 are repayable in full on change of control of the Group.

Company

The Company is an original borrower under the terms of the Group's Euro term loan and multi-currency revolving credit facility which was negotiated in the current financial year but is not a borrower in relation to the Group's drawn debt at 28 February 2019.

The Company is however a borrower with respect to the Group's non-bank debt of €29.1m at 28 February 2019. This debt is repayable by instalment with the last instalment payable on 3 April 2021. The Company pays variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%. This debt is repayable in full on change of control of the Group.

Covenants

The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants:

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2018 and February 2019 will not exceed 3.75:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2019 and thereafter will not exceed 3.5:1

The Company and Group also has covenants with respect to its non-bank financial indebtedness:

- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

The Company and the Group complied with all covenants at each reporting date in the current and prior financial year.

Further information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in note 22.

19. ANALYSIS OF NET DEBT

	1 March 2018 €m	Translation adjustment €m	Arising on acquisition (note 10) €m	Cash Flow, net €m	Non-cash changes €m	28 February 2019 €m
Group						
Interest bearing loans & borrowings	**(383.1)**	**(0.5)**	**(116.5)**	**55.2**	**(1.1)**	**(446.0)***
Cash	**145.5**	**1.0**	**-**	**(2.1)**	**-**	**144.4**
	(237.6)	**0.5**	**(116.5)**	**53.1**	**(1.1)**	**(301.6)**

* Interest bearing loans & borrowings at 28 February 2019 are net of unamortised issue costs of €4.6m.

	1 March 2017 €m	Translation adjustment €m	Arising on acquisition €m	Cash Flow, net €m	Non-cash changes €m	28 February 2018 €m
Group						
Interest bearing loans & borrowings	(358.2)	1.1	-	(25.6)	(0.4)	(383.1)*
Cash	187.6	(7.5)	-	(34.6)	-	145.5
	(170.6)	(6.4)	-	(60.2)	(0.4)	(237.6)

* Interest bearing loans & borrowings at 28 February 2018 were net of unamortised issue costs of €0.7m of which €0.4m was classified on the balance sheet as a current asset.

	1 March 2018 €m	Translation adjustment €m	Arising on acquisition (note 10) €m	Cash Flow, net €m	Non-cash changes €m	28 February 2019 €m
Company						
Interest bearing loans & borrowings	**0.7**	**(0.5)**	**-**	**(23.6)**	**(1.1)**	**(24.5)**
Cash	**-**	**-**	**-**	**-**	**-**	**-**
	0.7	**(0.5)**	**-**	**(23.6)**	**(1.1)**	**(24.5)**

* Interest bearing loans & borrowings at 28 February 2019 are net of unamortised issue costs of €4.6m.

	1 March 2017 €m	Translation adjustment €m	Arising on acquisition (note 10) €m	Cash Flow €m	Non-cash changes €m	28 February 2018 €m
Company						
Prepaid issue costs	1.1	-	-	-	(0.4)	0.7*
Cash	-	-	-	-	-	-
	1.1	-	-	-	(0.4)	0.7

* Prepaid issue costs at 28 February 2018 were €0.7m of which €0.4m was classified on the balance sheet as a current asset and €0.3m was classified as a non-current asset.

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 €1.1m. The non-cash change to the Company and Group's interest bearing loans and borrowings in the prior financial year relate to the amortisation of issue costs of €0.4m.

Notes forming part of the financial statements
(continued)

19. ANALYSIS OF NET DEBT (continued)

The Company is an original borrower under the terms of the Group's Euro term loan and multi-currency revolving credit facility which was negotiated in the current financial year but is not a borrower in relation to the Group's drawn debt with respect to these facilities as at 28 February 2019. The Company is a borrower with respect to the Company and Group's non-bank borrowings at 28 February 2019. In the prior financial year the Company was an original borrower under the terms of the Group's 2014 multi-currency revolving loan facility but was not a borrower in relation to the Group's drawn debt at 28 February 2018.

As outlined in further detail in note 25, 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 2019. In the prior financial year the Company, together with a number of its subsidiaries, also gave a letter of guarantee to secure its obligations in respect of the Group's 2014 multi-currency revolving loan facility.

20. RECOGNISED DEFERRED INCOME TAX ASSETS AND LIABILITIES

	2019			2018		
	Assets €m	Liabilities €m	Net assets/ (liabilities) €m	Assets €m	Liabilities €m	Net assets/ (liabilities) €m
Group						
Property, plant & equipment	**1.2**	**(7.3)**	**(6.1)**	0.3	(6.9)	(6.6)
Intangible assets	**-**	**(7.2)**	**(7.2)**	-	(2.7)	(2.7)
Retirement benefits	**1.5**	**(2.4)**	**(0.9)**	0.5	(1.6)	(1.1)
Trade related items & losses	**1.3**	**-**	**1.3**	0.9	-	0.9
	4.0	**(16.9)**	**(12.9)**	1.7	(11.2)	(9.5)

The Group has not recognised deferred income 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 income 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 income tax liabilities.

In addition, no deferred income tax asset has been recognised in respect of certain tax losses incurred by the Group on the basis that the recovery is considered unlikely in the foreseeable future or due to the complexity and uncertainty of the tax treatment in connection with certain items giving rise to some of the losses a deferred income tax asset has not been recognised. The cumulative value of such tax losses is €35.3m (2018: €27.3m). In the event that sufficient taxable profits arise or the tax treatment becomes sufficiently certain in the relevant jurisdictions in future years, these losses may be utilised. The majority of these losses are due to expire in 2035.

During 2018, the Group re-assessed the basis of calculating the deferred income tax arising on fair valued historic business combinations, and specifically the expected manner of recovery of the acquired land & buildings. This reassessment, in the prior financial year, increased goodwill by €9.0m per note 12, created a deferred income tax liability of €4.6m and a deferred income tax liability release of €4.4m (principally arising on the intervening reductions in the UK tax rate) included in the deferred income tax movement in note 7.

Company
The company had no deferred income tax assets or liabilities at 28 February 2019 or at 28 February 2018.

20. RECOGNISED DEFERRED INCOME TAX ASSETS AND LIABILITIES (continued)

Analysis of movement in net deferred income tax (liabilities)/assets

	1 March 2018 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Arising on acquisition (note 10) €m	Translation adjustment €m	28 February 2019 €m
Group						
Property, plant & equipment:	**0.3**	**(0.2)**	**-**	**1.1**	**-**	**1.2**
Property, plant and equipment: other	**(6.9)**	**(0.1)**	**-**	**-**	**(0.3)**	**(7.3)**
Provision for trade related items	**0.9**	**(1.1)**	**0.3**	**1.2**	**-**	**1.3**
Intangible assets	**(2.7)**	**(0.1)**	**-**	**(4.3)**	**(0.1)**	**(7.2)**
Retirement benefits	**(1.1)**	**(0.1)**	**0.3**	**-**	**-**	**(0.9)**
	(9.5)	**(1.6)**	**0.6**	**(2.0)**	**(0.4)**	**(12.9)**

	1 March 2017 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Arising on historical business combinations €m	Translation adjustment €m	28 February 2018 €m
Group						
Property, plant & equipment:	(0.3)	0.6	-	-	-	0.3
Property, plant and equipment: other	(1.9)	3.8	-	(9.0)	0.2	(6.9)
Provision for trade related items	0.5	0.4	-	-	-	0.9
Intangible assets	(3.0)	0.3	-	-	-	(2.7)
Retirement benefits	1.9	(0.2)	(2.8)	-	-	(1.1)
	(2.8)	4.9	(2.8)	(9.0)	0.2	(9.5)

21. 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 (2018: no active members). There are 57 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (2018: 57 active members) and 3 active members in the NI defined benefit pension scheme (2018: 4 active members). The Group's ROI defined benefit pension reform programme concluded during the financial year ended 29 February 2012 with the Pensions Board issuing a directive under Section 50 of the Pensions Act 1990 to remove the mandatory pension increase rule, which guaranteed 3% per annum increase to certain pensions in payment, and to replace it with guaranteed pension increases of 2% per annum for each year 2012 to 2015 and thereafter for all future pension increases to be awarded on a discretionary basis.

Notes forming part of the financial statements
(continued)

21. RETIREMENT BENEFITS (CONTINUED)

Actuarial valuations – funding requirements
Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. The most recent actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

The funding requirements in relation to the Group's ROI staff defined benefit pension schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. Arising from the formal actuarial valuations of the Group's staff defined benefit pension scheme, the Group has committed to contributions of 27.5% of pensionable salaries. There is no funding requirement with respect to the Group's ROI executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to any surplus remaining in these schemes in the event the scheme concludes.

The Group is exposed to a number of risks in relation to the funding position of these schemes, namely:-

Asset volatility: It is the Group's intention to pursue a long-term investment policy that emphasises investment in secure monetary assets to provide for the contractual benefits payable to members. The investment portfolio has exposure to equities, other growth assets and fixed interest investments, the returns from which are uncertain and may fluctuate significantly in line with market movements. Assets held are valued at fair value using bid prices where relevant.

