Registration number: 00026018

MOLSON COORS BREWING COMPANY (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONTENTS

MOLSON COORS BREWING COMPANY (UK) LIMITED

COMPANY INFORMATION

Company number	00026018
Registered office	137 High Street Burton upon Trent Staffordshire DE14 1JZ
Directors	R Eveson P Whitehead
Company secretary	J Cotton
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Exchange House Central Business Exchange Milton Keynes MK9 2DF

The directors present their strategic report for the financial year ended 31 December 2023.

Principal activities

The principal activities of the Company comprise brewing, packaging and the supply of beer, cider, wines, spirits and soft drinks. Sales are primarily in England and Wales led by the Carling brand (a mainstream lager). Other brands distributed include Coors, Doom Bar, Cobra, Aspall, Staropramen, Pravha, Worthington's, Rekorderlig Cider and Madri Excepcional.

The Company has a joint arrangement for the production and distribution of Cobra brands in the UK and Republic of Ireland, distribution rights for Rekorderlig brands in the UK, factored brand sales (beverage brands owned by other companies but sold and delivered to retailers by the Company), a 100% investment in Sharp's Brewery Limited which owns the Doom Bar brand, and 100% investment in Aspall Holdings Limited which owns the Aspall Cyder brand.

Review of the business

The Company's key performance indicators are turnover, gross profit and profit/(loss) for the year after taxation. The financial performance is summarised as follows:

	2023	2022	Change	
	£'000	£'000	£'000	%
Turnover	1,655,801	1,507,395	148,406	9.85
Gross profit	276,982	239,038	37,944	15.87
Profit before taxation	38,230	21,595	16,635	77.03
Profit after taxation	28,441	22,390	6,051	27.03
Net assets	412,962	330,994	81,968	24.76

Reflecting the continued recovery without covid restrictions, the Company delivered strong sales of £1,655,801,000 (2022: £1,507,395,000), an increase of 9.85% (2022: increase of 29.06%).

Increase in gross profit and profit before taxation are slightly higher at 15.87% and 77.03% respectively due to a lower rate of inflation of the cost base compared to 2022 as well as significant performance increases within the premium range, in particular Madri Excepcional.

Profit after taxation increased from £22,390,000 to £28,441,000. This is primarily due to the increased sales, as well as the company recognising a £4,115,000 tax deduction on capital expenditure in 2022. The tax rate increased from 19% in 2022 to 23.5% in 2023.

The Company remains focused on its core strategy of building strong brands for the long-term and being first choice for customers and consumers. The Company's core strategy is underpinned by its acceleration plan which began in late 2023, and is focused on:

- Building on the strength of its iconic core brands
- Boldly growing its above premium portfolio
- Scale and expand our non-beer products
- Invest in capabilities, from supply chain to commercial to digital and beyond
- Invest in people, communities and planet

Further detail of the Company's strategy from a brands, customers, suppliers, community, and environmental perspective is available in the Section 172 statement within the Strategic Report on page 5.

Going concern

The financial statements have been prepared on a going concern basis. In adopting a going concern basis, the Company has considered business activities, principal risks and uncertainties as set out within the Strategic report, and the impact of macroeconomic factors such as the ongoing cost of living crisis. The Directors have performed an assessment of the businesses' ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. In order to make this assessment, a cash flow forecast up to the period ending 31 December 2025 has been prepared.

A reasonable severe but plausible scenario has also been modelled. Under both scenarios the business has sufficient funding to meet liquidity requirements to support its ongoing operations through the remainder of 2024 and 2025.

In addition, the directors have received confirmation from the Company's ultimate parent undertaking that the Company will receive support, if required, in order to meet its liabilities as they fall due for a period of not less than 12 months from the approval date of these financial statements. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are set out below. Risks are formally reviewed by the Board on a half-yearly basis and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Company.

Sales volume trends in the UK brewing industry reflect movement from on-premise locations to off-premise locations, a trend which adversely impacts the Company's profitability

In recent years, beer volume sales in the UK have been shifting from pubs and restaurants (on-premise) to retail stores (off-premise), for the industry in general. Margins on sales to off-premise customers tend to be lower than those to on-premise customers. As a result, continuation or acceleration of this trend could adversely impact the Company's profitability. This risk is mitigated through our brand and revenue management strategies.

Increasing inflation and cost of living crisis

The Company faced significant inflation in its cost base in 2023. Moreover, the cost of living crisis, with rapidly increasing living expenses have adversely affected consumer purchasing power. We closely monitor the inflationary trends, particularly in relation to key inputs, and implement appropriate strategies such as pricing adjustments, supply chain optimisation, and cost control measures to mitigate the potential adverse effects. However, the extent and duration of inflationary pressures and their implications on our financial performance remain uncertain and pose a continued risk to our operations and financial results.

The Company's success as a business depends largely on the success of one primary product in a mature market; failure or weakening could materially adversely affect our financial results

Although the Company has a wide variety of different products in its portfolio which continues to expand, Carling lager is one of the best-selling lager brands in the United Kingdom. Any material shift in consumer preferences away from this brand, or from the categories in which it competes, would have a disproportionately large adverse impact on our business. This risk is mitigated by the increase in demand for premium world beers, which includes Madri Excepcional, which has grown in 2023 by 95.7% in the on-trade and more than doubled in the off-trade, surpassing the £100m mark (*Circana/CGA GB All Outlets, value sales for 52 wks to 31/12/23).*

The Company depends exclusively on one logistics provider for distribution of our products in the United Kingdom

Tradeteam handles all physical distribution for the Company in the UK, except where a different distribution system is requested by a customer. If Tradeteam were unable to continue distribution of our product and suitable alternative could not be found in a timely manner, the Company could experience significant disruptions in its business that could have an adverse financial impact. To mitigate this risk, we have a close working relationship with Tradeteam, with regular performance reviews.

Changes in tax, environmental or other regulations or failure to comply with existing licensing, trade and other regulations could have a material adverse effect on the Company's financial condition

The Company's industry is highly regulated in matters such as licensing requirements, trade and pricing practices, labelling, advertising, promotion and marketing practices, relationships with distributors and other matters. These laws and regulations are subject to frequent re-evaluation. Failure to comply with existing laws and regulations or changes in these laws and regulations or in tax and environmental laws and regulations and excise tax levels could result in the loss, revocation, or suspension of the Company's licences, permits or approvals and could have a material adverse effect on the business, financial condition, and results of operations.

We work closely with industry trade associations to closely monitor the legislative landscape, with regulations tracked and reported as part of our Integrated Business Planning process, and Enterprise Risk Management process to ensure the business is fully compliant and prepared for any changes in legislation.

The Company's operations face significant commodity price change exposure which could materially and adversely affect its operating results

The Company uses a large volume of agricultural and other raw materials to produce its products, including barley, barley malt, hops, corn, other various starches, water and packaging materials, including aluminium, glass, cardboard, and other paper products. The Company also uses a significant amount of diesel fuel and electricity in our operations.

The supply and price of these raw materials and commodities can be affected by several factors beyond the Company's control, including market demand, global geopolitical events (especially regarding their impact on crude oil prices and the resulting impact on diesel fuel prices), frosts, droughts and other weather conditions, economic factors affecting growth, plant diseases and theft. To the extent that any of the foregoing factors affect the prices of ingredients or packaging or the Company's hedging arrangements do not effectively or completely hedge changes in commodity price risks, the results of the Company's operations could be materially and adversely impacted.

Poor investment performance of pension plan holdings and other factors impacting pension plan costs could adversely impact liquidity and results of operations

The Company's costs of providing for historical defined benefit pension plans are dependent upon several factors, such as the rates of return on the plan's assets, discount rates, the level of interest rates used to measure the required minimum funding levels of the plan, future government regulation and our required and/or voluntary contributions to the plan. Without sustained growth in the plan's investments over time to increase the value of the plan assets, and depending on certain other factors as listed above, the Company could be required to fund the plan with significant amounts of cash. Such cash funding obligations could have a material impact on the Company's cash flows, credit rating and cost of borrowing, financial position, or results of operations. The position is monitored on a regular basis to ensure sufficient reserves are in place should costs appear to increase.

Financial risk management

The Company's operations are exposed to a variety of financial risks that include currency risk, credit risk, commodity risk, liquidity risk and interest rate cash flow risk. The Company has financial risk management control processes in place that seek to limit the adverse effects of financial performance of the Company by monitoring levels of trade debtors and creditors. Overseas suppliers and customers are monitored, though dealings with overseas suppliers and customers are limited, hence minimising the Company's exposure to currency risk. The Company uses derivative financial instruments where there is higher risk to manage currency risk and commodity risk exposure in the form of forward purchase contracts. The Company is funded through various intra-group loans, details of which are provided in the notes to the financial statements.

Currency risk

The Company undertakes few transactions in foreign currency and its exposure to currency risk is considered to be minimal. From time to time, the Company minimises exposure to currency risk by entering into forward contracts to purchase foreign currency at fixed exchange rates.

Commodity risk

The Company purchases a variety of commodities for use in the production process. In the current period, forward contracts for the purchase of raw materials used in the brewing process, diesel and natural gas have been used to minimise the risk caused by price fluctuations in the markets for those commodities.

Credit risk

Policies are in place that require appropriate credit checks to be completed in respect of potential customers before sales are made. The Company's policies also require continued contact with customers after sales have been made. The amount of exposure to any individual counter party is subject to a limit, and the limit is reassessed by senior management on a regular basis.

Liquidity risk

Management actively monitors working capital and ensure that the Company has sufficient available funds for operations and meeting its debts as they fall due.

Interest rate cash flow risk

The Company has both interest-bearing assets and interest-bearing liabilities. Interest bearing assets include trade loans and cash balances. Interest bearing liabilities include bank overdrafts and intercompany debt. The Company has a policy of maintaining debt at a fixed rate to ensure certainty of future cash flows. This is in line with group policy.

Section 172 statement

Under section 172(1) of the Companies Act 2006, the Board has a duty to act in good faith and in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole whilst having regard to matters set out in S172(1) (a-f) of the Act:

- the likely long-term consequences of decisions;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business and conduct; and
- the need to act fairly, as between the Company's members.

This section addresses the material actions and decisions which the leadership took in discharging their duties pursuant to section 172 of the Companies Act 2006; namely, the duty to consider the interests of various stakeholders in the success of the business.

People (employees)

The Company is committed to a strong, values-led inclusive culture, with its first core value; "Put People First" at its heart. The Company values and respects differences and believes that an inclusive culture where everyone can feel they belong and reach their full potential is the key to collaboration and a winning team. The Company also recognises that its people are its key value driver, and that employee engagement and wellbeing is fundamental to promoting the success of the Company.

