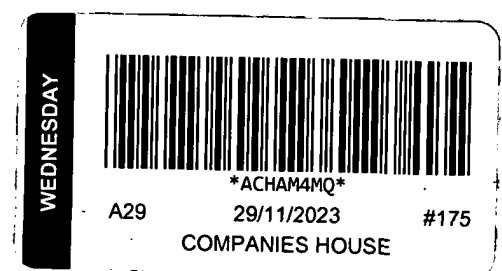


Matthew Clark Bibendum (Holdings) Limited

Annual Report and Financial Statements

Registered number 06133835

For the financial year ended 28 February 2023



Matthew Clark Bibendum (Holdings) Limited
Annual report and financial statements
For the financial year ended 28 February 2023

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Matthew Clark Bibendum (Holdings) Limited
Annual report and financial statements
For the financial year ended 28 February 2023

Directors and other information
for the year ended 28 February 2023

| | |
|----------------------------|---|
| Directors | P McMahon M McGloin (appointed 01 June 2023) E J Robertson (resigned 23 February 2022 and re-appointed 1 June 2023) R Heffernan (appointed 19 January 2022) A Pozzi (appointed 19 January 2022) R J Webster (appointed 19 January 2022 and resigned 31 March 2023) |
| Secretary | C&C Management Services Limited |
| Registration Number | 06133835 |
| Registered Office | Pavilion 2 The Pavilions Bridgwater Road Bristol BS99 6ZZ |
| Auditor | Ernst & Young Chartered Accountants Harcourt Building Harcourt Street Dublin 2 Ireland |

Strategic Report

for the year ended 28 February 2023

Company information

The directors present their strategic report and audited financial statements of Matthew Clark Bibendum (Holdings) Limited (the 'Company') for the year ended 28 February 2023.

Principal activities & Business Structure

The Company is an intermediate holding company. The Company is the parent undertaking of Matthew Clark Bibendum Limited, a fully-owned trading subsidiary. The Company is also parent undertaking to various dormant companies as further explained in note 2 to the financial statements.

Business review

During the prior year, the company continued as an immediate parent company to Matthew Clark Bibendum Limited. There were no trading or restructuring activities in the current or prior year.

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

Principal risks and uncertainties

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.

Key performance indicators

Being a holding company, the performance of the company is assessed through the performance of its subsidiaries, notably the profit or loss in the financial year of subsidiaries.

Strategic report

for the year ended 28 February 2023 (continued)

Stakeholder Relationships (S172 Statement)

In fulfilling their duty to promote the success of the Company for the benefit of the shareholders, it is necessary for the directors to have regard of a broader range of stakeholders in recognition of the fact that the long-term success of the Company is dependent on maintaining these relationships. Given the principal activity of the Company is that of a holding entity of subsidiary investments, for which the main trading subsidiary is Matthew Clark Bibendum Limited ("the main trading subsidiary"), and that the Company and its subsidiaries are managed as one body, the principal stakeholder relationships listed below are primarily relevant to the main trading subsidiary. Being the leading composite drinks supplier in the UK, the main trading subsidiary has a significant number of key relationships, which include:

- 1) Employees – the success of the Company is built on the hard work of its employees and maintaining that relationship is fundamental to the ongoing operation and development of the Company;
- 2) Suppliers – the Company enjoys close relationships with its suppliers which range from large multinational breweries and wineries to local, independent companies. Knowledge of their products and working with them on pricing and strategy is key for the success of both parties;
- 3) Customers – the Company has a diverse range of customers, broadly categorised into large national chains and regional establishments across all sectors of the hospitality industry. The Company separates itself from its competition by tailoring products to its customers' needs and working with them to develop the right stocking approach. The ongoing success of the Company's customers is fundamentally linked to the success of the Company itself; and
- 4) Community – with its office headquarters based in Bristol, the Company has historically been a key employer in the South West and continues to be so. However, with regionalised depots and being a national distributor, we recognise our community impact across the UK.

Key Decisions

The Company and its subsidiaries regularly make decisions which may impact its Stakeholders, however there are occasionally certain key decisions which can have a significant impact. In making such decisions the directors are always conscious of, and have regard to, the impact on the stakeholders.

In restructuring payments with major suppliers, the Company has worked proactively to maintain dialogue and set-up feasible payment plans in the interest of both its suppliers and the Company in order to maintain working relationship whilst working within working capital constraints.