Discount rate: The discount rate is the rate of interest used to discount post-employment benefit obligations and is determined by reference to market yields at the balance sheet date on high quality corporate bonds with a currency and term consistent with the currency and estimated term of the Group's post employment benefit obligations. Movements in discount rates have a significant impact on the value of the schemes' liabilities.

Longevity: The value of the defined benefit obligations is influenced by demographic factors such as mortality experience and retirement patterns. Changes to life expectancy have a significant impact on the value of the schemes' liabilities.

Method and assumptions
The schemes' independent actuary, Mercer (Ireland) Limited, has employed the projected unit credit method to determine the present value of the defined benefit obligations arising and the related current service cost.

The financial assumptions that have the most significant impact on the results of the actuarial valuations are those relating to the discount rate used to convert future pension liabilities to current values and the rate of inflation/salary increase. These and other assumptions used to determine the retirement benefits and current service cost under IAS19(R) *Employee Benefits* are set out below.

21. RETIREMENT BENEFITS (CONTINUED)

Mortality rates also have a significant impact on the actuarial valuations, as the number of deaths within the scheme have been too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality, the rates used have been based on the most up-to-date mortality tables, (the S2PMA CMI 2016 (males) and S2PFA CMI 2016 (females) for the ROI schemes and SPA07M year of birth tables with CMI 2014 projections 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	
		2019	2018	2019	2018
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	**22.5-23.3**	22.4	**22.4**	23.0
	Female	**24.4-25.2**	24.3	**24.3**	25.1
Future retirees – with allowance for future improvements	Male	**23.3-24.2**	23.2	**24.2**	25.1
	Female	**25.3-26.2**	25.2	**26.1**	27.4

Scheme liabilities:-

The average age of active members is 48 and 53 years (2018: 48 and 53 years) for the ROI Staff and the NI defined benefit pension schemes respectively (the executive defined benefit pension scheme has no active members), while the average duration of liabilities ranges from 14 to 25 years (2018: 14 to 21 years).

The principal long-term financial assumptions used by the Group's actuaries in the computation of the defined benefit liabilities arising on pension schemes as at 28 February 2019 and 28 February 2018 are as follows:-

	2019		2018	
	ROI	NI	ROI	NI
Salary increases	**0.0%-2.5%**	**3.6%**	0.0%-2.5%	3.6%
Increases to pensions in payment	**1.6%-1.7%**	**1.7%**	1.5%	1.7%
Discount rate	**1.8%-2.1%**	**2.8%**	1.9%-2.2%	2.7%
Inflation rate	**1.6%-1.7%**	**3.2%**	1.5%	3.2%

A reduction in discount rate used to value the schemes' liabilities by 0.25% would increase the valuation of liabilities by €9.4m while an increase in inflation/salary increase expectations of 0.25% would increase the valuation of liabilities by €9.2m. The sensitivity is calculated by changing the individual assumption while holding all other assumptions constant.

The pension assets and liabilities on the following pages have been prepared in accordance with IAS19(R) Employee Benefits.

Notes forming part of the financial statements
(continued)

21. RETIREMENT BENEFITS (CONTINUED)

(a) Impact on Group Income Statement

	2019			2018		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Analysis of defined benefit pension expense:						
Current service cost	**(0.9)**	**-**	**(0.9)**	(1.2)	(0.1)	(1.3)
Past service gain	**0.1**	**(0.1)**	**-**	2.6	-	2.6
Interest cost on scheme liabilities	**(3.9)**	**(0.2)**	**(4.1)**	(3.7)	(0.2)	(3.9)
Interest income on scheme assets	**3.8**	**0.3**	**4.1**	3.3	0.3	3.6
Total (expense)/income recognised in Income Statement	**(0.9)**	**-**	**(0.9)**	1.0	-	1.0

In the prior financial year, the income recognised in the Income Statement of €1.0m included a past service gain of €2.6m in respect of the pension levy adjustments applied to deferred members' benefits.

Analysis of amount recognised in Other Comprehensive Income:

	2019			2018		
	ROI €m	NI €m	Total €m	ROI as restated* €m	NI as restated* €m	Total as restated* €m
Actual return on scheme assets	**4.3**	**0.3**	**4.6**	4.0	0.5	4.5
Expected interest income on scheme assets	**(3.8)**	**(0.3)**	**(4.1)**	(3.3)	(0.3)	(3.6)
Experience gains and losses on scheme liabilities	**2.9**	**0.3**	**3.2**	2.0	-	2.0
Effect on changes in financial assumptions	**(7.6)**	**0.1**	**(7.5)**	6.0	0.3	6.3
Effect of changes in demographic assumptions	**-**	**0.2**	**0.2**	7.6	-	7.6
Total (expense)/income	**(4.2)**	**0.6**	**(3.6)**	16.3	0.5	16.8
Scheme assets	**173.5**	**12.3**	**185.8**	175.6	11.8	187.4
Scheme liabilities	**(182.2)**	**(6.8)**	**(189.0)**	(179.4)	(7.0)	(186.4)
Deficit in scheme	**(12.2)**	**-**	**(12.2)**	(3.8)	-	(3.8)
Surplus in scheme	**3.5**	**5.5**	**9.0**	-	4.8	4.8

* The comparatives have been amended to be consistent with current year presentation as this provides more appropriate information to the users of the financial statements.

In the prior year, the ROI defined benefit pension schemes (executive and staff which had an asset and liability respectively) were netted. In the current year, the amounts disclosed are gross. The comparative period was not restated as it was not material and had no cash, profit or tax impact.

21. RETIREMENT BENEFITS (CONTINUED)

(b) Impact on Group Balance Sheet

The retirement benefits (deficit)/surplus at 28 February 2019 and 28 February 2018 is analysed as follows:-

Analysis of net pension deficit:

	2019			2018		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Investments quoted in active markets						
Bid value of assets at end of year:						
Equity*	**33.9**	**2.5**	**36.4**	35.3	5.9	41.2
Bonds	**102.1**	**9.8**	**111.9**	100.7	5.9	106.6
Alternatives	**24.2**	**-**	**24.2**	26.8	-	26.8
Cash	**0.5**	**-**	**0.5**	0.5	-	0.5
Investments unquoted						
Property	**12.8**	**-**	**12.8**	12.3	-	12.3
	173.5	**12.3**	**185.8**	175.6	11.8	187.4
Actuarial value of scheme liabilities	**(182.2)**	**(6.8)**	**(189.0)**	(179.4)	(7.0)	(186.4)
Deficit in the scheme	**(12.2)**	**-**	**(12.2)**	(3.8)	-	(3.8)
Surplus in the scheme	**3.5**	**5.5**	**9.0**	-	4.8	4.8
(Deficit)/surplus in the scheme	**(8.7)**	**5.5**	**(3.2)**	(3.8)	4.8	1.0
Related deferred income tax asset	**1.5**	**-**	**1.5**	0.5	-	0.5
Related deferred income tax liability	**(0.4)**	**(2.0)**	**(2.4)**	-	(1.6)	(1.6)
Net pension (deficit)/surplus	**(7.6)**	**3.5**	**(4.1)**	(3.3)	3.2	(0.1)

* The defined benefit pension schemes have a passive self investment in C&C Group plc of €nil (2018: €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

	2019			2018		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Assets at beginning of year	**175.6**	**11.8**	**187.4**	176.7	11.8	188.5
Movement in year:						
Translation adjustment	**-**	**0.3**	**0.3**	-	(0.4)	(0.4)
Expected interest income on scheme assets, net of pension levy	**3.8**	**0.3**	**4.1**	3.3	0.3	3.6
Actual return less interest income on scheme assets	**0.5**	**-**	**0.5**	0.7	0.2	0.9
Employer contributions	**0.2**	**-**	**0.2**	1.2	-	1.2
Member contributions	**0.2**	**-**	**0.2**	0.2	-	0.2
Benefit payments	**(6.8)**	**(0.1)**	**(6.9)**	(6.5)	(0.1)	(6.6)
Assets at end of year	**173.5**	**12.3**	**185.8**	175.6	11.8	187.4

The expected employer contributions to fund defined benefit scheme obligations for year ending 28 February 2020 is €0.3m.

