Financial Statements

in this section

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

OPINION

We have audited the financial statements of C&C Group plc ('the Company') and its subsidiaries ('the Group') for the year ended 28 February 2018, which comprise:
- the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Balance Sheet and the Company Balance Sheet as at 28 February 2018;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated Statement of Changes in Equity and the Company Statement of Changes in Equity for the year then ended; and
- the notes forming part of the financial statements, including the Statement of Accounting Policies set out on pages 127 to 139.

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

In our opinion:
- the Group's financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 28 February 2018 and of the Group's profit for the year then ended;
- the Company Balance Sheet gives a true and fair view of the assets, liabilities and financial position of the Company as at 28 February 2018;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with Irish Generally Accepted Accounting Practice, including FRS 101 Reduced Disclosure Framework; and
- the Group financial statements and the Company financial statements have been prepared in accordance with the requirements of the Companies Act 2014, and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Key audit matters

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

Key Audit Matter	Our response to the key audit matter	Key observations communicated to the Audit Committee
Impairment assessment of goodwill & intangible brand assets (€538.3m) Refer to the Audit Committee Report (page 76); Accounting policies (pages 127 to 139); and note 12 of the Consolidated Financial Statements (pages 165 to 169). The Group holds significant amounts of goodwill & intangible brand assets on the balance sheet. The impairment assessment of these assets is considered to be a risk area due to the size of the balance as well as the fact that it involves significant judgement by management. Judgemental aspects include CGU determination for goodwill purposes, assumptions of future profitability, revenue growth, margins and forecast cash flows, and the selection of appropriate discount rates, all of which may be subject to management override. An impairment of intangible brand assets in the US amounting to €106.6m was recognised in 2017.	Our specialist valuations team performed an independent assessment against external market data of key inputs used by management in calculating appropriate discount rates, principally risk-free rates, country risk premium and inflation rates. We challenged the determination of the Group's 5 cash-generating units ('CGUs'), and flexed our audit approach relative to our risk assessment and the level of excess of value-in-use over carrying amount in each CGU for goodwill purposes and in each model for the impairment assessment for intangible brand assets. For all models, we corroborated key assumptions and benchmarked growth assumptions to external economic forecasts. We challenged management's sensitivity analyses and performed our own sensitivity calculations to assess the level of excess of value-in-use over the goodwill and intangible brand carrying amount. We considered the adequacy of management's disclosures in respect of impairment testing and whether the disclosures appropriately communicate the underlying sensitivities. The above procedures were performed by the Group audit team.	We completed our planned audit procedures with no exceptions noted. Our observations included the headroom level by CGU and intangible brand model, where within the acceptable range the discount rate lay for each CGU and intangible brand model, the results of our sensitivity analysis, and analysis of the 5 year forecast EBIT growth rate when viewed against the prior year intangible brand impairment model and the current year actual growth.

Key Audit Matter	Our response to the key audit matter	Key observations communicated to the Audit Committee
Assessment of the valuation of property, plant and equipment (PP&E) (€135.2m) Refer to the Audit Committee Report (page 76); Accounting policies (pages 127 to 139); and note 11 of the Consolidated Financial Statements (pages 160 to 164). The Group carries its land and buildings at estimated fair value, its plant and machinery using a depreciated replacement cost approach and motor vehicles and other equipment at cost less accumulated depreciation and impairment losses. During the year, all land and buildings and plant and machinery (except for assets located in the US which were externally valued in 2017 and internally valued in 2018) were subject to independent expert valuations. We considered the valuation of these assets to be a risk area due to the size of the balances and the lack of comparable market data and observable inputs such as market based assumptions, plant replacement costs and plant utilisation levels due to the specialised nature of the Group's assets. The valuation of PP&E involves significant judgement and therefore is susceptible to management override.	We inspected the independent expert valuation reports in order to assess the integrity of the data and key assumptions underpinning the valuations. Our specialist valuation team performed independent assessment on the reasonableness of the key assumptions and judgements underlying the valuations. We corroborated the key assumptions and considered consistency to market data and observable inputs. We also challenged the independence and qualification of the external valuer. We considered the adequacy of management's disclosures in respect of the valuation and whether the disclosures appropriately communicate the underlying sensitivities. The above procedures were performed predominantly by the Group audit team.	Our observations included an overview of the risk, outline of the procedures performed, the judgements we focused on and the results of our testing. We communicated to the Audit Committee our review of the expert valuations, the split on revaluation adjustments between the income statement and other comprehensive income and the disclosures made. We also communicated to the Audit Committee our views on the reassessment of residual useful lives for plant and machinery consequent to completion of the independent expert valuation, and the application of revised useful lives in calculating and applying depreciation in periods intervening the independent valuations.

Key Audit Matter	Our response to the key audit matter	Key observations communicated to the Audit Committee
Revenue recognition (€548.2m) Refer to the Audit Committee Report (page 76); Accounting policies (pages 127 to 139); and note 1 of the Consolidated Financial Statements (pages 141 to 144). The Group generates revenue from a variety of geographies and across a large number of separate legal entities spread across the Group's three business segments. The Group's revenue particularly on supply, complex and non-standard customer contracts and partnership agreements may not have been accounted for correctly. In this regard we focused our risk on revenue generated in connection with the AB InBev and Pabst arrangements and certain of the Group's arrangements with third parties entered into in order to utilise excess capacity. Revenue is an important element of how the Group measures its performance, and revenue recognition is therefore inherently susceptible to the risk of management override.	We considered the appropriateness of the Group's revenue recognition accounting policies; in particular, those related to supply, complex and non-standard customer contracts and partnership agreements. In relation to this risk, we have also performed detailed review of all agreements in place with AB InBev, Pabst and certain of the Group's arrangements with third parties entered into in order to utilise excess capacity. We tested that revenue has been recognised in accordance with the requirements of IAS 18. We held discussions with employees outside of the finance function to determine existence of side agreements or other non-standard arrangements. We performed review procedures to understand terms, conditions and resulting auditing and accounting implications and assess the appropriateness of revenue to be recorded. We assessed whether there are additional commitments, obligations or onerous contracts. We further assessed the adequacy of the revenue disclosures contained in note 1: Segment Reporting.	Our observations included an overview of the risk, outline of the procedures performed, the judgements we focused on and the results of our testing. We communicated to the Audit Committee our assessment of the accounting for the AB InBev and Pabst arrangements in accordance with IAS 18 Revenue. We assessed management's conclusion around the existence of other commitments, obligations or onerous contracts arising from these arrangements. We discussed with the Audit Committee management's accounting for certain of the Group's arrangements with third parties entered into in order to utilise excess capacity during 2018 and the restatement of the comparative amounts in 2017.

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

Key Audit Matter	Our response to the key audit matter	Key observations communicated to the Audit Committee
Accounting for Acquisitions and Investments Refer to the Audit Committee Report (page 76); Accounting policies (pages 127 to 139); and notes 10 and 13 of the Consolidated Financial Statements (pages 158 to 159 and 170 to 171 respectively). During the year, the Group acquired 100% of the issued share capital in Orchard Pig Limited and Badaboom Limited for €11.5m. The Group also acquired a 49.9% interest in Brady P&C Limited for €42.4m in December 2017 and €1.8m for an additional 10.7% interest in a Canadian Investment, representing a significant increase over the prior year when only 1 acquisition was completed at a cost of €0.1m and 2 investments in Associates were completed at a cost of €2m. As a result of this significant increase in activity, the accounting for acquisitions and investments made by the Group was an area where we allocated significant resources in directing the efforts of the engagement team.	We have read and understood the underlying legal agreements entered into by the Group in relation to the acquisitions and investments made. We tested the consideration paid and the identification and valuation of the identified net tangible and intangible assets acquired. We have tested that the accounting treatment is in line with IFRS 3 Business Combinations and IAS 28 Investment in Associates and Joint Ventures. We tested and challenged the valuation models prepared by the Group for the separately identified intangible assets by: comparing the key assumptions against available market data; and testing key data inputs to source records. We also engaged our internal specialists where necessary. We have evaluated the appropriateness of the disclosures included within the Group financial statements relating to the acquisitions and investments completed during the year.	Our observations included an overview of the risk, outline of the procedures performed, the judgements we focused on and the results of our testing. We communicated to the Audit Committee the appropriateness of the valuation methodologies applied, our assessment of management's conclusion in relation to the intangible assets identified in accordance with IAS 38 and the accounting for investments in accordance with IAS 28. We also highlighted our assessment of the Group's financial statement disclosures in relation to business combinations and equity accounted investments and their appropriateness.

Key Audit Matter	Our response to the key audit matter	Key observations communicated to the Audit Committee
First year audit transition In our first year as auditor we have to: Build on our knowledge of C&C by understanding the Group's specific risks, controls, policies and processes. This enables us to clearly identify the risks of material misstatement within the financial statements and to determine the scope of our audit. Establish the appropriateness of corresponding amounts and account balances at the beginning of the period being audit. Understand accounting policies applied by C&C to ensure that these are consistently applied between periods.	The principal procedures performed included: Attending the final audit committee meeting for the audit of the 2017 financial statements. This provided us with insights on key issues and KPMG's audit approach. Reviewing key elements of KPMG's 2017 audit files at the Group and local component levels at the key operating units. Engaged with management at a Group and local component level in order to obtain a detailed understanding of C&C, including its processes and internal controls. Understanding accounting policies and historic accounting judgements. Held a Group-wide audit planning meeting in December 2017, and a post interim audit meeting in March 2018, which senior members of our group audit team and audit component teams from Belfast and Glasgow attended. Direct review of the Belfast component by the Group audit partner, along with site visit to, and review of the audit files of, the Glasgow component.	In our audit planning report to the Audit Committee in October 2017, we communicated the procedures that we had carried out in order to establish our audit base. We also presented our initial risks of material misstatement, the procedures we planned to undertake in response thereto, our proposed audit scope, and our initial views on the appropriateness of corresponding amounts and account balances at the beginning of the period being audited. We presented our updated views on risks and scoping to the December 2017 meeting of the Audit Committee. We formally discussed with the Audit Committee in May 2018 the restatement of comparative amounts in 2017 for revenue and operating costs arising in respect of certain of the Group's arrangements with third parties entered into in order to utilise excess capacity. We also discussed the Group's historic accounting in the areas of accruals, inventory, depreciation of property, plant and equipment and deferred taxation.

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

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

We determined materiality for the Group to be €3.5 million which is approximately 5% of Profit before tax. In their prior year audit, KPMG adopted a materiality of €4.0 million based on approximately 5% of Profit before Tax from continuing operations. We believe that profit before tax provides us with the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance measure to the stakeholders of the Group.

Performance materiality
Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely €1.75m. We have set performance materiality at this percentage based on our assessment of the risk of misstatements, both corrected and uncorrected, with the current year being our first year as auditor.

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €0.175m, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

AN OVERVIEW OF THE SCOPE OF OUR AUDIT REPORT

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

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

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

Of the 18 components selected, we performed an audit of the complete financial information of 8 components ('full scope components') which were selected based on their size or risk characteristics. For the remaining 10 components ('specific scope components'), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

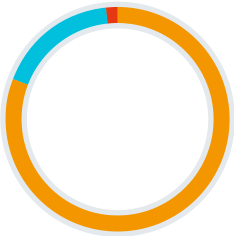
The reporting components where we performed audit procedures accounted for 98.5% of the Group's Profit before tax, 98.7% of the Group's Revenue and 99.5% of the Group's Total Assets.

For the current year, the full scope components contributed 81.1% of the Group's Profit before tax, 96.5% of the Group's Revenue and 96.2% of the Group's Total Assets. The specific scope components contributed 17.4% of the Group's Profit before tax, 2.2% of the Group's Revenue and 3.3% of the Group's Total Assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant risks tested for the Group.

Of the remaining components, which together represent 1.5% of the Group's Profit before tax, none are individually greater than 5% of the Group's Profit before tax. For these components, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the Consolidated Financial Statements.

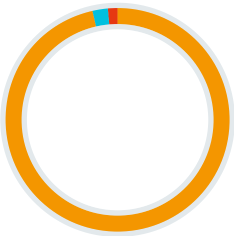
The charts below illustrate the coverage obtained from the work performed by our audit teams.

Profit before tax



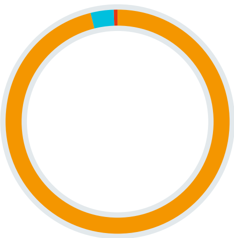
81.1%	Full scope components
17.4%	Specific scope components
1.5%	Other procedures

Revenue



96.5%	Full scope components
2.2%	Specific scope components
1.3%	Other procedures

Total Assets



96.2%	Full scope components
3.3%	Specific scope components
0.5%	Other procedures

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group audit team.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (Ireland) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report (set out on pages 24 to 27) that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation (set out on page 83) in the Annual Report that they have carried out a robust assessment of the principal risks facing the Group and the parent company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement (set out on page 83) in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Group's and the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 6.8.3(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation (set out on page 83) in the Annual Report as to how they have assessed the prospects of the Group and the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group and the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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

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

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:
- Fair, balanced and understandable (set out on page 74) – the statement given by the Directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit Committee reporting (set out on pages 76 to 79) – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee is materially inconsistent with our knowledge obtained in the audit; or

Directors' statement of compliance with the UK Corporate Governance Code (set out on page 71) – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 6.8.6 do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014

Based solely on the work undertaken in the course of the audit, we report that:
- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014

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

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

Matters on which we are required to report by exception
Based on the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

The Listing Rules of the Irish Stock Exchange require us to review:
- the Directors' statement, set out on page 83, in relation to going concern and longer-term viability;
- the part of the Corporate Governance Statement on pages 71 to 83 relating to the Company's compliance with the provisions of the UK Corporate Governance specified for our review; and
- certain elements of disclosures in the report to shareholders by the Board of Directors on Directors' remuneration.

Respective responsibilities
Responsibilities of Directors for the financial statements
As explained more fully in the Directors' Responsibilities Statement set out on page 108, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group across the various jurisdictions globally in which the Group operates. We determined that the most significant are those that relate to the form and content of external financial and corporate governance reporting including company law, tax legislation, employment law and regulatory compliance.
- We understood how the Group is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of the Group's Compliance Policy, board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management, including within various parts of the business, to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential for management to influence earnings or the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included a review of board minutes to identify any noncompliance with laws and regulations, a review of the reporting to the Audit Committee on compliance with regulations, enquiries of internal general counsel and management.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Audit Committee following the AGM held on 6 July 2017 to audit the financial statements for the year ending 28 February 2018 and subsequent financial periods. This is our first year of engagement.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Pat O'Neill
for and on behalf of
Ernst & Young
Chartered Accountants and Statutory Audit Firm
Dublin

16 May 2018

Consolidated Income Statement

For the financial year ended 28 February 2018

		Year ended 28 February 2018			Year ended 28 February 2017		
	Notes	Before exceptional items €m	Exceptional items (note 5) €m	Total €m	Before exceptional items as restated €m	Exceptional items (note 5) €m	Total as restated €m
Revenue	1	**813.5**	**-**	**813.5**	860.8	-	860.8
Excise duties		**(265.3)**	**-**	**(265.3)**	(264.3)	-	(264.3)
Net revenue	1	**548.2**	**-**	**548.2**	596.5	-	596.5
Operating costs	2	**(462.1)**	**(7.0)**	**(469.1)**	(501.5)	(150.1)	(651.6)
Group operating profit/(loss)	1	**86.1**	**(7.0)**	**79.1**	95.0	(150.1)	(55.1)
Finance income	6	**0.1**	**-**	**0.1**	0.1	-	0.1
Finance expense	6	**(8.2)**	**-**	**(8.2)**	(7.9)	-	(7.9)
Share of equity accounted investments' profit after tax	13	**1.2**	**-**	**1.2**	-	-	-
Profit/(loss) before tax		**79.2**	**(7.0)**	**72.2**	87.2	(150.1)	(62.9)
Income tax (expense)/credit	7	**(11.3)**	**5.4**	**(5.9)**	(13.0)	3.0	(10.0)
Group profit/(loss) for the financial year attributable to equity shareholders		**67.9**	**(1.6)**	**66.3**	74.2	(147.1)	(72.9)
Basic earnings per share (cent)	9			**21.5**			(23.5)
Diluted earnings per share (cent)	9			**21.5**			(23.5)

All of the results are related to continuing operations.

Consolidated Statement of Comprehensive Income

For the financial year ended 28 February 2018

	Notes	2018 €m	2017 €m
Other Comprehensive Income:			
Items that may be reclassified to Income Statement in subsequent years:			
Foreign currency translation differences arising on the net investment in foreign operations	6	**(17.7)**	(17.8)
Reversal of previously recognised gain on revaluation of property, plant and equipment	11	**-**	(2.1)
Gain on revaluation of property, plant & equipment	11	**3.4**	-
Items that will not be reclassified to Income Statement in subsequent years:			
Actuarial gain on retirement benefits	21	**16.8**	3.6
Deferred tax charge on actuarial gain on retirement benefits	20	**(2.8)**	(0.4)
Net loss recognised directly within Other Comprehensive Income		**(0.3)**	(16.7)
Group profit/(loss) for the financial year attributable to equity shareholders		**66.3**	(72.9)
Comprehensive income/(expense) for the financial year attributable to equity shareholders		**66.0**	(89.6)

Consolidated Balance Sheet
As at 28 February 2018

	Notes	2018 €m	2017 €m
ASSETS			
Non-current assets			
Property, plant & equipment	11	**135.2**	144.5
Goodwill & intangible assets	12	**541.1**	530.3
Equity accounted investments	13	**48.4**	2.4
Retirement benefits	21	**4.8**	4.5
Deferred income tax assets	20	**1.7**	3.2
Trade & other receivables	15	**40.4**	49.6
		771.6	734.5
Current assets			
Assets held for resale	11	**-**	1.7
Inventories	14	**88.1**	85.8
Trade & other receivables	15	**79.9**	78.5
Cash		**145.5**	187.6
		313.5	353.6
TOTAL ASSETS		**1,085.1**	1,088.1
EQUITY			
Capital and reserves attributable to the equity holders of the company			
Equity share capital	23	**3.2**	3.3
Share premium	23	**143.4**	136.9
Treasury shares	23	**(37.3)**	(38.0)
Other reserves	23	**82.6**	99.1
Retained income		**341.7**	337.1
Total equity		**533.6**	538.4
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	18	**383.5**	358.6
Retirement benefits	21	**3.8**	22.3
Provisions	17	**7.8**	7.7
Deferred income tax liabilities	20	**11.2**	6.0
		406.3	394.6
Current liabilities			
Trade & other payables	16	**132.7**	144.1
Provisions	17	**3.6**	6.5
Current income tax liabilities		**8.9**	4.5
		145.2	155.1
Total liabilities		**551.5**	549.7
TOTAL EQUITY & LIABILITIES		**1,085.1**	1,088.1

On behalf of the Board

Sir B Stewart — Chairman Group

S Glancey — Chief Executive Officer

16 May 2018

Consolidated Cash Flow Statement

For the financial year ended 28 February 2018

	Notes	2018 €m	2017 €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Group profit/(loss) for the year attributable to equity shareholders		**66.3**	(72.9)
Finance income	6	**(0.1)**	(0.1)
Finance expense	6	**8.2**	7.9
Income tax expense	7	**5.9**	10.0
Profit on share of equity accounted investment	13	**(1.2)**	-
Revaluation/impairment of property, plant & equipment		**5.0**	25.8
Recovery of previously impaired investment in equity accounted investment		**-**	(0.5)
Impairment of intangible assets	12	**-**	106.6
Depreciation of property, plant & equipment	11	**14.0**	14.7
Amortisation of intangible assets	12	**0.3**	0.3
Net profit on disposal of property, plant & equipment		**(0.8)**	(3.9)
Charge for equity settled share-based payments	4	**0.9**	0.7
Pension contributions paid plus amount credited to Income Statement		**(2.2)**	(7.0)
		96.3	81.6
Increase in inventories		**(3.5)**	(2.9)
Decrease in trade & other receivables		**5.2**	4.0
Decrease in trade & other payables		**(6.8)**	(13.3)
Decrease in provisions		**(2.6)**	(4.6)
		88.6	64.8
Interest received		**0.1**	0.1
Interest and similar costs paid		**(6.5)**	(6.6)
Income taxes paid		**(5.9)**	(6.9)
Net cash inflow from operating activities		**76.3**	51.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		**(14.0)**	(22.7)
Net proceeds on disposal of property, plant & equipment		**3.7**	25.6
Acquisition of subsidiaries (net of cash acquired)	10	**(10.3)**	-
Cash outflow re acquisition of equity accounted investments	13	**(44.2)**	(1.5)
Net cash (outflow)/inflow from investing activities		**(64.8)**	1.4
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options/equity Interests		**2.1**	1.0
Drawdown of debt		**86.8**	138.7
Repayment of debt		**(61.2)**	(134.0)
Shares purchased to satisfy share option entitlements		**(0.1)**	(0.2)
Shares purchased under share buyback programme		**(33.1)**	(23.2)
Dividends paid	8	**(40.6)**	(34.9)
Net cash outflow from financing activities		**(46.1)**	(52.6)
(Decrease)/increase in cash		**(34.6)**	0.2
Reconciliation of opening to closing cash			
Cash at beginning of year		**187.6**	197.3
Translation adjustment		**(7.5)**	(9.9)
Net (decrease)/increase in cash		**(34.6)**	0.2
Cash at end of financial year		**145.5**	187.6