Matthew Clark Bibendum (Holdings) Limited
Annual report and financial statements
For the financial year ended 28 February 2023

Strategic report

for the year ended 28 February 2023 (continued)

Stakeholder Relationships (S172 Statement) (continued)

Employees

The Company did not have any employees in the current and prior year. The directors are employed and remunerated by other entities in the Group. The directors of the main trading subsidiary actively consider the interest of employees and “people” as a regular agenda item at board meetings where key leavers and joiners are identified and employee satisfaction is discussed as part of the continued commitment to employee engagement. As discussed and as above, employees are involved in key decisions and are kept up to date with significant announcements. During the year, the MCB has continued to expand its implemented share-scheme, allowing employees to invest and benefit from the growth of the wider group.

Community and Environmental impact

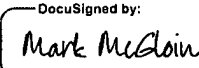
The Company and its subsidiaries are proactive in tracking and reducing their environmental impact. With the main trading subsidiary being a distributor, the main environmental impact is incurred through the delivery of goods to customers. Distribution systems are optimised to focus on proximity to customer demand through last mile logistics, reducing the number of journeys and the amount of fuel consumption required.

High standards and business conduct

The Company always seeks to maintain the highest standards and business conduct with suppliers and other key relationships.

Furthermore, as part of C&C Group Plc., the company is exposed to the Corporate Governance practices adopted by its Ultimate Parent. Further details can be found in the Corporate Governance Report within C&C Group Plc.

By order of the board

DocuSigned by:

70009C27505E487...
M McGloin
Director

24 November 2023

Matthew Clark Bibendum (Holdings) Limited
Annual report and financial statements
For the financial year ended 28 February 2023

Directors' Report *for the year ended 28 February 2023*

The directors present their report together with the financial statements of the Company for the financial year ended 28 February 2023.

Results and dividends

The Company did not trade in the year or in the previous year (2022). The Company did not pay a dividend in the year (2022: *£nil*).

Directors

The following directors served during the period:

P McMahon
M McGloin (appointed 01 June 2023)
E J Robertson (resigned 23 February 2022 and re-appointed 1 June 2023)
R Heffernan (appointed 19 January 2022)
A Pozzi (appointed 19 January 2022)
R J Webster (appointed 19 January 2022 and resigned 31 March 2023)

Political donations

The Company made no political donations nor incurred any political expenditure during the year (2022: *£nil*).

Employees

The Company did not have any employees in the current or prior years. The directors are employed and remunerated by other entities in the Group. In the instance in which the Company were to procure employees, the policies under which it would do so would be in-line with the wider C&C Group Plc.

These policies require that 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.

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 at least the next 12 months. The directors concluded on the going concern basis after taking into account the following factors:

At the date of approving these financial statements the country is no longer in lockdown with all restrictions to Covid-19 being lifted. The C&C Plc Group's level of activity is comparable to pre-pandemic levels and the Group is trading profitably on a monthly basis.

In addition, C&C Group Plc, the Company's ultimate parent undertaking, 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 12 months from the date of signing these financial statements. The Company does not foresee any requirement for further financing, however in the event that it was needed, the Company intends to rely on such support to bridge working capital demands, in preference to seeking external financing. The directors are satisfied that C&C Group Plc will be in a position to provide such support given its cash reserves, access to further funding given its listing on the FTSE 250 alongside continued cash flows from sales in the off-trade and banking support.

Further details regarding the adoption of the going concern basis in preparing the financial statements can be found in the accounting policies (Note 1).

Directors' Report

for the year ended 28 February 2023 (continued)

Post balance sheet events

No events affecting the Company have occurred since the year end other than below events.

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

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB.

The Company's wholly owned subsidiary of MCB, currently expects a one-off impact of c.£22 million associated with ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue, with the impact to 31 August 2023 equating to c.£19m. Good progress has been made in resolving the issues associated with the ERP implementation and service levels have now been restored to pre-ERP implementation levels.

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, Chartered Accountants and Statutory Audit Firm, will continue in office in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 24 November 2023 and signed on its behalf by:

By order of the board

DocuSigned by:

70009C27505E467...
M McGloin
Director

Pavilion 2, The Pavilions, Bridgwater Road, Bristol
BS14 0JZ

Matthew Clark Bibendum (Holdings) Limited
Annual report and financial statements
For the financial year ended 28 February 2023

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS101 *Reduced Disclosure Framework*.

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 then apply them consistently;
- make judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts.