Notes forming part of the financial statements
(continued)

21. RETIREMENT BENEFITS (CONTINUED)

The scheme assets had the following investment profile at the year end:-

	2019		2018	
	ROI	NI	ROI	NI
Quoted in active markets				
Equities	**20%**	**20%**	20%	50%
Bonds	**59%**	**80%**	58%	50%
Alternatives	**14%**	**-**	15%	-
Cash	**-**	**-**	-	-
Unquoted				
Property	**7%**	**-**	7%	-
	100%	**100%**	100%	100%

Reconciliation of actuarial value of scheme liabilities

	2019			2018		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Liabilities at beginning of year	**179.4**	**7.0**	**186.4**	199.0	7.3	206.3
Movement in year:						
Translation adjustment	**-**	**0.2**	**0.2**	-	(0.2)	(0.2)
Current service cost	**0.9**	**-**	**0.9**	1.2	0.1	1.3
Past service gain	**(0.1)**	**0.1**	**-**	(2.6)	-	(2.6)
Interest cost on scheme liabilities	**3.9**	**0.2**	**4.1**	3.7	0.2	3.9
Member contributions	**0.2**	**-**	**0.2**	0.2	-	0.2
Actuarial loss/(gain) immediately recognised in equity	**4.7**	**(0.6)**	**4.1**	(15.6)	(0.3)	(15.9)
Benefit payments	**(6.8)**	**(0.1)**	**(6.9)**	(6.5)	(0.1)	(6.6)
Liabilities at end of year	**182.2**	**6.8**	**189.0**	179.4	7.0	186.4

22. 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 2019/28 February 2018 and determination of fair value
(c) Market risk
(d) Credit risk
(e) Liquidity risk

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 UK vote to leave the European Union continues to create significant uncertainty. The Board continues to monitor and manage this and all other financial risks faced by the Group very closely.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This is executed through various committees to which the Board has delegated appropriate levels of authority. An essential part of this framework is the role undertaken by the Audit Committee, supported by the internal audit function, and the Group Chief Financial Officer. The Board, through its Committees, has reviewed the internal control environment and the risk management systems and process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers them to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

The Group's risk management programme seeks to minimise the potential adverse effects, arising from fluctuations in financial markets, on the Group's financial performance in a non-speculative manner at a reasonable cost when economically viable to do so. The Group achieves the management of these risks in part, where appropriate, through the use of derivative financial instruments. All derivative financial contracts entered into in this regard are in liquid markets with credit rated parties. Treasury activities are performed within strict terms of reference that have been approved by the Board. See currency risk section for further details.

(b) Financial assets and liabilities

The carrying and fair values of financial assets and liabilities by measurement category were as follows:-

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Group				
28 February 2019				
Financial assets:				
Cash	144.4	-	144.4	144.4
Trade receivables	90.0	-	90.0	90.0
Advances to customers	51.4	-	51.4	51.4
Financial liabilities:				
Interest bearing loans & borrowings	-	(446.0)	(446.0)	(450.6)
Derivative contracts	-	(2.0)	(2.0)	(2.0)
Trade & other payables	-	(336.3)	(336.3)	(336.3)
Provisions	-	(15.7)	(15.7)	(15.7)
	285.8	(800.0)	(514.2)	(518.8)

Notes forming part of the financial statements
(continued)

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Group				
28 February 2018				
Financial assets:				
Cash	145.5	-	145.5	145.5
Trade receivables	48.5	-	48.5	48.5
Advances to customers	50.2	-	50.2	50.2
Financial liabilities:				
Interest bearing loans & borrowings	-	(383.1)	(383.1)	(383.8)
Trade & other payables	-	(132.7)	(132.7)	(132.7)
Provisions	-	(11.4)	(11.4)	(11.4)
	244.2	(527.2)	(283.0)	(283.7)

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Company				
28 February 2019				
Financial assets:				
Amounts due from Group undertakings	**346.0**	**-**	**346.0**	**346.0**
Financial liabilities:				
Interest bearing loans & borrowings	**-**	**(24.5)**	**(24.5)**	**(29.1)**
Amounts due to Group undertakings	**-**	**(326.3)**	**(326.3)**	**(326.3)**
Trade & other payables	**-**	**(0.6)**	**(0.6)**	**(0.6)**
	346.0	**(351.4)**	**(5.4)**	**(10.0)**

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Company				
28 February 2018				
Financial assets:				
Amounts due from Group undertakings	355.7	-	355.7	355.7
Financial liabilities:				
Amounts due to Group undertakings	-	(317.1)	(317.1)	(317.1)
Trade & other payables	-	(0.6)	(0.6)	(0.6)
	355.7	(317.7)	38.0	38.0

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Determination of Fair Value

Set out below are the main methods and assumptions used in estimating the fair values of the Group's financial assets and liabilities. There is no material difference between the fair value of financial assets and liabilities falling due within one year and their carrying amount as due to the short-term maturity of these financial assets and liabilities their carrying amount is deemed to approximate fair value.

Short-term bank deposits and cash

The nominal amount of all short-term bank deposits and cash is deemed to reflect fair value at the balance sheet date.

Advances to customers

Advances to customers adjusted for advances of discount prepaid is considered to reflect fair value.

Trade & other receivables/payables

The nominal amount of all trade & other receivables/payables after provision for impairment is deemed to reflect fair value at the balance sheet date with the exception of provisions which are discounted to fair value.

Interest bearing loans & borrowings

The fair value of all interest bearing loans & borrowings has been calculated by discounting all future cash flows to their present value using a market rate reflecting the Group's cost of borrowing at the balance sheet date. All loans bear interest at floating rates.

(c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Commodity price risk

The Group is exposed to variability in the price of commodities used in the production or in the packaging of finished products, such as apples, glass, barley, aluminium, polymer, wheat and sugar/glucose. Commodity price risk is managed, where economically viable, through fixed price contracts with suppliers incorporating appropriate commodity hedging and pricing mechanisms. The Group does not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. It is Group policy to fix the cost of a certain level of its energy requirement through fixed price contractual arrangements directly with its energy suppliers.

Currency risk

The Company's functional and reporting currency and that of its share capital is Euro. The Euro is also the Group's reporting currency and the currency used for all planning and budgetary purposes. The Group is exposed to currency risk in relation to sales and purchase transactions by Group companies in currencies other than their functional currency (transaction risk), and fluctuations in the Euro value of the Group's net investment in foreign currency (primarily Sterling and US Dollar) denominated subsidiary undertakings (translation risk). Currency exposures for the entire Group are managed and controlled centrally. The Group seeks to minimise its foreign currency transaction exposure when economically viable by maximising the value of its foreign currency input costs and creating a natural hedge. Where there is a net currency exposure the Group enters into foreign currency forward contracts to mitigate and protect against adverse movements in currency risk and remove uncertainty over the foreign currency equivalent cash flows. The Group hedges a proportion of this net risk exposure, forecasting out for up to 2 years, in line with our risk management strategy. At 28 February 2019 the Group has forward foreign currency cash-flow hedges outstanding to the value of €48.7 million, which are disclosed as a derivative financial instrument on the Group's Balance sheet, at an average exchange rate of 1.115 GBP/EUR.

Notes forming part of the financial statements
(continued)

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

In addition, the Group has a number of long-term intra-group loans for which settlement is neither planned nor likely to happen in the foreseeable future, and as a consequence of which are deemed quasi equity in nature and are therefore part of the Group's net investment in its foreign operations. The Group does not hedge the translation exposure arising on the translation of the profits of foreign currency subsidiaries.

The net currency gains and losses on transactional currency exposures are recognised in the Income Statement and the changes arising from fluctuations in the Euro value of the Group's net investment in foreign operations are reported separately within Other Comprehensive Income.

Derivatives	2019 €m	2018 €m
Cash flow hedges – currency forwards	**(1.9)**	-
Not designated as hedges (held for trading) – currency forwards	**(0.1)**	-
Total	**(2.0)**	-

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through profit or loss. 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.

Hedging reserves	2019 €m	2018 €m
Opening balance 1 March	**-**	**-**
Change in fair value of hedging recognised in OCI for the year	**(1.8)**	**-**
Reclassified to the cost of inventory – not recognised in OCI	**0.4**	**-**
Deferred tax on cash flow hedges	**0.3**	**-**
Closing balance 28 February – continuing 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 foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item, such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. The change in fair value of the hedged item used to determine hedge effectiveness is €1.7m.

In hedges of foreign currency purchases, ineffectiveness might arise if the timing of the forecast transaction changes from what was originally estimated, or if a degree of forecast purchases are no longer highly probable to occur. The hedging ratio is 1:1 as the quantity of purchases designated matches the notional amount of the hedging instrument.

Ineffectiveness of €0.3m was recognised in the Income Statement in the period within Finance Costs.