A reconciliation of cash to net debt is presented in note 19 to the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 28 February 2018

	Equity share capital €m	Share premium €m	Other undenominated reserve €m	Capital reserve €m	Share-based payments reserve €m	Currency translation reserve €m	Revaluation reserve €m	Treasury shares €m	Retained income €m	Total €m
At 29 February 2016	3.3	127.8	0.7	24.9	6.4	79.9	9.1	(39.2)	471.8	684.7
Loss for the year attributable to equity shareholders	-	-	-	-	-	-	-	-	(72.9)	(72.9)
Other comprehensive expense	-	-	-	-	-	(17.8)	(2.1)	-	3.2	(16.7)
Total comprehensive (expense)/ income	-	-	-	-	-	(17.8)	(2.1)	-	(69.7)	(89.6)
Dividends on ordinary shares	-	8.1	-	-	-	-	-	-	(43.0)	(34.9)
Exercised share options	-	0.8	-	-	-	-	-	-	-	0.8
Reclassification of share-based payments reserve	-	-	-	-	(2.0)	-	-	-	2.0	-
Joint Share Ownership Plan	-	0.2	-	-	(0.7)	-	-	1.2	(0.8)	(0.1)
Shares purchased under share buyback programme and subsequently cancelled	-	-	-	-	-	-	-	-	(23.2)	(23.2)
Equity settled share-based payments	-	-	-	-	0.7	-	-	-	-	0.7
Total transactions with owners	-	9.1	-	-	(2.0)	-	-	1.2	(65.0)	(56.7)
At 28 February 2017	3.3	136.9	0.7	24.9	4.4	62.1	7.0	(38.0)	337.1	538.4
Profit for the year attributable to equity shareholders	-	-	-	-	-	-	-	-	66.3	**66.3**
Other comprehensive (expense)/ income	-	-	-	-	-	(17.7)	3.4	-	14.0	**(0.3)**
Total comprehensive (expense)/ income	-	-	-	-	-	(17.7)	3.4	-	80.3	**66.0**
Dividends on ordinary shares	-	4.4	-	-	-	-	-	-	(45.0)	**(40.6)**
Exercised share options	-	1.4	-	-	-	-	-	-	-	**1.4**
Reclassification of share-based payments reserve	-	-	-	-	(3.0)	-	-	-	3.0	**-**
Joint Share Ownership Plan		0.7	-	-	(0.2)	-	-	0.7	(0.6)	**0.6**
Shares purchased under share buyback programme and subsequently cancelled	(0.1)	-	0.1	-	-	-	-	-	(33.1)	**(33.1)**
Equity settled share-based payments	-	-	-	-	0.9	-	-	-	-	**0.9**
Total transactions with owners	(0.1)	6.5	0.1	-	(2.3)	-	-	0.7	(75.7)	**(70.8)**
At 28 February 2018	**3.2**	**143.4**	**0.8**	**24.9**	**2.1**	**44.4**	**10.4**	**(37.3)**	**341.7**	**533.6**

Company Balance Sheet
As at 28 February 2018

	Notes	2018 €m	2017 €m
ASSETS			
Non-current assets			
Financial assets	13	**980.2**	979.3
Trade & other receivables	15	**0.3**	0.7
		980.5	980.0
Current assets			
Trade & other receivables	15	**356.1**	335.5
Cash		**-**	-
		356.1	335.5
TOTAL ASSETS		**1,336.6**	1,315.5
EQUITY			
Equity share capital	23	**3.2**	3.3
Share premium	23	**844.4**	838.6
Other reserves	23	**1.8**	3.8
Retained income		**169.5**	188.4
Total equity		**1,018.9**	1,034.1
LIABILITIES			
Current liabilities			
Trade & other payables	16	**317.7**	281.4
Total liabilities		**317.7**	281.4
TOTAL EQUITY & LIABILITIES		**1,336.6**	1,315.5

As permitted by section 304 of the Companies Act 2014, the company is availing of the exemption from presenting its separate Income Statement in the Financial Statements and from filing it with the Registrar of Companies. The Company's profit for the financial year is €56.2m (2017: €146.0m). This includes dividends received from subsidiaries of €60.0m (2017: €149.0m).

On behalf of the Board

Sir B Stewart	**S Glancey**	**16 May 2018**
Chairman Group	Chief Executive Officer	

Company Statement of Changes in Equity

For the financial year ended 28 February 2018

	Equity share capital €m	Share premium €m	Other undenominated reserve €m	Share-based payments reserve €m	Retained income €m	Total €m
Company						
At 29 February 2016	3.3	829.7	0.7	5.5	105.5	944.7
Profit for the year attributable to equity shareholders	-	-	-	-	146.0	146.0
Total	-	-	-	-	146.0	146.0
Dividend on ordinary shares	-	8.1	-	-	(43.0)	(34.9)
Exercised share options	-	0.8	-	-	-	0.8
Shares purchased under share buyback programme and subsequently cancelled	-	-	-	-	(23.2)	(23.2)
Reclassification of share-based payments reserve	-	-	-	(3.1)	3.1	-
Equity settled share-based payments	-	-	-	0.7	-	0.7
Total	-	8.9	-	(2.4)	(63.1)	(56.6)
At 28 February 2017	3.3	838.6	0.7	3.1	188.4	**1,034.1**
Profit for the year attributable to equity shareholders	-	-	-	-	56.2	**56.2**
Total	-	-	-	-	56.2	**56.2**
Dividend on ordinary shares	-	4.4	-	-	(45.0)	**(40.6)**
Exercised share options	-	1.4	-	-	-	**1.4**
Shares purchased under share buyback programme and subsequently cancelled	(0.1)	-	0.1	-	(33.1)	**(33.1)**
Reclassification of share-based payments reserve	-	-	-	(3.0)	3.0	**-**
Equity settled share-based payments	-	-	-	0.9	-	**0.9**
Total	(0.1)	5.8	0.1	(2.1)	(75.1)	**(71.4)**
At 28 February 2018	**3.2**	**844.4**	**0.8**	**1.0**	**169.5**	**1,018.9**

Statement of Accounting Policies
For the year ended 28 February 2018

SIGNIFICANT ACCOUNTING POLICIES

C&C Group plc (the 'Company') is a company incorporated and tax resident in Ireland. The Group's financial statements for the year ended 28 February 2018 consolidate the individual financial statements of the Company and all subsidiary undertakings (together referred to as "the Group") together with the Group's share of the results and net assets of equity accounted investments for the year ended 28 February 2018.

The Company and Group financial statements, together the "financial statements", were authorised for issue by the Directors on 16 May 2018.

The accounting policies applied in the preparation of the financial statements for the year ended 28 February 2018 are set out below. These have been applied consistently for all periods presented in these financial statements and by all Group entities.

STATEMENT OF COMPLIANCE

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB), as adopted by the EU and as applied in accordance with Companies Acts 2014. The individual financial statements of the Company have been prepared in accordance with FRS 101 Reduced Disclosure Framework ("FRS 101"). In accordance with Section 304 of the Companies Act 2014, the company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of Key Management Personnel.

As the consolidated financial statements of the Company include the equivalent disclosures, the Company has also taken exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *'Share-Based Payments'* in respect of Group settled share-based payments;
- Certain disclosures required by IAS 36 *Impairment of Assets* in respect of the impairment of goodwill and indefinite life intangible assets; and
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company.

Changes in accounting policies and disclosures

IFRSs as adopted by the EU applied by the Company and Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 28 February 2018. The IASB have issued the following standards, policies, interpretations and amendments which were effective for the Group for the first time in the year ended 28 February 2018:

- Annual Improvements to IFRSs 2014-2016 cycle
- IAS 7: *Statement of Cash flows* – Disclosure initiative
- IAS 12: *Income Taxes* – Recognition of deferred tax assets for unrealised losses

The adoption of the above and interpretations and amendments did not have a significant impact on the Group's consolidated financial statements.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 28 February 2018, and have not been applied in preparing these consolidated financial statements.

These following new standards, amendments and interpretations are either not expected to have a material impact on the consolidated financial statements once applied or are still under assessment by the Group.

Accounting standard/interpretation (Effective date)
(a) Not expected to have a material impact on the consolidated financial statements:

- Annual Improvements to IFRSs 2015-2017 cycle* (effective for the Group's 2020 consolidated financial statements)
- IFRS 2: Classification and measurement of share based payments (effective for the Group's 2019 consolidated financial statements)

(b) Subject to ongoing assessment by the Group:

The Group has formed a number of project teams to evaluate and implement the following standards:

IFRS 9, Financial Instruments (effective for the Group's 2019 consolidated financial statements)

IFRS 9 *Financial Instruments* introduces new classification and measurement criteria, along with a new impairment model and changes to the hedge accounting model. The Group will adopt IFRS 9 on 1 March 2018 in accordance with the transition provisions of the standard for disclosure in the 31 August 2018 (half-yearly) Report. Overall, the Group expects no material impact on the consolidated financial statements. The new standard also introduces expanded disclosure requirements and changes in presentation i.e. changes in classification of financial assets. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the first year of adoption of the new standard.

IFRS 15, Revenue from Contracts with Customers (effective for the Group's 2019 consolidated financial statements)

IFRS 15 *Revenue from Contracts with Customers* will replace all of the current revenue standards and interpretations in IFRS including IAS 18 *Revenue* and IAS 11 *Construction Contracts*. The Group will adopt IFRS 15 on 1 March 2018. IFRS 15 introduces a five step model, a number of new concepts and requirements and also provides guidance and clarification on existing practice. C&C Group plc will adopt IFRS 15 by applying the modified retrospective approach and will avail of the practical expedient for contract modifications.

Throughout FY2018, the Group performed a preliminary assessment of IFRS 15, as a result of this review management has determined that income from third parties entered into in order to utilise excess capacity which has previously been netted from operating costs, should more appropriately be recorded gross, as revenue. Accordingly, management have changed the classification of such income in the Income Statement for the year ended 28 February 2018. The Group will perform further detailed analysis, including a review of contracts and sales arrangements which will be completed in early FY2019 in line with the timeline of the Group's transition project. This assessment is on-going and any material impact, if there is any, will be quantified in the 31 August 2018 (half-yearly) Report. The Group will continue the testing of appropriate systems, internal controls, policies and procedures necessary to collect and disclose the required information.

The Group's transition project has the following focus areas:

Variable consideration
Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Group recognises revenue at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Group defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under IFRS 15, and will be required to be estimated at contract inception and updated thereafter. A material impact on the recognition of such variable consideration under IFRS 15 is not anticipated.

Bundling and unbundling of contracts to determine performance obligations
The Group enters into contracts for the sale of alcoholic and soft drinks where revenue is recognised at a point in time when delivery of the goods has been performed. This is typically on delivery to the customer's premises except in the case of international customers where it is normally deemed to occur on dispatch. Under IFRS 15 there will now be a focus on performance obligations or promises within a contract. The Group is currently assessing promises within contracts to determine whether they represent a single or multiple performance obligations, and the resulting impact on current revenue recognition. It is anticipated that the vast majority of contracts will contain just one performance obligation, and therefore adoption of IFRS 15 is not expected to have a material impact on the recognition of revenue.

Principal versus agent considerations
Consideration has been given as to whether any revenue might be deemed to be more appropriately recorded on an agency or net basis, such as the sale of third party brands as permitted under the terms of a distribution agreement with AB InBev, rather than on a gross basis, as required by IFRS 15. This is not expected to materially impact the Group's financial statements on the basis of the Group's current accounting treatment.

Presentation and disclosure requirements
Many of the disclosure requirements in IFRS 15 are new and the Group expects that the notes to the financial statements will be expanded.

As required by IFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

Other impacts
In addition to the disclosures described above, on adoption of IFRS 15, other items of the primary financial statements such as deferred taxes, assets held for sale and liabilities associated with them,

profit or loss after tax for the year from discontinued operations, investments in associate and joint ventures, as well as share of profit of an associate and a joint venture, may be affected and adjusted as necessary. Furthermore, exchange differences on translation of foreign operations could also be adjusted.

The recognition and measurement requirements in IFRS 15 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property and equipment and intangible assets), when that disposal is not in the ordinary course of business. However, on transition, the effect of these changes is not expected to be material for the Group.

IFRS 16 Leases (effective for the Group's 2020 consolidated financial statements)

IFRS 16 *Leases* was issued in January 2016 and replaces IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 – *Operating Leases – Incentives* and SIC-27 – *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The Group will adopt IFRS 16 on 1 March 2019 and is currently considering applying the modified retrospective approach on transition. The process of reviewing the Group's leases has commenced in accordance with the timetable of the Group's transition project. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard during FY2019 and any material impact, if any, will be quantified in the 31 August 2019 (half-yearly) report.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for the majority of leases under a single on-balance sheet model, similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees which will be availed of by the Group – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a term of 12 months or less). It also includes an election which permits a lessee not to separate non-lease components (e.g. maintenance) from lease components and instead capitalise both the lease cost and associated non-lease cost.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Under IFRS 16 lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in lease term or a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. C&C has entered into operating leases for a range of assets, principally relating to trade assets and land and buildings. The Group also leases plant and machinery, vehicles and equipment under operating leases.

The adoption of the new standard will have a material impact on the Group's consolidated financial statements, as follows:

Income Statement
Operating expenses will decrease, as the Group currently recognises operating lease expenses in operating costs. The Group's lease expense for FY2018 was €14.1 million (FY2017 €14.3 million) and is disclosed in note 2 to the consolidated financial statements.

Depreciation and finance costs as currently reported in the Group's Income Statement will increase, as under the new standard the right-of-use asset will be capitalised and depreciated over the term of the lease with an associated finance cost applied to the lease liability.

Balance Sheet
At transition date, the Group will determine the lease payments outstanding at that date and apply the appropriate discount rate to calculate the present value of the lease payments.

The Group's commitments outstanding on all leases as at 28 February 2018 is €50.0 million (FY2017: €54.3 million) (see note 24 to the consolidated financial statements). The Group has been assessing the impact of the new standard since it was issued in January 2016; the exact financial impact of the standard is as yet unknown.

The Group's commitment as at 28 February 2018 provides an indication of the scale of leases held and how significant leases currently are to C&C's business.

In addition to the impacts above, there will also be significantly increased disclosures when the Group adopts IFRS 16.

IFRSs as adopted by the EU applied by the Company and Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 28 February 2018. The accounting policies adopted are consistent with those of the previous year except for the new and amended IFRS and IFRIC interpretations adopted by the Group and Company in these financial statements.

BASIS OF PREPARATION

The Group and the individual financial statements of the Company are prepared on the going concern and historical cost basis except for the measurement at fair value of intangible assets acquired on the acquisition of a company or business, retirement benefits, the revaluation of certain items of property, plant & equipment, share based payments at date of grant and derivative financial instruments. The accounting policies have been applied consistently by Group entities and for all periods presented.

The financial statements are presented in Euro millions to one decimal place.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Group and Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements relate primarily to:

- the determination of the fair value and the useful economic life of assets & liabilities, and intangible assets acquired on the acquisition of a company or business (note 10),
- the determination of carrying value of land (note 11),
- the determination of carrying value or depreciated replacement cost, useful economic life and residual values in respect of the Group's buildings, plant & machinery (note 11),
- the assessment of goodwill and intangible assets for impairment (note 12), and
- accounting for retirement benefits (note 21).

These are discussed in more detail in the accounting policies and/or notes to the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Prior year reclassification

In anticipation of the implementation of IFRS 15 Revenue from Contracts with Customers from 1 March 2018, management has begun examining the accounting for revenue for certain arrangements. In respect of certain of the Group's arrangements with third parties entered into in order to utilise excess capacity, management has determined that income from such arrangements, previously netted from operating costs, should more appropriately be recorded gross, as revenue. Accordingly, management have changed the classification of such income in the Income Statement for the year ended 28 February 2018. In the current year, the amount recorded that would have been netted from operating costs was €36.5m and accordingly, in the prior year Income Statement line items have been restated as follows: gross revenue has increased by €42.7m, excise duties have increase by €5.7m, and net sales revenue and operating costs have increased by €37.0m. Applicable notes have accordingly also been adjusted. The restatement has no impact on net income or net assets for the prior year.

BASIS OF CONSOLIDATION

The Group's financial statements consolidate the financial statements of the Company and all subsidiary undertakings together with the Group's share of the results and net assets of equity accounted investments for the year ended 28 February 2018.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

On 30 April 2004, the Group, previously headed by C&C Group International Holdings Limited, underwent a re-organisation by virtue of which C&C Group International Holdings Limited's shareholders in their entirety exchanged their shares for shares in C&C Group plc, a newly formed company, which then became the ultimate parent company of the Group. Notwithstanding the change in the legal parent of the Group, this transaction has been accounted for as a reverse acquisition and the consolidated financial statements are prepared on the basis of the new legal parent having been acquired by the existing Group except that the capital structure shown is that of the legal parent.

(ii) Investments in associates and jointly controlled entities (equity accounted investments)

The Group's interests in equity accounted investments comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other

Comprehensive Income of equity accounted investments, until the date on which significant influence or joint control ceases.

(iii) Transactions eliminated on consolidation
All intercompany balances and transactions, including unrealised gains arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains except to the extent that they provide evidence of impairment.

(iv) Company Financial Statements
Investments in subsidiaries are carried at cost less provision for impairment. Dividend income is recognised when the right to receive payment is established.

REVENUE RECOGNITION

Revenue comprises the fair value of goods supplied to external customers exclusive of intercompany sales and value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives. Provision is made for returns where appropriate. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, that it can be reliably measured, and that the significant risks and rewards of ownership of the goods have passed to the buyer. This is normally deemed to occur on delivery except in the case of international customers where it is normally deemed to occur on dispatch.

EXCISE DUTY

Excise duty is levied at the point of production in the case of the Group's manufactured products and at the point of importation in the case of imported products in the relevant jurisdictions in which the Group operates. As the Group's manufacturing and warehousing facilities are revenue approved and registered excise facilities, the excise duty liability generally crystallises on transfer of product from duty in suspense to duty paid status which normally coincides with the point of sale.

NET REVENUE

Net revenue is defined by the Group as revenue less excise duty. Excise duties, which represent a significant proportion of revenue, are set by external regulators over which the Group has no control and are generally passed on to the consumer, consequently the Directors consider that the disclosure of Net Revenue enhances the transparency and provides a more meaningful analysis of underlying sales performance.

EXCEPTIONAL ITEMS

The Group has adopted an accounting policy and Income Statement format that seeks to highlight significant items of income and expense within the Group results for the year. The Directors believe that this presentation provides a more useful analysis. Such items may include significant restructuring and integration costs, profits or losses on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, significant impairment of assets, acquisition related costs and unforeseen gains/losses arising on derivative financial instruments. The Directors use judgement in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Income Statement and related notes as exceptional items.

FINANCE INCOME AND EXPENSES

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in the Income Statement. Interest income is recognised as it accrues in the Income Statement, using the effective interest method.

