Matthew Clark Bibendum Limited

Annual Report and Financial Statements

Registered number 02550982

For the Period from 30th April 2018 to 28th February 2019

Contents

Strategic Report

Company information

The financial statements have been prepared for the period 30 April 2018 to 28 February 2019. The comparative figures are for the period 1 May 2017 to 29 April 2018.

Principal activities

The Company's principal activity during the period has been that of a wholesale and agency drinks distributor, operating in the UK.

Business review

The Company has established itself as the leading independent composite drinks supplier, operating throughout the UK supplying the on trade. The Company supplies pubs, bars, hotels, restaurants and leisure outlets, both independent and major national managed chains.

Business structure

The Company owns 100% of six dormant subsidiaries, being Matthew Clark Wholesale Bond Limited, Matthew Clark & Sons Limited, Matthew Clark Limited, Bibendum Wine Ireland Limited, Catalyst PLB Brands Limited and Odyssey Intelligence Limited. As at the balance sheet date, the company owned 100% of the ordinary share capital of Elastic Productions Limited, an experimental marketing agency and 61% of the ordinary share capital of Peppermint Events Limited, a provider of festival bars and event solutions to entertainment businesses and consumer brands. Since the date the last financial statements were approved, Elastic has ceased trading and the Company has sold its shareholding in Peppermint to the minority shareholders. Matthew Clark Bibendum Limited continues to own 100% of the ordinary share capital of A2 Contractors Limited. The business of this Company is that of construction via sub-contracting.

Aims and objectives

The Company's ultimate objective is to grow profits and cash flows via a strategy centred on enhancing the customer offer and service. To achieve this, the Company has taken a leadership position in the on-trade market whilst providing a fully composite offering.

Principal risks and uncertainties

Competition

The Company's competitors can be broken down into a number of sectors:

- *National independent wholesalers* who offer similar product and service offerings to the Company.
- *Independent regional wholesalers* who, whilst lacking national scope, have strong local distribution and customer bases.
- *Global brewers* who focus on beer distribution with other drinks as service lines and represent the largest volume operators in the market by virtue of their beer volumes.

Legal and regulatory environment

The Company acknowledges that it operates in an environment that has both a developing and increasing regulatory agenda, in the areas of health and safety, quality control, environmental obligations and employee welfare. The Company seeks to ensure that it works in an appropriate manner with the relevant regulatory bodies, obtains recognised accreditations and encourages a proactive approach to changes in the legal environment. In addition, anti-bribery and money laundering policies are regularly reviewed and relevant employees are provided the training required to implement them.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Risk/uncertainty

The Company uses a consistent documented approach in its treatment of risk, ensuring appropriate mitigation over legal, regulatory and financial exposures.

Regular management review and strategic exercises seek to identify those areas of risk and uncertainty that need to be addressed and put in place appropriate actions to moderate them.

Measurement

The Company has established a performance measurement system that focuses the business on the key levers of sales volume and profit growth, together with cost control and cash generation. Detailed financial information can be found on pages 10 to 32 of these financial statements.

A detailed annual planning process ensures that targets relating to business growth and development are set in conjunction with the Company's and Group's long term strategy.

Financial risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main exposure to credit risk in the Company is represented by receivables owing to the Company. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of those assets, net of any provisions, as disclosed in the Balance Sheet and notes to the financial statements (see note 15). Rolling cash flow forecasting, underpinned by the securing of credit insurance with our supplier base and re-financing of borrowing facilities ensure that future cash flow obligations can be met by the Company.

Brexit

The Company purchases stock from countries within the European Union, and therefore the indecision relating to the United Kingdom leaving the European Union gives rise to uncertainty. As part of a plc with the head office located in Ireland, plans are in place to manage at a Group and Company level, including supplier arrangements to minimise risk. A process of stock building is also planned to ensure appropriate stock levels are held, with the Group also holding foreign exchange contracts in foreign denominations to mitigate risk of exchange rate movements.

Employees

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are communicated the performance of the Group as a whole at appropriate times throughout the year, with additional communications occurring through in-house newsletters and briefing groups.

Bribery and corruption

We have a zero tolerance approach to bribery, corruption and fraudulent behaviour of any kind. We have an Anti-Bribery & Corruption Policy which sets out the group's policy to conduct its business honestly and without the use of corrupt practices or acts of bribery. We refuse to offer, give or receive bribes or improper payments, or participate in any kind of corrupt activity, either directly or through any third party.