22. 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 2019 is as :-

Group	Euro €m	Sterling €m	USD €m	CAD/AUD €m	NZD €m	SGD €m	ZAR €m	Not at risk €m	Total €m
Cash	17.4	0.6	9.6	1.9	0.7	0.7	0.9	112.6	144.4
Trade receivables	3.5	0.5	0.8	0.6	-	-	0.3	84.3	90.0
Advances to customers	-	-	-	-	-	-	-	51.4	51.4
Interest bearing loans & borrowings	-	(29.4)	-	-	-	-	-	(416.6)	(446.0)
Trade & other payables	(8.6)	(3.4)	(1.8)	(0.1)	(0.2)	-	-	(322.2)	(336.3)
Provisions	-	-	-	-	-	-	-	(15.7)	(15.7)
Gross currency exposure	12.3	(31.7)	8.6	2.4	0.5	0.7	1.2	(506.2)	(512.2)

Company	Sterling €m	Not at risk €m	Total €m
Interest bearing loans & borrowings	(29.1)	4.6	(24.5)
Net amounts due to Group undertakings	(22.4)	42.1	19.7
Accruals	-	(0.6)	(0.6)
Total	(51.5)	46.1	(5.4)

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 28 February 2018 is as follows:-

Group	Euro €m	Sterling €m	USD €m	CAD/AUD €m	Not at risk €m	Total €m
Cash	0.6	4.2	0.7	0.7	139.3	145.5
Trade & other receivables	0.1	0.3	0.2	0.8	47.1	48.5
Advances to customers	-	-	-	-	50.2	50.2
Interest bearing loans & borrowings	-	-	-	-	(383.1)	(383.1)
Trade & other payables	(0.8)	(5.9)	-	(0.1)	(125.9)	(132.7)
Provisions	-	-	-	-	(11.4)	(11.4)
Gross currency exposure	(0.1)	(1.4)	0.9	1.4	(283.8)	(283.0)

Company	Sterling €m	Not at risk €m	Total €m
Net amounts due to Group undertakings	(19.5)	58.1	38.6
Accruals	-	(0.6)	(0.6)
Total	(19.5)	57.5	38.0

A 10% strengthening in the Euro against Sterling and the Australian, Canadian and US Dollars, based on outstanding financial assets and liabilities at 28 February 2019, would have a €0.6m negative impact on the Income Statement. A 10% weakening in the Euro against Sterling, and the Australian, Canadian and US Dollars would have a €0.7m positive effect on the Income Statement. This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes forming part of the financial statements
(continued)

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk
The interest rate profile of the Group and Company's interest-bearing financial instruments at the reporting date is summarised as follows:-

	Group		Company	
	2019 €m	2018 €m	2019 €m	2018 €m
Variable rate instruments				
Interest bearing loans & borrowings	**(450.6)**	(383.8)	**(29.1)**	-
Cash	**144.4**	145.5	**-**	-
	(306.2)	(238.3)	**(29.1)**	-

The Group exposure to interest rate risk arises principally from its long-term debt obligations. A 0.25% increase/decrease in Euribor and Libor rates, would have a €0.1m impact on the Income Statement.

(d) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, its cash advances to customers, cash including deposits with banks and derivative financial instruments contracted with banks. The Group has an indirect exposure to European Sovereigns via its defined benefit pension scheme investment portfolio. In the context of the Group's operations, credit risk is mainly influenced by the individual characteristics of individual counterparties and is not considered particularly concentrated as it primarily arises from a wide and varied customer base; there are no material dependencies or concentrations of individual customers which would warrant disclosure under IFRS 8 *Operating Segments*.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables and advances to customers based on experience, customer track records and historic default rates and forward looking information, such as concentration maturity and the macroeconomic circumstances within the Group's primary trading markets. Generally, individual 'risk limits' are set by customer and risk is only accepted above such limits in defined circumstances. A strict credit assessment is made of all new applicants who request credit-trading terms. The utilisation and revision, where appropriate, of credit limits is regularly monitored. Impairment provision accounts are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amount is considered irrecoverable and is written off directly against the trade receivable/advance to customer. The Group also manages credit risk through the use of a receivables purchase arrangement, for an element of its trade receivables. Under the terms of this arrangement, the Group transfers the credit risk, late payment risk and control of the receivables sold. As at 28 February 2019, the Group's year end cash had benefited by €152.6m (2018: €63.5m) with respect to this purchase arrangement. The Group's trade receivables purchase arrangement is not recognised on the balance sheet as it meets the de-recognition criteria under IFRS 9.

Advances to customers are generally secured by, amongst others, rights over property or intangible assets, such as the right to take possession of the premises of the customer. During the year, the Group did not exercise their right to take possession of any material collateral that would require disclosure. At 28 February 2019, the Group held collateral of €4.3m on financial assets that are credit impaired and recognised no expected credit loss on financial assets of €1.3m due to collateral.

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rates calculated on repayment/annuity advances are generally based on the risk-free rate plus a margin, which takes into account the risk profile of the customer and value of security given. The Group establishes an allowance for impairment of customer's advances that represents its estimate of potential future losses.

From time to time, the Group holds significant cash balances, which are invested on a short-term basis and disclosed under cash in the Balance Sheet. Risk of counterparty default arising on short-term cash deposits is controlled within a framework of dealing primarily with banks who are members of the Group's banking syndicate, and by limiting the credit exposure to any one of these banks or institutions. Management does not expect any counterparty to fail to meet its obligations.

The Company also bears credit risk in relation to amounts owed by Group undertakings and from guarantees provided in respect of the liabilities of wholly owned subsidiaries as disclosed in note 25.

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	
	2019 €m	2018 €m	2019 €m	2018 €m
Trade receivables	**90.0**	48.5	**-**	-
Advances to customers	**51.4**	50.2	**-**	-
Amounts due from Group undertakings	**-**	-	**346.0**	355.7
Cash	**144.4**	145.5	**-**	-
	285.8	244.2	**346.0**	355.7

The ageing of trade receivables and advances to customers together with an analysis of movement in the Group impairment provisions against these receivables are disclosed in note 15. The Group does not have any significant concentrations of risk.

(e) Liquidity risk

Liquidity risk is the risk that the Group or Company will not be able to meet its financial obligations as they fall due. Liquid resources are defined as the total of cash. The Group finances its operations through cash generated by the business and medium term bank credit facilities; the Group does not use off-balance sheet special purpose entities as a source of liquidity or financing.

The Group's policy is to ensure that sufficient resources are available either from cash balances, cash flows or committed bank facilities to meet all debt obligations as they fall due. To achieve this, the Group (a) maintains adequate cash balances; (b) prepares detailed 3 year cash projections; and (c) keeps refinancing options under review. In addition, the Group maintains an overdraft facility that is unsecured.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro

Notes forming part of the financial statements
(continued)

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank, and Ulster Bank. The multi-currency facility agreement is repayable in a single instalment on 12 July 2023 while the Euro term loan is repayable in instalments, with the last instalment payable on 12 July 2021.

Under the terms of the multi-currency facility and the Euro term loan, the Group must pay a commitment fee based on 35% of the applicable margin on undrawn committed amounts and variable interest on drawn amounts based on variable Euribor/Libor interest rates plus a margin, the level of which is dependent on the net debt:EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, three or six months.

The Company and Group has further financial indebtedness of €29.1m at 28 February 2019, which is repayable by instalment with the last instalment payable on 3 April 2021. The Group pays variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €200m, subject to agreeing the terms and conditions with the lenders. Consequently the Group is permitted under the terms of the agreement, to have debt capacity of €900m of which €450.6m was drawn at 28 February 2019. In the prior financial year, the Group had €383.8m of drawn debt under the Group's 2014 multi-currency revolving loan facility.

All bank loans drawn under the Group's Euro term loan and multi-currency revolving loan facility are unsecured and rank pari passu. All borrowings of the Group are guaranteed by a number of the Group's subsidiary undertakings. The euro term loan and multi-currency facilities agreement allows the early repayment of debt without incurring additional charges or penalties.

All borrowings of the Company and Group at 28 February 2019 are repayable in full on change of control of the Group.

The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants:
- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt/EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2018 and February 2019 will not exceed 3.75:1
- Net debt/EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date falling in August 2019 and thereafter will not exceed 3.5:1

The Company and Group also has covenants with respect to its non-bank financial indebtedness:
- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt/EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

Compliance with these debt covenants is monitored continuously.

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

At the year end, the Group had net debt, net of unamortised issue costs, of €301.6m (28 February 2018: €237.6m), with a Net debt/EBITDA ratio of 2.51:1 (2018: 2.37:1).