Finance expenses comprise interest expense on borrowings, interest expense on sale of trade receivables, bank guarantee fees, amortisation of borrowing issue costs, changes in the fair value of financial assets or liabilities which are accounted for at fair value through the Income Statement, losses on hedging instruments that are recognised in the Income Statement, gains or losses relating to the effective portion of interest rate swaps hedging variable rate borrowings, ineffective portion of changes in the fair value of cash flow hedges, impairment losses recognised on financial assets and unwinding the discount on provisions. All borrowing costs are recognised in the Income Statement using the effective interest method.

RESEARCH AND DEVELOPMENT

Expenditure on research that is not related to specific product development is recognised in the Income Statement as incurred.

Expenditure on the development of new or substantially improved products or processes is capitalised if the product or process is technically feasible and commercially viable.

GOVERNMENT GRANTS

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Capital grants received and receivable by the Group are credited to government grants and are amortised to the Income Statement on a straight-line basis over the expected useful lives of the assets to which they relate.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which; represents a separate major line of business or geographic area of operations; is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative Income Statement and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal organisational and management structure of the Group and the internal financial information provided to the Chief Operating Decision-Maker, the executive Directors, who are responsible for the allocation of resources and the monitoring and assessment of performance of each of the operating segments. The Group has determined that it has three reportable operating segments.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads that are allocated on a reasonable basis to those segments in internal financial reporting packages.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the presentation currency of the Group and both the presentation and functional currency of the Company.

Transactions in foreign currencies are translated into the functional currency of each entity at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets carried at historic cost are not subsequently retranslated. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into functional currencies at the foreign exchange rate ruling at that date. Foreign exchange movements arising on translation are recognised in the Income Statement with the exception of all monetary items designated as a hedge of a net investment in a foreign operation, which are recognised in the consolidated financial statements in Other Comprehensive Income until the disposal of the net investment, at which time they are recognised in the Income Statement for the year.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Euro at the foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to Euro at the average exchange rate for the financial period where that represents a reasonable approximation of actual rates. Foreign exchange movements arising on translation of the net investment in a foreign operation, including those arising on long-term intra-group loans for which settlement is neither planned nor likely to happen in the foreseeable future and as a consequence are deemed quasi equity in nature, are recognised directly in Other Comprehensive Income in the consolidated financial statements in the foreign currency translation reserve. The portion of exchange gains or losses on foreign currency borrowings or derivatives used to provide a hedge against a net investment in a foreign operation that is designated as a hedge of those investments, is recognised directly in Other Comprehensive Income to the extent that they are determined to be effective. The ineffective portion is recognised immediately in the Income Statement for the year.

Any movements that have arisen since 1 March 2004, the date of transition to IFRS, are recognised in the currency translation reserve and are recycled through the Income Statement on disposal of the related business. Translation differences that arose before the date of transition to IFRS as adopted by the EU in respect of all non-Euro denominated operations are not presented separately.

BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment or more frequently if there is an indication that the carrying amount may not be recoverable. Any gain on a bargain purchase is recognised in the Income Statement immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Income Statement.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the Income Statement.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the Income Statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investments are eliminated against the investment to the extent of the Group's interest in the investment. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

GOODWILL

Goodwill is the excess of the fair value of the consideration paid over the fair value of the identifiable assets, liabilities and contingent liabilities in a business combination and relates to the future economic benefits arising from assets that are not capable of being individually identified and separately recognised.

As at the date of acquisition any goodwill acquired is allocated to each cash generating unit (CGU) (which may comprise more than one cash generating unit) expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. These CGU's represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the business segment retained.

INTANGIBLE ASSETS (OTHER THAN GOODWILL) ARISING ON BUSINESS COMBINATIONS

An intangible asset, which is a non-monetary asset without a physical substance, is capitalised separately from goodwill as part of a business combination at cost (fair value at date of acquisition) to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its fair value can be reliably measured. Acquired brands and other intangible assets are deemed to be identifiable and recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of intangible assets considered to have an indefinite useful economic life are reviewed for indicators of impairment regularly and are subject to impairment testing on an annual basis unless events or changes in circumstances indicate that the carrying values may not be recoverable and impairment testing is required earlier.

The amortisation charge on intangible assets considered to have finite lives is calculated to write-off the book value of the asset over its useful life on a straight-line basis on the assumption of zero residual value. The useful lives of the Group's intangible assets are as follows:

- ABI Distribution rights — 20 years
- Trade relationship re Wallaces acquisition — 10 years
- Trade relationship re Gleeson acquisition — 15 years

Statement of Accounting Policies
For the year ended 28 February 2018 (continued)

PROPERTY, PLANT & EQUIPMENT

Property (comprising land and buildings) is recognised at estimated fair value with the changes in the value of the property reflected in Other Comprehensive Income, to the extent it does not reverse previously recognised losses, or as an impairment loss in the Income Statement to the extent it does not reverse previously recognised revaluation gains. The fair value is based on estimated market value at the valuation date, being the estimated amount for which a property could be exchanged in an arm's length transaction, to the extent that an active market exists. Such valuations are determined based on benchmarking against comparable transactions for similar properties in similar locations as those of the Group or on the use of valuation techniques including the use of market yields on comparable properties. If no active market exists or there are no other observable comparative transactions, the fair value may be determined using a valuation technique known as a Depreciated Replacement Cost approach.

Plant & machinery is carried at its revalued amount. In view of the specialised nature of the Group's plant & machinery and the lack of comparable market-based evidence of similar plant sold, upon which to base a market approach of fair value, the Group uses a Depreciated Replacement Cost approach to determine a fair value for such assets.

Depreciated Replacement Cost is assessed, firstly, by the identification of the gross replacement cost for each class of plant & machinery. A depreciation factor derived from both the physical and functional obsolescence of each class of asset, taking into account estimated residual values at the end of the life of each class of asset, is then applied to the gross replacement cost to determine the net replacement cost. An economic obsolescence factor, which is derived based on current and anticipated capacity or utilisation of each class of plant & machinery as a function of total available production capacity, is applied to determine the Depreciated Replacement Cost.

Motor vehicles & other equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant & equipment have different useful lives, they are accounted for as separate items (major components) of property, plant & equipment. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

Property, plant & equipment, other than freehold land and assets under construction, which are not depreciated, were depreciated using the following rates which are calculated to write-off the value of the asset, less the estimated residual value, over its expected useful life:

Land and Buildings	
Land	n/a
Buildings – ROI, US, Portugal, Wallaces Express	2% straight-line
Buildings – UK (excluding Wallaces Express)	2% straight-line

Plant and Machinery	
Storage tanks	10% reducing balance
Other plant & machinery	15-30% reducing balance

Motor vehicles and other equipment	
Motor vehicles	15% straight-line
Other equipment incl returnable bottles, cases and kegs	5-25% straight-line

The residual value and useful lives of property, plant & equipment are reviewed and adjusted if appropriate at each reporting date to take account of any changes that could affect prospective depreciation charges and asset carrying values. When determining useful economic lives, the principal factors the Group takes into account are the intensity at which the assets are expected to be used, expected requirements for the equipment and technological developments.

On disposal of property, plant & equipment the cost or valuation and related accumulated depreciation and impairments are removed from the Balance Sheet and the net amount, less any proceeds, is taken to the Income Statement and any amounts included within the revaluation reserve transferred to the retained income reserve.

The carrying amounts of the Group's property, plant & equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying amount of an asset or its cash generation unit exceeds its recoverable amount (being the greater of fair value less costs to sell and value in use). Impairment losses are debited directly to equity under the heading of revaluation reserve to the extent of any credit balance existing in the revaluation reserve account in respect of that asset with the remaining balance recognised in the Income Statement.

A revaluation surplus is credited directly to Other Comprehensive Income and accumulated in equity under the heading of revaluation reserve, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, where it is first credited to the Income Statement to the extent of the previous write down.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition and is based on the first-in first-out principle.

In the case of finished goods and work in progress, cost includes direct production costs and the appropriate share of production overheads plus excise duties, where appropriate. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the sale.

Provision is made for slow-moving or obsolete stock where appropriate.

PROVISIONS

A provision is recognised in the Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value at an appropriate rate if the effect of the time value of money is deemed material. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount. The increase in the provision due to the passage of time is recognised in the Income Statement within finance expense.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable. Provisions are not recognised for future operating losses, however, provisions are recognised for onerous contracts where the unavoidable cost exceeds the expected benefit.

Due to the inherent uncertainty with respect to such matters, the value of each provision is based on the best information available at the time, including advice obtained from third party experts, and is reviewed by the Directors on a periodic basis with the potential financial exposure reassessed. Revisions to the valuation of a provision are recognised in the period in which such a determination is made and such revisions could have a material impact on the financial performance of the Group.

LEASES

Where the Group has entered into lease arrangements on land & buildings the lease payments are allocated between land & buildings and each component is assessed separately to determine whether it is a finance or operating lease.

Finance leases, which transfer to the Group substantially all the risks and rewards of ownership of the leased asset, are recognised in property, plant & equipment at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Income Statement as part of finance expense.

Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term.

RETIREMENT BENEFITS

The Group operates a number of defined contribution and defined benefit pension schemes.

Obligations to the defined contribution pension schemes are recognised as an expense in the Income Statement as the related employee service is received. Under these schemes, the Group has no obligation, either legal or constructive, to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

The liabilities and costs associated with the Group's defined benefit pension schemes, all of which are funded and administered under trusts which are separate from the Group, are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the reporting date. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields, at the reporting date, on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

The fair value of scheme assets is based on market price information, measured at bid value for publicly quoted securities.

The resultant defined benefit pension net surplus or deficit is shown within either non-current assets or non-current liabilities on the face of the Balance Sheet and comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. The assumptions (disclosed in note 21) underlying these valuations are updated at each reporting period date based on current economic conditions and expectations (discount rates, salary inflation and mortality rates) and reflect any changes to the terms and conditions of the post retirement pension plans. The deferred tax liabilities and assets arising on pension scheme surpluses and deficits are disclosed separately within deferred tax assets or liabilities, as appropriate.

When the benefits of a defined benefit scheme are improved, the portion of the increased benefit relating to the past service of employees is recognised as an expense immediately in the Income Statement.

The expected increase in the present value of scheme liabilities arising from employee service in the current period is recognised in arriving at operating profit or loss together with the net interest expense/(income) on the net defined benefit liability/(asset). Differences between the actual return on plan assets and the interest income, experience gains and losses on scheme liabilities, together with the effect of changes in the current or prior assumptions underlying the liabilities are recognised in Other Comprehensive Income. The amounts recognised in the Income Statement and Statement of Other Comprehensive Income and the valuation of the defined benefit pension net surplus or deficit are sensitive to the assumptions used. While management believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the valuation of retirement benefits and expenses recognised in future accounting periods.

Company
The Company has no direct employees and is not the sponsoring employer for any of the Group's defined benefit pension schemes. There is no stated policy within the Group in relation to the obligations of Group companies to contribute to scheme deficits. Group companies make contributions to the schemes as requested by the sponsoring employers.

SHARE-BASED PAYMENTS

The Group operates a number of Share Option Schemes, Performance Share Plans and cash settled award schemes, listed below:-

- Executive Share Option Scheme (the 'ESOS'),
- Long-Term Incentive Plan (Part I) (the 'LTIP (Part I)'),
- Joint Share Ownership Plan (the 'JSOP'),
- Restricted Share Award Scheme,
- Recruitment and Retention Plan,
- Long-term Incentive Plan (Part II) (the 'LTIP (Part II)'), and
- Partnership and Matching Share Schemes.

Equity settled share-based payment transactions
Group share schemes allow certain employees to acquire shares in the Company. The fair value of share entitlements granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity, while the cost of acquiring shares on the open market to satisfy the Group's obligations under the Partnership and Matching Share Schemes is recognised in the Income Statement as incurred.

To date, share options granted by the Company under the ESOS and share entitlements (represented by nominal cost options) granted under the LTIP (Part II) are subject to non-market vesting conditions only.

An element of the share entitlements (represented by nominal-cost options) granted by the Company under the LTIP (Part I), the Recruitment and Retention Plan and the Restricted Share Award Scheme and some of the Interests granted under the Joint Share Ownership Plan are subject to market vesting conditions with or without non-market vesting conditions whilst the remainder are subject to non-market vesting conditions only, the details of which are set out in note 4. Market conditions are incorporated into the calculation of fair value of share/Interest entitlements as at the grant date. Non-market vesting conditions are not taken into account when estimating such fair value.

The expense for the share entitlements shown in the Income Statement is based on the fair value of the total number of entitlements expected to vest and is allocated to accounting periods on a straight-line basis over the vesting period. The cumulative charge to the Income Statement at each reporting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. It is reversed only where entitlements do not vest because all non-market performance conditions have not been met or where an employee in receipt of share entitlements leaves the Group before the end of the vesting period and forfeits those options in consequence. Awards with market based performance conditions are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. No reversal is recorded for failure to vest as a result of market conditions not being met.

The proceeds received by the Company net of any directly attributable transaction costs on the vesting of share entitlements met by the issue of new shares are credited to share capital and share premium when the share entitlements are exercised. Amounts included in the share-based payments reserve are transferred to retained income when vested options are exercised, forfeited post vesting or lapse.

The dilutive effect of outstanding options, to the extent that they are to be settled by the issue of new shares and to the extent that the vesting conditions would have been satisfied if the end of the reporting period was the end of the contingency period, is reflected as additional share dilution in the determination of diluted earnings per share.

Cash settled share-based payment transactions
The fair value of the amount payable to employees in respect of share appreciation rights that are settled in cash is recognised as an expense in the Income Statement with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to the payment. The liability is re-measured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes are recognised as an employee benefit expense in the Income Statement.

INCOME TAX

Current tax expense represents the expected tax amount to be paid in respect of taxable income for the current year and is based on reported profit and the expected statutory tax rates, reliefs and allowances applicable in the jurisdictions in which the Group operates. Current tax for the current and prior years, to the extent that it is unpaid, is recognised as a liability in the Balance Sheet.

Deferred tax is provided on the basis of the Balance Sheet liability method on all temporary differences at the reporting date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are expected to apply in the period in which the asset is recovered or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are recognised for all temporary differences except where they arise from:-

- the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit or loss nor the taxable profit or loss at the time of the transaction, or,
- temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference is subject to the Group's control and it is probable that a reversal will not be recognised in the foreseeable future.

Deferred tax assets in respect of deductible temporary differences are recognised only to the extent that it is probable that taxable profits or taxable temporary differences will be available against which to offset these items. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. The recognition of deferred tax assets is based on management's judgement and estimate of the most probable amount of future taxable profits and taking into consideration applicable tax legislation in the relevant jurisdiction. The carrying amounts of deferred tax assets are subject to review at each reporting date and are reduced to the extent that future taxable profits are considered to be insufficient to allow all or part of the deferred tax asset to be utilised.

Deferred tax and current tax are recognised as a component of the tax expense in the Income Statement except to the extent that they relate to items recognised directly in Other Comprehensive Income or equity (for example, certain derivative financial instruments and actuarial gains and losses on defined benefit pension schemes), in which case the related tax is also recognised in Other Comprehensive Income or equity.

The Group is subject to income tax in a number of jurisdictions, and judgement is required in determining the worldwide provision for taxes. There are many transactions and calculations during the ordinary course of business, for which the ultimate tax determination is uncertain and the complexity of the tax treatment may be such that the final tax charge may not be determined until a formal resolution has been reached with the relevant tax authority which may take extended time periods to conclude. The ultimate tax charge may, therefore be different from that which initially is reflected in the Group's consolidated tax charge and provision and any such differences could have a material impact on the Group's income tax charge and consequently financial performance.
The determination of the provision for income tax is based on management's understanding of the relevant tax law and judgement as to the appropriate tax charge, and management believe that all assumptions and estimates used are reasonable and reflective of the tax legislation in jurisdictions in which the Group operates.

Where the final tax charge is different from the amounts that were initially recorded, such differences are recognised in the income tax provision in the period in which such determination is made.

FINANCIAL INSTRUMENTS

Trade & other receivables

Trade receivables are initially recognised at fair value (which usually equals the original invoice value) and are subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. Movements in provisions are recognised in the Income Statement. Bad debts are written-off against the provision when no further prospect of collection exists.

Cash

Cash in the Balance Sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash for the purpose of the statement of cash flows.

Advances to customers

Advances to customers, which can be categorised as either an advance of discount or a repayment/annuity loan conditional on the achievement of contractual sales targets, are initially recognised at fair value, amortised to the Income Statement (and classified within sales discounts as a reduction in revenue) over the relevant period to which the customer commitment is made, and subsequently carried at amortised cost less an impairment allowance. Where there is a volume target the amortisation of the advance is included in sales discounts as a reduction to revenue. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the agreement with the customer. The amount of the provision is determined by the difference between the asset's carrying amount and the present value of the estimated future cash flows or recognition of the estimated amortisation of advances.

Trade & other payables

Trade & other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Interest-bearing loans & borrowings

Interest-bearing loans & borrowings are recognised initially at fair value less attributable transaction costs and are subsequently measured at amortised cost with any difference between the amount originally recognised and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest rate basis. Where the early refinancing of a loan results in a significant change in the present value of the expected cash flows, the original loan is de-recognised and the replacement loan is recognised at fair value.

Derivative financial instruments

Where deemed appropriate, the Group uses derivative financial instruments (principally interest rate swaps and forward foreign exchange contracts) to hedge its exposure to interest rate and foreign exchange risks arising from operational and financing activities. The Group does not enter into speculative transactions.

Derivative financial instruments are measured at fair value at each reporting date. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current market interest and currency exchange rates where relevant and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity and credit profiles and equates to the market price at the balance sheet date.

Gains or losses on re-measurement to fair value are recognised immediately in the Income Statement except where derivatives are designated and qualify for cash flow hedge accounting in which case recognition of any resultant gain or loss is recognised through Other Comprehensive Income.

Derivative financial instruments entered into by the Group are for the purposes of hedge accounting classified as cash flow hedges which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset, liability, a firm commitment or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, a firm commitment or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised as a separate component of Other Comprehensive Income with the ineffective portion being reported in the Income Statement. The associated gains or losses that had previously been recognised in Other Comprehensive Income are transferred to the Income Statement contemporaneously with the materialisation of the hedged transaction, except when a firm commitment or forecast transaction results in the recognition of a non-financial asset or a non-financial liability, in which case the cumulative gain or loss is removed from Other Comprehensive Income and included in the initial measurement of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, is terminated or exercised, or no longer qualifies for hedge accounting. For situations where the hedging instrument no longer qualifies for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective shall remain separately recognised in equity until the expected forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Other Comprehensive Income is transferred to the Income Statement in the period.

Net investment hedging
Any gain or loss on the effective portion of a hedge of a net investment in a foreign operation using a foreign currency denominated monetary liability is recognised in Other Comprehensive Income while the gain or loss on the ineffective portion is recognised immediately in the Income Statement. Cumulative gains and losses remain in Other Comprehensive Income until disposal of the net investment in the foreign operation at which point the related differences are transferred to the Income Statement as part of the overall gain or loss on disposal.

SHARE CAPITAL/PREMIUM

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the gross proceeds.

Treasury shares
Equity share capital issued under its Joint Share Ownership Plan, which is held in trust by an Employee Trust is classified as treasury shares on consolidation until such time as the Interests vest and the participants acquire the shares from the Trust or the Interests lapse and the shares are cancelled or disposed of by the Trust.

Own shares acquired under share buyback programme
The cost of ordinary shares purchased by a subsidiary of the Group on the open market is recorded as a deduction from equity on the face of the Group Balance Sheet. When these shares are cancelled, an amount equal to the nominal value of any shares cancelled is included within other undenominated capital fund and the cost is deducted from retained earnings.

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

COMPANY FINANCIAL ASSETS

The change in legal parent of the Group on 30 April 2004, as disclosed in detail in that year's annual report, was accounted for as a reverse acquisition. This transaction gave rise to a financial asset in the Company's accounts, which relates to the fair value at that date of its investment in subsidiaries. Financial assets are reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Share options granted to employees of subsidiary companies are accounted for as an increase in the carrying value of the investment in subsidiaries and the share-based payment reserve.

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, soft drinks and bottled water. Three operating segments have been identified in the current financial year; 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 a consolidation in the management of the business, the Group has changed its basis of segmentation in the current financial year. 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 has therefore now combined both, 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 have therefore also been combined into the new International segment. The current basis of segmentation reflects the new business model and in all instances the changes were deemed necessary to better enable the CODM to evaluate the results of the business in the context of the economic environment in which the business operates, to make appropriate strategic decisions and to more accurately reflect the business model under which the Group now operates in these territories. All comparative amounts have been restated to reflect the new basis of segmentation. The reclassification had no impact on revenue, net revenue or operating profit reported by the Group.