Strategic report *(continued)*

Performance

Following the events of the prior year, the business has been through a process of stabilisation and re-establishing service levels. As a result, On Time In Full (OTIF) deliveries have improved from 78% for the month of April 2018 to 96% for the month of February 2019. Alongside this the business has focussed on delivering yield and improving margin through sustainable profitable business. This has led to an improvement in gross profit margin to 13.3% (2018: 11.0%). A process of cost rationalisation is also ongoing to reflect the position of the Company as part of the wider Group, which coupled with the improved gross profit margin has led to improvement in operating profit margin on the prior year (2019: 1.2%; 2018: 0.2%). Following the exceptional circumstances in the prior year, the Company has returned to showing a profit before tax in the current year (£4,663,000 profit; 2018: £156,493,000 loss). During the year, the Company continued to focus on controlling its working capital, driving improved cash flow generation.

Set against the backdrop of the UK on-trade drinks market and first 11 months of trading since acquisition, the Directors are pleased with these results, which are in line with their expectations.

By order of the board

E Robertson
Director

4 / 11 / 2019

Directors' report for the period from 30 April 2018 to 28 February 2019

The Directors present their report together with the financial statements of the Company for the Period 30 April 2018 to February 2019. The comparative figures are for the period 1 May 2017 to 29 April 2018.

Results and dividends

The Company made a profit after tax and exceptional costs for the period of £1,816,000 *(2018: loss of £154,936,000)* and paid a dividend to Matthew Clark Bibendum (Holdings) Limited of £nil *(2018: £nil).*

Directors

The following Directors served during the period and subsequently:

A Pozzi
E J Robertson
J Solesbury
D G Johnston (resigned 29 January 2019)

Corporate governance

The Board meets regularly and reviews operating performance against the strategic business plan and detailed management budgets. This strategic business plan incorporates all aspects of strategy and associated risks; all proposals for contract variations are vetted before approval against the plan. The Board reserves its own decision on contractual expenditure above a certain amount and associated funding. The Board comprises of 3 directors. Nominations for any changes to Board membership are subject to a member vote at the Group's Annual General Meeting. The Board with help from the Risk and Audit Committee, decides upon the accounting policies which are appropriate for the Company and ensures they are consistently applied.

Political donations

The Company made no political donations nor incurred any political expenditure during the period *(2018: £nil).*

Going concern

The financial statements have been prepared on a going concern basis, which assumes the Company will be able to meet its liabilities as they fall due, for the foreseeable future.

Banking facilities are in place to cover working capital, capital investment and other corporate requirements. The Directors have prepared cash flow forecasts and while the nature of the Company's business means that there can be seasonal variations in the timing of cash flow, the Directors have concluded that the Company will be able to continue to operate for the foreseeable future based on its free cash flow generation.

In preparing those forecasts, the Directors have taken into account various risks and uncertainties. The principal areas of risk and uncertainties are the impact of the wider economic climate on the achievement of operating targets, in particular projected revenue and gross margins. In addition to these risks and uncertainties, the Company's performance is also impacted by credit risks. The Directors have a documented policy in relation to managing these risks.

The Company is in a net liabilities position as at the year-end date. As such, C&C Group Plc the Company's ultimate parent undertaking at the date these financial statements are approved, has indicated that it will provide or procure such funds as necessary to enable the Company to settle all liabilities as they fall due for at least the next twelve months from the date of signing the financial statements. In addition, as part of a wider C&C Group re-capitalisation process the Company will return to a net asset position during the year ending February 2020. Therefore, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors' report *(continued)*

Future developments

In the coming period, the Company plans to increase profitability and improve margins by increasing share of the on-trade market. Since the balance sheet date, the Company has completed a capital re-distribution. This is part of a wider recapitalisation across the Group, which will be completed in the financial year ending February 2020 leaving the company in a net asset position with distributable reserves. Refer to note 24 for further information.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Reappointment of auditors

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 4|11|19 and signed on its behalf by:

E Robertson
Director

Whitchurch Lane
Bristol
BS14 0JZ

4|11| 2019

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the members of Matthew Clark Bibendum Limited

Opinion

We have audited the financial statements of Matthew Clark Bibendum Limited for the period ended 28 February 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 28 February 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 the directors 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Matthew Clark Bibendum Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Ernst & Young LLP

John Howarth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
Date: 4-11-2019

Profit and Loss Account and Comprehensive Income
for the period from 30 April 2018 to 28 February 2019

	Note	30 April 2018 to 28 February 2019	1 May 2017 to 29 April 2018 (restated)
		£000	£000
Turnover	4	**856,821**	1,059,621
Cost of sales		**(742,791)**	(942,869)
Gross profit		**114,030**	116,752
Distribution costs		**(55,127)**	(60,415)
Administration expenses		**(48,776)**	(54,230)
Operating profit	*5*	**10,127**	2,107
Exceptional items	6	**(5,242)**	(158,326)
Interest payable	*9*	**(222)**	(274)
Profit/(Loss) before taxation		**4,663**	(156,493)
Income tax (expense)/credit	*10*	**(2,847)**	1,557
Profit/(Loss) for the financial period		**1,816**	(154,936)
Total comprehensive income for the period		**1,816**	(154,936)

The notes on pages 13 to 32 form part of these financial statements.