By order of the board

DocuSigned by:

Mark McGloin

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M McGloin
Director

24 November 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATTHEW CLARK BIBENDUM (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Matthew Clark Bibendum (Holdings) Limited for the year ended 28 February 2023 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 10, 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 2023 and of its result for the year 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. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATTHEW CLARK BIBENDUM (HOLDINGS) LIMITED (Continued)

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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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
- the financial statements are not in agreement with the accounting records; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATTHEW CLARK BIBENDUM (HOLDINGS) LIMITED (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 101, the Companies Act 2006 and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquires through reading board resolutions and any correspondence with relevant authorities, and we noted that there is no contradictory evidence.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MATTHEW CLARK BIBENDUM (HOLDINGS) LIMITED (Continued)

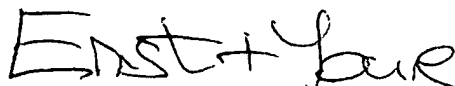
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override related to posting of manual journals outside of the routine financial statement close process. Our procedures to address this risk include making enquiries of management, those charged with governance and others within the entity, as to whether they have knowledge of any actual or suspected fraud. The audit procedures to address the fraud risk included testing manual journals falling under specific criteria. The audit procedures 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 involved testing journals identified by specific risk criteria. We read the minutes of board resolutions to identify any non-compliance with laws and regulations. We also made enquiries with the management of the Company regarding compliance with laws and regulations.

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.

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.



Dermot Quinn (Senior statutory auditor)
for and on behalf of Ernst & Young Chartered Accountants, Statutory Auditor
Dublin

Date 27 November 2023

Matthew Clark Bibendum (Holdings) Limited
Annual report and financial statements
For the financial year ended 28 February 2023

Profit and Loss Account and Other Comprehensive Income
for the year ended 28 February 2023

The company has not traded during the year ended 28 February 2023 or during the year ended 28 February 2022. During these financial years, the company received no income and incurred no expenditure and therefore made neither a profit nor a loss.

The notes on pages 15 to 21 form part of these financial statements.

Matthew Clark Bibendum (Holdings) Limited
Annual report and financial statements
For the financial year ended 28 February 2023

Balance Sheet
at 28 February 2023

| | <i>Note</i> | 28 February 2023 | 28 February 2022 |
|---|-------------|-----------------------------|-----------------------------|
| | | £000 | £000 |
| Fixed assets | | | |
| Investments | 2 | 187,903 | 187,903 |
| Current assets | | | |
| Debtors | 3 | 20,993 | 20,993 |
| Creditors: amounts falling due within one year | 4 | (84,446) | (84,446) |
| Net current liabilities | | (63,453) | (63,453) |
| Total assets less current liabilities | | 124,450 | 124,450 |
| Capital and reserves | | | |
| Called up share capital | 5 | 40,000 | 40,000 |
| Capital contribution reserve | 7 | 41,988 | 41,988 |
| Profit and loss account | | 42,462 | 42,462 |
| Shareholders' funds | | 124,450 | 124,450 |

The notes on pages 15 to 21 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 24 November 2023 and were signed on its behalf by:

DocuSigned by:

70009C27505E467...
M McGloin
Director

Matthew Clark Bibendum (Holdings) Limited
 Annual report and financial statements
 For the financial year ended 28 February 2023

Statement of Changes in Equity
for the year ended 28 February 2023

| | Called up share capital | Capital contribution reserve | Profit and loss account | Total equity |
|------------------------------------|------------------------------------|---|------------------------------------|-------------------------|
| | £000 | £000 | £000 | £000 |
| Balance at 1 March 2021 | 40,000 | 41,988 | 42,462 | 124,450 |
| Balance at 28 February 2022 | 40,000 | 41,988 | 42,462 | 124,450 |
| Balance at 1 March 2022 | 40,000 | 41,988 | 42,462 | 124,450 |
| Balance at 28 February 2023 | 40,000 | 41,988 | 42,462 | 124,450 |

The notes on pages 15 to 21 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 28 February 2023
(forming part of the financial statements)

1 Accounting policies

Matthew Clark Bibendum (Holdings) Limited, (the “Company”) is a company incorporated and domiciled in the UK. The principal accounting policies are summarised below. They have all been applied consistently throughout the current and prior years.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The financial statements are prepared on the historical cost basis.

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 9.

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;
- 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; and
- Certain disclosure requirements of IFRS 16.

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:

- Certain 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.

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 28 February 2023, have had a material impact on the Company.

Notes to the financial statements

for the year ended 28 February 2023 (continued)

I Accounting policies (continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Accounting judgements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are as follows:

Carrying value of investments

Determining whether an investment is impaired requires an estimation of the future cash flows expected to arise from the subsidiary undertaking, discounted at a suitable discount rate in order to calculate present value. The estimation and value of underlying projected cash flows and the selection of an appropriate discount rate involves management judgement.

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 at least the next 12 months. The directors concluded on the going concern basis after taking into account the following factors:

At the date of approving these financial statements the country is no longer in lockdown with all restrictions to Covid-19 being lifted. The C&C Plc Group's level of activity is comparable to pre-pandemic levels and the Group is trading profitably on a monthly basis.