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 and K Cider 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 Wallaces Express wholesale business, the distribution of the Italian lager Menabrea 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.

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

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

Notes forming part of the financial statements
(continued)

1. SEGMENTAL REPORTING (CONTINUED)

(a) Analysis by reporting segment

	2018			2017		
	Revenue €m	Net revenue €m	Operating profit €m	Revenue as restated* €m	Net revenue as restated* €m	Operating profit €m
Ireland	**312.1**	**215.0**	**40.1**	345.0	245.4	48.6
Great Britain	**459.8**	**292.7**	**39.5**	465.4	302.3	39.9
International	**41.6**	**40.5**	**6.5**	50.4	48.8	6.5
Total before exceptional items	**813.5**	**548.2**	**86.1**	860.8	596.5	95.0
Exceptional items (note 5)	**-**	**-**	**(7.0)**	-	-	(150.1)
Finance income	**-**	**-**	**0.1**	-	-	0.1
Finance expense	**-**	**-**	**(8.2)**	-	-	(7.9)
Share of equity accounted investments' profit after tax	**-**	**-**	**1.2**	-	-	-
Total	**813.5**	**548.2**	**72.2**	860.8	596.5	(62.9)

* See note 29 prior year reclassification for further details.

Of the exceptional loss in the current year of €7.0m on a before tax basis, €4.6m relates to Ireland, €1.9m relates to Great Britain and €0.5m does not relate to any particular segment. Of the exceptional loss in the prior year €150.1m, €10.3m relates to Ireland, €9.1m relates to Great Britain, €129.8m relates to International and €0.9m does not relate to any particular segment. Of the share of equity accounted investments' profit after tax, €1.1m relates to Admiral Taverns which is included in the Great Britain segment and €0.1m relates to our Canadian investment which is included in the International segment.

Total assets for the year ended 28 February 2018 amounted to €1,085.1m (2017: €1,088.1m).

The impact of the reclassification to three operating segments as previously described, along with current year like for like comparatives, is outlined below. This reclassification has no impact on the revenue, net revenue and operating profit reported by the Group.

	2018			2017		
	Revenue €m	Net revenue €m	Operating profit €m	Revenue as restated* €m	Net revenue as restated* €m	Operating profit €m
Previously Scotland	**307.5**	**211.5**	**32.6**	311.4	213.0	32.6
Previously C&C Brands	**152.3**	**81.2**	**6.9**	154.0	89.3	7.3
New segment – Great Britain	**459.8**	**292.7**	**39.5**	465.4	302.3	39.9
Previously North America	**19.6**	**18.6**	**1.4**	26.6	25.1	0.7
Previously Export	**22.0**	**21.9**	**5.1**	23.8	23.7	5.8
New segment – International	**41.6**	**40.5**	**6.5**	50.4	48.8	6.5

* See note 29 prior year reclassification for further details.

1. SEGMENTAL REPORTING (CONTINUED)

(b) Other operating segment information

	2018		2017	
	Capital expenditure €m	Depreciation /amortisation / impairment €m	Capital expenditure €m	Depreciation / amortisation / impairment €m
Ireland	**8.6**	**12.3**	20.3	8.1
Great Britain	**1.5**	**5.6**	2.1*	7.5*
International	**0.6**	**1.4**	3.4**	109.0**
Total	**10.7**	**19.3**	25.8	124.6

* Capital expenditure in the prior year for Scotland was €2.1m, depreciation/amortisation/impairment was €5.3m for Scotland and €2.2m for C&C Brands.
** Capital expenditure in the prior year for North America was €2.8m and for Export was €0.6m, depreciation/amortisation/impairment was €108.4m for North America and €0.6m for Export.

(c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2018 €m	2017 As restated* €m	2018 €m	2017 As restated* €m
Ireland	**312.1**	345.0	**215.0**	245.4
Scotland	**307.5**	311.4	**211.5**	213.0
England and Wales**	**152.3**	154.0	**81.2**	89.3
US and Canada***	**19.6**	26.6	**18.6**	25.1
Other****	**22.0**	23.8	**21.9**	23.7
Total	**813.5**	860.8	**548.2**	596.5

* See note 29 prior year reclassification for further details.
** England and Wales is included in the Great Britain segment.
*** US and Canada is included in the International segment.
**** Other is included in the International segment, being all other geographical locations excluding Ireland, Great Britain, the US and Canada.

The geographical analysis of revenue and net revenue is based on the location of the third party customers.

Notes forming part of the financial statements
(continued)

1. SEGMENTAL REPORTING (CONTINUED)

(d) Geographical analysis of non-current assets

	Ireland €m	Scotland €m	England and Wales* €m	US and Canada** €m	Other*** €m	Total €m
28 February 2018						
Property, plant & equipment	**68.9**	**52.5**	**-**	**8.4**	**5.4**	**135.2**
Goodwill & intangible assets	**155.9**	**132.5**	**196.8**	**39.8**	**16.1**	**541.1**
Equity accounted investments	**0.3**	**0.2**	**44.6**	**3.3**	**-**	**48.4**
Retirement benefits	**4.8**	**-**	**-**	**-**	**-**	**4.8**
Deferred income tax assets	**1.7**	**-**	**-**	**-**	**-**	**1.7**
Trade & other receivables	**18.5**	**21.9**	**-**	**-**	**-**	**40.4**
Total	**250.1**	**207.1**	**241.4**	**51.5**	**21.5**	**771.6**

	Ireland €m	Scotland €m	England and Wales* €m	US and Canada** €m	Other*** €m	Total €m
28 February 2017						
Property, plant & equipment	70.3	58.0	0.3	9.9	6.0	144.5
Goodwill & intangible assets	156.1	126.4	187.2	44.6	16.0	530.3
Equity accounted investments	0.3	0.3	-	1.8	-	2.4
Retirement benefits	4.5	-	-	-	-	4.5
Deferred income tax assets	3.2	-	-	-	-	3.2
Trade & other receivables	20.6	25.6	1.2	1.8	0.4	49.6
Total	255.0	210.3	188.7	58.1	22.4	734.5

* England and Wales is included in the Great Britain segment.
** US and Canada is included in the International segment.
*** Other is included in the International segment, being all other geographical locations excluding Ireland, Great Britain, the US and Canada.

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.

2. OPERATING COSTS

	2018			2017		
	Before exceptional items €m	Exceptional items (note 5) €m	Total €m	Before exceptional items as restated* €m	Exceptional items (note 5) €m	Total as restated* €m
Raw material cost of goods sold/bought in finished goods	**250.4**	**-**	**250.4**	274.4	-	274.4
Inventory write-down/(recovered) (note 14)	**1.2**	**-**	**1.2**	2.9	-	2.9
Employee remuneration (note 3)	**60.3**	**1.5**	**61.8**	65.7	7.2	72.9
Direct brand marketing	**21.6**	**-**	**21.6**	28.2	-	28.2
Other operating, selling and administration costs	**100.1**	**0.5**	**100.6**	100.5	13.4	113.9
Foreign exchange	**0.4**	**-**	**0.4**	0.5	-	0.5
Depreciation (note 11)	**14.0**	**-**	**14.0**	14.7	-	14.7
Amortisation (note 12)	**0.3**	**-**	**0.3**	0.3	-	0.3
Net profit on disposal of property, plant & equipment	**(0.8)**	**-**	**(0.8)**	(1.0)	(2.9)	(3.9)
Research and development costs	**-**	**-**	**-**	0.1	-	0.1
Auditors remuneration	**0.5**	**-**	**0.5**	0.9	-	0.9
Impairment of intangible assets (note 12)	**-**	**-**	**-**	-	106.6	106.6
Revaluation/impairment of property, plant & machinery (note 11)	**-**	**5.0**	**5.0**	-	25.8	25.8
Operating lease rentals:						
– land & buildings	**3.7**	**-**	**3.7**	5.2	-	5.2
– plant & machinery	**2.6**	**-**	**2.6**	1.1	-	1.1
– other	**7.8**	**-**	**7.8**	8.0	-	8.0
Total operating expenses	**462.1**	**7.0**	**469.1**	501.5	150.1	651.6

* See note 29 prior year reclassification for further details.

(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:-

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

The audit fee for the audit of the financial statements of the Company was less than €0.1m in the current financial year. Amounts to other Ernst & Young offices in relation to subsidiary undertakings in the current financial year was €0.2m.

(b) Auditor remuneration: In the prior year, the remuneration of the Group's statutory auditor, being the Irish firm of the principal auditor of the Group, KPMG, Chartered Accountants is as follows:-

	2017 €m
Audit of the Group financial statements	0.4
Tax advisory services	0.3
Total	0.7

The audit fee for the audit of the financial statements of the Company was less than €0.1m in the prior financial year. Amounts to other KPMG offices in relation to subsidiary undertakings in the prior financial year was €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:-

	2018 Number	2017 Number
Sales & marketing	**197**	238
Production & distribution	**625**	848
Administration	**363**	239
Total	**1,185**	1,325

The actual number of persons employed by the Group as at 28 February 2018 was 1,176 (28 February 2017: 1,201).

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

	2018 €m	2017 €m
Wages, salaries and other short-term employee benefits	**51.6**	59.4
Restructuring costs (note 5)	**1.5**	7.2
Social welfare costs	**5.9**	6.4
Retirement benefits – defined benefit schemes (note 21)	**(1.0)**	(3.6)
Retirement benefits – defined contribution schemes, including pension related expenses	**2.8**	2.7
Equity settled share-based payments (note 4)	**0.9**	0.7
Cash settled share-based payments (note 4)	**-**	-
Partnership & matching share schemes (note 4)	**0.1**	0.1
Charged to the Income Statement	**61.8**	72.9
Actuarial gain on retirement benefits recognised in Other Comprehensive Income (note 21)	**(16.8)**	(3.6)
Total employee benefits	**45.0**	69.3

Directors' remuneration

	2018 €'m	2017 €'m
Directors' remuneration (note 26)	**4.1**	3.6

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 April 2004, the Group established an equity settled **Executive Share Option Scheme (ESOS 2004)** 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 were exercisable at the market price prevailing at the date of the grant of the option. Options have been granted under this scheme in each year between 2004 and 2015. A number of options granted under the scheme in FY2011 have now vested or lapsed. In the current financial year, options awarded in June 2015 were deemed to be not capable of achieving their performance targets and consequently they were deemed to have lapsed in accordance with IFRS 2 Share-Based Payment. In addition to continued employment, the options

4. SHARE-BASED PAYMENTS (CONTINUED)

are subject to meeting a specific performance target relating to growth in earnings per share (EPS). EPS is calculated using earnings per share before exceptional items, as disclosed in the financial statements of the Group, subject to any further adjustments approved by the Remuneration Committee. If adjusted EPS growth is 3% per annum over the performance period, 50% of the awards vest and if adjusted EPS growth is 6% per annum or more over the performance period (i.e. 3 years from date of grant), the award vests in full. There will be straight-line vesting between both points and no reward for below threshold performance. If after the relevant three year period (i.e. 3 years from date of grant) the performance target is not met, the options lapse.

In July 2015 a **new Executive Share Option Scheme (ESOS 2015)** was adopted following shareholder approval at the AGM. Options were granted in May 2016 under this new scheme. Options granted in May 2016 will be exercisable in May 2019. The vesting of the May 2016 awards, in addition to continuous employment, 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 granted in June 2017 and November 2017 under this scheme. The vesting of the June 2017 and November 2017 awards, in addition to continuous employment, is based on compound annual growth in underlying EPS over the three year performance period FY2018-FY2020. 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 April 2004, the Group established a **Long-Term Incentive Plan (Part I) (LTIP 2004 (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 granted in July 2015 are subject to the following performance conditions:

- With regard to 25% of the award, a performance condition relating to total shareholder return ("TSR") applies and achievement of a financial underpin as mentioned below. 30% of this part of the award vests if the Group's TSR over a three year period equals the median TSR of a comparator group; 100% of this part of the award vests if the Group's TSR over a three year period equals or exceeds the TSR of the upper quartile of the comparator group; for performance between the median and the upper quartile there is straight-line pro-rating between 30% and 100%. None of this part of the award vests if the Group's TSR over a three year period is less than the median TSR of a comparator group. In respect of the TSR condition, a financial underpin applies; the growth in the Group's earnings per share (EPS) over the three year period must be 4% or more per annum over the same period; alternatively the Remuneration Committee must be satisfied that the Group's underlying financial performance warrants that level of vesting; otherwise the award lapses. EPS is calculated using earnings per share before exceptional items, as disclosed in the financial statements of the Group, subject to any further adjustments approved by the Remuneration Committee.
- With regard to the remaining 75% of the award, a performance condition relating to growth in EPS applies. 30% of this part of the award vests if the Group's aggregate EPS in a three year period achieves 4% per annum compound growth. 100% of this part of the award vests if the Group's aggregate EPS in a three year period achieves 10% per annum compound growth. There is straight-line pro-rating between 30% and 100% vesting for performance between 4% and 10% per annum compound growth. None of this part of the award vests if the growth in the Group's aggregate EPS in a three year period is less than 4% per annum.

In July 2015 a new **Long-Term Incentive Plan (Part I) (LTIP 2015 (Part I))** was adopted following shareholder approval at the AGM. Options were granted in May 2016 and October 2016 under this new scheme. The awards are subject to the following three performance conditions:

- 33% of the award is subject to the performance condition that the average annual EPS growth is 3% in which case 25% of this element of the award would vest. If the average annual EPS growth is 8% then 100% of this element of the award would 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 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.

4. SHARE-BASED PAYMENTS (CONTINUED)

In the current year, options were granted in June 2017, August 2017 and November 2017 under this scheme. The awards are subject to the following three performance conditions:

- 33% of the award is subject to the performance condition that the average annual EPS growth is 3% in which case 25% of this element of the award would vest. If the average annual EPS growth is 8% then 100% of this element of the award would 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 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 awards above there is straight-line vesting between both points and no reward for below threshold performance.

If awards are made 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 December 2008, the Group established a **Joint Share Ownership Plan (JSOP)** whereby certain executive Directors and members of management were eligible to participate in the Plan at the discretion of the Remuneration Committee. Under this plan, Interests in the form of a restricted Interest in ordinary shares in the Company were awarded to executive Directors and key members of senior management on payment upfront to the Company of an amount equal to 10% of the initial issue price of the shares on the acquisition of the Interest. The participants are also required to pay a further amount if the tax value of their Interest exceeds the price paid. When the further amount is paid, the Company compensates the participant for the obligation to pay this further amount by paying him an equivalent amount, which is, however, subject to income tax in the hands of the participant.

The vesting of Interests granted were subject to the following conditions. All of the Interests were subject to a time and service vesting condition with one-third of the Interest in the shares vesting on each of the first, second and third anniversary of acquisition, subject to continued employment only. In addition, half of the Interests in the shares were subject to a pre-vesting share price target. In order to benefit from those Interests the Company's share price must have been greater than €2.50 for 13,800,000 of the Interests initially awarded, and €4.00 for an additional 2,200,000 of the Interests initially awarded, for at least 20 days out of 40 consecutive dealing days during the five-year period commencing on the date of acquisition of the Interest. All the Interests have now vested or lapsed.

When an Interest vests, the trustees may, at the request of the participant and on payment of the further amount, if relevant, transfer shares to the participant of equal value to the participant's Interest or the shares may be sold by the trustees, who will account to the participant for the difference between the sale proceeds (less expenses) and the Hurdle Value (balancing 90% of the acquisition price on the acquisition of the Interest).

In June 2010, the Group established a **Recruitment and Retention Plan** 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.

In May 2012, awards of 1,036,255 were granted under the Recruitment and Retention Plan subject to continuous employment and the performance condition that the Company's TSR must grow 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%.

4. SHARE-BASED PAYMENTS (CONTINUED)

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 Recruitment and Retention Plan subject to continuous employment. Of these awards, 547,382 are subject to continued employment and the achievement of annual performance targets related to the business unit to which each recipient is aligned to. Options have now vested or lapsed. Also in May 2014, an award of 92,111 and 183,740 was made subject to continued employment only and these awards have now vested or lapsed.

In July 2015, 74,956 awards were granted and 490,387 awards were granted in October 2015 under the Recruitment and Retention plan. Of the October 2015 awards, all are subject to continued employment and 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. Each award has its own vesting period ranging from May 2016 to October 2018.

In the prior financial year, 193,817 awards were granted in May 2016 under the Recruitment and Retention plan. All of these awards are subject to continued employment and the achievement of performance targets relating to the business unit to which each recipient is aligned to. Each award has its own vesting period ranging from October 2017 to October 2018. In the current financial year, 64,469 awards were granted in August 2017 under the Recruitment and Retention plan. All of these awards are subject to continued employment and the achievement of performance targets relating to the business unit to which each recipient is aligned to and will vest in May 2019.

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 240,985 matching shares (481,970 partnership and matching) in trust at 28 February 2018 (2017: 227,275 matching shares (454,550 partnership and matching shares held)).

Cash-settled awards

In May 2014, the Group granted 16,723 cash-settled awards on terms equivalent to the rules of the Recruitment and Retention Plan. The awards are subject to continued employment and performance conditions linked to the achievement of performance targets with respect to the business unit to which the participant is aligned to. These awards vested in May 2017.

Award valuation

The fair values assigned to the ESOS options granted were computed in accordance with a Black Scholes valuation methodology; the fair value of options awarded under the LTIP (Part I) and Recruitment and Retention Plan were computed in accordance with the stochastic model for the TSR element and the Black Scholes model for the EPS element; and the fair value of the Interests awarded under the JSOP and the Restricted Share Award Plan were computed using a Monte Carlo simulation model.

4. SHARE-BASED PAYMENTS (CONTINUED)

As per IFRS 2 Share-based Payment, market based vesting conditions, such as the LTIP (Part I) and Recruitment and Retention Plan TSR condition and the share price target conditions in the JSOP and the Restricted Share Award Plan, have been taken into account in establishing the fair value of equity instruments granted. 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 were as follows:-

	ESOS options granted Jun 2017	ESOS options granted Nov 2017	LTIP (Part I) options granted Jun 2017	LTIP (Part I) options granted Nov 2017	LTIP (Part I) options granted Aug 2017	Recruitment & Retention Plan Aug 2017	LTIP (Part I) options granted Oct 2016	Recruitment & Retention Plan May 2016	LTIP (Part I) options granted May 2016	ESOS options granted May 2016
Fair value at date of grant	€0.328	€0.219	€3.364	€2.88	€3.069	€2.8172	€3.48	€3.71 – €3.84	€4.041	€0.4245
Exercise price	€3.40	€2.93	-	-	-	-	-	-	-	€4.18
Risk free interest rate	0.16%	0.59%	-	-	-	0.20%	-	0.33% – 0.44%	-	0.5%
Expected volatility	23.56%	21.14%	-	-	-	21.64%	-	21.53% – 23.5%	-	23.68%
Expected term until exercise	3 years	3 years	3 years	3 years	3 years	1.8 years	3 years	1.5 – 2.5years	3 years	3 years
Dividend yield	4.26%	5.06%	-	-	-	4.67%	-	3.38%	-	3.38%

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 (Part I) awards, the participants are entitled to receive dividends, and therefore the dividend yield has been set to zero to reflect this.