There was no other comprehensive income for the current period or preceding year other than the profit for the period.

These results derive wholly from continuing operations.

Balance Sheet
at 28 February 2019

	Note	**28 February 2019**		29 April 2018 (restated)	
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets	*11*		**2,419**		1,817
Tangible assets	*12*		**3,744**		2,845
Investments	*13*		**-**		1,645
			6,163		6,307
Current assets					
Stocks	*14*	**64,521**		53,315	
Debtors	*15*	**180,067**		228,096	
Cash at bank and in hand		**41,974**		14,009	
		286,562		295,420	
Creditors: amounts falling due within one year	*17*	**(340,768)**		(350,666)	
Net current liabilities			**(54,206)**		(55,246)
Total assets less current liabilities			**(48,043)**		(48,939)
Provisions for liabilities and charges	*18*		**(4,874)**		(5,794)
Net liabilities			**(52,917)**		(54,733)
Capital and reserves					
Called up share capital	*19*		**3,000**		3,000
Share premium account			**27,000**		27,000
Accumulated losses			**(82,917)**		(84,733)
Shareholders' deficit			**(52,917)**		(54,733)

The notes on pages 13 to 32 form an integral part of these financial statements.

These financial statements were approved by the board of Directors on 4 | 11 | 2019 and were signed on its behalf by:

E Robertson
Director

Registered number 02550982

Statement of Changes in Equity

	Called up share capital	Share premium account	Capital contribution	Share based payments	Accumula-ted losses	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 May 2017	3,000	27,000	1,293	641	68,269	**100,203**
Total comprehensive income for the year (restated)	-	-	-	-	(154,936)	**(154,936)**
Transactions with owners, recorded directly in equity:						
Equity-settled share based payments	-	-	-	(641)	641	-
Other capital movements	-	-	(1,293)	-	1,293	-
Balance at 29 April 2018 (restated)	**3,000**	**27,000**	-	-	**(84,733)**	**(54,733)**
Balance at 30 April 2018	3,000	27,000	-	-	(84,733)	**(54,733)**
Total comprehensive income for the period	-	-	-	-	1,816	**1,816**
Balance at 28 February 2019	**3,000**	**27,000**	-	-	**(82,917)**	**(52,917)**

The notes on pages 13 to 32 form an integral part of these financial statements.

Notes

1 General Information

Matthew Clark Bibendum Limited ("the Company") is a private company limited by share capital incorporated and regulated in United Kingdom.

The address of its registered office is:
Whitchurch Lane
Bristol
BS14 0JZ
England

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

During the period, the Company has changed its period end from 29th April to 28th February to align with parent undertakings. The current period therefore contains a 10 month period with the comparatives shown being for a 12 month period of account.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") and on the historical cost basis. In the prior period, the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). FRS 101 disclosure exemptions have therefore been taken in the current period, with these being discussed below.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, C&C Group Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of C&C Group Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in Note 25.

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, intangible assets and investments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

Notes *(continued)*

2 Accounting policies (continued)

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

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

New and amended standards and interpretations
No new accounting standards or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 28 February 2019, have had a material impact on the Company. Amendments to standards have been considered as below:

Amendments to IFRS9: Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The effect of adopting IFRS 9 is immaterial to the statement of profit or loss, to the statement of financial position and to the OCI for the period. The ECL model has been calculated in line with requirements under IFRS 9. The Company's trade receivables have no significant financing component, so the Company has used the simplified method for providing for these under IFRS 9. Therefore, the impairment loss is measured at lifetime ECL.

Amendments to IFRS15: Revenue from Contracts with Customers

IFRS 15 supersedes IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

An assessment was performed on all revenue streams of the Company, with the five step model considered for each. Historic treatment was in line with IFRS 15 for all revenue streams. The performance obligations under the contract fall in line with the transfer of risk and reward of ownership under IAS 18, with the determined transaction price also remaining unchanged. Therefore it is considered that the effect of adopting IFRS 15 is immaterial to the statement of profit or loss, to the statement of financial position and to the other comprehensive income for the period.

Notes *(continued)*

2 Accounting policies (continued)

Prior period adjustments
The Company's financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional balance sheet at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional balance sheet as at 29 April 2018 is presented in these financial statements due to prior period adjustments made. See note 26 for more information.