The Company and its Directors engage with employees on a very regular basis and has a positive relationship with trade unions. An Employee Forum, which includes a number of employee-elected representatives and union representatives, meets on a quarterly basis. This Forum is designed to provide not only a direct 'temperature check' of what these representatives are observing in the business, but also a vector by which employees can make thoughts or concerns known, on an anonymous basis if desired, about decisions the company has made. The leadership team considers this a vital forum, knowing well that it is possible to become disconnected from the true views of the workforce if there is not an opportunity to enter into a dialogue. The opportunity to hear these views, and either clarify, course-correct or explain decisions made is vital to workforce engagement, and the leadership team is strongly of the view that this is a key factor in the success of any business.

The Company also carries out a full employee engagement survey annually, which provide employees an opportunity to confidentially share their experience across a range of topics, the results of which are reviewed and used by leadership to build a better workplace. Company communications are shared on a weekly basis and every month there is an all-company Town Hall, which includes important business updates and a regular question and answer session with the leadership team.

As part of its commitment to employees' mental and physical wellbeing, the business continued with its "Moments that Matter" programme, including its innovative Life Leave policy, offering staff up to two weeks extra paid leave for the significant moments in life, whether moving house, studying for exams or the days leading up to a wedding.

The Company's success in supporting its people has been recognised through a number of key achievements. The Company was certified as a Top Employer for the eleventh time and has dedicated Mental Health Champions around the business who are having a real impact, from creating awareness to providing early intervention help for employees who may be developing a mental health issue.

The Company is also committed to ensuring that its pension company is properly funded and 2023 presented no risks to the pension contributions. The company also continues to offer a competitive set of benefits such as private healthcare and product allowance.

Product Categories

The Company's product and brand offering continues to evolve in response to changing consumer tastes.

The Company continues to perform strongly in the standard and standard-premium beer category with iconic brands such as Carling, Coors and Doom Bar. These brands continue to perform but given the growing consumer trend towards premium and above-premium products and occasions, the business has been well-placed to respond given its careful expansion of its portfolio over the past few years. The acquisition of Aspall Cyder, buyback of the UK distribution rights to Staropramen and acquisition of the distribution rights to Rekorderlig Ciders were key strategic plays in prior years and those brands continued to receive focus as key components of the strategy not only to premium product categories, but also in diversifying Molson Coors' portfolio.

During 2023 the Madri Excepcional brand, a new European-style lager developed in partnership with the La Sagra brewery near Madrid in Spain, continued to grow significantly across the On and Off trade.

Key Customers, Suppliers and Partnerships

The Company continued to support its customers as the UK built-back post pandemic and through the cost of living crisis, in particular through strong brand investment programmes that helped to fuel consumer demand in the UK off- and on-trade. This was particularly evident through strong brand performance from Madri Excepcional as well as continued support for category leading brands Carling and Coors.

The Company continues to support and promote campaigns supporting the UK pub industry, such as Long Live The Local which calls for Government to enact legislative change to support UK pubs.

The Company has also made appropriate supplier arrangements linked to complexities created through Brexit and has continued to uphold internal standards on "Responsible Sourcing". As part of these standards, the business expects suppliers to make every effort to limit the environmental impact of their business operations and to have programs in place to help achieve this objective. The Company also monitors supplier performance, continuously assesses potential risks and performs regular audits to ensure "Supplier Standards" are being met.

The Company also complies with the UK Modern Slavery Act of 2015. A copy of the Company's Modern Slavery Statement for the financial year ended 31 December 2023 can be found on the Company's website.

The Community and the Environment

Molson Coors' Environment, Social and Governance (ESG) approach is encapsulated by its Our Imprint 2025 sustainability goals – which set out targets against two areas – People and Planet and full details can be found in the Company's latest Our Imprint report, which can be found at https://www.molsoncoors.com/sustainability/sustainability-reporting.

Planet

Back in 2017, the company set itself ambitious sustainability targets to achieve by 2025 against areas aligned to the UN Sustainable Development Goals where it felt it could have the greatest positive impact. Its 2025 Planet goals are focused around three core areas – reducing its carbon footprint to play its part in fighting climate change, protecting one of the world's most precious resources, water, and developing packaging solutions that are reusable, recyclable or compostable to improve the circular economy.

Our Imprint 2025 Planet goals

- **Climate**:
  - Reduce carbon emissions by 50% in our direct operations
  - Decrease carbon emissions by 20% across our value chain
- **Water**:
  - Make our products with 22% less water hl/hl (2.8 hl/hl)
  - Improve water availability in our water-stressed brewery watersheds and restore 3.5 billion gallons of water
  - Grow our barley with 10% less water
- **Packaging**:
  - Ensure our packaging is 100% reusable, recyclable or compostable, and consumer-facing plastic is made from at least 30% recycled content
  - Achieve zero waste to landfill at 100% of our operations

At a local UK level, Molson Coors has achieved the following milestones against its Imprint 2025 Planet goals:

Climate

We have reduced our direct carbon emissions by more than 60% - exceeding our 2025 global target here in the UK. That achievement is down to a long-term, comprehensive approach to reducing our carbon footprint.

We've been investing heavily in our breweries over the past decade, particularly in our biggest breweries in Burton and Tadcaster, to make our operations more energy efficient. Carbon dioxide is used throughout the brewing and packaging process and in both Burton and Tadcaster we have carbon recovery plants, which allows us to recover carbon dioxide from the fermentation process each day.

Back in 2021 we took another major step forward when we became the first major UK brewer to make all of our products using 100% renewable electricity through a Power Purchase Agreement. All of our electricity now comes from 22 turbines at Tween Bridge wind farm – powering all of our production sites and our offices. In an average year we consume about the same amount of electricity as about 25,000 households – or the population of our brewing home in Burton upon Trent. – and since March 2021 all of this electricity now comes from our Tween Bridge wind farm.

Water

We measure our water intensity across our UK breweries and use this data to benchmark performance across sites and against our other global breweries. Our water performance in 2023 has improved against previous years as we've seen volume recovery post pandemic delivering volume-based efficiencies and without having to carry out additional keg washing linked to lockdowns. We continue to see changes in product mix requiring more cleans and constantly seek to minimise the impact of this through more cleaning optimisation and upgrade of cleaning sets.

Packaging & waste

In the UK, all of our production sites are zero waste to landfill, and back in April 2021 we achieved our goal of removing all single-use plastic from across our major brands. In 2020 we removed the plastic wrap around our larger packs, moving to fully enclosed cardboard and in 2021 we removed plastic rings, switching to cardboard sleeves that are fully recyclable, made from renewable wood fibres from certified sources and contain up to 17% recycled carton board.

Beyond 2025

In our latest Our Imprint report, Molson Coors has committed to reaching net zero carbon emissions across our business globally by 2050. In the UK, we are working to an accelerated net zero glidepath, with the ambition to reach net zero carbon emissions across our direct operations (scopes 1 & 2) by 2035.

Ethics, Compliance and Business Conduct

The governance of Molson Coors Beverage Company embraces both strong family traditions and performance-based management. We set our sights on the highest standards of good corporate governance in order to fulfil our responsibilities to our employees, customers and suppliers and comply with all relevant regulatory requirements.

The building blocks of our strategy are embodied in our ESG approach and full details can be found on our website https://www.molsoncoors.com/sustainability/sustainability-reporting and in our Code of Business Conduct via https://www.molsoncoors.com/about/governance-and-ethics. Our approach includes our Alcohol Responsibility Commitment, People focus through our Diversity, Equity and Inclusion strategy and our robust Governance processes that underpin everything we do.

Shareholders

Molson Coors Brewing Company (UK) Limited and the other members of the UK subsection of the enterprise are wholly owned by Molson Coors Beverage Company in the United States. As a result, the purpose and direction of the business, as well as any dialogue with both the Molson and Coors families but also external investors, are held at the global enterprise level. The key deliverables of the various business units are cascaded and agreed down to the divisional, and ultimately, business unit level. In 2023, the Company formed a part of the EMEA APAC division and as a result took its direction in this manner from the EMEA APAC divisional leadership team.

Non-financial and sustainability information statement

The Board's oversight of climate-related risks and opportunities

Our Global Board of Directors is responsible for overseeing our People & Planet strategy and initiatives for MCBC, including all business units, and has tasked its committees with certain ESG and sustainability responsibilities. The Board regularly reviews performance against our People & Planet goals, sustainability trends and stakeholder views. The Global Board also oversees our enterprise risk management (ERM) program, including climate change risks and opportunities across the business units. As part of this process, ERM is completed at the UK level to inform and support the information provided to the Global Board. The Board and its committees are responsible for ESG/Sustainability matters as further detailed in the Board of Directors Charter and Corporate Governance Guidelines, and the respective Charters of each committee.

Management's role in assessing and managing climate-related risks and opportunities

The Global Leadership Team oversees goal achievement and progress against our ESG strategy for all business units, including the UK business, and helps ensure necessary support for initiatives, monitors global social and environmental trends and topics, and provides business-relevant guidance to address these matters. The business unit leadership team and UK functional leaders are responsible for assessing and managing climate-related risks and opportunities for the UK business. Leaders from across the Global company, including the UK, participate in subcommittees and initiatives to advance People & Planet initiatives. A cross-functional team (EMEA APAC ESG Governance committee), formed of our internal risk enterprise, legal, sustainability and finance teams, is responsible for developing climate-related scenarios that pose risks to the Company, including the UK business.

Climate-related risks and opportunities the organisation has identified over the short, medium and long-term

We have evaluated physical and transition risks at a Global level related to climate change that could adversely affect our business and financial results, which included those for MCBC UK. The climate-related risks and opportunities identified include:

Short-term:

- Creditors and investors are increasingly demanding access to climate risk information and threatening to divest from companies that are not setting aggressive and realistic reduction targets. We could face financial and reputational risks if our emissions policies and reductions do not keep pace with UK regulations.
- UK has passed regulations mandating carbon emission reductions.
- The pressure to set aggressive net zero greenhouse gas reduction targets from customers in the UK is increasing.

Medium-term:

- Acute physical risks resulting from climate change may result in more extreme weather events and abnormal weather patterns causing an impact on operations, increased supply risk, and cost, including increasing costs for water usage, challenges and/or long-term damage to owned assets (including early retirement of assets) and external infrastructure (e.g., roads, connectivity); reduced reliability of power supply; increased insurance costs; and potential health hazards to and re-location of employees.
- Marketing studies indicate that our consumers are very concerned about climate change. Our company's and brands' reputations may suffer and result in decreased sales if consumers perceive we are not minimizing our climate impact. This could present an opportunity if consumers view our company and brands as acting responsibly.

Long-term:

- Longer-term, chronic shifts in climate patterns can also result in operational or supply chain disruptions, especially those related to lack of water, impaired water quality, and extreme temperature changes.
- Reputational risk could arise due to our water-intensive processes, especially in water-scarce regions.

The impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning

Climate-related risks and opportunities are incorporated into our business, strategy and financial planning. For example, annual and longer-term planning activities account for financial expenditures (capital and operating costs) to implement initiatives that have climate-related mitigation benefits. This includes things like investment in technologies to increase operational efficiency and reduce water and energy use in manufacturing plants, as well as efforts across our supply chain, to address GHG emissions and water consumption. Physical risks are essentially 'locked in' for the next 15-30 years regardless of global decarbonization trajectory due to the lag time before the benefits of decarbonization actions will be realized. Transition risks are based on UK policy commitments.

The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

For our climate-related risks screening scenarios analysis, the physical risks were evaluated under the three IPCC RCP year 2100 scenarios (abrupt transition (<1.5°C), planned transition (2-3°C) and business as usual (4-5°C)), and the transition risks were evaluated under the IEA scenarios (net zero by 2050, announced pledges and stated policies). Under these scenarios, based on an analysis of MCBC current operating locations, including those in the UK, we assess our resilience as follows:

<u>Physical risks</u>

- *Drought: High exposure under all scenarios*
  Climate change may increase water scarcity and cause a deterioration of water quality in areas where we maintain brewing operations. The competition for high-quality water among domestic, agricultural and manufacturing users can increase in some of the areas where we operate. Even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. From an agricultural perspective, we are driving more sustainable farming practices. In our breweries, we are driving improvements in production efficiencies such as continuing to increase the amount of water that is reused in the overall production process. Changes can cause increases in the cost of goods as well as a decrease in net sales. Probability: moderate. Control level: partly controllable/adequate controls.

- *Wildfire: High exposure under 1 scenario [4-5°C]*
  While wildfires can cause localized disruptions, impacts are often not region-wide and prolonged. Molson Coors will assess mitigation plans for sites in these areas to help reduce wildfire risk. Probability: moderate. Control level: partly controllable/adequate controls.

- *Extreme weather: High exposure under 2 scenarios [2-3°C, 4-5°C]*
  Extreme weather can stress and disable critical infrastructure, resulting in region-wide impacts; changing weather patterns and more volatile weather conditions could result in decreased agricultural productivity in certain regions which may impact quality, limit availability or increase the cost of key agricultural commodities, such as hops, barley and other cereal grains; and rising global average temperatures due to climate change are increasing the severity and frequency of extreme weather events. These events may result in increased operating costs as we respond to unforeseen interruptions in the operation of our facilities and supply chain. Changes can cause an increase in the cost of goods sold as well as a decrease in net sales. Probability: very likely/likely. Control level: partly uncontrollable/weak to adequate controls.

Transition risks

MCBC UK operations are in locations with stated policies and announced pledges on climate. The company will need to demonstrate consistency with existing and future regulatory frameworks.

With respect to Net Zero by 2050, which aligns with Molson Coors' net zero commitment, levers have been identified for high-level roadmaps to achieve this commitment, including R&D, capital and other initiatives related to electrification, renewable electricity usage, lower-carbon equipment and fuels, packaging materials improvements and supplier engagement (to support Scope 3 emissions reductions goals).

New regulations can increase operational costs due to higher energy prices in regulated markets resulting from new regulation under emissions trading schemes, carbon taxes, and increases in energy costs as a result of clean energy policy. Changes can cause an increase in the cost of goods sold. Probability: likely. Control level: partly controllable/adequate controls.

Consumers' attitudes toward the issue of climate change and sustainability can be a risk to companies that are dependent on natural resources. This may result in declines in sales as consumers look for alternative options that are less energy, water and packaging intensive. Changes can cause a decrease in net sales. Probability: likely. Control level: partly controllable/adequate controls.

The organisation's processes for identifying and assessing climate-related risks

As part of our enterprise risk management (ERM) program, twice a year we assess climate change-related risk, which we define as physical and transition risks related to climate change that could adversely affect our business and financial results. During Q4 2022, we undertook a deeper climate-related risk screening scenarios analysis that leveraged the Non-Financial and Sustainability Information Statement (NFSIS) framework to assess exposure and severity. This analysis validated our risk assessment. In Q4 2023 and Q1 2024, we undertook an externally facilitated double materiality assessment pursuant to the EU CSR Directive, which included climate-related impacts, risks and opportunities.

Physical risks evaluated: Drought and Extreme Heat, Flooding (Coastal or Inland), Extreme Weather Events, Tornado / Wind / Windstorm, Wildfires

Transition risks evaluated: Carbon Pricing or Taxes on Facility GHG Emissions, Carbon Pricing or Taxes on Finished Products, Mandated Regulatory Reporting of Energy Use and/or GHG Data, Increased Costs of Raw Materials Due to Climate-Related Factors

The organization's processes for managing climate-related risks

To manage these risks, we undertake site-level assessments (e.g., watersheds) and cross-functional teams including operations, finance, sustainability, business continuity and procurement develop and implement plans to mitigate the likely risks. We develop initiatives to mitigate climate-related impacts, such as water efficiency improvements, watershed risk assessments and initiatives, GHG emissions reduction initiatives, renewable electricity strategy implementation, and actions to mitigate climate-related risks in the supply of raw materials.

How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

As noted above, climate-related risk and opportunity is fully integrated into our twice-per-year enterprise risk management process, including the evaluation mitigation plans. Our Government Affairs, Supply Chain, EHS, Sustainability, Procurement and Legal teams identify, assess and manage policy and regulatory developments that could impact our business, including those related to climate risk and adaptation.

The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

We have conducted a climate-related risk screening scenarios analysis that leveraged the NFSIS framework to assess exposure and severity. The metrics used to assess the financial impact (severity) of climate-related risks and opportunities are net sales and cost of goods. The physical and transition risks evaluated to assess exposure are identified above. To conduct the climate-related risks scenarios analysis, the physical risks were evaluated under the three IPCC RCP year 2100 scenarios (abrupt transition (<1.5°C), planned transition (2-3°C) and business as usual (4-5°C)) and the transition risks were evaluated under the IEA scenarios (net zero by 2050, announced pledges and stated policies).

Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Scope 1 and Scope 2 information can be seen within the Energy and Carbon reporting section of the Directors report on page 14

2023 MCBC UK Results:	Scope 3	244,760 tCO2e
Value chain segmentation of the total 2023 GHG emissions:	Packaging materials	85,070 tCO2e
	Product cooling	43,919 tCO2e
	Manufacturing	30,629 tCO2e
	Logistics	25,591 tCO2e
	Process of Brewing ingredients	18,900 tCO2e
	Agriculture	31,333 tCO2e
	Other	35,774 tCO2e

Related Risks:
Climate-related physical risks are our most common risks, affecting most or all of our sites under the three physical risk scenarios (IPCC RCP 1.9, 4.5 and 8.5). Extreme weather events already being experienced are likely to be exacerbated, and new types of events may arise. These risks also impact our agricultural supply chain and other suppliers. Not successfully implementing the renewable electricity strategy or engaging effectively with suppliers on Scope 3 decarbonization efforts presents risk, as does finding feasible technologies to address hard-to-abate emissions and/or carbon capture and other alternatives.

The targets used by the organisation to manage climate-related risks and opportunities and performance against targets

MCBC Global Targets (vs 2016 baseline):	Reduce Scope 1+2 GHG emissions by 50% by 2025, 65% by 2030 and 90% by 2050 Reduce Scope 1+2+3 GHG emissions by 20% by 2030 and 90% by 2050 Reduce Scope 3 GHG emissions by 40% by 2030 and 90% by 2050
In addition, the UK business has the following goals (vs 2016 baseline):	Reduce Scope 1+2 GHG emissions by 90% (net zero) at one site by 2030 (2016 baseline: 72,417) Reduce Scope 1+2 GHG emissions by 90% (net zero) by 2035 (2016 baseline: 72,417) Reduce Scope 3 GHG emissions by 90% by 2040 (2016 baseline: 356,086)
MCBC UK Performance through 2023:	Reduced Scope 1+2 GHG emissions 65% to 25,382 tCO2e (market-based) Reduced Scope 1+2+3 GHG emissions 37% to 270,142 tCO2e Reduced Scope 3 GHG emissions 31% to 244,760 tCO2e

To reach these goals we will continue advancing efforts to reduce emissions in our direct operations – decreasing energy usage, expanding the use of renewable energy and evaluating new technologies – and engaging with our suppliers on plans to meet their and our Scope 3 objectives.

On behalf of the Board

R Eveson
Director

27 September 2024

The directors present their report, together with the audited financial statements for the financial year ended 31 December 2023.

Directors

The directors who served the Company during the financial year and up to the date of signing these financial statements unless otherwise stated were:

R Eveson
P Whitehead

Results and dividends

The profit after tax for the year was £28,441,000 (2022: £22,390,000). The net asset position of the company was £412,962,000 (2022: £330,994,000). These results are reviewed in the Review of the business section of the Strategic Report from page 2. During the financial year ended 31 December 2023, the Company declared and paid dividends of £27,849,000 (2022: £26,750,000). The directors did not propose any final dividend (2022: £nil).

Research and development

Research in the brewing business is concentrated on the development of new products and dispense technologies capable of generating increased turnover as well as sustainability.

Post balance sheet events and future developments

Details of the likely future developments of the business of the Company are provided in the Strategic Report.

The Company declared and paid a dividend after the year end. Details are disclosed in note 30.

After the year end, the Company's subsidiary, Molson Coors Brewing Company (Ireland) Designated Activity Company, signed an agreement with Heineken Ireland for Molson Coors brands to be sold under license for distribution within the Republic of Ireland. This agreement is subject to the approval of the Irish Competition & Consumer Protection Commission.

Financial instruments

Details of financial instruments are provided in the Accounting Policies on page 32.

Financial risk management

Details regarding the Company's financial risk management measures are provided in the Strategic Report from page 4.

Going concern

The directors have documented their going concern assessment in the Strategic Report from page 2.

Political donations

No political donations were made during the year (2022: £nil).

Disabled employees

Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee share scheme

During the financial year, some of the Company's employees have continued to be encouraged, by the Company's parent undertaking, Molson Coors Beverage Company, to be involved in the Company's performance under the Molson Coors Beverage Company Incentive Compensation Plan.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, and the internal communications website. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Further details of employee engagement are provided in the Section 172 Statement on page 6.

Directors' indemnities

The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Statement of corporate governance arrangements

The Company is owned by Molson Coors Beverage Company, incorporated in Delaware, US, and is traded on the New York and Canadian Stock Exchange. Details of the Leadership Team and Board are available at https://www.molsoncoors.com/uk/about.

The Molson Coors Corporate Governance Code is applied across the global enterprise and is available at https://www.molsoncoors.com/about/governance-and-ethics. The Charters for our Global and Board level committees can also be accessed here (Governance Committee, Audit Committee, Compensation and Human Resources Committee and Finance Committee).

Our ambition is to be the First Choice for our People, Our Consumers and Our Customers.