The main assumptions used in the valuations of cash-settled share-based payment awards were as follows:-

	Granted May 2014
Fair value at date of grant	€4.04
Exercise price	-
Main assumptions used in determining the fair value at date of grant:	
Expected term until exercise	3 years
Dividend yield	2.31%

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 2018	Grant price €	Market value at date of grant €	Fair value at date of grant €	Expense / (income) in Income Statement 2018 €m	2017 €m
Executive Share Option Scheme (ESOS 2004)								
27 June 2014	3 years	527,151	-	4.621	4.56	1.01	**-**	-
2 July 2015	3 years	768,495	-	3.48	3.48	0.4904	**-**	(0.1)
Executive Share Option Scheme (ESOS 2015)								
12 May 2016	3 years	593,700	401,048	4.18	4.041	0.4245	**-**	0.1
1 June 2017	3 years	830,702	613,773	3.40	3.364	0.328	**0.1**	-
13 November 2017	3 years	246,211	246,211	2.93	2.880	0.219	**-**	-
Long-Term Incentive Plan 2004 (Part I)								
29 February 2012	3 years	328,448	-	-	3.61	1.84–3.46	**-**	-
27 June 2014	3 years	539,894	-	-	4.56	2.53–4.56	**-**	-
2 July 2015	3 years	558,266	388,092	-	3.48	1.71–3.44	**-**	(0.4)
Long-Term Incentive Plan 2015 (Part I)								
12 May 2016	3 years	395,800	267,365	-	4.041	4.041	**0.2**	0.4
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	**0.3**	-
1 August 2017	3 years	494,646	494,646	-	3.069	3.069	**0.3**	-
13 November 2017	3 years	164,140	164,140	-	2.880	2.880	**0.1**	-
Joint Share Ownership Plan (JSOP)								
18 December 2008	1–3 years	12,800,000	-	1.15	1.315	0.16–0.21	**-**	-
03 June 2009	1–3 years	1,000,000	-	1.15	2.32	1.01–1.09	**-**	-
17 December 2009	1–3 years	2,200,000	-	2.47	2.76	0.11–0.16	**-**	-
Recruitment & Retention Plan								
17 May 2012	2–3 years	1,036,255	49,953	-	3.525	0.58–0.59	**-**	-
16 May 2013	2–3 years	252,672	-	-	4.76	0.96	**-**	-
21 May 2014	1–3 years	823,233	45,151	-	4.34	1.91–4.19	**-**	-
2 July 2015	0.6–3 years	74,956	-	-	3.435	3.16	**-**	0.1
30 October 2015	2 years	490,387	56,789	-	3.60	3.27–3.53	**-**	0.2
12 May 2016	1.5–2.5 years	193,817	38,970	-	4.041	3.71–3.84	**(0.2)**	0.4
1 August 2017	1.8 years	64,469	33,880	-	2.8172	2.8172	**-**	-
		24,978,430	3,250,587				**0.9**	0.7
Cash-settled awards								
21 May 2014	3 years	16,723	-	-	4.34	4.04	**-**	-
		16,723	-				**-**	-
Partnership and Matching Share Schemes		481,970*					**0.1**	0.1

* Includes both partnership and matching shares.

Notes forming part of the financial statements
(continued)

4. SHARE-BASED PAYMENTS (CONTINUED)

The amount charged to the Income Statement includes a credit of €0.4m (2017: €0.8m), 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.

A summary of activity under the Group's equity settled share option schemes and JSOP together with the weighted average exercise price of the share options is as follows:-

	2018		2017	
	Number of options/ equity Interests	Weighted average exercise price €	Number of options/ equity Interests	Weighted average exercise price €
Outstanding at beginning of year	**6,030,227**	**1.93**	12,110,887	1.38
Granted	**2,353,967**	**1.51**	1,224,706	2.03
Exercised	**(1,850,989)**	**1.60**	(6,499,177)	1.07
Forfeited/lapsed	**(3,282,618)**	**2.35**	(806,189)	0.76
Outstanding at end of year	**3,250,587**	**1.39**	6,030,227	1.93

The aggregate number of share options/equity Interests exercisable at 28 February 2018 was 151,893 (2017: 2,093,685).

The unvested share options/equity Interests outstanding at 28 February 2018 have a weighted average vesting period outstanding of 1.8 years (2017: 1.2 years). The weighted average contractual life of vested and unvested share options/equity Interests is 3.8 years (2017: 2.7 years).

The weighted average market share price at date of exercise of all share options/equity Interests exercised during the year was €3.55 (2017: €3.73); the average share price for the year was €3.18 (2017: €3.76); and the market share price as at 28 February 2018 was €2.89 (28 February 2017: €3.87).

5. EXCEPTIONAL ITEMS

	2018 Total €m	2017 Total €m
Operating costs		
Restructuring costs	**1.9**	12.7
Revaluation/impairment of property, plant & equipment	**5.0**	25.8
Acquisition related expenditure	**0.1**	0.9
Onerous lease	-	7.0
Impairment of intangible asset (note 12)	**-**	106.6
Net profit on disposal of property, plant & equipment	**-**	(2.9)
Total loss before tax	**7.0**	150.1
Income tax credit	**(5.4)**	(3.0)
Total loss after tax	**1.6**	147.1

(a) Restructuring costs

Restructuring costs of €1.9m were incurred in the current financial year (2017: €12.7m) primarily 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. The restructuring costs in the prior year of €12.7m comprised of severance costs of €7.2m and other costs of €5.5m primarily due to the consolidation of the Group's manufacturing sites.

5. EXCEPTIONAL ITEMS (CONTINUED)

(b) Revaluation/impairment of property, plant & equipment
Property (comprising land and buildings) and plant & machinery are valued at fair value on the Balance Sheet and reviewed for impairment on an annual basis. The Group engages external valuation teams triennially and during the intervening year's management undertake a valuation assessment internally.

During the current 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.

During the prior financial year, the Group engaged external valuers to value the land and buildings and plant and machinery at the Group's Vermont site. Using the valuation methodologies, this resulted in a revaluation loss of €17.7m with respect to the land and buildings and a revaluation loss of €5.1m with respect to the plant and machinery which was accounted for in the Income Statement. Also during the prior financial year the Group took the decision to market value some of our assets at Borrisoleigh, Ireland, which resulted in the booking of an impairment charge of €1.5m and we took a decision to impair an element of the Group's IT system by €1.5m post the closure of Shepton Mallet.

(c) Acquisition related expenditure
In the current financial year, the Group incurred professional fees of €0.1m (2017: €0.9m) associated with the assessment and consideration of strategic opportunities by the Group during the year.

(d) Income tax credit
Of the total amount of €5.4m, €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.

(e) Onerous lease
During the prior financial year, the Group reviewed the carrying value of its onerous lease provision to take into account the latest estimate of associated costs less economic value with regard to the two pre-existing onerous leases up until their final disposal. The discount rate applied to the liability was also re-assessed. In the prior year, this resulted in an increase in the provision of €6.8m. This element of 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 the onerous leases expired in 2017 and the other is due to expire in 2026. In the prior year, an onerous lease with regard to a surplus facility at its US business of €0.2m has since expired.

(f) Impairment of intangible asset
To ensure that goodwill and brands considered to have an indefinite useful economic life are not carried at above their recoverable amount, impairment reviews are performed annually or more frequently if there is an indication that their carrying amount may not be recoverable, comparing the carrying value of the assets with their recoverable amount using value-in-use computations. In the prior financial year, as a result of such a review, the Group impaired the value of its intangible assets with respect to the Group's North American business by €106.6m as outlined in more detail in note 12.

(g) Net profit on disposal of property, plant & equipment
In the prior financial year, the Group disposed of land & buildings and plant & machinery which were surplus to requirements arising from the Group's consolidation of its production facilities realising a net profit of €2.9m.

6. FINANCE INCOME AND EXPENSE

	2018 €m	2017 €m
Recognised in Income Statement		
Finance income:		
Interest income	**(0.1)**	(0.1)
Total finance income	**(0.1)**	(0.1)
Finance expense:		
Interest expense	**7.2**	6.5
Other finance expense	**0.7**	0.6
Unwinding of discount on provisions	**0.3**	0.8
Total finance expense	**8.2**	7.9
Net finance expense	**8.1**	7.8

	2018 €m	2017 €m
Recognised directly in Other Comprehensive Income		
Foreign currency translation differences arising on the net investment in foreign operations	**17.7**	17.8
Net expense recognised directly in Other Comprehensive Income	**17.7**	17.8

7. INCOME TAX

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

	2018 €m	2017 €m
Current tax:		
Irish corporation tax	**4.3**	3.2
Foreign corporation tax	**6.9**	6.1
Adjustment in respect of previous years	**(0.4)**	(0.9)
	10.8	8.4
Deferred income tax:		
Irish	**(0.3)**	0.5
Foreign	**(0.3)**	0.5
Adjustment in respect of previous years	**(4.3)**	0.6
	(4.9)	1.6
Total income tax expense recognised in Income Statement	**5.9**	10.0
Relating to continuing operations		
– continuing operations before exceptional items	**11.3**	13.0
– continuing operations exceptional items	**(5.4)**	(3.0)
Total	**5.9**	10.0

7. INCOME TAX (CONTINUED)

The tax assessed for the year is different from that calculated at the standard rate of corporation tax in the Republic of Ireland, as explained below.

	2018 €m	2017 €m
Profit before tax	**72.2**	(62.9)
Less: Group's share of equity accounted investments' profit after tax	**(1.2)**	-
Adjusted profit/(loss) before tax	**71.0**	(62.9)
Tax at standard rate of corporation tax in the Republic of Ireland of 12.5%	**8.9**	(7.9)
Actual tax charge is affected by the following:		
Expenses not deductible for tax purposes	**2.1**	16.7
Adjustments in respect of prior years	**(4.7)**	(0.3)
Income taxed at rates other than the standard rate of tax	**(1.0)**	(0.5)
Other differences	**(0.8)**	1.0
Non-recognition of deferred income tax assets	**1.4**	1.0
Total income tax	**5.9**	10.0

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

	2018 €m	2017 €m
Deferred income tax arising on movement in retirement benefits	**2.8**	0.4

(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.

Notes forming part of the financial statements
(continued)

8. DIVIDENDS

	2018 €m	2017 €m
Dividends paid:		
Final: paid 9.37c per ordinary share in July 2017 (2017: 8.92c paid in July 2016)	**29.0**	27.7
Interim: paid 5.21c per ordinary share in December 2017 (2017: 4.96c paid in December 2016)	**16.0**	15.3
Total equity dividends	**45.0**	43.0
Settled as follows:		
Paid in cash	**40.6**	34.9
Scrip dividend	**4.4**	8.1
	45.0	43.0

The Directors have proposed a final dividend of 9.37 cent per share (2017: 9.37 cent), to ordinary shareholders registered at the close of business on 25 May 2018, which is subject to shareholder approval at the Annual General Meeting, giving a proposed total dividend for the year of 14.58 cent per share (2017: 14.33 cent). Using the number of shares in issue at 28 February 2018 and excluding those shares for which it is assumed that the right to dividend will be waived, this would equate to a distribution of €30.3m.

Total dividends of 14.58 cent per ordinary share were recognised as a deduction from the retained income reserve in the year ended 28 February 2018 (2017: 13.88 cent).

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

9. EARNINGS PER ORDINARY SHARE

Denominator computations

	2018 Number '000	2017 Number '000
Number of shares at beginning of year	**325,546**	329,158
Shares issued in lieu of dividend	**1,368**	2,209
Shares issued in respect of options exercised	**454**	318
Share repurchased and subsequently cancelled	**(9,492)**	(6,139)
Number of shares at end of year	**317,876**	325,546
Weighted average number of ordinary shares (basic)*	**308,164**	310,431
Adjustment for the effect of conversion of options	**249**	995
Weighted average number of ordinary shares, including options (diluted)	**308,413**	311,426

* Excludes 11.0m treasury shares (2017: 11.9m).

9. EARNINGS PER ORDINARY SHARE (CONTINUED)

Profit attributable to ordinary shareholders

	2018 €m	2017 €m
Earnings as reported	**66.3**	(72.9)
Adjustment for exceptional items, net of tax (note 5)	**1.6**	147.1
Earnings as adjusted for exceptional items, net of tax	**67.9**	74.2

	Cent	Cent
Basic earnings per share		
Basic earnings per share	**21.5**	(23.5)*
Adjusted basic earnings per share	**22.0**	23.9
Diluted earnings per share		
Diluted earnings per share	**21.5**	(23.5)*
Adjusted diluted earnings per share	**22.0**	23.8

* In the prior year, due to the reported loss for the year the basic and diluted earnings per share are the same.

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders 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 2018: 11.0m shares; at 28 February 2017: 11.9m shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period of the year that the options were outstanding.

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 and continuous employment. 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 (1,649,124 at 28 February 2018 and 3,424,695 at 28 February 2017). If dilutive other contingently issuable ordinary shares are included in diluted EPS based on the number of shares that would be issuable if the end of the reporting period was the end of the contingency period.

Notes forming part of the financial statements
(continued)

10. BUSINESS COMBINATIONS

Acquisition of businesses
In the current 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).

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 – year ended 28 February 2018
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 (paid in current financial year)	**10.8**

Badaboom – year ended 28 February 2018
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 (paid in current financial year)	**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.

10. BUSINESS COMBINATIONS (CONTINUED)

Net cash outflow arising on acquisitions of Orchard Pig and Badaboom

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

Post-acquisition impact

The post-acquisition impact of acquisitions completed during the current financial year on Group operating profit 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.

Post year end the Group acquired the entire issued share capital of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiary businesses, Catalyst, Peppermint, Elastic and Walker & Wodehouse (together “Matthew Clark Bibendum”), please refer to note 28 for further details.

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.

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 2016	115.4	200.4	71.6	387.4
Translation adjustment	(3.0)	(5.1)	(3.8)	(11.9)
Additions	0.1	19.3	6.4	25.8
Disposals	(11.5)	(22.5)	(2.0)	(36.0)
Revaluation/impairment of property, plant & equipment	(18.2)	(6.1)	(1.5)	(25.8)
At 28 February 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**
Depreciation				
At 1 March 2016	14.4	129.1	53.6	197.1
Translation adjustment	(0.6)	(2.7)	(3.0)	(6.3)
Disposals	(2.7)	(8.1)	(1.4)	(12.2)
Charge for the year	1.6	7.5	5.6	14.7
At 28 February 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**
Net book value				
At 28 February 2018	**72.7**	**47.1**	**15.4**	**135.2**
At 28 February 2017	70.1	60.2	15.9	146.2

Classified within:

	2018	2017
Non-current assets: Property, plant and equipment	**135.2**	144.5
Current assets: Assets held for resale	**-**	1.7
	135.2	146.2

No depreciation is charged on freehold land which had a book value of €12.8m at 28 February 2018 (28 February 2017: €12.9m).

11. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

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

In the current 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.

For all other freehold land & buildings and plant & machinery assets held by the Group an internal valuation was completed by the Directors as at 28 February 2018. 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 FY2019 budgeted/forecasted production volumes,
- changes to functional and physical obsolescence of plant & machinery beyond that which would normally be expected, and continued appropriateness of the assumed useful lives of property, plant & machinery.

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

11. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

Valuation of freehold land, buildings and plant & machinery – 28 February 2017

In the prior financial year, the Group engaged the following external valuers to value the Group's land & buildings and plant & machinery at Exchange Street, Middlebury, Vermont, U.S.A.;

- Lawerence K. Martin, MAI, Certified General Real Estate Appraiser – Martin Appraisal Services, Inc. to value the land and buildings, and;
- John Coto, Certified Machinery/Equipment Appraiser, Alliance Machinery & Equipment Appraisals, to value the Plant & Machinery.

The "Appraisal" reports were completed in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP).

The result of the external valuations as at 28 February 2017, was a revaluation loss with respect to the Group's land and buildings of €17.7m and a revaluation loss with respect to the Group's plant and machinery of €5.1m. Both were recognised as an expense to the Income Statement as there was no previously recognised gain in the revaluation reserve against which to offset.

In addition the Group impaired an element of its IT equipment that became redundant as a consequence of the rationalisation of the Group's manufacturing footprint resulting in an impairment of €1.5m and the Group also took the decision to market value some of our assets in Ireland resulting in an impairment of €1.5m.

For all other freehold land & buildings and plant & machinery assets held by the Group an internal valuation was completed by the Directors as at 28 February 2017. 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 FY2018 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.

Also in the prior financial year, the Group disposed of assets which had a previously recognised revaluation gain in the revaluation reserve of €2.1m. The loss on disposal in the prior financial year was offset in the first instance against this previously recognised revaluation gain and the remaining loss was booked in operating profit.

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

11. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	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)**
Classified within:				
Income Statement (note 2)	**(0.3)**	**(4.7)**	**-**	**(5.0)**
Other Comprehensive Income	**3.4**	**-**	**-**	**3.4**

	Land & buildings €m	Plant & machinery €m	Motor vehicles & other equipment €m	Total €m
Net book value				
Carrying value at 28 February 2017 post revaluation	70.1	60.2	15.9	146.2
Carrying value at 28 February 2017 pre revaluation	88.3	66.3	17.4	172.0
Loss on revaluation	(18.2)	(6.1)	(1.5)	(25.8)
Classified within:				
Income Statement	(18.2)	(6.1)	(1.5)	(25.8)

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 €m	Quoted prices Level 1 €m	Significant observable Level 2 €m	Significant unobservable Level 3 €m
Recurring measurements				
Freehold land & buildings measured at market value	**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, Wallaces Express and Portugal and plant & machinery located in Portugal and Borrisoleigh, and all assets held for resale, 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.

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% (2017: 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% (2017: 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 (2017: nil)

The carrying value of plant & machinery in the Group which is valued on the depreciated replacement cost basis, would increase/(decrease) by €2.4m if the economic obsolescence adjustment factor was increased/(decreased) by 5%. If the gross replacement cost was increased/(decreased) by 2% the carrying value of the Group's plant & machinery would increase/(decrease) by €0.9m.

The carrying value of freehold land & buildings which is valued on the depreciated replacement cost basis, would increase/(decrease) by €1.3m if the economic obsolescence adjustment factor was increased/(decreased) by 5%. The estimated carrying value of the same land & buildings would increase/(decrease) by €0.5m if the gross replacement cost was increased/(decreased) by 2%.

The carrying value of freehold land & buildings located in Ireland, the US, Wallaces Express and Portugal would increase/(decrease) by €2.2m if the comparable open market value increased/(decreased) by 5%.

Assets held for resale

As at 28 February 2018, the Group holds property, plant and equipment of €nil as assets held for resale (FY2017: €1.7m).

Company

The Company has no property, plant & equipment.

12. GOODWILL & INTANGIBLE ASSETS

	Goodwill €m	Brands €m	Other intangible assets €m	Total €m
Cost				
At 29 February 2016	483.7	306.7	4.8	795.2
Translation adjustment	(3.3)	(3.4)	(0.2)	(6.9)
At 28 February 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*	**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**
Amortisation and impairment				
At 29 February 2016	76.2	73.8	1.1	151.1
Amortisation charge for the year	-	-	0.3	0.3
Impairment charge for the year	-	106.6	-	106.6
At 28 February 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**
Net book value				
At 28 February 2018	**418.5**	**119.8**	**2.8**	**541.1**
At 28 February 2017	404.2	122.9	3.2	530.3

* See note 20 *Recognised Deferred Income Tax Assets and Liabilities*.

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	Total €m
Cost						
At 29 February 2016	154.5	52.2	175.6	9.2	16.0	407.5
Translation adjustment	-	(2.4)	(0.9)	-	-	(3.3)
At 28 February 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*	**-**	**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**

* See note 20 *Recognised Deferred Income Tax Assets and Liabilities*.

12. GOODWILL & INTANGIBLE ASSETS (CONTINUED)

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

In line with IAS 36 *Impairment of Assets* goodwill is allocated to each cash generating unit (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 amount of brands with indefinite lives are allocated to operating segments as follows:-

	Great Britain €m	International €m	Total €m
At 29 February 2016	95.0	137.9	232.9
Translation adjustment	(7.5)	4.1	(3.4)
Impairment charge for the year	-	(106.6)	(106.6)
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**

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

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.

12. GOODWILL & INTANGIBLE ASSETS (CONTINUED)

Other intangible assets

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

	Ireland €m	Great Britain €m	Total €m
Cost			
At 29 February 2016	2.0	2.8	4.8
Translation adjustment	-	(0.2)	(0.2)
At 28 February 2017	2.0	2.6	4.6
Translation adjustment	**-**	**(0.1)**	**(0.1)**
At 28 February 2018	**2.0**	**2.5**	**4.5**
Amortisation			
At 29 February 2016	0.3	0.8	1.1
Amortisation charge for the year	0.1	0.2	0.3
At 28 February 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**
Net book value			
At 28 February 2018	**1.5**	**1.3**	**2.8**
At 28 February 2017	**1.6**	**1.6**	**3.2**

Other intangible assets comprise the fair value of trade relationships acquired as part of the acquisition of 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. The amortisation charge for the year ended 28 February 2018 with respect to intangible assets was €0.3m (2017: €0.3m).