Exemption from preparing Group financial statements
The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly-owned subsidiary of C&C Group Plc which prepares consolidated financial statements in accordance with International Financial Reporting Standards that are publicly available and may be obtained from the Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1. These financial statements present information about the Company as an individual undertaking and not about its Group.

Changes in accounting policy
The Company has presented its accounts in accordance with FRS 101 (the reduced disclosure framework).

None of the standards, interpretations and amendments which are effective for periods beginning after 28 February 2019 and which have not been adopted early, are expected to have a material effect on the financial statements.

Foreign currencies
Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Going concern

The financial statements have been prepared on a going concern basis, which assumes the Company will be able to meet its liabilities as they fall due, for the foreseeable future.

Banking facilities are in place to cover working capital, capital investment and other corporate requirements. The Directors have prepared cash flow forecasts and while the nature of the Company's business means that there can be seasonal variations in the timing of cash flow, the Directors have concluded that the Company will be able to continue to operate for the foreseeable future based on its free cash flow generation.

In preparing those forecasts, the Directors have taken into account various risks and uncertainties. The principal areas of risk and uncertainties are the impact of the wider economic climate on the achievement of operating targets, in particular projected revenue and gross margins. In addition to these risks and uncertainties, the Company's performance is also impacted by credit risks. The Directors have a documented policy in relation to managing these risks.

The Company is in a net liabilities position as at the year-end date. As such, C&C Group Plc the Company's ultimate parent undertaking at the date these financial statements are approved, has indicated that it will provide or procure such funds as necessary to enable the Company to settle all liabilities as they fall due for at least the next twelve months from the date of signing the financial statements. In addition, as part of a wider C&C Group re-capitalisation process the Company will return to a net asset position during the year ending February 2020. Therefore, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes *(continued)*

2 Accounting policies (continued)

Revenue

Revenue from the sale of goods includes excise and import duties which the Company pays as principal but excludes amounts collected on behalf of third parties, such as value added tax. Revenue is also net of discounts offered. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has considered that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the Customer.

The Company will receive payment from the Customer according to their specific credit terms. If the goods supplied to the Customer are of unsatisfactory condition and the Company is informed within 3 days after the delivery then the Customer will be due a credit for the goods. Provision is made for returns where appropriate.

Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease Incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and unwinding of any discount on provisions. Borrowing costs that are directly attributable to the acquisition, construction, or production of an asset, that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested., Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Tax

The tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 of amount of future taxable profits and taking into consideration applicable tax legislation in the relevant jurisdiction.

Notes *(continued)*

2 Accounting policies (continued)

Deferred Tax (continued)

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 Company's tax charge and provision and any such differences could have a material impact on the Company'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 Company 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Asset class	Depreciation method and rate
Freehold buildings	between 5 to 33 years
Leasehold buildings and improvements	length of lease
Fixtures and fittings	between 5 to 15 years
Computer equipment	between 2 to 5 years
Plant, machinery and vehicles	between 2 to 25 years

No depreciation is provided on assets in the course of construction until the asset is brought into use.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Intangible assets

Intangible fixed assets are stated at cost less accumulated amortisation and less accumulated impairment losses.

Notes *(continued)*

2 Accounting policies (continued)

Internally generated assets

Development costs, including internal staff time, is capitalised where the goods or services can be directly allocated to a project which is expected to add economic benefit to the entity on completion.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Asset class	Amortisation method and rate
Computer software	between 3 to 5 years
Internally generated assets	between 5 to 8 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised at the transaction price and subsequently measured at amortised cost less any impairment losses. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Notes *(continued)*

2 Accounting policies (continued)

Defined contribution pension obligation

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

Financial assets are subsequently held at amortised cost, measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes its trade receivables.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs.
Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes *(continued)*

2 Accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes *(continued)*

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. 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. The following significant estimates were used in preparing these financial statements:

Retrospective discounts

In determining the required accrual at a point in time for retrospective discount arrangements including steps or ratchets, estimates can be necessary in relation to anticipated volumes/sales levels to occur over the full length of the arrangement. For renewed arrangements sales history is used to inform these estimates, with new arrangements being accrued on a prudent basis and reviewed cyclically throughout the length of the arrangement. As at 28th February 2019, retrospective discounts amounting to £8,490,000 are included within accruals.

Bad debt provisions

The provision for doubtful debt is calculated on a specific basis, however judgement is required to determine the likelihood of a balance being recovered, based on the most recent and accurate information available. As at 28th February 2019, the provision for doubtful debt amounted to £4,022,000.