Our purpose is Uniting People to Celebrate all Life's Moments.

Our values are: Put People First, Be Bold and Decisive, Take Accountability, Learn Every Day, Celebrate Together

The Company forms part of our EMEA APAC Division, which is led by the President and CEO of EMEA APAC and the Divisional Leadership Team (DLT). The Company is led locally by our Western Europe Regional Leadership Team (RLT). The RLT are aware of their directors' duties and responsibilities as prescribed by the Companies Act 2006, and refresher training is undertaken regularly. These duties, alongside Molson Coors' Corporate Governance Code and company values are the guiding principles in how the Company is managed.

The RLT is led by the Western Europe Managing Director and consists of business function directors from all business units. The RLT meets weekly to discuss general issues, monthly to review the business performance, and business strategy and risks and opportunities. Additional meetings are held for long range planning.

The RLT consists of a mix of skill, gender and working experiences. All RLT members are set targets and are monitored against these regularly. The RLT provides a monthly business update to the DLT. Enterprise risks are reviewed by the RLT at least twice a year and reported to the DLT.

Employee engagement

The Companies (Miscellaneous Reporting) Regulations 2018 require that the directors report on how they have engaged with employees and how the directors have regard to employee interests. This information is included within the Section 172 Statement included in the Strategic Report on page 6 as well as the Employee consultation section within the Report of the Directors.

Business relationships

The Companies (Miscellaneous Reporting) Regulations 2018 require that the directors report on how they have engaged with suppliers, customers, and others in a business relationship with the company. This information is included within the Section 172 Statement included in the Strategic Report on page 6.

Energy and Carbon Reporting

The Companies (Miscellaneous Reporting) Regulations 2018 require that the directors report on energy consumption and carbon emissions of the Company. This is the third year that the Company is reporting on energy consumption and carbon emissions. Through our cycle of continuous improvement we have made further electricity and heat savings through the year, benefitting from volume recovery post covid delivering further efficiencies and resulting in lower operational emissions despite producing more. 2022 was our first full year using only renewable electricity sourced through our Power Purchase Agreement (PPA) deal from Tween Bridge wind farm, reducing our scope 2 emissions to zero when using market based factors.

The GHG Protocol Corporate Accounting and Reporting Standard has been used in determining this disclosure, whereby carbon emissions are calculated based on energy usage amounts which are converted to tonnes of CO2 (tCO2e) at UK Government GHG Conversion Factors for Company Reporting in 2022 and 2021 as determined by the Department for Business, Energy & Industrial Strategy (BEIS).

The scope of the data includes all operational offices and breweries of the Company which are all UK-based.

	2023	2022
	kWh	kWh
Energy consumption	**195,849,162**	**192,121,859**
Scope 1 emissions	tCO2e	tCO2e
Emissions from combustion of gas	22,593	21,942
Emissions from combustion of fuel for transport*	2,743	3,154
Total Scope 1 emissions	**25,336**	**25,096**
Scope 2 emissions		
Emissions from purchased electricity	11,154	10,983
Total gross emissions	**36,490**	**36,079**
	tCO2e/kHl	tCO2e/kHl
Carbon emissions per kHl of product produced	**4.67**	**4.74**

* includes business mileage on rental cars or employee-owned vehicles where the Company is responsible for purchasing fuel.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also 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.

Directors' confirmations
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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 auditors are aware of that information.

Reappointment of auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the Board

R Eveson
Director

27 September 2024

Independent auditors' report to the members of Molson Coors Brewing Company (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Molson Coors Brewing Company (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 December 2023; the Income Statement, Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- A full scope audit was conducted on the financial statements

Key audit matters

- Valuation, accuracy and completeness of customer discounts and rebates

Materiality

- Overall materiality: £16,558,000 (2022: £15,074,000) based on 1% of revenue.
- Performance materiality: £12,418,000 (2022: £11,305,000).

Independent auditors' report to the members of Molson Coors Brewing Company (UK) Limited (continued)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

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

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation, accuracy and completeness of customer discounts and rebates Refer to Judgements and key sources of estimation uncertainty in note 1 to the financial statements and note 18 Creditors: Amounts falling due within one year. The company has agreements with customers whereby volume-related allowances, promotional and marketing allowances and various other rebates and discounts are given in connection with the sale of goods. As such, the Company recognises a reduction in revenue as a result of amounts payable to customers. The Company assesses customer performance against specific criteria relevant to the incentive schemes and accrue based on expected pay-out levels. Where the scheme is not aligned with the financial year, retrospective rebate and discount arrangements are accrued for on a pro-rata basis. Given the nature of certain arrangements in place and the need to assess at the period end the level of likely retrospective pay-out, the accounting for these arrangements involves a degree of estimation uncertainty which could result in rebates not being recorded and/or amounts are not recorded accurately.	We obtained a detailed understanding and evaluated the design and operational effectiveness of controls that the Company has established in relation to customer discounts, promotional spend and rebate arrangements. In addition, our substantive audit procedures included a combination of the following: • Recalculation of customer discount accruals using sales data and contractual discount rates or other associated contractual metrics on a sample basis, including assessment of customer performance against contractual criteria; • Enquiry of key account managers and senior commercial finance managers with respect to the completeness of the period end liability. Testing settlement of balances accrued for at the prior year end to assess historical accuracy of accruals; • Review of accrued rebates aging for evidence of unclaimed balances; • Reviewed post year end credit notes issued to identify amounts not accrued at year end. We concluded that the accuracy, valuation and completeness of accruals in relation to customer discounts, promotion spend and rebate arrangements at the year end were appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. The Company comprises of one reporting unit which has been subject to a full scope audit for the purposes of the audit of the financial statements.

Independent auditors' report to the members of Molson Coors Brewing Company (UK) Limited (continued)

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process adopted to assess the extent of the potential impact of climate risk on the company's financial statements. Climate risk will have an impact on the business over the short, medium and long-term. As part of our audit, we evaluated management's climate change risk assessment including the identified physical and transitional risks and the assessment of the impact of those risks on the financial statements. We note management's conclusion that material physical and transitional risks are likely to arise in the longer term and therefore have no current financial statement impacts. We performed procedures to evaluate the appropriateness of management's risk assessment. Our procedures did not identify any material impact on the financial statements or our key audit matters for the year ended 31 December 2023.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£16,558,000 (2022: £15,074,000).
How we determined it	1% of revenue
Rationale for benchmark applied	We believe that revenue is an appropriate benchmark as management make decisions and monitor performance based on market share with focus on brand growth and retention.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £12,418,000 (2022: £11,305,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £828,000 (2022: £1,500,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We evaluated management's base case and severe but plausible forecast scenarios, challenging key assumptions including the forecast cash flows;
- We have checked the integrity of management's model, as well as agreeing underlying data to source;
- We have assessed whether management's mitigating actions are reasonably achievable based on our understanding of the business, including the nature of its cost base; and
- We have verified the level of support available to the Company from its ultimate parent company, and the ability of the parent company to be able to offer this support, including assessing whether the committed liquidity is sufficient to meet the funding requirements of the company.

Independent auditors' report to the members of Molson Coors Brewing Company (UK) Limited (continued)

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 at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' 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 auditors' 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

Independent auditors' report to the members of Molson Coors Brewing Company (UK) Limited (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety and employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of accounting estimates which could be subject to management bias or posting of unusual journals. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the company's internal control related to estimates;
- Reviewing accounting estimates for bias and validating the support behind the assumptions and judgements made by management including challenging against possible alternatives;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Reviewing legal expense accounts, board minutes and in-house legal counsel documentation;
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management;
- Substantive testing of journal entries, particularly focused around journals which have unexpected account relationship; and
- Incorporating elements of unpredictability.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Molson Coors Brewing Company (UK) Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Mark Foster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
30 September 2024

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Turnover	2	1,655,801	1,507,395
Cost of sales		(1,378,819)	(1,268,357)
Gross profit		**276,982**	**239,038**
Administrative expenses:			
Before exceptional items		(166,753)	(142,303)
Exceptional restructuring costs	3	(3,194)	-
		(169,947)	(142,303)
Other operating expenses		(69,089)	(73,858)
Operating profit	4	**37,946**	**22,877**
Income from shares in group undertakings	8	3,754	4,301
Other interest receivable and similar income	9	2,407	732
Interest payable and similar expenses	10	(5,877)	(6,315)
Profit before taxation		**38,230**	**21,595**
Tax on profit	11	(9,789)	795
Profit for the financial year		**28,441**	**22,390**

The above results were derived from continuing operations.

The notes on pages 27 to 53 form part of these financial statements.

MOLSON COORS BREWING COMPANY (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Profit for the financial year		28,441	22,390
Remeasurement gain recognised on defined benefit pension scheme	23	5,700	5,938
Movement on deferred tax relating to pension asset		(1,425)	(1,485)
Total other comprehensive income		**4,275**	**4,453**
Total comprehensive income for the financial year		**32,716**	**26,843**

The notes on pages 27 to 53 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Called up share capital (note 24) £'000	Share premium account £'000	Capital contribution reserve £'000	Revaluation reserve £'000	Retained earnings (note 25) £'000	Total equity £'000
At 1 January 2023	19,257	8,278	37,180	795	265,484	330,994
Profit for the financial year	-	-	-	-	28,441	28,441
Other comprehensive income	-	-	-	-	4,275	4,275
Total comprehensive income for the year	-	-	-	-	**32,716**	**32,716**
Issue of share capital	77,101	-	-	-	-	77,101
Equity dividends paid	-	-	-	-	(27,849)	(27,849)
At 31 December 2023	**96,358**	**8,278**	**37,180**	**795**	**270,351**	**412,962**

The notes on pages 27 to 53 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Called up share capital (note 24) £'000	Share premium account £'000	Capital contribution reserve £'000	Revaluation reserve £'000	Retained earnings (note 25) £'000	Total equity £'000
At 1 January 2022	19,257	8,278	37,180	795	265,391	**330,901**
Profit for the financial year	-	-	-	-	22,390	22,390
Other comprehensive income	-	-	-	-	4,453	4,453
Total comprehensive income for the year	-	-	-	-	**26,843**	**26,843**
Equity dividends paid	-	-	-	-	(26,750)	(26,750)
At 31 December 2022	**19,257**	**8,278**	**37,180**	**795**	**265,484**	**330,994**

The notes on pages 27 to 53 form part of these financial statements.