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.

12. GOODWILL & INTANGIBLE ASSETS (CONTINUED)

The key assumptions used in the value-in-use computations using level 3 inputs in accordance with fair value hierarchy are:-

- Expected volume, net revenue and operating profit growth rates – cash flows for each CGU and brand are based on detailed 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 0%-1.75% (2017: 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 5.6%-8.5% (2017: 6.1%-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 2018	Discount rate 2017	Terminal growth rate 2018	Terminal growth rate 2017
Ireland	**8.5%**	8.5%	**1.25%**	1.25%
Scotland	**6.0%**	6.5%	**1.25%**	1.25%
C&C Brands	**6.0%**	6.1%	**1.25%**	1.25%
North America	**5.6%**	6.7%	**0.00%**	0.00%
Export	**6.0%**	6.7%	**1.75%**	1.75%

The impairment testing carried out at 28 February 2018 identified headroom in the recoverable amount of all of the Group's goodwill & intangible assets. The impairment testing carried out at 28 February 2017 identified headroom in the recoverable amount of all of the Group's goodwill & intangible assets excluding North America.

In the prior financial year, the impairment testing carried out by the Group on its North America brand led to an impairment charge of €106.6m.

In the prior financial year the Group commenced a long-term partnership agreement in the US with Pabst Brewing Company ("Pabst") for the sale and distribution of the Group's cider brands within the US. Under the terms of the partnership, Pabst had an option to acquire C&C Group's US Cider Brands and related assets, subject to any shareholder and regulatory approval. During the year, this agreement was terminated.

12. GOODWILL & INTANGIBLE ASSETS (CONTINUED)

Significant goodwill amounts

The goodwill allocated to Ireland and C&C Brands CGU's amount to 38% and 43% of the total carrying amount of goodwill respectively.

	Ireland		C&C Brands	
	2018	2017	2018	2017
Goodwill allocated to the cash-generating unit at balance sheet date	**154.5**	154.5	**180.3**	174.7
Discount rate applied to the cash flow projections (real pre-tax)	**8.5%**	8.5%	**6.0%**	6.5%

Sensitivity analysis

In the current financial year, the impairment testing carried out as at 28 February 2018 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 the Ireland, Scotland and Export's cash generating units. In the case of the C&C Brands, the level of headroom is in excess of €77m.

The table below identifies the impact of a movement in the key inputs of C&C Brands:

	Movement %	Increase/ (decrease) on the headroom €m
Increase/decrease in operating profit	**2.5/(2.5)**	**11.0/(11.0)**
Increase in discount rate	**0.25**	**(14.0)**
Decrease in discount rate	**(0.25)**	**15.5**
Increase in terminal growth rate	**0.25**	**12.7**
Decrease in terminal growth rate	**(0.25)**	**(11.4)**

The table below identifies the impact of a movement in the key inputs of the brand in North America:

	Movement %	Increase/ (decrease) on the headroom €m
Increase/decrease in operating profit	**2.5/(2.5)**	**1.2/(1.2)**
Increase in discount rate	**0.25**	**(2.5)**
Decrease in discount rate	**(0.25)**	**2.8**
Increase in terminal growth rate	**0.25**	**2.4**
Decrease in terminal growth rate	**(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.

Notes forming part of the financial statements
(continued)

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS

(a) Equity accounted investments – Group

	Joint ventures		Associates		
	Drygate Brewing Company Limited €m	Admiral Taverns €m	Canadian Investment €m	Whitewater Brewing Company Limited €m	Total €m
Investment in equity accounted investments					
Carrying amount at 1 March 2016	0.3	-	-	-	0.3
Purchase price paid	-	-	1.7	0.3	2.0
Translation adjustment	-	-	0.1	-	0.1
Carrying amount at 28 February 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**
Translation adjustment	**(0.1)**	**-**	**(0.4)**	**-**	**(0.5)**
Carrying amount at 28 February 2018	**0.2**	**44.6**	**3.3**	**0.3**	**48.4**

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

	Joint ventures 2018 €m	Associates 2018 €m
Non-current assets	**268.2**	**8.5**
Current assets	**23.4**	**1.9**
Non-current liabilities	**(175.3)**	**(8.7)**
Current liabilities	**(22.5)**	**(1.9)**
Net assets	**93.8**	**(0.2)**
Revenue	**9.7**	**16.1**
Profit & loss before tax	**1.0**	**0.7**

A listing of the 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, 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 is £37.4m (€42.4 euro equivalent on date of investment) representing 46.65% of the issued share capital of Admiral Taverns. Admiral Taverns currently own and operates circa 850 pubs, mainly in England and Wales, with a broad geographic distribution.

The initial assignment of fair value to identifiable net assets (most significantly, property) acquired has been performed on a provisional basis in respect of Admiral Taverns; any amendments to these fair values made during the subsequent reporting window (within the measurement period imposed by IFRS 3 *Business Combinations*) will be subject to subsequent disclosure.

13. EQUITY ACCOUNTED INVESTMENTS/FINANCIAL ASSETS (CONTINUED)

Canadian Investment

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,). In the prior financial year, on 11 May 2016, the Group acquired 14% of the equity share capital of a Canadian Company, for CAD$2.5m (€1.7m euro equivalent on date of investment).

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 less than €0.1m (2017: loss of €0.1m).

Whitewater Brewing Company Limited

In the prior financial year, 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 financial year attributable to the Group was less than €0.1m (2017: less than €0.1m).

Other

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 these investments is less than €0.1m in the current and prior financial year.

(b) Financial Assets – Company

	2018 €m	2017 €m
Equity investment in subsidiary undertakings at cost		
At beginning of year	**979.3**	978.6
Capital contribution in respect of share options granted to employees of subsidiary undertakings	**0.9**	0.7
At end of year	**980.2**	979.3

The total expense of €0.9m (2017: €0.7m) 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

	2018 €m	2017 €m
Group		
Raw materials & consumables	**43.0**	39.7
Finished goods & goods for resale	**45.1**	46.1
Total inventories at lower of cost and net realisable value	**88.1**	85.8

Inventory write-down recognised as an expense within operating costs amounted to €1.2m (2017: €2.9m). The level of inventory write-down in the current 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. The inventory write-down in the prior financial year, is primarily as a result of the write off of raw materials and packaging stocks that became obsolete in the process of consolidating the Group's production sites.

15. TRADE & OTHER RECEIVABLES

	Group		Company	
	2018 €m	2017 €m	2018 €m	2017 €m
Amounts falling due within one year:				
Trade receivables	**48.5**	49.4	**-**	-
Amounts due from Group undertakings	**-**	-	**355.7**	335.1
Advances to customers	**10.2**	9.1	**-**	-
Prepayments and other receivables	**21.2**	20.0	**0.4**	0.4
	79.9	78.5	**356.1**	335.5
Amounts falling due after one year:				
Advances to customers	**40.0**	49.2	**-**	-
Prepayments and other receivables	**0.4**	0.4	**0.3**	0.7
	40.4	49.6	**0.3**	0.7
Total	**120.3**	128.1	**356.4**	336.2

Amounts due from Group undertakings includes a combination of interest free and interest bearing loans and receivables are all repayable on demand.

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 2018 and 28 February 2017 were as follows:-

	Gross 2018 €m	Impairment 2018 €m	Gross 2017 €m	Impairment 2017 €m
Group				
Neither past due nor impaired	**80.5**	**-**	95.0	-
Past due:-				
Past due 0-30 days	**7.3**	**(0.1)**	5.5	(0.1)
Past due 31-120 days	**8.4**	**(0.4)**	6.3	(0.1)
Past due 121-365 days	**4.5**	**(1.5)**	5.2	(4.1)
Past due more than one year	**11.3**	**(11.3)**	11.4	(11.4)
Total	**112.0**	**(13.3)**	123.4	(15.7)

All trade & other receivables and advances to customers are monitored on an on-going basis for evidence of impairment and assessments are undertaken for individual accounts. A provision for impairment with respect to trade and other receivables is created where the Group expects it may not be able to collect all amounts due in accordance with the original terms of the agreement with the customer. An impairment provision is created in relation to advances to customers considered receivable in a period outside that originally contracted. Balances included in the impairment provision are generally written off when there is no expectation of recovery.

Trade receivables are on average receivable within 25 days (2017: 26 days) of the balance sheet date, are unsecured and are not interest bearing.

15. TRADE & OTHER RECEIVABLES (CONTINUED)

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

	2018 €m	2017 €m
Group		
At beginning of year	**15.7**	13.9
Recovered during the year	**(1.2)**	(1.6)
Provided during the year	**1.0**	5.6
Written off during the year	**(2.1)**	(1.6)
Translation adjustment	**(0.1)**	(0.6)
At end of year	**13.3**	15.7

16. TRADE & OTHER PAYABLES

	Group		Company	
	2018 €m	2017 €m	2018 €m	2017 €m
Trade payables	**62.5**	61.9	**-**	-
Payroll taxes & social security	**2.0**	4.0	**-**	-
VAT	**7.1**	6.3	**-**	-
Excise duty	**18.8**	16.0		-
Accruals	**42.3**	55.9	**0.6**	0.3
Amounts due to Group undertakings	**-**	-	**317.1**	281.1
Total	**132.7**	144.1	**317.7**	281.4

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 2018, 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

	Restructuring 2018 €m	Onerous lease 2018 €m	Other 2018 €m	Total 2018 €m	Total 2017 €m
At beginning of year	**1.5**	**12.4**	**0.3**	**14.2**	18.9
Translation adjustment	**-**	**(0.5)**	**-**	**(0.5)**	(0.7)
Charged during the year	**1.9**	**1.8**	**0.3**	**4.0**	19.8
Unwind of discount on provisions	**-**	**0.3**	**-**	**0.3**	0.8
Utilised during the year	**(3.4)**	**(3.0)**	**(0.2)**	**(6.6)**	(24.6)
At end of year	**-**	**11.0**	**0.4**	**11.4**	14.2
Classified within:					
Current liabilities				**3.6**	6.5
Non-current liabilities				**7.8**	7.7
				11.4	14.2

Restructuring
The restructuring provision utilised and charged during the current financial year primarily relating to severance costs 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.

Onerous leases
In Great Britain, the Group leases its dispense equipment and in the current year, an additional lease was rolled-out for the new Tennent's Lager fount. This precipitated the creation of an onerous lease provision during the year of €1.6m in respect of the old leased brands dispense equipment from which the Group is deriving no economic benefit. The leases affected all expire in 2024, and the provision will be unwound over the course of 2018 to 2024.

Additionally, the Group reviewed the carrying value of its pre-existing onerous lease provisions in respect of leases for warehousing facilities acquired as part of the acquisition of the Gaymers cider business in 2010, and increased the provision by €0.2m to account for the latest estimate of associated costs less economic value. One of these leases has now expired and final settlement of the related dilapidations is expected to take place during FY2019 and the other will expire in 2026. This was partially offset by €0.4m in relation to a lease termination agreement in the Group's US business which expired in the current year.

Other
Other provisions 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.

18. INTEREST BEARING LOANS & BORROWINGS

Group

	2018 €m	2017 €m
Current assets		
Unsecured bank loans repayable by one repayment on maturity	**(0.4)**	(0.4)
Non-current liabilities		
Unsecured bank loans repayable by one repayment on maturity	**383.5**	358.6
Total borrowings	**383.1**	358.2

Outstanding non-current unsecured bank loans are net of unamortised issue costs which are being amortised to the Income Statement over the remaining life of the Group's multi-currency facility. The value of unamortised issue costs at 28 February 2018 was €0.7m (2017: €1.1m) of which €0.3m is netted against non-current unsecured liabilities (2017: €0.7m) and €0.4m is shown as a current asset on the Balance Sheet (2017: €0.4m).

Terms and debt repayment schedule

	Currency	Nominal rates of interest	Year of maturity	2018 Carrying value €m	2017 Carrying value €m
Unsecured bank loans repayable by one repayment on maturity	Multi	Euribor/Libor + 1.4%	2019	**383.8**	359.3
				383.8	359.3

Borrowing facilities

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

In December 2014, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility with seven banks, namely Bank of Ireland, Bank of Scotland, Barclays Bank, Danske Bank, HSBC, Rabobank, and Ulster Bank, repayable in a single instalment on 22 December 2019. The facility 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 €150m, 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 €700m of which €383.8m was drawn at 28 February 2018 (2017: €359.3m). The Group is currently in the process of conducting an exercise to renew the existing facility in advance of this date.

Under the terms of the agreement, the Group must pay a commitment fee based on 40% 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.

All non-current bank loans drawn under the Group's multi-currency revolving loan facility are guaranteed by a number of the Group's subsidiary undertakings. The facility agreement allows the early repayment of debt without incurring additional charges or penalties. All such non-current bank loans under the Group's multi-currency revolving loan facility are repayable in full on change of control of the Group.

The Group's multi-currency debt facility incorporates two 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 will not exceed 3.5:1

The Group complied with both covenants throughout 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 2017 €m	Translation adjustment €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 are net of unamortised issue costs of €0.7m of which €0.4m is classified on the balance sheet as a current asset.

	1 March 2016 €m	Translation adjustment €m	Cash Flow, net €m	Non-cash changes €m	28 February 2017 €m
Group					
Interest bearing loans & borrowings	360.3	(7.8)	4.7	1.0	358.2*
Cash	(197.3)	9.9	(0.2)	-	(187.6)
	163.0	2.1	4.5	1.0	170.6

* Interest bearing loans & borrowings at 28 February 2017 are net of unamortised issue costs of €1.1m of which €0.4m is classified on the balance sheet as a current asset.

The non-cash change to the Group's interest bearing loans and borrowings in the current and prior financial years relate to the amortisation of issue costs of €0.4m (2017: €1.0m).

	1 March 2017 €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 amounted to €0.7m of which €0.4m is classified as a current asset on the balance sheet.

	1 March 2016 €m	Cash Flow €m	Non-cash changes €m	28 February 2017 €m
Company				
Prepaid issue costs	(1.6)	-	0.5	(1.1)*
Cash	-	-	-	-
	(1.6)	-	0.5	(1.1)

* Prepaid issue costs at 28 February 2017 amounted to €1.1m of which €0.4m is classified as a current asset on the balance sheet.

The Company is an original borrower under the terms of the Group's revolving credit facility but is not a borrower in relation to the Group's drawn debt as at 28 February 2018 or 28 February 2017. 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 debt drawn by the Group under the terms of the Group's revolving credit facility agreement. The Company's prepaid issue costs relate to issue costs with respect to the Group's 2014 revolving credit facility; the amortisation of such issue costs was €0.4m in the current financial year (2017: €0.5m).

20. RECOGNISED DEFERRED INCOME TAX ASSETS AND LIABILITIES

	2018			2017		
	Assets €m	Liabilities €m	Net assets/ (liabilities) €m	Assets €m	Liabilities €m	Net assets/ (liabilities) €m
Group						
Property, plant & equipment	**0.3**	**(6.9)**	**(6.6)**	-	(2.2)	(2.2)
Intangible assets	**-**	**(2.7)**	**(2.7)**	-	(3.0)	(3.0)
Retirement benefits	**0.5**	**(1.6)**	**(1.1)**	2.7	(0.8)	1.9
Trade related items & losses	**0.9**	**-**	**0.9**	0.5	-	0.5
	1.7	**(11.2)**	**(9.5)**	3.2	(6.0)	(2.8)

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 has increased goodwill by €9.0m per note 12, 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.

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. The cumulative value of such tax losses is €27.3m. In the event that sufficient taxable profits arise in the relevant jurisdictions in future years, these losses may be utilised. The vast majority of these losses are due to expire in 2035.

Company

The company had no deferred income tax assets or liabilities at 28 February 2018 or at 28 February 2017.

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

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

	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: ROI	**(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)**

	1 March 2016 €m	Recognised in Income Statement €m	Recognised in Other Comprehensive Income €m	Translation adjustment €m	28 February 2017 €m
Group					
Property, plant & equipment: ROI	(0.6)	0.3	-	-	(0.3)
Property, plant and equipment: other	(0.7)	(1.3)	-	0.1	(1.9)
Provision for trade related items	0.4	0.1	-	-	0.5
Intangible assets	(3.3)	0.1	-	0.2	(3.0)
Retirement benefits	3.1	(0.8)	(0.4)	-	1.9
	(1.1)	(1.6)	(0.4)	0.3	(2.8)

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 (2017: no active members). There are 57 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (2017: 62 active members) and 4 active members in the NI defined benefit pension scheme (2017: 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.

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 2015 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2014. The triennial valuation is currently ongoing and at the date of this Annual Report have not yet been finalised. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

The funding requirements in relation to the Group's ROI defined benefit pension schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. Arising from the formal actuarial valuations of the main schemes the Group has committed to contributions of 22% of pensionable salaries along with a deficit contribution of €1.2m per annum until the next valuation date for the Group's Staff defined benefit pension scheme. There is no funding requirement with respect to the Group's Executive defined benefit pension scheme in 2018. The funding requirement will be reviewed again as part of the triennial valuation which is currently ongoing. The 2014 actuarial valuation of the NI defined benefit pension scheme confirmed it was in surplus and the scheme remains in surplus.

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. During the year, there was a change in financial assumptions due to higher discount rates as set by corporate bond yields.

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. During the year, there was a reduction in the future improvement assumption rates in line with the latest findings of the research arm of the institute and Faculty of Actuaries, the Continuous Mortality Investigation (CMI).

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

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

Mortality rates also have a significant impact on the actuarial valuations, as the number of deaths within the scheme have been too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality, the rates used have been based on the most up-to-date mortality tables, (the S2PMA CMI 2016 (males) and S2PFA CMI 2016 (females) for the ROI schemes and 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:-

21. RETIREMENT BENEFITS (CONTINUED)

Future life expectations at age 65		ROI 2018 No. of years	ROI 2017 No. of years	NI 2018 No. of years	NI 2017 No. of years
Current retirees – no allowance for future improvements	Male	**22.4**	23.8	**23.0**	22.9
	Female	**24.3**	25.8	**25.1**	25.0
Future retirees – with allowance for future improvements	Male	**23.2**	25.0	**25.1**	25.0
	Female	**25.2**	27.1	**27.4**	27.3

Scheme liabilities:-
The average age of active members is 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 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 2018 and 28 February 2017 are as follows:-

	2018 ROI	2018 NI	2017 ROI	2017 NI
Salary increases	**0.0%-2.5%**	**3.6%**	0.00%-2.5%	3.7%
Increases to pensions in payment	**1.5%**	**1.7%**	1.5%	1.8%
Discount rate	**1.9%-2.2%**	**2.7%**	1.70%-1.95%	2.6%
Inflation rate	**1.5%**	**3.2%**	1.5%	3.3%

A reduction in discount rate used to value the schemes' liabilities by 0.25% would increase the valuation of liabilities by €9.2m while an increase in inflation/salary increase expectations of 0.25% would increase the valuation of liabilities by €8.1m. 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.*

(a) Impact on Group Income Statement

	2018 ROI €m	2018 NI €m	2018 Total €m	2017 ROI €m	2017 NI €m	2017 Total €m
Analysis of defined benefit pension expense:						
Current service cost	**1.2**	**0.1**	**1.3**	1.1	-	1.1
Past service gain	**(2.6)**	**-**	**(2.6)**	-	-	-
Gain on settlement	**-**	**-**	**-**	(5.1)	-	(5.1)
Interest cost on scheme liabilities	**3.7**	**0.2**	**3.9**	4.0	0.2	4.2
Interest income on scheme assets	**(3.3)**	**(0.3)**	**(3.6)**	(3.4)	(0.4)	(3.8)
Total income recognised in Income Statement	**(1.0)**	**-**	**(1.0)**	(3.4)	(0.2)	(3.6)

21. RETIREMENT BENEFITS (CONTINUED)

In the current financial year, the income recognised in the Income Statement of €1.0m includes a past service gain of €2.6m in respect of the pension levy adjustments applied to deferred members' benefits. In the prior financial year, the income recognised in the income statement included €5.1m of a gain relating to an offer made to the deferred members of the two ROI defined benefit pension schemes to transfer out of the scheme, of which 119 members availed of the offer.