Stock provisions

Provision for stock obsolescence requires judgement in relation to the future market demand for stock lines, which determines whether the stock can be sold at above cost. The provision is calculated on a line by line basis, based on recent sales information and known market trends, with judgement being applied in these areas. As at 28th February 2019, the stock provision amounted to £3,985,000.

4 Revenue

Revenue consists of sales in the United Kingdom arising from the Company's principal activity.

The analysis of the Company's revenue is as follows:

	30 April 2018 to 28 February 2019 £000	1 May 2017 to 29 April 2018 £000
Sale of goods	**856,821**	1,059,621

Notes *(continued)*

5 Expenses and auditor's remuneration

Included within profit/loss are the following:	**30 April 2018 to 28 February 2019 £000**	1 May 2017 to 29 April 2018 £000
Depreciation and amortisation	**1,141**	2,852
Impairment of intangible assets	**-**	2,295
Credit losses on debtors	**1,108**	617
Foreign exchange losses	**619**	1,006
Operating lease expenses	**8,291**	9,148

Auditor's remuneration	**30 April 2018 to 28 February 2019 £000**	1 May 2017 to 29 April 2018 £000
Audit of these financial statements	**310**	781
Audit of financial statements of subsidiaries	**15**	15

6 Exceptional costs

The exceptional costs recognised are analysed as follows:

	30 April 2018 to 28 February 2019 £000	1 May 2017 to 29 April 2018 (restated) £000
Write off of intercompany loans with Conviviality Plc	**-**	92,060
Assumption of indebtedness following acquisition by C&C Group Plc	**-**	54,690
Costs associated with the integration of Bibendum Wine Limited	**-**	3,460
Other non-recurring events and projects	**-**	3,778
Redundancy costs	**2,784**	2,538
Impairment of subsidiary	**1,645**	1,800
Costs associated with business stabilisation	**813**	-
	5,242	158,326

Redundancy costs
Redundancy costs associated with the change in business structure have been treated as exceptional in the period.

Impairment of subsidiary
Costs in the current period are associated with the impairment of the investment in Elastic Productions Limited, which has started to cease trading during the period.

Costs associated with business stabilisation
After the acquisition of the business by the new parent undertaking, external advisors were engaged to assist with business stabilisation. These costs have been treated as exceptional costs in the period.

Notes *(continued)*

7 Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the period, analysed by category, was as follows:

	Number of employees	
	30 April 2018 to 28 February 2019	1 May 2017 to 29 April 2018
Selling and distribution	**1,344**	1,285
Administration	**467**	508
	1,811	1,793

The aggregate payroll costs of these persons were as follows:

	30 April 2018 to 28 February 2019 £000	1 May 2017 to 29 April 2018 £000
Wages and salaries	**44,744**	50,812
Social security costs	**5,026**	5,522
Other pension costs	**1,762**	1,768
	51,532	58,102

8 Directors' remuneration

The remuneration of the Directors was as follows:

	30 April 2018 to 28 February 2019 £000	1 May 2017 to 29 April 2018 £000
Directors' emoluments	**-**	1,181
Pension payments	**-**	43
	-	1,224

The aggregate of emoluments of the highest paid Director was £nil *(2018: £1,181,000)* and Company pension contributions of £nil *(2018: £43,000)* were made to a defined contribution scheme on his behalf.

No Directors (2018: One) were a member of the defined contribution pension scheme.

Notes *(continued)*

9 Interest payable and similar expenses

	30 April 2018 to 28 February 2019 £000	1 May 2017 to 29 April 2018 £000
On bank loans and overdrafts	**222**	274

10 Tax

The tax charge comprises:

	30 April 2018 to 28 February 2019 £000	1 May 2017 to 29 April 2018 £000
UK corporation tax		
Current tax on income for the period	**842**	152
Adjustments in respect of prior years	**1,016**	(1,171)
Total current tax	**1,858**	(1,019)
Deferred tax (restated)		
Current period	**996**	(638)
Adjustment in respect of prior years	**(7)**	33
Effect of changes in tax rates	**-**	67
Total deferred tax	**989**	(538)
Total tax expense/(credit)	**2,847**	(1,557)

The tax on profit/(loss) before tax for the period is the same as the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).