MOLSON COORS BREWING COMPANY (UK) LIMITED
(Registration number: 00026018)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	12	66,697	74,397
Tangible assets	13	273,562	249,578
Investments	14	113,291	112,312
		453,550	**436,287**
Current assets			
Stocks	15	58,635	46,836
Net pension asset	23	-	-
Debtors	16	592,762	529,783
Cash at bank and in hand	17	134,835	128,579
		786,232	705,198
Creditors: Amounts falling due within one year	18	(773,455)	(672,018)
Net current assets		**12,777**	**33,180**
Total assets less current liabilities		**466,327**	**469,467**
Creditors: amounts falling due after more than one year	19	(50,433)	(138,025)
Provisions for liabilities	22	(2,932)	(448)
Net assets		**412,962**	**330,994**
Capital and reserves			
Called up share capital	24	96,358	19,257
Share premium account		8,278	8,278
Capital contribution reserve		37,180	37,180
Revaluation reserve		795	795
Retained earnings	25	270,351	265,484
Total equity		**412,962**	**330,994**

The financial statements on pages 22 to 53 were approved by the Board of Directors on 27 September 2024 and signed on its behalf by

R Eveson
Director
27 September 2024

The notes on pages 27 to 53 form part of these financial statements.

1. Accounting policies

Statement of compliance

Molson Coors Brewing Company (UK) Limited is a private company limited by shares, incorporated and domiciled in England & Wales with registration number 00026018. The address of its registered office is:

137 High Street
Burton upon Trent
Staffordshire
DE14 1JZ.

The financial statements of Molson Coors Brewing Company (UK) Limited have been prepared in accordance with the requirements of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102") and the Companies Act 2006.

The financial statements of Molson Coors Brewing Company (UK) Limited were approved for issue by the board of directors on 27 September 2024.

Basis of preparation

The financial statements have been prepared on the going concern basis and under the historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss and fixed assets.

The financial statements are prepared in Pounds Sterling, which is the functional currency of the Company, and are rounded to the nearest £'000.

The principal accounting policies of the Company, which are set out below, have been consistently applied to all the financial years presented, unless otherwise stated.

Basis of consolidation

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by Section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Molson Coors Beverage Company, a company registered in the USA, and is included in the consolidated financial statements of that company.

Going concern

The financial statements have been prepared on a going concern basis. In adopting a going concern basis, the Company has considered business activities, principal risks and uncertainties as set out within the Strategic report, and the impact of macroeconomic factors such as the ongoing cost of living crisis. The Directors have performed an assessment of the businesses' ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. In order to make this assessment, a cash flow forecast up to the period ending 31 December 2025 has been prepared. A reasonable severe but plausible scenario has also been modelled. Under both scenarios the business has sufficient funding to meet liquidity requirements to support its ongoing operations through the remainder of 2024 and 2025.

In addition, the directors have received confirmation from the Company's ultimate parent undertaking that the Company will receive support, if required, in order to meet its liabilities as they fall due for a period of not less than 12 months from the approval date of these financial statements. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

1. Accounting policies (continued)

Summary of disclosure exemptions

The Company is a wholly owned subsidiary of Molson Coors Holdings Limited and is included in the consolidated financial statements of the ultimate parent company, Molson Coors Beverage Company (a company incorporated in the USA), which are publicly available.

The Company has taken advantage of the exemptions available within FRS102 paragraph 1.12 from the requirement to prepare a Statement of Cash Flows and the requirement to disclose details of transactions with wholly owned group companies as the requirements of FRS102 paragraph 1.11 have been satisfied.

Judgements and sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities as at the reporting date and the amounts reported as revenues and expenses during the financial year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Lease classification

The Company has entered into lease agreements in respect of the use of property and plant and equipment. The classification of such leases as operating or finance leases requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of those assets and accordingly whether the lease requires an asset and liability to be recognised in the Statement of Financial Position. Details of finance lease liabilities at 31 December 2023 are provided in note 20 to these financial statements. Details of commitments under operating leases are provided in note 27.

Pensions and other post-employment benefits

During 2017, the plan became broadly fully funded on a technical provision basis resulting in a significant reduction in the directors' expectations regarding the future funding requirement for the company to pay contributions into the scheme. As a result, the directors have reconsidered the basis upon which the net defined benefit asset is recognised in the financial statements and have determined that, in accordance with the terms and conditions of the defined benefit plans, and in accordance with statutory requirements (including minimum funding requirements) for the plan, the present value of expected refunds from or reductions in future contributions to the scheme no longer supports the net defined benefit asset. As such the net defined benefit asset was derecognised at 31 December 2017 and continues to be derecognised at 31 December 2023.

The Company has an obligation to pay pension benefits and other post-employment benefits to certain employees. The cost of the benefits and the present value of the obligation is determined on an actuarial basis using the projected unit method and involves the estimation of a number of parameters including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. The parameters are estimated based on historical experience and current trends. The assumptions are discussed in more detail in note 23.

At 31 December 2023, the Company's Statement of Financial Position included a net asset of £nil (2022: £nil) relating to the defined benefit pension scheme and other post-employment benefits.

Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Significant changes to the assumptions over the next financial year could result in significant changes to the carrying value of the pension scheme asset.

1. Accounting policies (continued)

Customer Rebates

Provisions are made for rebates due to customers based upon management's best estimate of the future value of rebates based upon volume during the year. These provisions are reviewed on a monthly basis. Included within Accruals and Deferred income at 31 December 2023 is £58,383,000 of customer rebate provisions (2022: £45,779,000).

Intangible assets

Intangible assets are capitalised and amortised on a straight-line basis over the useful life of the asset, which is between 10 and 25 years.

Impairment of non-financial assets

The Company assesses at each reporting date whether an asset may be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in the Income Statement. Where a property is carried at deemed cost less accumulated depreciation and impairment losses, any reduction in the carrying amount to its recoverable amount is eliminated against any revaluation reserve in respect of that property, with any excess being charged to the Income Statement.

An impairment loss for all assets, including intangible assets, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Land and Construction in Progress is not depreciated. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life.

The expected useful lives of assets are as follows:

Land and buildings:	
Breweries and maltings freehold buildings	25 years
Freehold buildings	40 years
Plant and machinery	5 – 20 years
Fixtures and fittings:	
Office furniture and fittings	3 – 10 years
Equipment in retail outlets	2 – 7 years
Information Technology equipment	3 – 5 years
Construction in progress is not depreciated.	

In the case of land and buildings valued at deemed cost, previous valuation surpluses realised on sale are transferred from the revaluation reserve to retained earnings.

1. Accounting policies (continued)

Equity investments

The Company's equity investments are not publicly traded and the fair value of those investments cannot be reliably measured. Equity investments are therefore held at cost less provision for impairment, with cost including transaction costs. This includes investments in jointly controlled entities.

In the event of a reliable measure of fair value becoming available, equity investments are re-measured at fair value with the movement in the carrying value being recognised in the Income Statement. Where an equity investment has been measured at fair value but a reliable measure of fair value is no longer available, the fair value on the last date on which a reliable measure of fair value was available is treated as the cost of the investment.

Trade loans

Trade loans are held at cost less provision for impairment.

Turnover recognition

Turnover is measured at the fair value of the consideration received or receivable in respect of the sale of goods and services in the ordinary course of the Company's activities. It is stated net of trade discounts, rebates and Value Added Tax.

Subject to the conditions below, turnover is recognised at the point at which the significant risks and rewards of ownership of goods have transferred to the customer. In the case of beer sales, this is the point of delivery. In the case of contract brewing services, it is the point of collection.

Turnover is only recognised when it is probable that economic benefits will flow to the Company, when the amount of turnover can be measured reliably, and when the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover includes interest received or receivable from customers in respect of trade loans, as the commercial substance of those transactions is that they are part of the normal terms of trade. Interest income is credited to the Income Statement in the period to which it relates.

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Income relating to dividends from investments are recognised when the Company's right to receive payment is established.

Government grants

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure.

Exceptional restructuring costs

The Company classifies certain one-off charges or credits relating to restructuring activities as exceptional restructuring costs. These are separately disclosed to provide further understanding of the Company's financial performance and are considered qualitatively material in nature.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost includes all costs incurred in bringing stocks to their present location and condition, including materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Materials are measured on a first-in first-out basis.

Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

1. Accounting policies (continued)

Stocks (continued)

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the Income Statement.

Research expenditure

Research expenditure is written off as incurred.

Provisions for liabilities

Provisions are recognised where the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are charged as an expense in the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate of the amount required to settle the obligation at the date of the Statement of Financial Position, taking into account relevant risks and uncertainties.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge or credit attributable to an item of income or expense recognised in other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is accounted for to recognise the impact of timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. A deferred tax liability is recognised where a transaction or event that occurred prior to the reporting date results in the Company having an obligation to pay tax in future periods in excess of the amount which would be payable if the transaction or event had not occurred. A deferred tax asset is recognised where a transaction or event that occurred prior to the reporting date gives the Company the right to pay less tax in the future than would have been payable if the transaction or event had not occurred.

Deferred tax assets are only recognised if it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the period end.

Foreign currency translation

Transactions in foreign currencies are initially recorded in Pounds Sterling by applying the spot exchange rate ruling at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date or, if appropriate, at the forward contract rate. All differences are taken to the Income Statement.

Non-monetary items measured at historical cost are translated into Pounds Sterling using the exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated into Pounds Sterling using the exchange rate at the date on which fair value was determined.

1. Accounting policies (continued)

Financial instruments

The Company has chosen to adopt Section 11 and Section 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other receivables and cash and bank balances are initially measured at cost and are subsequently measured at amortised cost using the effective interest rate method. At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, an impairment loss, being the difference between the carrying amount of the asset and the present value of the estimated cash flows discounted at the asset's original effective interest rate, is recognised in the Income Statement.

Other financial assets including investments in equity instruments which are not subsidiaries, associates or joint ventures, are measured, initially and subsequently, at fair value.

Basic financial liabilities, including trade and other payables, bank loans and loans from group undertakings are initially measured at cost. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Derivatives, including forward purchase contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the Company is bound by the terms of the relevant contract and are subsequently measured at fair value. Changes in fair value are recognised in the Income Statement as cost of sales.

Cash and cash equivalents

Cash comprises cash in hand and deposits at banks which are repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments with an original maturity date of no more than three months that are readily convertible to known amounts of cash with insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers in respect of goods sold and services provided in the ordinary course of business.

Trade debtors are recognised at the transaction price less provision for impairment. A provision for impairment of trade debtors is established where 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 creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Leasing and hire purchase

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have been transferred to the Company are capitalised in the Statement of Financial Position and depreciated over the shorter of the lease term and the useful life of the asset. A corresponding liability is recognised for the lower of the fair value of the asset and the present value of the minimum lease payments. Lease payments are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligation and the interest element is charged to the Income Statement so as to achieve a constant rate of interest on the balance of the liability.

1. Accounting policies (continued)

Rentals payable under operating leases are charged in the Income Statement on a straight-line basis over the lease term. Lease incentives are recognised on a straight-line basis over the term of the lease.