Analysis of amount recognised in Other Comprehensive Income:

	2018			2017		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Actual return on scheme assets	**(4.0)**	**(0.5)**	**(4.5)**	(13.2)	(2.3)	(15.5)
Expected interest income on scheme assets	**3.3**	**0.3**	**3.6**	3.4	0.4	3.8
Experience gains and losses on scheme liabilities	**(2.0)**	**-**	**(2.0)**	(1.8)	-	(1.8)
Effect of changes in assumptions on scheme liabilities	**(13.6)**	**(0.3)**	**(13.9)**	7.7	2.2	9.9
Total (income)/expense	**(16.3)**	**(0.5)**	**(16.8)**	(3.9)	0.3	(3.6)
Scheme assets	**175.6**	**11.8**	**187.4**	176.7	11.8	188.5
Scheme liabilities	**(179.4)**	**(7.0)**	**(186.4)**	(199.0)	(7.3)	(206.3)
Deficit in scheme	**(3.8)**	**-**	**(3.8)**	(22.3)	-	(22.3)
Surplus in scheme	**-**	**4.8**	**4.8**	-	4.5	4.5

(b) Impact on Group Balance Sheet

The retirement benefits (deficit)/surplus at 28 February 2018 and 28 February 2017 is analysed as follows:-

Analysis of net pension deficit:

	2018			2017		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Bid value of assets at end of year:						
Equity*	**35.3**	**5.9**	**41.2**	49.4	5.9	55.3
Bonds	**100.7**	**5.9**	**106.6**	86.5	5.9	92.4
Property	**12.3**	**-**	**12.3**	11.5	-	11.5
Cash	**0.5**	**-**	**0.5**	0.5	-	0.5
Alternatives	**26.8**	**-**	**26.8**	28.8	-	28.8
	175.6	**11.8**	**187.4**	176.7	11.8	188.5
Actuarial value of scheme liabilities	**(179.4)**	**(7.0)**	**(186.4)**	(199.0)	(7.3)	(206.3)
(Deficit)/surplus in the scheme	**(3.8)**	**4.8**	**1.0**	(22.3)	4.5	(17.8)
Related deferred income tax asset/(liability)	**0.5**	**(1.6)**	**(1.1)**	2.7	(0.8)	1.9
Net pension (deficit)/surplus	**(3.3)**	**3.2**	**(0.1)**	(19.6)	3.7	(15.9)

* The defined benefit pension schemes have a passive self investment in C&C Group plc of €nil (2017: €nil).

21. RETIREMENT BENEFITS (CONTINUED)

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

	2018			2017		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Assets at beginning of year	**176.7**	**11.8**	**188.5**	184.8	10.3	195.1
Movement in year:						
Translation adjustment	**-**	**(0.4)**	**(0.4)**	-	(0.9)	(0.9)
Expected interest income on scheme assets, net of pension levy	**3.3**	**0.3**	**3.6**	3.4	0.4	3.8
Actual return less interest income on scheme assets	**0.7**	**0.2**	**0.9**	9.8	1.9	11.7
Employer contributions	**1.2**	**-**	**1.2**	3.1	0.3	3.4
Member contributions	**0.2**	**-**	**0.2**	0.2	-	0.2
Benefit payments	**(6.5)**	**(0.1)**	**(6.6)**	(24.6)	(0.2)	(24.8)
Assets at end of year	**175.6**	**11.8**	**187.4**	176.7	11.8	188.5

The expected employer contributions to fund defined benefit scheme obligations for year ending 28 February 2019 is €1.2m.

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

	2018		2017	
	ROI	NI	ROI	NI
Equities	**20%**	**50%**	28%	50%
Bonds	**58%**	**50%**	49%	50%
Property	**7%**	**-**	7%	-
Cash	**-**	**-**	-	-
Alternatives	**15%**	**-**	16%	-
	100%	**100%**	100%	100%

21. RETIREMENT BENEFITS (CONTINUED)

Reconciliation of actuarial value of scheme liabilities

	2018			2017		
	ROI €m	NI €m	Total €m	ROI €m	NI €m	Total €m
Liabilities at beginning of year	**199.0**	**7.3**	**206.3**	217.5	5.6	223.1
Movement in year:						
Translation adjustment	**-**	**(0.2)**	**(0.2)**	-	(0.5)	(0.5)
Current service cost	**1.2**	**0.1**	**1.3**	1.1	-	1.1
Past service gain	**(2.6)**	**-**	**(2.6)**	-	-	-
Gain on settlement	**-**	**-**	**-**	(5.1)	-	(5.1)
Interest cost on scheme liabilities	**3.7**	**0.2**	**3.9**	4.0	0.2	4.2
Member contributions	**0.2**	**-**	**0.2**	0.2	-	0.2
Actuarial (gain)/loss immediately recognised in equity	**(15.6)**	**(0.3)**	**(15.9)**	5.9	2.2	8.1
Benefit payments	**(6.5)**	**(0.1)**	**(6.6)**	(24.6)	(0.2)	(24.8)
Liabilities at end of year	**179.4**	**7.0**	**186.4**	199.0	7.3	206.3

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 2018/28 February 2017 and determination of fair value
(c) Market risk
(d) Credit risk
(e) Liquidity risk

(a) Overview of the Group's risk exposures and management strategy
The main financial market risks that the Group is exposed to include foreign currency exchange rate risk, commodity price fluctuations, interest rate risk and financial counterparty creditworthiness. The 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.

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

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. The Board had no derivative financial instruments in the current or prior financial years.

(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 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
Group				
28 February 2017				
Financial assets:				
Cash	187.6	-	187.6	187.6
Trade receivables	49.4	-	49.4	49.4
Advances to customers	58.3	-	58.3	58.3
Financial liabilities:				
Interest bearing loans & borrowings	-	(358.2)	(358.2)	(359.3)
Trade & other payables	-	(144.1)	(144.1)	(144.1)
Provisions	-	(14.2)	(14.2)	(14.2)
	295.3	(516.5)	(221.2)	(222.3)

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

	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**

	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Company				
28 February 2017				
Financial assets:				
Amounts due from Group undertakings	335.1	-	335.1	335.1
Financial liabilities:				
Amounts due to Group undertakings	-	(281.1)	(281.1)	(281.1)
Trade & other payables	-	(0.3)	(0.3)	(0.3)
	335.1	(281.4)	53.7	53.7

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

The nominal amount of all advances to customers, after provision for impairment, 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 and amounts due from Group undertakings after more than one year 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.

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

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

The Group enters into derivative financial contracts, when deemed economically viable to do so, to mitigate risks arising in the ordinary course of business from foreign exchange rate and interest rate movements, and also incurs financial liabilities, in order to manage these market risks. The Group carries out all such transactions within the Treasury policy as set down by the Board of Directors. The Group had no derivative financial instruments in the current or prior financial periods.

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 apple concentrate, 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.

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.

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 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)

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group had no outstanding forward foreign currency contracts in place at 28 February 2018 (2017: €nil).

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

The currency profile of the Group and Company's financial instruments subject to transactional exposure as at 28 February 2017 is as follows:-

Group	Euro €m	Sterling €m	USD €m	CAD/AUD €m	Not at risk €m	Total €m
Cash	1.1	3.9	1.0	0.6	181.0	187.6
Trade & other receivables	-	0.8	0.2	0.5	47.9	49.4
Advances to customers	-	-	-	-	58.3	58.3
Interest bearing loans & borrowings	-	-	-	-	(358.2)	(358.2)
Trade & other payables	(0.4)	(4.5)	(0.1)	-	(139.1)	(144.1)
Provisions	-	-	-	-	(14.2)	(14.2)
Gross currency exposure	0.7	0.2	1.1	1.1	(224.3)	(221.2)

Company	Sterling €m	Not at risk €m	Total €m
Net amounts due to Group undertakings	(20.4)	74.4	54.0
Accruals	-	(0.3)	(0.3)
Total	(20.4)	74.1	53.7

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 2018, would have a €0.1m negative impact on the Income Statement. A 10% weakening in the Euro against Sterling, and the Australian, Canadian and US Dollars would have a €0.1m positive effect on the Income Statement. This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk

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

	Group		Company	
	2018 €m	2017 €m	2018 €m	2017 €m
Variable rate instruments				
Interest bearing loans & borrowings	(383.8)	(359.3)	-	-
Cash	145.5	187.6	-	-
	(238.3)	(171.7)	-	-

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

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 €1.7m impact on the Income Statement.

Financial instruments: Cash flow hedges
The Group had no outstanding cash flow hedges as at 28 February 2018 or 28 February 2017.

(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. 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. The total receivables sold at 28 February 2018 was €63.5m.

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. 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.

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

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	
	2018 €m	2017 €m	2018 €m	2017 €m
Trade receivables	**48.5**	49.4	**-**	-
Advances to customers	**50.2**	58.3	**-**	-
Amounts due from Group undertakings	**-**	-	**355.7**	335.1
Cash	**145.5**	187.6	**-**	-
	244.2	295.3	**355.7**	335.1

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 December 2014, the Group updated and amended its committed €450m multi-currency five year syndicated revolving loan facility with seven banks, namely Bank of Ireland, Bank of Scotland, Barclays Bank, Danske Bank, HSBC, Rabobank, and Ulster Bank, repayable in a single instalment on 22 December 2019. The facility 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 €150m, 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 €700m of which €383.8m was drawn at 28 February 2018 (2017: €359.3m). The Group is currently in the process of conducting an exercise to renew the existing facility in advance of this date.

The Group's debt facility incorporates two 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 will not exceed 3.5:1

Compliance with these debt covenants is monitored continuously.

The Group's main liquidity risk relates to maturing debt, however this risk is considered low at year end given the current facility extends to December 2019 as outlined above.

At the year end, the Group had net debt, net of unamortised issue costs, of €237.6m (28 February 2017: €170.6m), with a Net debt/EBITDA ratio of 2.37:1.

Notes forming part of the financial statements
(continued)

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

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
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)**
2017						
Interest bearing loans & borrowings	(358.2)	(374.3)	(2.7)	(2.7)	(5.3)	(363.6)
Trade & other payables	(144.1)	(144.1)	(144.1)	-	-	-
Provisions	(14.2)	(15.4)	(3.8)	(2.8)	(0.9)	(7.9)
Total contracted outflows	(516.5)	(533.8)	(150.6)	(5.5)	(6.2)	(371.5)
Company						
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)**	**-**	**-**	**-**
2017						
Amounts due to Group undertakings	(281.1)	(281.1)	(281.1)	-	-	-
Trade & other payables	(0.3)	(0.3)	(0.3)	-	-	-
Total contracted outflows	(281.4)	(281.4)	(281.4)	-	-	-

23. SHARE CAPITAL AND RESERVES

	Authorised Number	Allotted and called up Number	Authorised €m	Allotted and called up €m
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
At 29 February 2016				
Ordinary shares of €0.01 each	800,000,000	329,157,714***	8.0	3.3

* Inclusive of 11.0m treasury shares.
** Inclusive of 11.9m treasury shares.
*** Inclusive of 16.4m 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. In the year to 28 February 2018, dividends of less than €0.1m were paid to Plan participants (2017: €0.1m).

Reserves
Group

	Allotted and called up Ordinary Shares		Ordinary Shares held by the Trustee of the Employee Trust*	
	2018 '000	2017 '000	2018 '000	2017 '000
As at 1 March	**325,546**	329,158	**2,912**	7,354
Shares issued in lieu of dividend	**1,368**	2,209	**-**	-
Shares issued in respect of options exercised	**454**	318	**-**	-
Shares cancelled following share buyback programme	**(9,492)**	(6,139)	**-**	-
Shares disposed of or transferred to Participants	**-**	-	**(939)**	(4,442)
As at 28 February	**317,876****	325,546**	**1,973**	2,912

* 2.0m shares are held in the sole name of the Trustee of the Employee Trust (2017: 1.7m).
** 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 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 current 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 continue to be included in the treasury share reserve. During the financial year, 146,816 shares were sold by the Trustees and are 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 are also no longer accounted for as treasury shares.

23. SHARE CAPITAL AND RESERVES SHARE CAPITAL (CONTINUED)

Also during the current 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, in July 2016, to make market purchases of up to 10% of its own shares.

Movements in the year ended 28 February 2017
In July 2016, 1,067,162 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €3.95476 per share, instead of part or all the cash element of their final dividend entitlement for the year ended 29 February 2016. In December 2016, 1,142,613 ordinary shares were issued to the holders of ordinary shares who elected to receive additional ordinary shares at a price of €3.44324 per share, instead of part or all the cash element of their interim dividend entitlement for the year ended 28 February 2017. During the prior financial year, 318,150 ordinary shares were issued on the exercise of share options for a net consideration of €0.8m.

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 2017 continue to be included in the treasury share reserve. During the prior financial year, 130,513 shares were sold by the Trustees and are no longer accounted for as treasury shares and 4,311,889 shares were transferred to participants on exercise of their entitlements under the Group's Joint Share Ownership Plan and therefore are 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 €23.2m in an on-market share buyback programme (inclusive of commission and related costs) in which it repurchased and subsequently cancelled 6,139,438 of the Group's shares. This was in accordance with shareholder authority granted at the Group's AGM, in July 2016, 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 €844.4m as at 28 February 2018 (2017: €838.6m). The current 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 current and prior financial year movement relates to the on-market share buyback programme undertaken by the Group during both periods 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*, plus amounts received from participants on award of Interests under the Group's Joint Share Ownership Plan, less reclassifications to retained income following exercise/forfeit post vesting or lapse of such share options and Interests, as set out in note 4.

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

23. SHARE CAPITAL AND RESERVES SHARE CAPITAL (CONTINUED)

Revaluation reserve

Since 2009 the Group has completed a number of external valuations on its property, plant and equipment. Gains arising from such revaluations are posted to the Group's revaluation reserve. 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.

As a result of the valuation in the current 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 issues equity share capital under its Joint Share Ownership Plan, which is held in trust by the Group's Employee Trust. The consideration paid, 90% by a Group company and 10% by the participants, in respect of these shares is deducted from total shareholders' equity and classified as treasury shares on consolidation until such time as the Interests vest and the participant acquires the shares from the Trust or the Interests lapse and the shares are cancelled or disposed of by the Trust. 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 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 debt facilities which limits the Net debt:EBITDA ratio to a maximum of 3.5 times. This financial covenant was complied with throughout the year.

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 2018, the Company paid an interim dividend on ordinary shares of 5.21c per share (2017: 4.96c per share) and the Directors propose, subject to shareholder approval, that a final dividend of 9.37c per share (2017: 9.37c per share) be paid, bringing the total dividend for the year to 14.58c per share (2017: 14.33c per share).

In addition, as part of the Group's capital management strategy, the Group participated in a share buyback programme during the 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 €32.7m (€33.1m including commission and related fees) as part of this on-market buyback programme, purchasing 9,492,500 of the Company's shares at an average price of €3.44. The Group's stockbrokers, Investec and 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 €22.9m (€23.2m including commission and related fees) as part of this on-market share buyback programme, purchasing 6,139,438 of the Company's shares at an average price of €3.73. 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

23. SHARE CAPITAL AND RESERVES SHARE CAPITAL (CONTINUED)

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.

The Group monitors debt capital on the basis of interest cover and by the ratio of Net debt:EBITDA before exceptional items. In December 2014, the Group updated and amended its committed €450m multi-currency five year syndicated revolving facility with 7 banks which is repayable in a single instalment on 22 December 2019. The Group is currently in the process of conducting an exercise to renew the existing facility in advance of this date.

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 profit of €56.2m (2017: €146.0) was recognised in the individual Company Income Statement of C&C Group plc.

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:-

	2018 €m	2017 €m
Contracted	**4.3**	0.3
Not contracted	**13.7**	12.9
	18.0	13.2

The contracted capital commitments at 28 February 2018 primarily relates to a waste water treatment plant in Wellpark of €3.3m and improvements to the Wellpark buildings of €1.0m. Commitments at 28 February 2017 related to improvements to the Wellpark visitor centre.

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

	2018				2017			
	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	**1.9**	**0.5**	**9.4**	**11.8**	3.9	0.6	10.0	14.5
Payable between 1 and 5 years	**7.0**	**1.6**	**22.3**	**30.9**	7.0	1.2	22.7	30.9
Payable greater than 5 years	**5.7**	**-**	**1.6**	**7.3**	7.6	-	1.3	8.9
	14.6	**2.1**	**33.3**	**50.0**	18.5	1.8	34.0	54.3

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

24. COMMITMENTS (CONTINUED)

(c) Other commitments

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

	2018										
	Apple concentrate €m	Glass €m	Marketing €m	Barley €m	Aluminum €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.

	2017									
	Apple concentrate €m	Glass €m	Marketing €m	Barley €m	Aluminum €m	Polymer €m	Wheat €m	Sugar/ glucose €m	Natural gas €m	Total €m
Payable in less than one year	0.7	4.5	2.2	6.9	1.6	0.3	0.7	10.2	0.8	27.9
Payable between 1 and 5 years	-	-	3.5	13.2	-	-	-	-	-	16.7
	0.7	4.5	5.7	20.1	1.6	0.3	0.7	10.2	0.8	44.6

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 multi-currency loan facility in place at year end, which it re-negotiated in December 2014. The Company, together with a number of its subsidiaries, gave a letter of guarantee to secure its obligations in respect of these loans. The actual loans outstanding at 28 February 2018 amounted to €383.8m (2017: €359.3m). The Group is currently in the process of conducting an exercise to renew the existing facility in advance of this date.

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.

25. GUARANTEES, COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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. Scottish Enterprise Board funding of €0.3m had previously been received under the terms of its Regional Selective Assistance Scotland Scheme. 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. The Scottish Enterprise Board funding terms and conditions expired in July 2016.

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 has 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 on 3 February 2013, with the exception of any claim relating to tax where the time limit is seven years from the transaction date and is due to expire on 3 August 2018.

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 2018 and as a result such subsidiaries are exempt from certain filing provisions.

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, 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) on the 6 December 2017. The equity investment by the Group is £37.4m (€42.4 euro equivalent on date of investment) representing 46.65% of the issued share capital of Admiral Taverns. Admiral Taverns currently own and operates circa 850 pubs, mainly in England and Wales, with a broad geographic distribution.

26. RELATED PARTY TRANSACTIONS (CONTINUED)

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,). In the prior financial year, on 11 May 2016, the Group acquired 14% of the equity share capital of a Canadian Company, for CAD$2.5m (€1.7m euro equivalent on date of investment).

In the prior financial year, 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. Details of transactions during the current and prior financial year and outstanding year end balances are disclosed below.

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. Transactions between the Group and Shanter Inns are disclosed below.

Loans extended by the Group to equity accounted investments are considered trading in nature and are included within advances to customers in Trade & other receivables (note 15).

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

	Net revenue		Balance outstanding	
	2018 €m	2017 €m	2018 €m	2017 €m
Sale of goods to equity accounted investments:				
Beck & Scott (Services) Limited (Northern Ireland)	**0.2**	0.2	**-**	-
Drygate Brewing Company Limited	**0.3**	0.2	**0.2**	0.1
Shanter Inns Limited	**0.3**	-	**-**	-
	0.8	0.4	**0.2**	0.1

	Balance outstanding	
	2018 €m	2017 €m
Loans to equity accounted investments:		
Canadian Investment	**1.9**	1.8
Whitewater Brewing Company Limited	**0.6**	0.7
Drygate Brewing Company Limited	**1.7**	0.7
Shanter Inns Limited	**0.2**	-
	4.4	3.2

Notes forming part of the financial statements
(continued)

26. RELATED PARTY TRANSACTIONS (CONTINUED)

	Purchases		Balance outstanding	
	2018 €m	2017 €m	2018 €m	2017 €m
Purchase of goods from equity accounted investments:				
Whitewater Brewing Company Limited	**0.3**	0.1	**-**	-
Drygate Brewing Company Limited	**0.3**	0.6	**0.2**	0.2
	0.6	0.7	**0.2**	0.2

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:-

	2018 Number	2017 Number
Number of individuals	**12**	10
	€m	€m
Salaries and other short-term employee benefits	**2.9**	2.4
Post employment benefits	**0.3**	0.3
Equity settled share-based payments	**0.7**	0.1
Termination payment	**0.2**	-
Further amount re exercise of JSOP Interests	**-**	0.2
Dividend equivalent payment with respect to JSOP Interests	**-**	0.6
Total	**4.1**	3.6

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.

For the purposes of the Section 305 of the Companies Act 2014, the aggregate gains by Directors on the exercise of share options during FY2018 was €166,576 (FY2017 €nil).