Notes *(continued)*

10 Tax (continued)

Reconciliation of effective tax rate

	30 April 2018 to 28 February 2019	1 May 2017 to 29 April 2018 (restated)
	£000	£000
Profit/(Loss) before taxation	**4,663**	(156,493)
Tax on profit at standard UK corporation tax rate of 19.00% *(2018: 19.00%)*	**886**	(29,734)
Effects of:		
Effects of group relief/other reliefs	**(409)**	-
Expenses not deductible for tax purposes	**875**	29,378
Tax rate changes	**-**	67
Transfer of assets	**-**	(492)
Transfer pricing adjustments	**487**	314
Adjustments to tax charge in respect of previous periods	**1,008**	(1,138)
Share options	**-**	48
Total tax expense/(credit)	**2,847**	(1,557)

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

11 Intangible assets

	Computer software £000	Assets in course of construction £000	Total £000
Cost			
At 30 April 2018	20,332	165	20,497
Additions	-	1,033	1,033
Transfers	1,103	(1,103)	-
Disposals	(12,695)	-	(12,695)
At 28 February 2019	8,740	95	8,835
Amortisation			
At 30 April 2018	18,680	-	18,680
Charge for period	431	-	431
Disposals	(12,695)	-	(12,695)
At 28 February 2019	6,416	-	6,416
Net book value			
At 28 February 2019	**2,324**	**95**	**2,419**
At 30 April 2018	1,652	165	1,817

Included within Assets in the course of construction is an amount of £77,000 (2018: £nil) relating to internally generated intangible assets. No further internally generated intangible assets have been capitalised.

Notes *(continued)*

12 Tangible fixed assets

	Buildings and building improvements £000	Assets in course of construction £000	Fixtures and Fittings £000	Computer equipment £000	Plant, machinery and vehicles £000	Total £000
Cost						
At 30 April 2018	4,117	-	669	4,054	1,418	10,258
Additions	-	1,614	-	-	-	1,614
Transfers	1,211	(1,584)	-	228	145	-
Disposals	(429)	-	-	-	(24)	(453)
At 28 February 2019	4,899	30	669	4,282	1,539	11,419
Depreciation and impairment						
At 30 April 2018	2,897	-	506	3,146	864	7,413
Charge for period	202	-	41	333	134	710
Disposals	(424)	-	-	-	(24)	(448)
At 28 February 2019	2,675	-	547	3,479	974	7,675
Net book value						
At 28 February 2019	**2,224**	**30**	**122**	**803**	**565**	**3,744**
At 30 April 2018	1,220	-	163	908	554	2,845

13 Investments

	Shares in Group undertakings £000
Cost and net book value	
At 30 April 2018	**1,645**
Impairment	(1,645)
At 28 February 2019	-

As at the balance sheet date, Matthew Clark Bibendum Limited held 61% of the ordinary share capital of Peppermint Events Limited and 100% of the share capital of Elastic Productions Limited. Refer to post balance sheet events (note 24) for changes since the balance sheet date.

The results and position of Peppermint Events Limited, Elastic Productions Limited and A2 Contractors Limited are consolidated within the financial statements of C&C Group Plc. Investments in subsidiaries are stated at cost less allowance for impairment. The undertakings in which the Company's interest at the year-end is more than 20% are as follows:

Subsidiary undertakings	Country of incorporation	Registered address	Principal activity	Class and percentage of shares held
Elastic Productions Limited	England & Wales	Whitchurch Lane, Bristol, BS14 0JZ	Event management	100% ordinary share capital
Peppermint Events Limited	England & Wales	Whitchurch Lane, Bristol, BS14 0JZ	Event management	61% ordinary share capital
A2 Contractors Limited	England & Wales	Whitchurch Lane, Bristol, BS14 0JZ	Construction	100% ordinary share capital
Catalyst PLB Brands Limited	England & Wales	Whitchurch Lane, Bristol, BS14 0JZ	Dormant	100% ordinary share capital
Matthew Clark Wholesale Bond Limited	England & Wales	Whitchurch Lane, Bristol, BS14 0JZ	Dormant	100% ordinary share capital

Notes *(continued)*

13 Investments (continued)

Matthew Clark & Sons Limited	**England & Wales**	Whitchurch Lane, Bristol, BS14 0JZ	**Dormant**	100% ordinary share capital
Matthew Clark Limited	**England & Wales**	Whitchurch Lane, Bristol, BS14 0JZ	**Dormant**	100% ordinary share capital
Odyssey Intelligence Limited	**England & Wales**	Whitchurch Lane, Bristol, BS14 0JZ	**Dormant**	100% ordinary share capital
Bibendum Wine Ireland Limited	**Ireland**	Keeper Road, Crumlin, Dublin 12, Ireland	**Dormant**	100% ordinary share capital

14 Stock

	28 February 2019	29 April 2018
	£000	£000
Finished goods for resale	**64,521**	53,315

The value of stock charged to cost of sales amounted to £739,094,000 (2018: £937,061,000).