Sale and leaseback

Under a sale and leaseback arrangement, the profit on sale is deferred and amortised over the shorter of the term of the lease or the UEL of the property. Upon the recognition of the transaction as a sale-leaseback, the current holding value of the property associated with the transaction is derecognized at its net book value and a new leased asset and a matching capital lease liability recorded at an assessed fair value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the consideration received or receivable, net of the direct costs incurred in issuing the equity instruments. If consideration is deferred and the time value of money is material, initial recognition is at the present value of consideration receivable.

Capital contribution

Capital contribution received from equity investors is recorded as an increase in equity. Capital contribution made by the Company is recorded as an increase in its investment.

Interest income and expense

Interest income and expense is recognised using the effective interest rate method

Pensions and other post-retirement benefits

The Company operates a funded defined benefit pension scheme for employees who joined the Company prior to April 2006. Assets of the scheme are held separately from those of the Company in trustee administered funds. On 4 April 2009, the fund was closed to future accruals of retirement benefits.

The difference between the fair value of assets held in the pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Statement of Financial Position as a pension asset or liability as appropriate. Any resulting pension scheme asset is recognised to the extent that the balance is considered to be recoverable through reduced contributions in the future or through refunds from the scheme. Any resulting liability is recognised in full.

Current and past service costs are recognised in the Income Statement in administrative expenses. Net interest is recognised in the Income Statement as other finance costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

The Company also operates a defined contribution pension scheme. Contributions are recognised in the Income Statement in the period to which they relate. Contributions outstanding at the reporting date are included in creditors.

2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of trade discounts and Value Added Tax.

Turnover relates mainly to the sale of beer and other beverages but also includes amounts receivable from contract brewing services, royalty income and interest receivable from customers in respect of trade loans.

All of the Company's turnover in the financial year and the preceding financial year related to continuing operations.

Turnover is analysed as follows:

	2023	**2022**
	£'000	**£'000**
Sale of goods	1,619,323	1,473,365
Royalty income	26,367	24,566
Contract Brewing	9,955	9,341
Interest receivable on trade loans	156	123
	1,655,801	**1,507,395**

Analysis of the Company's turnover by market is as follows:

	2023	**2022**
	£'000	**£'000**
United Kingdom	1,591,947	1,461,111
Rest of the World	63,854	46,284
	1,655,801	**1,507,395**

3. Exceptional restructuring costs

	2023 £'000	2022 £'000
Recognised in arriving at operating profit/ (loss):		
Charge relating to termination payments on restructuring	3,194	-
	3,194	**-**

The charge relating to termination payments on restructuring comprises movements in the provision for redundancy payments to employees who are to be made redundant as a result of restructuring activities, and payments to employees who have been made redundant as a result of restructuring activities where no previous provision for that payment has been recognised. These restructuring activities commenced in 2023 and are not yet completed as at the date of signing. The cost of redundancy payments is recognised when the Company has either a legal or constructive obligation to make those payments.

4. Operating profit

Operating profit is stated after charging/(crediting):

	2023 £'000	2022 £'000
Excise duty on own products	628,836	604,789
Research expenditure	3,601	3,469
Amortisation of goodwill and other intangibles	7,700	7,171
(Reversal of impairment of trade debtors)	(315)	(829)
Inventory recognised as an expense	717,144	634,466
(Reversal of impairment)/impairment of inventory	(173)	1,226
Foreign exchange (gains)/losses	(129)	510
Gain on disposal of tangible fixed assets	(92)	(6,091)
Write-off of trade and other loans	741	440
Depreciation:		
Charge relating to owned assets	45,629	39,810
Charge relating to assets held under hire purchase agreements and finance leases	2,726	2,989
	48,355	**42,799**

	2023 £'000	2022 £'000
Operating lease rentals:		
Charge relating to land and buildings	346	368
Charge relating to plant and machinery	35	35
Charge relating to vehicles	3,701	3,249
	4,082	**3,652**

5. Auditors' remuneration

In 2023, auditors' remuneration relating to audit fees amounted to £265,000 (2022: £220,300). Auditors' remuneration in relation to fees for non-audit services provided during the year amounted to £nil (2022: £nil).

6. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £'000	2022 £'000
Wages and salaries	112,156	102,141
Social security costs	10,529	9,809
Other pension costs	6,502	5,618
	129,187	**117,568**

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

	2023 No.	2022 No.
Production	832	786
Sales	951	1,023
Administration	252	223
	2,035	**2,032**

Included in the total number of employees of the Company are 28 (2022: 29) sales staff who work full time for a fellow group company. The total aggregate payroll costs recharged to the fellow group company are as follows:

	2023 £'000	2022 £'000
Wages and salaries	1,585	1,447
Social security costs	205	186
Other pension costs	78	63
	1,868	**1,696**

7. Directors' remuneration

Directors Remuneration borne by the Company is as follows:

	2023 £'000	2022 £'000
Aggregate directors' emoluments'	911	1,019
Pensions costs	28	31
Cost of employee share schemes	140	121
	1,079	**1,171**

2 of the directors (2022: 3) are members of defined contribution schemes. No directors (2022: none) were accruing benefits under the defined benefit pension scheme. The number of directors who exercised share options during the year was 2 (2022: 3).

Remuneration of the highest paid director:	2023 £'000	2022 £'000
Aggregate emoluments	739	614
Contributions to defined contribution pension scheme	5	3
	744	**617**

The highest paid director exercised share options during the year.

The Company has taken advantage of the exemption within FRS 102 paragraph 33.7 to disclose key management personnel compensation.

8. Income from shares in group undertakings

Dividends received from the company's investments are as follows:

	2023 £'000	2022 £'000
Cobra Beer Partnership Limited	3,754	4,301
Total dividends received	**3,754**	**4,301**

9. Other interest receivable and similar income

	2023 £'000	2022 £'000
Bank interest receivable	2,008	409
Interest receivable from group undertakings	399	323
Total interest income relating to financial assets not measured at fair value through profit or loss	**2,407**	**732**

10. Interest payable and similar expenses

	2023 £'000	2022 £'000
Interest payable to group undertakings	2,228	2,329
Other interest payable	3,649	3,986
Total interest expense relating to financial liabilities not measured at fair value through profit or loss	**5,877**	**6,315**

11. Tax on profit

	2023 £'000	2022 £'000
Current tax:		
- UK Corporation tax on profits for the financial year	6,134	-
- UK Corporation tax adjustments to prior periods	-	(542)
- Foreign withholding taxes on royalty income	670	585
Total current tax	**6,804**	**43**
Deferred tax:		
- Origination and reversal of timing differences	3,262	(964)
- Effect of changes in tax rate on opening asset	-	-
- Deferred tax prior period adjustments	(277)	126
Total deferred tax	**2,985**	**(838)**
Tax on profit	**9,789**	**(795)**

Tax on profit for the year is higher than (2022 – lower than) the standard rate of Corporation tax in the UK of 23.5% (2022 – 19%).

The differences are reconciled below:

	2023 £'000	2022 £'000
Profit before taxation	38,230	21,595
Corporation tax at standard rate	8,984	4,103
Net impact of expenses not deductible for tax purposes	472	(721)
Additional 30% tax deduction on capital expenditure	(254)	(4,115)
Effect of difference between current tax rate and deferred tax rate	196	(231)
Adjustments in respect of prior periods	(280)	(416)
Foreign withholding taxes on royalty income	671	585
Tax on profit	**9,789**	**(795)**

11. Tax on profit (continued)

Deferred tax

Deferred tax assets comprise:

	2023 £'000	2022 £'000
Deferred tax at the beginning of the financial year	51,850	52,497
Charged to income statement	(2,985)	838
Tax on actuarial (gain)/loss on pension scheme	(1,425)	(1,485)
	47,440	51,850

Deferred tax

Deferred tax assets comprise:

	2023 £'000	2022 £'000
Decelerated capital allowances	17,010	21,393
Land and buildings	11,157	10,488
Tax losses	14,655	15,711
Other timing differences	4,618	4,258
Deferred tax asset excluding pension related balances	**47,440**	**51,850**
Total deferred tax asset	**47,440**	**51,850**

A deferred tax asset of £47,440,000 (2022 - £51,850,000) has been recognised, relating to decelerated capital allowances, land and buildings, tax losses and other timing differences. The Directors believe it is probable that the Company will continue to generate taxable profits in future, against which this asset will be recovered. Based on current forecasts, £12,461,000 of the closing net deferred tax asset is expected to reverse in the following year. There is no expiry date for capital allowances, tax losses or other timing differences.

Factors affecting current and future tax charges

On 3 March 2021 the UK Government announced that the main rate of corporation tax would be increasing to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021 and the Company's deferred tax assets at 31 December 2022 and 31 December 2023 have been calculated at this rate.

The Company is a member of the multinational enterprise, Molson Coors Beverage Company ("MCBC"), which operates in many jurisdictions where Pillar Two legislation has been enacted or substantively enacted. Under the legislation, a top-up tax for the difference between the Global Anti-Base Erosion Rules ("GLoBE") effective tax rate per jurisdiction and the 15% minimum tax rate is introduced. This top-up tax is considered an income tax in scope of FRS 102 Section 29 Income Tax.

Pillar Two legislation has been enacted in the United Kingdom and comes into effect from 1 January 2024. MCBC has performed an assessment of The Company's potential exposure to Pillar Two income taxes, using information that is known or can be reasonably estimated, and does not expect the Company to have a material exposure to Pillar Two income taxes.

The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in FRS 102 Section 29 Income Tax issued in July 2023.

12. Intangible assets

	Goodwill £'000	Trademarks, trade names, brand names, and distribution rights £'000	Total £'000
Cost or valuation			
At 1 January 2023	41,168	104,551	145,719
At 31 December 2023	**41,168**	**104,551**	**145,719**
Accumulated amortisation			
At 1 January 2023	34,616	36,706	71,322
Charge for the financial year	2,346	5,354	7,700
At 31 December 2023	**36,962**	**42,060**	**79,022**
Carrying amount			
At 31 December 2023	**4,206**	**62,491**	**66,697**
At 31 December 2022	**6,552**	**67,845**	**74,397**

The amortisation charge for the financial year is included in the Income Statement under the heading of administrative expenses.

Included in the carrying amount of intangible assets of £66,697,000 (2022: £74,397,000) at 31 December 2023 is £49,045,000 (2022: £52,892,000) relating to the perpetual royalty free licence for Miller branded products in Europe acquired in 2016. That asset is being amortised on a straight line basis over 20 years, being the directors' estimate of the useful economic life of the asset. The remaining amortisation period at 31 December 2023 is 12.75 years (2022: 13.75 years).

Also included in the carrying amount of intangible assets of £66,697,000 (2022: £74,397,000) at 31 December 2023 is £13,447,000 (2022: £14,955,000) relating to the brand rights from Rekorderlig (UK) Limited in 2015. The asset is being amortised on a straight line basis over 17 years, being the period over which the Company has the right to distribute the associated product. The remaining amortisation period at 31 December 2023 is 8.9 years (2022: 9.9 years).