The following are the contractual maturities of financial liabilities, including interest payments-

Group	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
2019						
Interest bearing loans & borrowings	**446.0**	**471.0**	**33.0**	**33.0**	**64.9**	**340.1**
Trade & other payables	**336.3**	**336.3**	**336.3**	**-**	**-**	**-**
Provisions	**15.7**	**16.5**	**3.1**	**1.7**	**1.3**	**10.4**
Total contracted outflows	**798.0**	**823.8**	**372.4**	**34.7**	**66.2**	**350.5**
2018						
Interest bearing loans & borrowings	(383.1)	(396.1)	(3.4)	(3.4)	(389.3)	-
Trade & other payables	(132.7)	(132.7)	(132.7)	-	-	-
Provisions	(11.4)	(11.5)	(3.0)	(0.6)	(1.2)	(6.7)
Total contracted outflows	(527.2)	(540.3)	(139.1)	(4.0)	(390.5)	(6.7)

Company						
2019						
Interest bearing loans & borrowings	**(24.5)**	**(30.2)**	**(6.2)**	**(6.2)**	**(12.0)**	**(5.8)**
Amounts due to Group undertakings	**(326.3)**	**(326.3)**	**(326.3)**	**-**	**-**	**-**
Trade & other payables	**(0.6)**	**(0.6)**	**(0.6)**	**-**	**-**	**-**
Total contracted outflows	**(351.4)**	**(357.1)**	**(333.1)**	**(6.2)**	**(12.0)**	**(5.8)**
2018						
Amounts due to Group undertakings	(317.1)	(317.1)	(317.1)	-	-	-
Trade & other payables	(0.6)	(0.6)	(0.6)	-	-	-
Total contracted outflows	(317.7)	(317.7)	(317.7)	-	-	-

Notes forming part of the financial statements
(continued)

23. SHARE CAPITAL AND RESERVES

	Authorised Number	Allotted and called up Number	Authorised €m	Allotted and called up €m
At 28 February 2019				
Ordinary shares of €0.01 each	**800,000,000**	**320,354,042***	**8.0**	**3.2**
At 28 February 2018				
Ordinary shares of €0.01 each	800,000,000	317,876,001**	8.0	3.2
At 28 February 2017				
Ordinary shares of €0.01 each	800,000,000	325,546,201***	8.0	3.3

* Inclusive of 10.9m treasury shares.
** Inclusive of 11.0m treasury shares.
*** Inclusive of 11.9m treasury shares.

All shares in issue carry equal voting and dividend rights.

Following shareholder approval at the Annual General Meeting on 27 June 2012, where Interests under the Joint Share Ownership Plan have vested and if the participant is a continuing employee and so agrees, the participant is entitled to dividends on the relevant Plan Shares in proportion to his economic interest. The Trustees of the Employee Trust are entitled to the dividends otherwise but have waived their entitlement. All Interests under the Joint Share Ownership Plan have now been exercised and accordingly there were no dividends paid to plan participants in the current financial year. In the year to 28 February 2018, dividends of less than €0.1m were paid to Plan participants.

Reserves
Group

	Allotted and called up Ordinary Shares		Ordinary Shares held by the Trustee of the Employee Trust	
	2019 '000	2018 '000	2019 '000	2018 '000
As at 1 March	**317,876**	325,546	**1,973**	2,912
Shares issued in lieu of dividend	**3,055**	1,368	**-**	-
Shares issued in respect of options exercised	**-**	454	**-**	-
Shares cancelled following share buyback programme	**(577)**	(9,492)	**-**	-
Shares disposed of or transferred to Participants	**-**	-	**(64)**	(939)
As at 28 February	**320,354***	317,876*	**1,909**	1,973

* Includes 9.025m shares bought by the Group during the financial year ended 28 February 2015 which continue to be held as Treasury shares.

Movements in the year ended 28 February 2019

In July 2018, 2,478,035 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €2.9486 per share, instead of part or all the cash element of their final dividend entitlement for the year ended 28 February 2018. In December 2018, 576,722 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €3.36464 per share, instead of part or all the cash element of their interim dividend entitlement for the year ended 28 February 2019.

All shares held by Kleinwort Benson (Guernsey) Trustees Limited as trustees of the C&C Employee Trust which were neither cancelled nor disposed of by the Trust at 28 February 2019 continue to be included in the treasury share reserve. During the financial year, 64,445 shares were sold by the Trustees and are no longer accounted for as treasury shares.

23. SHARE CAPITAL AND RESERVES (CONTINUED)

Also during the current financial year, as part of the Group's capital management strategy, the Group invested €1.9m in an on-market share buyback programme (inclusive of commission and related costs) in which it repurchased and subsequently cancelled 576,716 of the Group's shares. This was in accordance with shareholder authority granted at the Group's AGM, to make market purchases of up to 10% of its own shares.

Movements in the year ended 28 February 2018

In July 2017, 886,334 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €3.40312 per share, instead of part or all the cash element of their final dividend entitlement for the year ended 28 February 2017. In December 2017, 481,793 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €2.94136 per share, instead of part or all the cash element of their interim dividend entitlement for the year ended 28 February 2018. During the prior financial year 454,173 ordinary shares were issued on the exercise of share options for a net consideration of €1.4m.

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 2018 continued to be included in the treasury share reserve. During the prior financial year, 146,816 shares were sold by the Trustees and were no longer accounted for as treasury shares and 791,438 shares were transferred to participants on exercise of their entitlements under the Group's Joint Share Ownership Plan and therefore were also no longer accounted for as treasury shares.

Also during the prior financial year, as part of the Group's capital management strategy, the Group invested €33.1m in an on-market share buyback programme (inclusive of commission and related costs) in which it repurchased and subsequently cancelled 9,492,500 of the Group's shares. This was in accordance with shareholder authority granted at the Group's AGM, to make market purchases of up to 10% of its own shares.

Share premium – Group

The change in legal parent of the Group on 30 April 2004, as disclosed in detail in that year's annual report, was accounted for as a reverse acquisition. This transaction gave rise to a reverse acquisition reserve debit of €703.9m, which, for presentation purposes in the Group financial statements, has been netted against the share premium in the Consolidated Balance Sheet.

Share premium – Company

The share premium, as stated in the Company Balance Sheet, represents the premium recognised on shares issued and amounts to €853.6m as at 28 February 2019 (2018: €844.4m). The current financial year movement relates to the issuance of a scrip dividend to those who elected to receive additional ordinary shares in place of a cash dividend. The prior financial year movement relates to the exercise of share options, and the issuance of a scrip dividend to those who elected to receive additional ordinary shares in place of a cash dividend.

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. The prior financial year movement relates to the on-market share buyback programme undertaken by the Group during that period as outlined in further detail below.

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.

Notes forming part of the financial statements
(continued)

23. SHARE CAPITAL AND RESERVES (CONTINUED)

Currency translation reserve
The translation reserve comprises all foreign exchange differences from 1 March 2004, arising from the translation of the Group's net investment in its non-Euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the Balance Sheet date, as adjusted for the translation of foreign currency borrowings designated as net investment hedges and long-term intra group loans for which settlement is neither planned nor likely to happen in the foreseeable future, and as a consequence are deemed quasi equity in nature and are therefore part of the Group's net investment in foreign operations.

Revaluation reserve
Since 2009 the Group has completed a number of external and internal valuations on its property, plant and equipment. Gains arising from such revaluations are posted to the Group's revaluation reserve, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, where it is first credited to the Income Statement to the extent of the write down. Any decreases in the value of the Group's property, plant and equipment as a result of external or internal valuations are recognised in the Income Statement except where there had been a previously recognised gain in the revaluation reserve as a result of the same asset, in which case, the gain is eliminated from the revaluation reserve to offset the loss in the first instance.

There were no adjustments posted with respect of valuations for the year ended 28 February 2019. As a result of the valuation in the prior financial year, the carrying value of land and buildings increased by a net €3.1m; of which €0.3m was debited directly to the Income Statement and €3.4m was credited to the revaluation reserve. In addition the value of the Group's plant & machinery decreased by €4.7m, all of which was recognised in the Income Statement.

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 year movement in the reserve relates to the sale of excess shares by the Trust to satisfy other share entitlements. The prior year movement relates to Interests under the Joint Share Ownership Plan being acquired by participants from the Trust and the sale of excess shares by the Trust to satisfy other share entitlements.

Capital management
The Board's policy is to maintain a strong capital base so as to safeguard the Group's ability: to continue as a going concern for the benefit of shareholders and stakeholders; to maintain investor, creditor and market confidence; and, to sustain the future development of the business through the optimisation of the value of its debt and equity shareholding balance.

The Board considers capital to comprise long-term debt and equity. There are no externally imposed requirements with respect to capital with the exception of a financial covenant in the Group's Euro Term loan and multi-currency debt facilities which limits the Net debt: EBITDA ratio to a maximum of 3.75 times. A similar financial covenant exists in the Company and Group's non-bank borrowings at year end which limits the Net debt: EBITDA ratio to a maximum of 3.5 times. All financial covenants were complied with throughout the current and prior financial years.

23. SHARE CAPITAL AND RESERVES (CONTINUED)

The Board periodically reviews the capital structure of the Group, considering the cost of capital and the risks associated with each class of capital. The Board approves any material adjustments to the capital structure in terms of the relative proportions of debt and equity. In order to maintain or adjust the capital structure, the Group may issue new shares, dispose of assets to reduce debt, alter dividend policy by increasing or reducing the dividend paid to shareholders, return capital to shareholders and/or buyback shares. In respect of the financial year ended 28 February 2019, the Company paid an interim dividend on ordinary shares of 5.33c per share (2018: 5.21c per share) and the Directors propose, subject to shareholder approval, that a final dividend of 9.98c per share (2018: 9.37c per share) be paid, bringing the total dividend for the year to 15.31c per share (2018: 14.58c per share).