15 Debtors

	28 February 2019	29 April 2018 (Restated)
	£000	£000
Trade debtors	**100,092**	147,195
Amounts owed by Group undertakings	**64,679**	50,243
Other debtors	**6,180**	18,520
Prepayments and accrued income	**3,689**	7,118
Corporation tax debtor	**4,457**	4,157
Deferred tax asset (note 16)	**970**	863
	180,067	228,096

Amounts owed by Group undertakings are receivable on demand.

16 Deferred taxation

The elements of deferred taxation are as follows:

	28 February 2019	29 April 2018
	£000	£000
Difference between accumulated depreciation and capital allowances	**793**	843
Short term timing differences	**177**	20
Deferred tax asset	**970**	863

A deferred tax asset amounting to £970,000 has been recognised relating to the difference between depreciation and capital allowances and other short term timing differences, with the asset considered recoverable as it will be realised in future periods as these differences unwind whilst the Company continues to trade. A further deferred tax asset amounting to £450,000 has not been recognised. These relate to losses carried forward on which recoverability is not certain.

Notes *(continued)*

17 Creditors: amounts falling due within one year

	28 February 2019 £000	29 April 2018 (Restated) £000
Bank loans and overdrafts	**34,056**	-
Balance owed to banks in respect of settlement agreement	**-**	70,461
Trade creditors	**90,606**	169,367
Amounts owed to Group undertakings	**181,042**	41,166
Other taxes and social security	**12,266**	46,296
Other creditors	**11,965**	16,269
Accruals	**9,872**	6,917
Group/consortium relief creditor	**961**	190
	340,768	350,666

Amounts owed to Group undertakings are payable on demand and non-interest bearing.

18 Provisions for liabilities and charges

	Property £000	**Other £000**	**Total £000**
At beginning of period	3,314	2,480	5,794
Charged to the profit and loss for the period	-	78	78
Utilisation of provision	(147)	(666)	(813)
Decrease in existing provisions	(185)	-	(185)
At end of period	**2,982**	**1,892**	**4,874**

Property provisions relate to a number of properties used in the Company's business. They include amounts in respect of onerous rental expenses and dilapidations for leases expiring between the balance sheet date and 2036. The provision in calculated on the basis of external surveys, however these apply assumptions giving rise to uncertainty of the value.

Other provisions relate to vehicle return costs, in addition to costs associated with the disruption in the lead up to acquisition by C&C Group Plc. Calculation of these return costs are also based on assumptions, giving rise to potential uncertainty of the value. The leases to which these return costs relate expire between the balance sheet date and 2023.

19 Share capital

	28 February 2019 £000	29 April 2018 £000
Allotted, called up and fully paid		
3,000,002 ordinary shares of £1 each	**3,000**	3,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Notes *(continued)*

20 Commitments

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Plant and machinery		Vehicles	
	28 February 2019	29 April 2018	**28 February 2019**	29 April 2018
	£000	£000	**£000**	£000
- Within one year	**445**	287	**3,111**	3,718
- In the second to fifth years	**1,107**	308	**3,891**	5,681
- Over five years	**-**	-	**-**	-
	1,552	595	**7,002**	9,399

During the year £8,291,000 was recognised as an expense in the profit and loss account in respect of operating leases *(2018: £9,148,000).*

In addition, the Company leases certain land and buildings on short term leases. The total commitments under these non-cancellable operating leases, which are subject to renegotiation at various intervals specified in the leases and in respect of which the Company pays all insurance, maintenance and repairs, are as follows:

	28 February 2019	29 April 2018
	£000	£000
- Within one year	**5,365**	4,171
- In second to fifth years	**15,799**	11,927
- Over five years	**11,460**	4,942
	32,624	21,040

Capital commitments

During the period ended 28 February 2019, the Company entered into a contract committing to incur capital expenditure of £607,000 *(2018: £nil).* This balance relates fully to intangible assets.

21 Group VAT registration

The Company is a member of the Group VAT registration and is therefore jointly liable for the other Group Companies' outstanding VAT liability. The outstanding liability as at 28 February 2019 was £6,680,000 (2018: £29,447,000).

22 Pensions

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company, being invested with insurance companies. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,762,000 *(2018: £1,768,000).*

Notes *(continued)*

23 Related party transactions

In accordance with the exemption available under FRS 101, transactions with other wholly owned undertakings within the C&C Group Plc group have not been disclosed within these financial statements.

During the year the Company entered into transactions with subsidiary companies not wholly owned as follows:

Transactions with Peppermint Events Limited

- The Company purchased goods and services of £110,000 (2018: £71,672) from Peppermint Events Limited;
- The Company made sales of £2,822,000 (2018: £4,143,333) to Peppermint Events Limited; and
- The balance owing from Peppermint Events Limited to the Company at 28 February 2019 was £4,666,000 which was provided for in full (2018: £3,692,000 of which £3,292,000 was provided for).