13. Tangible assets

	Land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Construction in Progress £'000	Total £'000
Cost or valuation					
At 1 January 2023	86,975	389,667	194,710	21,264	692,616
Additions	227	13,001	18,907	41,890	74,025
Disposals	(758)	(12,346)	(10,277)	-	(23,381)
Transfers	117	2,664	10,251	(13,032)	-
At 31 December 2023	**86,561**	**392,986**	**213,591**	**50,122**	**743,260**
Accumulated depreciation					
At 1 January 2023	40,269	234,631	168,138	-	443,038
Charge during the financial year	2,923	19,046	26,386	-	48,355
Disposals	(520)	(11,388)	(9,787)	-	(21,695)
At 31 December 2023	**42,672**	**242,289**	**184,737**	**-**	**469,698**
Carrying amount					
At 31 December 2023	**43,889**	**150,697**	**28,854**	**50,122**	**273,562**
At 31 December 2022	**46,706**	**155,036**	**26,572**	**21,264**	**249,578**

Included in the amounts for fixtures and fittings above are the following amounts relating to leased assets and assets acquired under hire purchase contracts:

	Fixtures and fittings £'000
Cost or valuation	
At 1 January 2023 and 31 December 2023	2,297
Accumulated depreciation	
At 1 January 2023	1,344
Provided during the financial year	90
At 31 December 2023	1,434
Carrying amount	
At 31 December 2023	**863**
At 31 December 2022	**953**

13. Tangible assets (continued)

Included in the amounts for plant and machinery above are the following amounts relating to kegs under sales and lease back agreements which were entered into on 1 March 2018:

	Plant and machinery £'000
Cost or valuation	
At 1 January 2023	40,140
Keg losses	(327)
At 31 December 2023	**39,813**
Accumulated depreciation	
At 1 January 2023	32,043
Provided between 1 January 2023 to 31 December 2023	1,382
Keg losses	(203)
At 31 December 2023	**33,222**
Carrying amount	
At 31 December 2023	**6,591**
At 31 December 2022	**8,097**

All land and buildings are freehold. Included in the cost or valuation of land and buildings of £86,561,000 (2022: £86,975,000) is £1,500,000 (2022: £1,500,000) relating to assets held at valuation

On 12 January 2017, the Company entered into a Sale and Purchase agreement ("SPA") with Weis Group ("Weis") for the sale of the UK National Distribution Centre's ("NDC") Land and Building for £33.4m, with completion of the sale and sale proceeds funds received on that date. The property is being leased back to the Company from Weis for a period of 20 years. Upon the evaluation of Sale and Leaseback Criteria, the Company is considered to be undertaking a capital lease arrangement. As a result, the Company is required to defer the profit on sale of the NDC of £23.9m and amortise this profit over the shorter of the term of the lease, or the UEL of the property – in this case the lease term of 20 years. Upon the recognition of the transaction as a sale-leaseback, the current holding value of the property associated with the transaction, £9m, was derecognised at its net book value. A new leased asset and matching capital lease liability was recorded at an assessed value of £25.1m. The leased asset is being depreciated over a 20 year term at £1.3m per annum.

On 1 March 2018, the Company entered into an arrangement with Close Brewery Rentals Limited where kegs owned by the company were sold to Close Brewery for £22.0m. There is no profit or loss arising from this transaction. These kegs were placed into an 8 year lease agreement, with kegs and casks previously being rented also being transferred and the existing rental agreements terminated. At the end of the 8 year lease term there is a repurchase obligation for the kegs that remain. The previously owned kegs are recorded as a finance lease and are retained within fixed assets on the balance sheet.

The historical cost of land and buildings at 31 December 2023 is £86,561,000 (2022: £86,975,000). The revaluation reserve relating to land and buildings held at deemed cost at 31 December 2023 was £795,000 (2022: £795,000). None of the Company's plant and machinery or fixtures and fittings are held at valuation. Interest capitalised in the year is £65,000 (2022: £127,000). The interest rate used to capitalise is 2.2% (2022: 2.2%).

14. Investments

	Shares in Subsidiary undertakings £'000	Trade and other loans £'000	Total £'000
Cost			
At 1 January 2023	101,496	13,485	114,981
Additions/advances	-	9,056	9,056
Disposals/repayments	-	(7,626)	(7,626)
Amounts written off	-	(741)	(741)
At 31 December 2023	**101,496**	**14,174**	**115,670**
Provision for impairment			
At 1 January 2023	1,274	1,395	2,669
Additions	-	95	95
Release	-	(385)	(385)
At 31 December 2023	**1,274**	**1,105**	**2,379**
Carrying amount			
At 31 December 2023	**100,222**	**13,069**	**113,291**
At 31 December 2022	**100,222**	**12,090**	**112,312**

Details of investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of Incorporation	Holding	Proportion of voting rights and shares 2023	2022	Nature of business
Molson Coors Brewing Company (Ireland) Designated Activity Company	Republic of Ireland	Ordinary	100%	100%	Beer production and sales
Sharp's Brewery Limited	England and Wales	Ordinary	100%	100%	Beer production and sales
Molson Coors Brewing Company (UK) Pensions Limited	England and Wales	Ordinary	100%	100%	Pension fund trustee
Molson Coors Brewing Company (UK) Healthcare Limited	England and Wales	Ordinary	100%	100%	Healthcare trustee
Aspall Holdings Limited	England and Wales	Ordinary	100%	100%	Holding company
Coors On-Line Limited	England and Wales	Ordinary	73%	73%	Non trading
Cobra Beer Partnership Limited	England and Wales	Ordinary 'B'	50.1%	50.1%	Beer sales
Caffrey's Canada Inc	Canada	Ordinary	100%	100%	Dormant
Carling Brewers Export Limited	Scotland	Ordinary	100%	100%	Dormant
Charrington and Company Limited	England and Wales	Ordinary	100%	100%	Dormant
Coors Brewers Limited	England and Wales	Ordinary	100%	100%	Dormant
Foray 1327 Limited*	England and Wales	Ordinary	100%	100%	Dormant
Molson Coors Beer Naturally Limited	England and Wales	Ordinary	100%	100%	Dormant
Molson Coors Global Trading Limited	England and Wales	Ordinary	100%	100%	Beer sales
Molson Coors Worthington Limited	England and Wales	Ordinary	100%	100%	Dormant
William Stones Limited	England and Wales	Ordinary	100%	100%	Dormant

14. Investments (continued)

* Foray 1327 Limited's company name changed from 'Hooch Limited' on 2 May 2023.

All of the Company's investments are directly held.

The address of the registered office of Sharp's Brewery Limited is:
Pityme Industrial Estate
Rock
Wadebridge
Cornwall
PL27 6NU

The address of the registered office of Molson Coors Brewing Company (Ireland) Designated Activity Company is:
Block J1 Unit C
Maynooth Business Campus
Maynooth
Co Kildare
Ireland

The address of the registered office of Caffrey's Canada Inc is:
1555 Notre-Dame Street East
Montreal QC
H2L 2R5
Canada

The address of the registered office of Carling Brewers Export Limited is:
C/O Colin Brass
Wright Johnston and Mackenzie LLP
302 St Vincent Street
Glasgow
G2 5RZ

The registered address of all other companies in which the Company holds 20% or more of the nominal value of any class of share capital is:
137 High Street
Burton upon Trent
Staffordshire
DE14 1JZ

15. Stocks

	2023 £'000	2022 £'000
Raw materials	2,716	3,961
Work in progress	4,636	3,972
Finished goods	43,405	31,071
Consumable stores	7,878	7,832
	58,635	**46,836**

There are no (2022: none) material differences between the carrying values of stocks and their replacement costs.

The cost of stock recognised as an expense in the year amounted to £717,144,000 (2022: £634,466,000).

Stock provision as at 31 December 2023 is £230,000 (2022: £2,590,000) During the year, the Company incurred impairment gain in stock of £173,000 (2022: impairment loss £1,226,000).

Movements in the impairment provision are reported as cost of sales in the Income Statement.

16. Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	189,762	159,681
Amounts owed by group undertakings	332,796	277,457
Other debtors	9,731	24,064
Deferred tax asset	47,440	51,850
Prepayments and accrued income	13,033	16,731
	592,762	**529,783**

Included within amounts owed by group undertakings is an unsecured loan of £7,000,000 (2022: £7,000,000) to Aspall Cyder Limited which interest incurs at 3% and is repayable on demand. All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Trade debtors are stated after provision for impairment of £1,232,000 (2022: £1,547,000).

Total debtors includes £34,979,000 (2022: £51,850,000) falling due after more than one year.

17. Cash at bank and in hand

	2023 £'000	2022 £'000
Cash at bank and in hand	**134,835**	**128,579**

18. Creditors: Amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	232,550	228,228
Amounts owed to group undertakings	275,757	223,494
Taxation and social security	99,395	90,856
Obligations under finance leases and hire purchase contracts	3,140	2,963
Other creditors	5,259	1,795
Accruals and deferred income	157,354	124,682
	773,455	**672,018**

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

19. Creditors: Amounts falling due after more than one year

	2023 £'000	2022 £'000
Amounts owed to group undertakings	-	77,101
Obligations under finance leases and hire purchase contracts	38,537	41,770
Accruals and deferred income	11,896	19,154
	50,433	**138,025**

19. Creditors: Amounts falling due after more than one year (continued)

At 31 December 2022, amounts owed to group undertakings comprised £77,101,002 of listed unsecured loan notes with a maturity date of 3 October 2026 that were fully subscribed by Molson Coors (Barbados) Srl. The loan notes were fully settled on 15 December 2023 and subsequently de-listed from the Cayman Islands Stock Exchange.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

20. Obligations under finance leases and hire purchase contracts

The Company uses finance leases and hire purchase contracts to acquire plant and machinery. Future minimum lease payments due under finance leases and hire purchase contracts are as follows:

	2023 £'000	2022 £'000
Amounts payable:		
Within one year	3,140	2,963
Within two to five years	38,537	41,770
	41,677	**44,733**

The average interest rate relates to the finance leases and hire purchase contracts is 8.43% (2022: 8.59%).

21. Financial instruments

Categorisation of financial instruments

	2023 £'000	2022 £'000
Financial assets		
Financial assets measured at fair value through profit or loss	838	9,403
Financial assets that are debt instruments measured at amortised cost	679,356	592,469
	680,194	**601,872**
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	7,094	3,219
Financial liabilities measured at amortised cost	723,635	715,966
	730,729	**719,185**

Financial assets and liabilities measured at fair value through profit or loss

The Company uses future contracts for the purchase of natural gas, diesel and aluminium. The fair value of those contracts is calculated by the institutions with which the Company has contracted.