In addition, as part of the Group's capital management strategy, the Group participated in a share buyback programme during the current and prior financial year. At the AGM held on 7 July 2016, shareholders granted the Group authority to make market purchases of up to 10% of its own shares.

The Group invested €1.8m (€1.9m including commission and related fees) as part of this on-market buyback programme, purchasing 576,716 of the Company's shares at an average price of €3.18. The Group's stockbroker, Davy, conducted the share buyback programme. All shares acquired as part of the share buyback programme in the current financial year were subsequently cancelled by the Group. In the prior financial year, the Group invested €32.7m (€33.1m including commission and related fees) as part of this on-market share buyback programme, purchasing 9,492,500 of the Company's shares at an average price of €3.44. All shares acquired were subsequently cancelled by the Group. In the financial year ended 28 February 2015, a subsidiary of the Group invested €30.0m as part of an on-market share buyback programme, purchasing 9,025,000 of the Company's shares at an average price of €3.29. All shares acquired as part of this share buyback programme are held as Treasury shares.

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. The multi-currency facility agreement is repayable in a single instalment on 12 July 2023 while the term loan is repayable in a single instalment on 12 July 2021.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility and permits the Group to avail of further financial indebtedness, excluding working capital and guarantee facilities, to a maximum value of €200m, subject to agreeing the terms and conditions with the lenders. Consequently the Group is permitted under the terms of the agreement, to have debt capacity of €900m. The total borrowings of the Group at 28 February 2019 was €450.6m (2018:€383.8m of drawn debt under the Group's 2014 multi-currency facility).

Company Income Statement

In accordance with Section 304 of the Companies Act 2014, the Income Statement of the Company has not been presented separately in these consolidated financial statements. A loss of €5.7m (2018: profit of €56.2m) was recognised in the individual Company Income Statement of C&C Group plc.

Notes forming part of the financial statements
(continued)

24. COMMITMENTS

(a) Capital commitments

At the year end, the following capital commitments authorised by the Board had not been provided for in the financial statements:-

	2019 €m	2018 €m
Contracted	**3.8**	4.3
Not contracted	**15.7**	13.7
	19.5	18.0

The contracted capital commitments at 28 February 2019 primarily relate to a waste water treatment plant in Wellpark of €2.1m (2018: €3.3m), a number of projects at Wellpark brewery of €0.8m and an improved drainage system and waste water treatment plant in Clonmel amounting to €0.7m. Also included in the prior year was improvements to the Wellpark buildings of €1.0m.

(b) Commitments under operating leases

Future minimum rentals payable under non-cancellable operating leases at the year end are as follows:-

	2019				2018			
	Land & buildings €m	Plant & machinery €m	Other €m	Total €m	Land & buildings €m	Plant & machinery €m	Other €m	Total €m
Payable in less than one year	**9.5**	**0.9**	**13.3**	**23.7**	1.9	0.5	9.4	11.8
Payable between 1 and 5 years	**30.8**	**2.2**	**32.9**	**65.9**	7.0	1.6	22.3	30.9
Payable greater than 5 years	**23.1**	**-**	**3.3**	**26.4**	5.7	-	1.6	7.3
	63.4	**3.1**	**49.5**	**116.0**	14.6	2.1	33.3	50.0

The land & buildings operating lease commitments as at 28 February 2019 primarily relate to leases of warehousing facilities in the UK acquired as part of the acquisition of MCB during the year and the Gaymers cider business in 2010. The other operating lease commitments primarily relate to on trade assets across the Group.

(c) Other commitments

At the year end, the value of contracts placed for future expenditure was:-

	2019										
	Apples €m	Glass €m	Marketing €m	Barley €m	Aluminium €m	Polymer €m	Wheat €m	Sugar/ glucose €m	Natural gas	Electricity	Total* €m
Payable in less than one year	**7.6**	**3.0**	**4.2**	**7.8**	**0.6**	**0.2**	**0.9**	**7.9**	**-**	**0.7**	**32.9**
Payable between 1 and 5 years	**11.7**	**-**	**3.4**	**17.9**	**-**	**-**	**-**	**-**	**-**	**-**	**33.0**
Payable greater than 5 years	**23.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**23.0**
	42.3	**3.0**	**7.6**	**25.7**	**0.6**	**0.2**	**0.9**	**7.9**	**-**	**0.7**	**88.9**

* Commitment obligations range from between 1 year to 26 years.

	2018										
	Apples €m	Glass €m	Marketing €m	Barley €m	Aluminium €m	Polymer €m	Wheat €m	Sugar/ glucose €m	Natural gas	Electricity	Total* €m
Payable in less than one year	-	3.7	3.0	6.6	-	-	-	8.4	0.4	0.5	22.6
Payable between 1 and 5 years	-	-	2.7	6.6	-	-	-	1.2	-	-	10.5
	-	3.7	5.7	13.2	-	-	-	9.6	0.4	0.5	33.1

* Commitment obligations range from between 1 month to 58 months.

25. GUARANTEES, COMMITMENTS AND CONTINGENCIES

Where the Group or subsidiaries enters into financial guarantee contracts to guarantee the indebtedness of other companies or joint ventures and associates within the Group, the Group/subsidiaries considers these to be insurance arrangements and accounts for them as such. The Group/subsidiary treats the guarantee contract as a contingent liability until such time as it becomes probable that it will be required to make a payment under the guarantee.

As outlined in note 18, the Group has a Euro term loan and a multi-currency revolving facility in place at year end, which it re-negotiated in July 2018. The Company and the Group also had some non-bank borrowings in place at year end. The Company, together with a number of its subsidiaries, gave a letter of guarantee to secure its obligations in respect of all borrowings as at 28 February 2019. The actual loans outstanding at 28 February 2019 amounted to €450.6m (2018: €383.8m outstanding under the Group's 2014 multi-currency facility).

During the financial year ended 28 February 2015, a subsidiary of the Group entered into guarantees in favour of HSBC Bank plc, HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited whereby it guaranteed drawn debt plus interest charges by Drygate Brewing Company Limited to HSBC Bank PLC of up to £540,000 and to HSBC Asset Finance (UK) and HSBC Equipment Finance Limited of up to £225,000 in aggregate. The guarantees reduce on a pound for pound basis to the extent of capital repayments in respect of the drawn debt and any amounts realised by the bank pursuant to any security provided in respect of the debt. The Guarantee with respect to HSBC Bank plc expires on the earlier of eleven years and three months from the date on which the guarantee became effective, the secured liabilities are repaid, or by mutual agreement with HSBC Bank plc. The Guarantees with HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited expire after the secured liabilities are repaid, or by mutual agreement with HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited respectively.

During the 2014 financial year, a subsidiary of the Group entered into a guarantee in favour of Bank of Scotland plc whereby it guaranteed repayment of a five year term loan facility of up to €1,000,000 made by Bank of Scotland plc to a customer of a subsidiary of C&C Group plc, together with interest and other charges due under the facility and account charges. This guarantee has now expired.

During the 2011 financial year, a subsidiary of the Group entered into a guarantee with Clydesdale Bank plc whereby it guaranteed £250,000 plus interest and charges of the drawn debt of one of its customers. The guarantee expires on the earlier of: 10 years from the date on which the guarantee becomes effective; or the secured liabilities are repaid; or by mutual agreement with Clydesdale Bank plc.

Invest Northern Ireland funding, in the form of an employment grant of €0.2m was received during the 2015 financial year. Enterprise Ireland funding of €1.0m has previously been received towards the costs of implementing developmental projects. All of these funds are fully repayable should the recipient subsidiary of the Group at any time during the term of the agreements be in breach of the terms and conditions of the agreements. The agreements terminate five years from date of the last receipt of funding which in the case of Invest Northern Ireland funding is September 2019 and Enterprise Ireland funding was March 2018.

Under the terms of the Sale and Purchase Agreement with respect to disposal of the Group's Northern Ireland wholesaling business in the year ended 29 February 2012, the Group had a maximum aggregate exposure of £4.3m in relation to warranties. The time limit for notification of all claims with respect to these warranties expired in the current financial year.

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has guaranteed commitments entered into and liabilities of certain of its subsidiary undertakings incorporated in the Republic of Ireland for the financial year to 28 February 2019 and as a result such subsidiaries are exempt from certain filing provisions.

Notes forming part of the financial statements
(continued)

26. 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 27. 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

In the current financial year the Group made a 33.3% investment in a Belgium entity CVBA Braxatorium Parcensis for less than €0.1m. The entity did not trade during the financial year. The Group also assumed an equity investment in European Wine Partnerships LLP following the acquisition of Matthew Clark and Bibendum. This was a dormant entity which has subsequently been dissolved, accordingly the Group had no transactions with European Wine Partnerships LLP during the year.