In addition, C&C Group Plc, the Company's ultimate parent undertaking, 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 12 months from the date of signing these financial statements. The Company does not foresee any requirement for further financing, however in the event that it was needed, the Company intends to rely on such support to bridge working capital demands, in preference to seeking external financing. The directors are satisfied that C&C Group Plc will be in a position to provide such support given its cash reserves, access to further funding given its listing on the FTSE 250 alongside continued cash flows from sales in the off-trade and banking support.

Foreign currency

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.

Investments

Investments in subsidiaries are initially recognised at fair value, which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit and loss). Subsequently, investments in subsidiaries are carried at cost less provision for impairment.

Notes to the financial statements

for the year ended 28 February 2023 (continued)

1 Accounting policies (continued)

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

At the end of each reporting period, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss account.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the asset in prior years. A reversal of impairment is recognised immediately in the profit or loss account.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and bank loans and overdrafts.

Notes to the financial statements
for the year ended 28 February 2023 (continued)

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

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Notes to the financial statements
for the year ended 28 February 2023 (continued)

2 Investments

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Cost of investment as at the beginning of the period | 187,903 | 187,903 |
| Cost of investment as at the end of the period | 187,903 | 187,903 |

The undertakings in which the Company's interest at the year-end is more than 20% are as follows:

| <i>Subsidiary undertakings</i> | <i>Country of incorporation</i> | <i>Registered address</i> | <i>Principal activity</i> | <i>Class and percentage of shares held</i> |
|--------------------------------|-------------------------------------|---|-------------------------------|--|
| Matthew Clark Bibendum Limited | England & Wales | Pavilion 2, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ | Wholesaler | 100% ordinary share capital |
| *Elastic Productions Limited | England & Wales | Whitchurch Lane, Bristol, BS14 0JZ | Dormant | 100% ordinary share capital |
| *A2 Contractors Limited | England & Wales | Pavilion 2, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ | Dormant | 100% ordinary share capital |

Elastic Productions Limited was dissolved from 28 March 2023. The investment of £1.645m was fully impaired in prior years.

The following companies were dissolved on 14 February 2023:

Catalyst PLB Brands Limited
Matthew Clark Wholesale Bond Limited
Matthew Clark & Sons Limited
Matthew Clark Limited
Odyssey Intelligence Limited
Bibendum Wine Limited

*Investments are held in Matthew Clark Bibendum Limited, and therefore indirectly held by Matthew Clark Bibendum (Holdings) Limited

3 Debtors

| | 2023 £000 | 2022 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed by Group undertakings | 20,993 | 20,993 |
| | 20,993 | 20,993 |

Amounts owed by Group undertakings are unsecured, repayable on demand and carry no interest.

4 Creditors: amounts falling due within one year

| | 2023 £000 | 2022 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to Group undertakings | 84,446 | 84,446 |
| | 84,446 | 84,446 |

Amounts owed to Group undertakings are unsecured, repayable on demand and carry no interest.

Notes to the financial statements
for the year ended 28 February 2023 (continued)

5 Share capital

| | 2023 £ | 2022 £ |
|---|------------|------------|
| <i>Allotted, called up and fully paid</i> | | |
| 3,000,005,002 'A' ordinary shares of £0.01 each | 30,000,050 | 30,000,050 |
| 1,000,005,002 'B' ordinary shares of £0.01 each | 10,000,050 | 10,000,050 |
| | <hr/> | <hr/> |
| | 40,000,100 | 40,000,100 |
| | <hr/> | <hr/> |

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.

6 Contingent liabilities

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 2023 was £10,517k (2022: £8,302k).

7 Contingent liabilities disclosure (Guarantors under both RCF and USPP)

The Company guaranteed the repayment obligations of other Group companies in respect of funding obtained by the Group under a US Private Placement notes, and a multi-currency revolving facility in place at year end. The amounts drawn down by these other Group companies under these facilities at 28 February 2023 amounted to £171.6m (2022: £216.3m).

8 Capital contribution

There were no capital contributions in the current financial year or prior year.

9 Post balance sheet events

No events affecting the Company have occurred since the year end other than below events.

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

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB.

The Company's wholly owned subsidiary of MCB, currently expects a one-off impact of c.£22 million associated with ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue, with the impact to 31 August 2023 equating to c.£19m. Good progress has been made in resolving the issues associated with the ERP implementation and service levels have now been restored to pre-ERP implementation levels.

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10 Controlling parties

The Company's immediate parent undertaking is C&C Holdings (NI) Limited, a Company incorporated in Northern Ireland. The registered address of C&C Holdings (NI) Limited is 6 Aghnatrisk Road, Culcavy, Hillsborough, Co Down, Northern Ireland, BT26 6JJ.

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 the Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1, Ireland.