All transactions with Peppermint Events Limited are completed on an arms-length basis, with credit terms offered in line with those of external parties.

24 Post balance sheet events

On 11th September 2019 the Company obtained shareholder approval by special resolution to transfer the full balance of share premium (£27,000,000) into distributable reserves. This transfer was completed in line with the UK Companies Act 2006 supported by a solvency statement. As this transfer was made after the balance sheet date, the transaction has not been included within these financial statements. This is part of a wider capital re-distribution across the Group, which will be completed before the end of the financial year ending February 2020 leaving the company in a net asset position with distributable reserves.

On 14th October 2019, a management buy-out was completed of the full share capital of Peppermint Events Limited from Matthew Clark Bibendum Limited.

25 Controlling parties

The Company's immediate parent undertaking is Matthew Clark Bibendum (Holdings) Limited, a Company incorporated in England and Wales. The registered address of Matthew Clark Bibendum (Holdings) Limited is Whitchurch Lane, Bristol, BS14 0JZ, England.

The Company's ultimate controlling party is C&C Group Plc, a Company incorporated in Ireland. The registered address of C&C Group Plc is Bulmers House, Keeper Road, Crumlin, Dublin 12, Ireland.

C&C Group Plc is the largest and smallest group in which the results of the Company are consolidated. No other group financial statements include the results of the Company. The consolidated financial statements of C&C Group Plc are available to the public and may be obtained from Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1, Ireland.

26 Prior period adjustment

Management have identified items which have resulted in prior period adjustments. Prior period adjustments have been made at the beginning of the earliest period presented in these financial statements.

On the 4th April 2018, C&C Holdings (NI) Limited acquired the entire share capital of Matthew Clark Bibendum (Holdings) Limited, which is the immediate parent company of Matthew Clark Bibendum Limited. Simultaneously, Matthew Clark Bibendum Limited agreed to accept an assumption of a part of the previous owner's indebtedness to its banks in return for Matthew Clark Bibendum Limited being released from its obligations to make future repayment(s), to provide security and/or act as guarantor connected to the Group's banking facilities.

Due to the complex nature of this transaction, further review has found that the cost disclosed within exceptional items in the FY18 financial statements was understated. The effect of the restatement is to increase exceptional costs relating to the "assumption of indebtedness following acquisition by C&C Group Plc" by £6,598,852 (2017: £nil), reduce trade debtors by £560,087 (2017: £nil) and increase trade creditors by £6,038,765 (2017: £nil).

Notes *(continued)*

26 Prior period adjustment (continued)

Balance Sheet at 29 April 2018

	As originally reported £000	Adjustment £000	Restated £000
Fixed assets			
Intangible assets	1,817	-	1,817
Tangible assets	2,845	-	2,845
Investments	1,645	-	1,645
	6,307	-	6,307
Current assets			
Stock	53,315	-	53,315
Debtors	228,656	(560)	228,096
Cash at bank and in hand	14,009	-	14,009
	295,980	(560)	295,420
Total Assets	**302,287**	**(560)**	**301,727**
Creditors: amounts falling due within one year	(344,627)	(6,039)	(350,666)
Non-current Liabilities			
Provisions for liabilities and charges	(5,794)	-	(5,794)
Total Liabilities	**(350,421)**	**(6,039)**	**(356,460)**
Equity			
Called up share capital	3,000	-	3,000
Share premium account	27,000	-	27,000
Accumulated losses	(78,134)	(6,599)	(84,733)
Total Equity	**(48,134)**	**(6,599)**	**(54,733)**
Total Equity and liabilities	**302,287**	**(560)**	**301,727**

Notes *(continued)*

26 Prior period adjustment (continued)

Profit and Loss Account and Comprehensive Income for the period 1 May 2017 to 29 April 2018

	As originally reported £000	Adjustment £000	Restated £000
Turnover	1,059,621		1,059,621
Cost of sales	(942,869)		(942,869)
Gross profit	116,752	-	116,752
Distribution costs	(60,415)		(60,415)
Administration expenses	(54,230)		(54,230)
Operating profit	2,107	-	2,107
Exceptional items	(151,727)	(6,599)	(158,326)
Interest payable	(274)	-	(274)
Loss before taxation	(149,894)	(6,599)	(156,493)
Income tax credit	1,557	-	1,557
Loss for the financial period	(148,337)	(6,599)	(154,936)
Total comprehensive loss for the period	**(148,337)**	**(6,599)**	**(154,936)**