In the prior financial year, on 6 December 2017, the Group entered into a joint venture arrangement for a 49.9% share in Brady P&C Limited, a UK incorporate entity with Proprium Capital Partners (50.1%). Brady P&C Limited subsequently incorporated a UK company, Brady Midco Limited where Admiral management acquired 6.5% of the shares. Brady Midco Limited incorporated Brady Bidco Limited which acted as the acquisition vehicle to acquire the entire share capital of AT Brit Holdings Limited (trading as Admiral Taverns). The equity investment by the Group is 46.65% of the issued share capital of Admiral Taverns. Admiral Taverns currently own and operate pubs, mainly in England and Wales, with a broad geographic distribution.

On 28 July 2017, the Group acquired 10.7% of the equity share capital of a Canadian Company for CAD$2.5m (€1.8m euro equivalent on date of investment). This followed a previous investment, on 11 May 2016, when the Group acquired 14% of the equity share capital of the same entity.

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).

During the financial year ended 28 February 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.

The Group also holds a 50% investment in Beck & Scott (Services) Limited (Northern Ireland) and a 45.61% investment in The Irish Brewing Company Limited (Ireland) following its acquisition of Gleeson. Transactions between the Group and Beck & Scott (Services) Limited (Northern Ireland) are disclosed below. The Group had no transactions with The Irish Brewing Company Limited (Ireland) which is a non-trading entity.

A subsidiary of the Group holds a 33% investment in Shanter Inns Limited.

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).

26. RELATED PARTY TRANSACTIONS (continued)

Details of transactions with equity accounted investments during the year and related outstanding balances at the year end are as follows:-

	Joint ventures		Associates	
	2019 €m	2018 €m	2019 €m	2018 €m
Net revenue	**0.9**	0.5	**0.6**	0.3
Debtors	**0.2**	0.2	**-**	-
Purchases	**0.6**	0.3	**0.1**	0.3
Creditors	**-**	0.2	**-**	-
Loans	**1.6**	1.7	**3.0**	2.7

All outstanding trading balances with equity accounted investments, which arose from arm's length transactions, are to be settled in cash within one month of the reporting date.

Key management personnel

For the purposes of the disclosure requirements of IAS 24 *Related Party Disclosures*, the Group has defined the term 'key management personnel', as its executive and non-executive Directors. Executive Directors participate in the Group's equity share award schemes (note 4), permanent health insurance (or reimbursement of premiums paid into a personal policy) and death in service insurance programme. Executive Directors may also benefit from medical insurance under a Group policy (or the Group will reimburse premiums). No other non-cash benefits are provided. Non-executive Directors do not receive share-based payments nor post employment benefits.

Details of key management remuneration are as follows:-

	2019 Number	2018 Number
Number of individuals	**11**	12

	€m	€m
Salaries and other short-term employee benefits	**4.2**	2.9
Post employment benefits	**0.4**	0.3
Equity settled share-based payments	**1.3**	0.7
Termination payment	**0.5**	0.2
Total	**6.4**	4.1

During the year and pursuant to a contract for services effective as of 1 April 2014 between C&C IP Sàrl ('CCIP') and Joris Brams BVBA ('JBB'), (a company wholly owned by Joris Brams and family), CCIP paid fees of €91,550 to JBB in respect of brand development services provided by JBB to CCIP in relation to Belgian products. As part of a termination agreement a further €91,550 was paid to JBB.

For the purposes of the Section 305 of the Companies Act 2014, the aggregate gains by Directors on the exercise of share options during FY2019 was €nil (FY2018 €166,576).

Notes forming part of the financial statements
(continued)

26. RELATED PARTY TRANSACTIONS (continued)

(b) Company

The Company has a related party relationship with its subsidiary undertakings. Details of the transactions in the year between the Company and its subsidiary undertakings are as follows:-

	2019 €m	2018 €m
Dividend income	**-**	60.0
Expenses paid on behalf of and recharged by subsidiary undertakings to the Company	**(3.4)**	(2.0)
Equity settled share-based payments for employees of subsidiary undertakings	**1.9**	0.9
Drawdown of cash funding and other cash movements with subsidiary undertakings	**18.9**	15.4

27. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS

	Notes	Nature of business	Class of shares held as at 28 February 2019 (100% unless stated)
Trading subsidiaries			
Incorporated and registered in Republic of Ireland			
Bulmers Limited	(a) (p)	Cider	Ordinary
C&C Financing DAC	(b) (p) (q)	Financing company	Ordinary
C&C Group International Holdings Limited	(a) (p) (q)	Holding company	Ordinary & Convertible
C&C Group Irish Holdings Limited	(a) (p)	Holding company	Ordinary
C&C Group Sterling Holdings Limited	(b) (p)	Holding company	Ordinary
C&C (Holdings) Limited	(a) (p)	Holding company	Ordinary
C&C Management Services Limited	(a) (p)	Provision of management services	6% Cumulative Preference, 5% Second Non-Cumulative Preference & Ordinary Stock
Cantrell & Cochrane Limited	(a) (p)	Holding company	Ordinary
Latin American Holdings Limited	(b) (p)	Holding company	Ordinary
M&J Gleeson & Co Unlimited Company	(b) (p)	Wholesale of drinks	Ordinary
Tennent's Beer Limited	(a) (p)	Beer	Ordinary
The Annerville Financing Company Unlimited Company	(a) (p)	Financing company	Ordinary
The Five Lamps Dublin Beer Company Limited	(b) (p)	Beer	Ordinary
Tipperary Pure Irish Water (Sales) Unlimited Company	(b) (p)	Water	Ordinary
Wm. Magner Limited	(a) (p)	Cider	Ordinary
Wm. Magner (Trading) Limited	(a) (p)	Financing company	Ordinary
Incorporated and registered in Northern Ireland			
C&C Holdings (NI) Limited	(c)	Holding company	Ordinary
Gleeson N.I. Limited	(c)	Wholesale of drinks	Ordinary
Tennent's NI Limited	(c)	Cider and beer	Ordinary & 3.25% Cumulative Preference

27. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2019 (100% unless stated)
Incorporated and registered in England and Wales			
Bibendum PLB Group Limited	(n)	Holding company	Ordinary
Bibendum PLB (Topco) Limited	(n)	Holding company	Ordinary
C&C Management Services (UK) Limited	(e)	Provision of management services	Ordinary
Elastic Productions Limited	(n)	Marketing	Ordinary
Magners GB Limited	(e)	Cider and beer	Ordinary
Matthew Clark Bibendum (Holdings) Limited (formerly Matthew Clark (Holdings) Limited)	(n)	Holding company	Ordinary
Matthew Clark Bibendum Limited (formerly Conviviality Group Limited)	(n)	Wholesale of drinks	Ordinary
Peppermint Events Limited	(n) (s)	Event management	Ordinary
PLB Group Limited	(n)	Wholesale of drinks	Ordinary & Participating Preference
The Orchard Pig Limited	(k)	Cider	Ordinary
Walker & Wodehouse Wines Limited	(n)	Wine	Ordinary
Incorporated and registered in Scotland			
Badaboom Limited	(m)	Marketing	Ordinary
Macrocom (1018) Limited	(g)	Investment	Ordinary
Tennent Caledonian Breweries UK Limited	(f)	Beer and cider	Ordinary
Tennent Caledonian Breweries Wholesale Limited	(g)	Wholesale of drinks	Ordinary
Wallaces Express Limited	(g)	Holding company	Ordinary
Wellpark Financing Limited	(f)	Financing company	Ordinary
Incorporated and registered in Luxembourg			
C&C IP Sàrl	(h)	Licensing activity	Class A to J Units
C&C IP (No. 2) Sàrl	(h)	Licensing activity	Class A to J Units
C&C Luxembourg Sàrl	(h)	Holding and financing company	Class A to J Units
Incorporated and registered Portugal			
Frutíssima - Concentrados de Frutos da Cova da Beira, Lda (formerly Biofun – Produtos Biológicos Do Fundão Limitada)	(i)	Ingredients	Ordinary
Frontierlicious Limitada	(i)	Orchard management	Ordinary
Incredible Prosperity Limitada	(i)	Orchard management	Ordinary
Incorporated and registered in Delaware, US			
Green Mountain Beverage Management Corporation, Inc	(j)	Licensing activity	Common Stock
Vermont Hard Cider Company Holdings, Inc.	(j)	Holding company	Common Stock
Vermont Hard Cider Company, LLC	(j)	Cider	Membership Units
Wm. Magner, Inc.	(j)	Cider	Common Stock
Incorporated and registered in Singapore			
C&C International (Asia) Pte. Ltd.	(l)	Sales & Marketing	Ordinary

Notes forming part of the financial statements
(continued)

27. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2019 (100% unless stated)
Non-trading subsidiaries			
Incorporated and registered in Republic of Ireland			
Bibendum Wine Ireland Limited	(b)	Non-trading	Ordinary
C&C Agencies Limited	(a) (p) (r)	Dissolved	Ordinary
C&C Brands Limited	(a) (p)	Non-trading	Ordinary
C&C Gleeson Group Pension Trust Limited	(b) (p)	Non-trading	Ordinary
C&C Group Pension Trust Limited	(a) (p)	Non-trading	Ordinary
C&C Group Pension Trust (No. 2) Limited	(a) (p)	Non-trading	Ordinary
C&C Profit Sharing Trustee Limited	(a) (p)	Non-trading	Ordinary
Ciscan Net Limited	(a) (p)	Non-trading	Ordinary & A Ordinary
Cooney & Co. Unlimited Company	(b) (p)	Non-trading	Ordinary
Cravenby Limited	(a) (p)	Non-trading	Ordinary
Crystal Springs Water Company Limited	(b) (p)	Non-trading	Ordinary
Dowd's Lane Brewing Company Limited	(a) (p)	Non-trading	Ordinary
Edward and John Burke (1968) Limited	(a) (p)	Non-trading	Ordinary & A Ordinary
Findlater (Wine Merchants) Limited	(a) (p)	Non-trading	Ordinary & A Ordinary
Fruit of the Vine Limited	(a) (p)	Non-trading	Ordinary
Gleeson Logistic Services Limited	(b) (p)	Non-trading	Ordinary
Gleeson Management Services Unlimited Company	(b) (p) (r)	Dissolved	Ordinary
Gleeson Wines & Spirits Limited	(b) (p)	Non-trading	Ordinary
Greensleeves Confectionery Limited	(b) (p)	Non-trading	Ordinary, 12% Cumulative Convertible Redeemable Preference & 3% Cumulative Redeemable Convertible Preference
J.L. O'Brien Clonmel u.c.	(b) (p) (r)	Dissolved	Ordinary
M.& J. Gleeson (Investments) Limited	(b) (p)	Non-trading	Ordinary
M&J Gleeson Nominees Limited	(b) (p)	Non-trading	Ordinary & Preference
M. and J. Gleeson (Manufacturing) Company u.c.	(b) (p)	Non-trading	Ordinary
M and J Gleeson (Manufacturing) Company Holdings Limited	(b) (p)	Non-trading	Ordinary & Non-Voting Ordinary
M and J Gleeson and Company Holdings Limited	(b) (p)	Non-trading	Ordinary
M & J Gleeson Property Development Limited	(b) (p)	Non-trading	Ordinary
Magners Irish Cider Limited	(a) (p)	Non-trading	Ordinary
Sceptis Limited	(a) (p)	Non-trading	Ordinary
Showerings (Ireland) Limited	(a) (p)	Non-trading	Ordinary
Tennmel Limited	(b) (p)	Non-trading	Ordinary & A-E Non-Voting
Thwaites Limited	(a) (p)	Non-trading	A & B Ordinary
Tipperary Natural Mineral Water Company Holdings Limited	(b) (p)	Non-trading	Ordinary
Tipperary Natural Mineral Water (Sales) Holdings Limited	(b) (p)	Non-trading	Ordinary
Tipperary Pure Irish Water Unlimited Company	(a) (p)	Non-trading	Ordinary
Vandamin Limited	(a) (p)	Non-trading	A & B Ordinary

27. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

	Notes	Nature of business	Class of shares held as at 28 February 2019 (100% unless stated)
Incorporated and registered in Northern Ireland			
C&C 2011 (NI) Limited	(c)	Non-trading	Ordinary
C&C Profit Sharing Trustee (NI) Limited	(c)	Non-trading	Ordinary
Incorporated and registered in England and Wales			
A2 Contractors Limited	(n)	Non-trading	Ordinary
Bibendum Limited	(n)	Non-trading	Ordinary
Bibendum Wine Limited	(n)	Non-trading	Ordinary
Catalyst-PLB Brands Limited	(n)	Non-trading	Ordinary
Chalk Farm Wines Limited	(n)	Non-trading	Ordinary
Gaymer Cider Company Limited	(e)	Non-trading	Ordinary
Instil Drinks Limited	(n)	Non-trading	Ordinary
Matthew Clark and Sons Limited	(n)	Non-trading	Ordinary
Matthew Clark Limited	(n)	Non-trading	Ordinary
Matthew Clark (Scotland) Limited	(n)	Non-trading	Ordinary
Matthew Clark Wholesale Bond Limited	(n)	Non-trading	Ordinary
Mixbury Drinks Limited	(n)	Non-trading	Ordinary
Odyssey Intelligence Limited	(n)	Non-trading	Ordinary
PLB Wines Limited	(n)	Non-trading	Ordinary
The Real Rose Company Limited	(n)	Non-trading	Ordinary
The Wine Studio Limited	(n)	Non-trading	Ordinary
The Wondering Wine Company Limited	(n)	Non-trading	Ordinary
The Yorkshire Fine Wines Company Limited	(n)	Non-trading	Ordinary
West Country Beverages Limited	(o)	Non-trading	Ordinary
Vivas Wine Limited	(n) (t)	Dissolved	Ordinary

Notes
(a) – (p)
The address of the registered office of each of the above companies is as follows:
(a) Annerville, Clonmel, Co. Tipperary, E91 NY79, Ireland.
(b) Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702, Ireland.
(c) 15 Dargan Road, Belfast, BT3 9LS, Northern Ireland.
(d) Argyll House, Quarrywood Court, Livington, West Lothian, EH54 6AX, Scotland.
(e) Ashford House, Grenadier Road, Exeter, Devon EX1 3LH, England.
(f) Wellpark Brewery, 161 Duke Street, Glasgow, G31 1JD, Scotland.
(g) Crompton Way, North Newmoor Industrial Estate, Irvine, Strathclyde, KA11 4HU, Scotland.
(h) L-2132 Luxembourg, 18 Avenue Marie-Therese, Luxembourg.
(i) Quinta Da Ferreira De Baxio, Castelo Branco, Fundão Parish, 6230 610 Salgueiro, Portugal.
(j) 2711 Centerville Road, Suite 400., Wilmington, Delaware 19808, US.
(k) West Bradley Orchards, West Bradley, Glastonbury, Somerset, BA6 8LT.
(l) 143, Cecil Street, #03-01, GB Building, Singapore – 069542.
(m) 15 Cleveden Road, Glasgow, Scotland, G12 0PQ.
(n) Whitchurch Lane, Bristol, BS14 0JZ.
(o) C/O Tlt, 1 Redcliff Street, Bristol, United Kingdom, BS1 6TP.
(p) Companies covered by Section 357, Companies Act 2014 guarantees (note 25).
(q) Immediate subsidiary of C&C Group plc.
(r) Dissolved on 2 January 2019.
(s) 61% owned by C&C.
(t) Dissolved on 16 April 2019.

Notes forming part of the financial statements
(continued)

27. SUBSIDIARIES AND EQUITY ACCOUNTED INVESTMENTS (continued)

Equity accounted investments

	Notes	Nature of business	Class of shares held as at 28 February 2019 (100% unless stated)
Joint venture			
Beck & Scott (Services) Limited (Northern Ireland)	(a)	Wholesale of drinks	Ordinary, 50%
Brady P&C Limited (England)	(b)	Holding Company	Ordinary, 49.9%
Drygate Brewing Company Limited (Scotland)	(c)	Brewing	B Ordinary, 49%
European Wine Partnerships LLP	(i) (j)	Dissolved	50%
The Irish Brewing Company Limited (Ireland)	(d)	Non-trading	Ordinary, 45.61%
Associate			
Canadian Investment (Canada)	(e)	Brewing	24.7%
CVBA Braxatorium Parcensis	(f)	Brewing	33.33%
Shanter Inns Limited (Scotland)	(g)	Public houses	Ordinary, 33%
Whitewater Brewing Co. Limited (Northern Ireland)	(h)	Brewing	25%

Notes:
(a) – (j)
The address of the registered office of each of the above equity accounted investments is as follows:
(a) Unit 1, Ravenhill Business Park, Ravenhill Road, Belfast, BT6 8AW, Northern Ireland.
(b) 49 Berkeley Square, 2nd Floor, London W1J 5AZ.
(c) 85 Drygate, Glasgow, G4 0UT, Scotland.
(d) Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702, Ireland.
(e) 207 Burlington Street, East Hamilton, Ontario, Canada.
(f) 3001 Leuven-Heverlee, Abdij van Park 7, Belgium.
(g) 230 High Street, Ayr, KA7 1RQ, Scotland.
(h) Lakeside Brae, Castlewellan, Northern Ireland, BT31 9RH.
(i) Whitchurch Lane, Bristol, BS14 0JZ.
(j) Dissolved on 30 April 2019.

28. POST BALANCE SHEET EVENTS

No significant events affecting the Group have occurred since the year end which would require disclosure or amendment of the financial statements.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Directors on 22 May 2019.