26. RELATED PARTY TRANSACTIONS (CONTINUED)

Two of the Group's executive Directors were awarded Interests under the Group's Joint Share Ownership Plan (JSOP). When an award is granted to an executive under the Group's JSOP, its value is assessed for tax purposes with the resulting value being deemed to fall due for payment on the date of grant. Under the terms of the Plan, the executive must pay the Entry Price at the date of grant and, if the tax value exceeds the Entry Price, they must pay a further amount, equating to the amount of such excess, before an exercise/sale of the awarded Interests. The deferral of the payment of the further amount was considered to be an interest-free loan by the Company to the executive and a taxable benefit-in-kind arose, charged at the Revenue stipulated rates (Ireland 13.5% from 1 January 2013 and UK 3.25% to 5 April 2015 and 3.0% from 6 April 2015). In the prior financial year the Group's executive Directors exercised their JSOP Interests and paid the further amount on exercise. Under the terms of the Plan, when the further amount is paid, the Company compensates the executive for the obligation to pay this further amount by paying him an equivalent amount, which is however, subject to income tax and social security in the hands of the executive. This compensation is disclosed in the table above under further amount.

(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:-

	2018 €m	2017 €m
Dividend income	**60.0**	149.0
Expenses paid on behalf of and recharged by subsidiary undertakings to the Company	**(2.0)**	(3.1)
Equity settled share-based payments for employees of subsidiary undertakings	**0.9**	0.7
Drawdown of cash funding and other cash movements with subsidiary undertakings	**15.4**	(89.1)

27. SUBSIDIARY UNDERTAKINGS

	Notes	Nature of business	Class of shares held as at 28 February 2018 (100% unless stated)
Trading subsidiaries			
Incorporated and registered in Republic of Ireland			
Bulmers Limited	(a) (n)	Cider	Ordinary
C&C Financing DAC	(b) (n) (o)	Financing company	Ordinary
C&C Group International Holdings Limited	(a) (n) (o)	Holding company	Ordinary & Convertible
C&C Group Irish Holdings Limited	(a) (n)	Holding company	Ordinary
C&C Group Sterling Holdings Limited	(b) (n)	Holding company	Ordinary
C&C (Holdings) Limited	(a) (n)	Holding company	Ordinary
C&C Management Services Limited	(a) (n)	Provision of management services	6% Cumulative Preference, 5% Second Non-Cumulative Preference & Ordinary Stock
Cantrell & Cochrane Limited	(a) (n)	Holding company	Ordinary
Latin American Holdings Limited	(b) (n)	Holding company	Ordinary
M&J Gleeson & Co Unlimited Company	(b) (n)	Wholesale of drinks	Ordinary
Tennent's Beer Limited	(a) (n)	Beer	Ordinary
The Annerville Financing Company Unlimited Company	(a) (n)	Financing company	Ordinary
The Five Lamps Dublin Beer Company Limited	(b) (n)	Beer	Ordinary
Tipperary Pure Irish Water (Sales) Unlimited Company	(b) (n)	Water	Ordinary
Wm. Magner Limited	(a) (n)	Cider	Ordinary
Wm. Magner (Trading) Limited	(a) (n)	Financing company	Ordinary
Incorporated and registered in Northern Ireland			
C&C Holdings (NI) Limited	(c)	Holding company	Ordinary
Gleeson N.I. Limited	(c)	Wholesale of drinks	Ordinary
Tennent's NI Limited	(c)	Cider and beer	Ordinary & 3.25% Cumulative Preference
Incorporated and registered in England and Wales			
C&C Management Services (UK) Limited	(e)	Provision of management services	Ordinary
Magners GB Limited	(e)	Cider and beer	Ordinary
The Orchard Pig Limited	(k)	Cider	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

27. SUBSIDIARY UNDERTAKINGS (CONTINUED)

	Notes	Nature of business	Class of shares held as at 28 February 2018 (100% unless stated)
Incorporated and registered Portugal			
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 Beverages 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
Non-trading subsidiaries			
Incorporated and registered in Republic of Ireland			
C&C Agencies Limited	(a) (n)	Non-trading	Ordinary
C&C Brands Limited	(a) (n)	Non-trading	Ordinary
C&C Gleeson Group Pension Trust Limited	(b)(n)	Non-trading	Ordinary
C&C Group Pension Trust Limited	(a) (n)	Non-trading	Ordinary
C&C Group Pension Trust (No. 2) Limited	(a) (n)	Non-trading	Ordinary
C&C Profit Sharing Trustee Limited	(a) (n)	Non-trading	Ordinary
Ciscan Net Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Cooney & Co. Unlimited Company	(b) (n)	Non-trading	Ordinary
Cravenby Limited	(a) (n)	Non-trading	Ordinary
Crystal Springs Water Company Limited	(b) (n)	Non-trading	Ordinary
Dowd's Lane Brewing Company Limited	(a) (n)	Non-trading	Ordinary
Edward and John Burke (1968) Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Findlater (Wine Merchants) Limited	(a) (n)	Non-trading	Ordinary & A Ordinary
Fruit of the Vine Limited	(a) (n)	Non-trading	Ordinary
Gleeson Logistic Services Limited	(b) (n)	Non-trading	Ordinary
Gleeson Management Services Unlimited Company	(b) (n)	Non-trading	Ordinary
Gleeson Wines & Spirits Limited	(b) (n)	Non-trading	Ordinary
Greensleeves Confectionery Limited	(b) (n)	Non-trading	Ordinary, 12% Cumulative Convertible Redeemable Preference & 3% Cumulative Redeemable Convertible Preference
J.L. O'Brien Clonmel u.c.	(b) (n)	Non-trading	Ordinary
M.& J. Gleeson (Investments) Limited	(b) (n)	Non-trading	Ordinary
M&J Gleeson Nominees Limited	(b) (n)	Non-trading	Ordinary & Preference
M. and J. Gleeson (Manufacturing) Company u.c.	(b) (n)	Non-trading	Ordinary
M and J Gleeson (Manufacturing) Company Holdings Limited	(b) (n)	Non-trading	Ordinary & Non-Voting Ordinary
M and J Gleeson and Company Holdings Limited	(b) (n)	Non-trading	Ordinary
M & J Gleeson Property Development Limited	(b) (n)	Non-trading	Ordinary
Magners Irish Cider Limited	(a) (n)	Non-trading	Ordinary

Notes forming part of the financial statements
(continued)

27. SUBSIDIARY UNDERTAKINGS (CONTINUED)

	Notes	Nature of business	Class of shares held as at 28 February 2018 (100% unless stated)
Sceptis Limited	(a) (n)	Non-trading	Ordinary
Showerings (Ireland) Limited	(a) (n)	Non-trading	Ordinary
Tennmel Limited	(b) (n)	Non-trading	Ordinary & A-E Non-Voting
Thwaites Limited	(a) (n)	Non-trading	A & B Ordinary
Tipperary Natural Mineral Water Company Holdings Limited	(b) (n)	Non-trading	Ordinary
Tipperary Natural Mineral Water (Sales) Holdings Limited	(b) (n)	Non-trading	Ordinary
Tipperary Pure Irish Water Unlimited Company	(a) (n)	Non-trading	Ordinary
Vandamin Limited	(a) (n)	Non-trading	A & B Ordinary
Incorporated and registered in Northern Ireland			
C&C 2011 (NI) Limited	(c)	Non-trading	Ordinary
C&C Profit Sharing Trustee (NI) Limited	(c)	Non-trading	Ordinary
Incorporated and registered in Scotland			
Thistle Pub Company Limited	(d) (p)	Dissolved	Ordinary
Incorporated and registered in England and Wales			
Gaymer Cider Company Limited	(e)	Non-trading	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, Livingston, West Lothian, EH54 6AX, Scotland.
(e) Ashford House, Grenadier Road, Exeter, Devon EX1 3LH, England.
(f) Wellpark Brewery, 161 Duke St, 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) Companies covered by Section 357, Companies Act 2014 guarantees (note 25).
(o) Immediate subsidiary of C&C Group plc.
(p) Dissolved on 23 January 2018.

27. SUBSIDIARY UNDERTAKINGS (CONTINUED)

Equity accounted investments

	Notes	Nature of business	Class of shares held as at 28 February 2018 (100% unless stated)
Joint venture			
Beck & Scott (Services) Limited (Northern Ireland)	(a)	Wholesale of drinks	Ordinary, 50%
Brady P&C Limited (England)	(b)	Holding Company	Ordinary, 49.9%
Drygate Brewing Company Limited (Scotland)	(c)	Brewing	B Ordinary, 49%
The Irish Brewing Company Limited (Ireland)	(d)	Non-trading	Ordinary, 45.61%
Associate			
Canadian Investment (Canada)	(e)	Brewing	24.7%
Maclay Group plc (Scotland)	(f) (i)	Dissolved	B Ordinary & B Preference, 25%
Shanter Inns Limited (Scotland)	(g)	Public houses	Ordinary, 33%
Whitewater Brewing Co. Limited (Northern Ireland)	(h)	Brewing	25%

Notes:
(a) – (i)
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) G1 Building, 5 George Square, Glasgow, G2 1DY, Scotland.
(g) 230 High Street, Ayr, KA7 1RQ, Scotland.
(h) Lakeside Brae, Castlewellan, Northern Ireland, BT31 9RH.
(i) Dissolved on 15 April 2018.

28. POST BALANCE SHEET EVENTS

On 4th April 2018, C&C Group plc acquired the entire issued share capital of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiary businesses, Catalyst, Peppermint, Elastic and Walker & Wodehouse (together "Matthew Clark Bibendum"). Matthew Clark Bibendum enhances the Group's route to market for cider and super-premium brands across the on-trade and off-trade in the UK.

The Group acquired Matthew Clark Bibendum for a nominal sum of £1 and is providing sufficient funds to support the ongoing working capital and other cash requirements of the business. The initial accounting for the acquisition is currently in progress. The Group has commenced a detailed review of the accounting policies applied to ensure consistency with the Group policies and procedures. Given the status of the accounting for this acquisition, the Directors are not in a position to make the necessary disclosures required under IFRS 3 (2008) *Business Combinations* at the date of approval of these financial statements.

29. PRIOR YEAR RECLASSIFICATION

	2017	Restatement	Restated 2017
Revenue	818.1	42.7	860.8
Excise duties	(258.6)	(5.7)	(264.3)
Operating costs before exceptional items	(464.5)	(37.0)	(501.5)
Operating costs after exceptional items	(614.6)	(37.0)	(651.6)

In anticipation of the implementation of IFRS 15 Revenue from Contracts with Customers from 1 March 2018, management has begun examining the accounting for revenue for certain arrangements. In respect of certain of the Group's arrangements with third parties entered into in order to utilise excess capacity, management has determined that income from such arrangements, previously netted from operating costs, should more appropriately be recorded gross, as revenue. Accordingly, management have changed the classification of such income in the Income Statement for the year ended 28 February 2018. In the current year, the amount recorded that would have been netted from operating costs was €36.5m and accordingly, in the prior year Income Statement line items have been restated as follows: gross revenue has increased by €42.7m, excise duties have increase by €5.7m, and net sales revenue and operating costs have increased by €37.0m. Applicable notes have accordingly also been adjusted. The restatement has no impact on net income or net assets for the prior year.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Directors on 16 May 2018.

Financial Definitions

Adjusted earnings	Profit for the year attributable to equity shareholders as adjusted for exceptional items
Company	C&C Group plc
Constant Currency	Prior year revenue, net revenue and operating profit for each of the Group's reporting segments is restated to constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's non-Euro denominated subsidiaries by revaluing the prior year figures using the current year average foreign currency rates
DWT	Dividend Withholding Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation charges excluding the Group's share of equity accounted investments' profit/(loss) after tax
Adjusted EBITDA	EBITDA as adjusted for exceptional items
EBIT	Earnings before Interest and Tax
Adjusted EBIT	EBIT as adjusted for exceptional items
Effective tax rate (%)	Income and deferred tax charges relating to continuing activities before the tax impact of exceptional items calculated as a percentage of Profit before tax for continuing activities before exceptional items and excluding the Group's share of equity accounted investments' profit/(loss) after tax
EPS	Earnings per share
EU	European Union
Exceptional	Significant items of income and expense within the Group results for the year which by virtue of their scale and nature are disclosed in the Income Statement and related notes as exceptional items
Free Cash Flow	Free Cash Flow is a non-GAAP measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. Free Cash Flow highlights the underlying cash generating performance of the ongoing business
GB	Great Britain (i.e. England, Wales and Scotland)
Group	C&C Group plc and its subsidiaries
HL	Hectolitre (100 Litres)
	kHL = kilo hectolitre (100,000 litres)
	mHL = millions of hectolitres (100 million litres)
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards as adopted by the EU
Interest cover	Calculated by dividing the Group's EBITDA excluding exceptional items and discontinued activities by the Group's interest expense, excluding issue cost write-offs, fair value movements with respect to derivative financial instruments and unwind of discounts on provisions, of the same period
Export	Sales in territories outside of Ireland, Great Britain and North America
LAD	Long Alcoholic Drinks

Financial Definitions
(continued)

Net debt/(cash)	Net debt/(cash) comprises cash and borrowings net of unamortised issue costs
Net debt/EBITDA	A measurement of leverage, calculated as the Group's interest-bearing debt less cash & cash equivalents, divided by its EBITDA excluding exceptional items and discontinued activities. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for the Group to pay back its debt if net debt and EBITDA are held constant
Net revenue	Net Revenue is defined by the Group as Revenue less Excise duty. Excise duties, which represent a significant proportion of Revenue, are set by external regulators over which the Group has no control and are generally passed on to the consumer, consequently the Directors consider that the disclosure of Net Revenue enhances the transparency and provides a more meaningful analysis of underlying sales performance
NI	Northern Ireland
Off-trade	All venues where drinks are sold for off-premise consumption including shops, supermarkets and cash & carry outlets selling alcohol for consumption off the premises
On-trade	All venues where drinks are sold at retail for on-premise consumption including pubs, hotels and clubs selling alcohol for consumption on the premises
Operating profit	Profit earned from the Group's core business operations before net financing and income tax costs and excluding the Group's share of equity accounted investments' profit/(loss) after tax. In line with the Group's accounting policies certain items of income and expense are separately classified as exceptional items on the face of the Income Statement
PPE	Property, plant & equipment
Revenue	Revenue comprises the fair value of goods supplied to external customers exclusive of intercompany sales and value added tax, after allowing for discounts, rebates, allowances for customer loyalty and other pricing related allowances and incentives
ROI	Republic of Ireland
TSR	Total Shareholder Return
UK	United Kingdom (Great Britain and Northern Ireland)
US	United States of America

Shareholder and Other Information

C&C Group plc is an Irish registered company. Its ordinary shares are quoted on the Irish and London Stock Exchanges (ISIN: IE00B010DT83 SEDOL: B010DT8).

C&C Group plc also has a Level 1 American Depository Receipts (ADR) programme for which Deutsche Bank acts as depository (symbol CCGGY). Each ADR share represents three C&C Group plc ordinary shares.

The authorised share capital of the Company at 28 February 2018 was ordinary 800,000,000 ordinary shares at €0.01 each. The issued share capital at 28 February 2018 was 317,876,001 ordinary shares of €0.01 each.

CREST

C&C Group plc is a member of the CREST share settlement system. Therefore transfers of the Company's shares takes place through the CREST settlement system. Shareholders have the choice of holding their shares in electronic form or in the form of share certificates. Shareholders should consult their stockbroker if they wish to hold their shares in electronic form.

SHARE PRICE DATA	2018	2017
Share price at 28 February	€2.890	€3.870
	Number	Number
No of Shares in issue at 28 February	317,876,001	325,546,201
Market capitalization	€919m	€1,225m
Share price movement during the financial year		
– high	€3.900	€4.180
– low	€2.770	€3.415

DIVIDEND PAYMENTS

The Company may, by ordinary resolution declare dividends in accordance with the respective rights of shareholders, but no dividend shall exceed the amount recommended by the Directors. The Directors may also declare and pay interim dividends if they believe they are justified by the profits of the Company available for distribution.

An interim dividend of 5.21 cent per share was paid in respect of ordinary shares on 15 December 2017.

A final dividend of 9.37 cent, if approved by shareholders at the 2018 Annual General Meeting, will be paid in respect of ordinary shares on 13 July 2018 to shareholders on the record on 25 May 2018. A scrip alternative will be offered to shareholders.

Dividend Withholding Tax ('DWT') must be deducted from dividends paid by an Irish resident company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrars. DWT applies to dividends paid by way of cash or by way of shares under a scrip dividend scheme and is deducted at the standard rate of income tax (currently 20%). Non-resident shareholders and certain Irish companies, trusts, pension schemes, investment undertakings, companies resident in any member state of the European Union and charities may be entitled to claim exemption from DWT. DWT exemption forms may be obtained from the Irish Revenue Commissioners website: http://www.revenue.ie/en/tax/dwt/forms/index.html. Shareholders should note that DWT will be deducted from dividends in cases where a properly completed exemption form has not been received by the relevant record date. Shareholders who wish to have their dividend paid direct to a bank account, by electronic funds transfer, should contact Capita Registrars to obtain a mandate form. Tax vouchers will be sent to the shareholder's registered address under this arrangement.

CREST members

Shareholders who hold their shares via CREST will automatically receive dividends in Euro unless they elect otherwise.

Non-CREST members

Shareholders who hold their shares in certificate form will automatically receive dividends in Euro with the following exceptions:

- Shareholders with an address in the United Kingdom (UK) will automatically receive dividends in Sterling,
- Shareholders who had previously elected to receive dividends in a particular currency will continue to receive dividends in that currency.

Shareholders who wish to receive dividends in a currency other than that which will be automatically used should contact the Company's Registrars.

Shareholder and Other Information
(continued)

ELECTRONIC COMMUNICATIONS

Following the introduction of the Transparency Regulations 2007, and in order to promote a more cost effective and environmentally friendly approach, the Company provides the Annual Report electronically to shareholders via the Group's website and only sends a printed copy to those who specifically request one. Shareholders who wish to alter the method by which they receive communications should contact the Company's registrar. All shareholders will continue to receive printed proxy forms, dividend documentation, shareholder circulars, and, where the Company deems it appropriate, other documentation by post.

Financial Calendar	Date
Annual General Meeting	5 July 2018
Ex-dividend date	24 May 2018
Record date for dividend	25 May 2018
Latest date for receipt of elections and mandates	27 June 2018
Payment date for final dividend	13 July 2018
Interim results announcement	October 2018
Interim dividend payment	December 2018
Financial year end	28 February 2019

COMPANY SECRETARY AND REGISTERED OFFICE

David Johnston, C&C Group plc
Bulmers House, Keeper Road, Crumlin, Dublin 12, D12 K702
Tel: +353 1 506 3900

REGISTRARS

Shareholders with queries concerning their holdings, dividend information or administrative matters should contact the Company's registrars:
Link Registrars Limited (trading as Link Assets Services)
P.O. Box 7117, Dublin 2, Ireland
Tel: +353 1 553 0050
Fax: +353 1 224 0700
Email: enquiries@capita.ie
Website: www.linkassetservices.com

AMERICAN DEPOSITARY RECEIPTS (ADR)

Shareholder with queries concerning their ADR holdings should contact:
Deutsche Bank Trust Company Americas
C/o American Stock Transfer & Trust Company, 6201 15th Avenue, Brooklyn, NY 11219.
Tel: Toll free +1 866 706 8374
International +1 718 921 8137
Email: DB@amstock.com

INVESTOR RELATIONS

FTI Consulting
10 Merrion Square, Dublin 2, D02 DW94

PRINCIPAL BANKERS

Bank of Ireland
Bank of Scotland
Barclays Bank
Danske Bank
HSBC
Rabobank
Ulster Bank

SOLICITORS

McCann FitzGerald
Riverside One, Sir John Rogerson's Quay, Dublin 2, D02 X576

STOCKBROKERS

Davy
49 Dawson Street, Dublin 2, D02 PY05

Investec Bank plc
2 Gresham Street, London, EC2V 7QP

AUDITOR

Ernst & Young
Chartered Accountants
Harcourt Building,
Harcourt Street,
Dublin 2.

WEBSITE

Further information on C&C Group plc is available at www.candcgroupplc.com