Items of income, expense, gains or losses

	Income £'000	Expense £'000
2023		
Financial assets measured at fair value through profit or loss	-	8,565
Financial liabilities measured at fair value thought profit or loss	-	3,875
Financial assets measured at amortised cost	2,878	-
Financial liabilities measured at amortised cost	-	5,877
	2,878	18,317

	Income £'000	Expense £'000
2022		
Financial assets measured at fair value through profit or loss	-	4,995
Financial liabilities measured at fair value through profit or loss	-	3,162
Financial assets measured at amortised cost	1,624	-
Financial liabilities measured at amortised cost	-	6,315
	1,624	14,472

A net impairment gain of £289,000 (2022: net impairment loss of £59,000) was recognised in respect of trade loans during the financial year.
A net reversal of impairment loss of £315,000 (2022: net reversal of impairment loss of £829,000) was recognised in respect of trade debtors during the financial year.

22. Provisions for liabilities

	Restructuring £'000	Onerous lease £'000	Total £'000
At 1 January 2023	-	448	448
Additions during the financial year	3,194	54	3,248
Amounts charged against provision	(690)	(74)	(764)
At 31 December 2023	**2,504**	**428**	**2,932**

Restructuring provision

Provision relates to redundancy payments to employees who are to be made redundant as a result of restructuring activities. The provision for restructuring is expected to be fully utilised in 2025, with the majority of outflows likely to take place in 2024.

Onerous lease provision

Provision has been made for the cost of fulfilling contractual obligations in relation to various onerous lease agreements. It is anticipated that this provision will not be fully utilised until 2046, however the timing of the cash outflows is uncertain, and varies depending on the individual lease.

23. Pensions and other post-retirement benefits

The Company operates the Molson Coors (UK) Pension Plan ("the Plan") in the United Kingdom; a contributory, self-administered, defined benefit pension plan. Assets of the Plan are held separately from those of the Company and are in the care of a corporate Trustee, Molson Coors Brewing Company (UK) Pensions Limited. The Plan provides defined benefit (DB) and other related benefits, including protection for dependants in the event of death in service. The Plan closed to future accrual on 4 April 2009. All active members changed their status to deferred and were offered membership of the contract-based DC arrangement. Contributions to the Plan are assessed in accordance with the advice of an independent qualified actuary using the projected unit method, where applicable, and as agreed with the trustee of the Plan. Total contributions made by the Company to the Plan in the financial year ended 31 December 2023 amounted to £nil (2022: £nil).

The most recent triennial actuarial valuation of the Plan was carried out by the Plan actuary at 30 June 2022 using the projected unit method. Scheme assets are stated at their fair values at the balance sheet date.

A full assessment of liabilities as at 31 December 2023 was carried out by Mercer, an independent and professionally qualified actuary.

The judgment of the Court of Appeal in the case of Virgin Media Ltd v NTL Pension Trustees II Ltd and others was issued on 25 July 2024. The Trustee and the Company will work with their professional advisers to consider the implications of the case and what further actions (if any) need to be taken in relation to assessing whether there may be any potential impacts on the Molson Coors (UK) Pension Plan. Initial analysis suggests that the Plan may have been contracted-out on a protected rights basis until the Plan closed to future accrual in 2009, but the Trustee is taking some additional steps to check that position and will keep the Company updated on progress.

The assets and liabilities of the scheme at 31 December are:

	2023 £'000	2022 £'000
Scheme assets at fair value:		
Equities	45,370	19,503
Debt instruments	695,676	603,278
Property	42,850	55,907
Cash	12,603	41,605
Buy-in	311,290	323,742
Other assets	152,493	256,133
Fair value of scheme assets	**1,260,282**	**1,300,168**
Present value of scheme liabilities	(1,117,721)	(1,127,922)
Net Pension Asset	**142,561**	**172,246**
Less restriction of surplus	(142,561)	(172,246)
Asset recognised in Statement of Financial Position	-	-

The Plan has not invested in any of the Company's own financial instruments nor in properties or other assets used by the Company.

During 2017, the Plan became broadly fully funded on a technical provision basis resulting in a significant reduction in the directors' expectations regarding the future funding requirement for the Company to pay contributions into the Plan As a result, the directors have reconsidered the basis upon which the net defined benefit asset is recognised in the financial statements and have determined that, in accordance with the terms and conditions of the defined benefit plans, and in accordance with statutory requirements (including minimum funding requirements) for the Plan, the present value of expected refunds from or reductions in future contributions to the Plan no longer supports the net defined benefit asset. As such the net defined benefit surplus was derecognised at 31 December 2017.

23. Pensions and other post-retirement benefits (continued)

The amounts recognised in the Income Statement and Other Comprehensive Income for the financial year are analysed as follows:

	2023 £'000	2022 £'000
Recognised in the Income Statement:		
Past service cost	-	-
Actual expenses paid	5,700	5,938
Recognised in arriving at operating profit	**5,700**	**5,938**
Net interest on net defined benefit asset	-	-
Total recognised in Income Statement	**5,700**	**5,938**
Taken to Other Comprehensive Income:		
Actual return on scheme assets	41,526	(612,113)
Less amount included in net interest on net defined benefit asset	(63,603)	(35,311)
	(22,077)	(647,424)
Other actuarial gains and losses	(10,463)	563,871
Derecognition of net defined benefit asset	38,240	89,491
Remeasurement gain and loss recognised in other comprehensive income	**5,700**	**5,938**

Pensions

	2023 %/Years	2022 %/Years
Main assumptions:		
RPI inflation/deferred revaluation	3.05	3.15
Rate of increase of pensions in payment		
- Pre 2006 pension	2.90	2.95
- Post 2006 pension	2.25	2.30
Discount rate	4.80	5.05
Inflation assumption	2.70	2.20
Post retirement mortality		
- Male retiring today (member age 65)	21.10	21.40
- Retiring in 25 years (member age 40)	23.80	24.30
- Female retiring today (member age 65)	23.50	24.00
- Female retiring in 25 years (member age 40)	26.70	26.80

The post-retirement mortality assumptions allow for expected increases in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the reporting date, with "future" being that relating to an employee retiring in 2048.

23. Pensions and other post-retirement benefits (continued)

Changes in the present value of the defined benefit obligations are analysed as follows:

	2023 £'000	2022 £'000
At 1 January	1,127,922	1,754,023
Interest expense	55,048	30,736
Benefits paid	(75,712)	(92,966)
Remeasurements	10,463	(563,871)
Past service cost	-	-
As at 31 December	**1,117,721**	**1,127,922**

Changes in the fair value of plan assets are analysed as follows:

	2023 £'000	2022 £'000
At 1 January	1,300,168	2,011,185
Actual return on plan assets	(22,077)	(647,424)
Interest income	63,603	35,311
Benefits paid	(75,712)	(92,966)
Administrative expenses returned/paid from plan assets	(5,700)	(5,938)
As at 31 December	**1,260,282**	**1,300,168**

The company operates a defined contribution pension scheme. Cost recognised in the income statement during the year are as follows. An accrual is held for £591,535 (2022: £560,478) at the year end.

	2023 £'000	2022 £'000
Pension costs	6,502	5,618

24. Called up share capital

Allotted, called up and fully paid shares:

	2023 No.	2023 £'000	2022 No.	2022 £'000
Deferred Ordinary shares of £1 each	96,357,510	96,358	19,256,508	19,257
$US Ordinary shares of $US 0.01 each	200	-	200	-

Each share entitles the holder to one vote and are unrestricted.

Each share has the right to participate in a distribution of capital on a winding up or as authorised by an extraordinary resolution. Shares are not redeemable unless sanctioned by a special resolution.

The company paid a dividend of £27,849,000 in the year (2022: £26,750,000).

The Company issued 77,101,002 ordinary shares of £1 each to its parent company on 15 December 2023.

25. Retained earnings

The retained earnings represent the accumulated profits, losses and distributions of the Company.

26. Capital commitments

At 31 December, the Company had capital commitments as follows:

	2023 £'000	2022 £'000
Contracted for as at the year end but not provided for in the financial statements	14,167	5,965

27. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2023 £'000	2022 £'000
Not later than one year	3,635	3,485
Later than one year and not later than 5 years	4,712	3,667
Later than five years	2,357	2,677
	10,704	**9,829**

28. Related party transactions

The Company has taken advantage of the exemption within FRS102 Paragraph 33.1A and has not disclosed transactions with members of the group headed by Molson Coors Beverage Company where any subsidiary which is party to the transaction is wholly owned by such a member.

During the financial year ended 31 December 2023, the Company traded with other related parties as follows:

	Coors On-line Limited £'000	Cobra Beer Partnership Limited £'000
Turnover	-	39,091
Purchases	-	54,373
Other administrative income	-	3,338
Marketing and management fee income	-	2,072
Interest receivable	188	-
Balance due to related party at 31 December 2023	415	7,823
Balance due from related party at 31 December 2023	2,711	225

28. Related party transactions (continued)

During the financial year ended 31 December 2022, the Company traded with other related parties as follows:

	Coors On-line Limited £'000	Cobra Beer Partnership Limited £'000
Turnover	-	37,112
Purchases	-	52,554
Other administrative expenses	-	3,192
Marketing and management fee income	-	1,704
Interest receivable	113	-
Balance due to related party at 31 December 2022	371	7,224
Balance due from related party at 31 December 2022	2,523	225

Coors On-line Limited is a company which is 73% owned within the group.
Cobra Beer Partnership Limited is a company which is 50.1% owned within the group.

The balances above were at standard commercial terms, are unsecured and will be settled on a cash basis. No guarantees have been given/received.

No provision has been recognised for uncollectable receivables related to the amount of outstanding balances.

29. Parent and ultimate parent undertaking

The Company's immediate parent company, by virtue of its 100% shareholding in the Company, is Molson Coors Holdings Limited, a company incorporated in England & Wales.

The ultimate parent company is Molson Coors Beverage Company, a company incorporated in the State of Delaware, USA.

The parent of the largest group and the smallest group in which these financial statements are consolidated is Molson Coors Beverage Company. The registered address of Molson Coors Beverage Company is:

P.O. Box 4030
BC555
Golden
Colorado
80401
USA

The most senior parent entity producing publicly available financial statements is Molson Coors Beverage Company. These financial statements are available from the Company Secretary at the above address or can be obtained from ir.molsoncoors.com/financials/annual-reports.

The ultimate controlling party is Molson Coors Beverage Company.

30. Post balance sheet events

On 30 July 2024, the Company declared and paid a dividend of £12,271,000 to its immediate parent company, Molson Coors Holdings Limited.

After the year end, the Company's subsidiary, Molson Coors Brewing Company (Ireland) Designated Activity Company, signed an agreement with Heineken Ireland for Molson Coors brands to be sold under license for distribution within the Republic of Ireland. This agreement is subject to the approval of the Irish Competition & Consumer Protection Commission.