

A WINNING YEAR

2012
ANNUAL REPORT

Our strategy is very clear: we are focused on developing and growing an estate of premium pubs, primarily in London and the South East, with a clear emphasis on managed operations.

We will continue to invest in the existing estate to maintain our premium positioning and to grow our hotel business. We are looking to acquire further managed houses, either packages or individual sites, to increase the size of both the Young's and Geronimo operations further.

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FINANCIAL HIGHLIGHTS

	2012	2011	% change
Revenue	178,964	142,597	+25.5
Adjusted operating profit*	26,162	21,746	+20.3
Adjusted profit before tax*	21,333	18,177	+17.4
Net cash generated from operations	34,601	29,743	+16.3
Adjusted basic earnings per share*	33.41p	28.36p	+17.8
Dividend per share (interim and recommended final)	13.93p	13.26p	+5.1
Net assets per share	£6.59	£3.76	+75.3
(Loss)/profit before tax**	(7,494)	13,294	-156.4
Basic earnings per share**	-11.13p	32.89p	-133.8

* Throughout this report, reference to an “adjusted” item means that item has been adjusted to exclude exceptional items (see notes 9 and 15). The principal adjustment this period relates to the revaluation described below.

** The group’s property estate has been revalued giving rise to a net uplift in fixed assets of £174.0 million. The upward movement of £203.1 million was recognised in equity, while the downward movement of £29.1 million was taken to the income statement as exceptional, resulting in the current period loss before tax (see notes 2 and 18).

All of the results above are from continuing operations.

CHAIRMAN'S STATEMENT

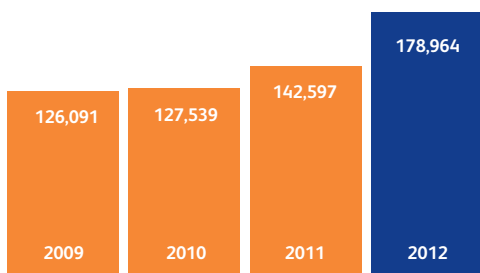
“This has been a transformational year for Young’s. Having successfully integrated the Geronimo business acquired in late 2010 and exited from our brewing associate, we are clearly focused on delivering profitable growth through our estate of premium, well invested pubs and hotels, primarily in London and the South East”.



Nicholas Bryan
Chairman

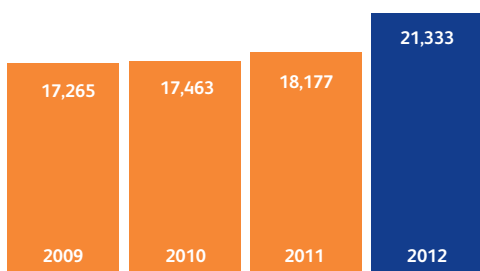
Revenue (£m)

£178,964 **+25.5%**



Adjusted profit before tax (£m)

£21,333 **+17.4%**



Our pubs have performed very strongly over the past year and our sound financial position enables us to continue investing in our existing estate and expanding it through further acquisitions.

Revenue for the year rose 25.5% to £179.0 million, adjusted profit before tax was up 17.4% at £21.3 million and adjusted basic earnings per share increased 17.8% to 33.41 pence. In what has been a very challenging climate, these results reflect both a strong like-for-like performance from the Young’s managed estate and the whole year impact of last year’s Geronimo acquisition. We continued to invest in our estate but still reduced net debt over the year by £4.5 million. We therefore had a robust balance sheet with sound long term financing arrangements in place.

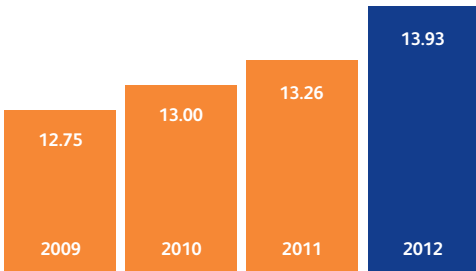
The Geronimo acquisition was a significant strategic move which expanded our managed house estate and provided us with an additional concept to develop alongside Young’s. Growth through a strong and expanding estate of managed houses is where the most attractive future lies for the group. The decision therefore to exit Wells & Young’s, whilst emotive as it ended our 180 year history of brewing, was the correct one as it allows us to focus our investment and energies accordingly.

After glorious April weather a year ago, the first weeks of the current financial year have been something of a wash-out and this has made for more subdued trading in a number of our pubs. As a result, managed house revenue in the first seven weeks of the year was up 3.9% in total, and down 2.0% on a like-for-like basis. Overall, our premium and London and South East-orientated strategy should continue to help insulate us against the wider economic unease. We are looking forward to the Diamond Jubilee celebrations and Olympic Games which will undoubtedly benefit both London and ourselves.



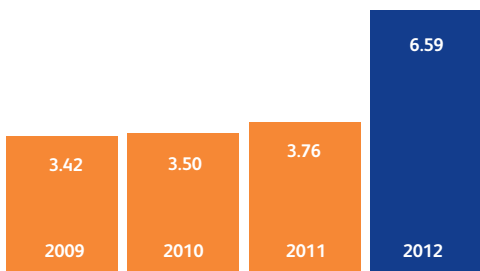
Total dividend per share (p) (recommended)

13.93p +5.1%



Net assets per share (£)

£6.59 +75.3%



With a healthy pipeline of investment opportunities and maturing recent investments, we are confident that the current year will be another positive one for Young's.

The regulatory and taxation regime to which we are subject remains unhelpful; this is in spite of constant lobbying on the part of the industry. I am convinced that responsibly run pubs are a genuine force for good in our society and deserve greater support and recognition from the Government than is currently the case. For our part, we expect and encourage our pubs to act as good neighbours; they actively support local charities and projects, and promote responsible consumption of alcohol by providing a safe and healthy environment in which to do so.

Rewarding the support of shareholders remains important to the Board. Following our strong performance last year and in line with our long term strategy for consistent progressive dividend growth, we are pleased to be recommending a 5.1% increase in the final dividend to 7.25 pence per share, resulting in a total dividend for the year of 13.93 pence (2011: 13.26 pence). The final dividend, if approved, will be paid on 12 July 2012 to shareholders on the register at the close of business on 8 June 2012. This would represent the fifteenth consecutive year of dividend increase for Young's shareholders.

I would like to finish by thanking everyone involved in Young's – our customers, our managers, our tenants, our staff and, of course, our shareholders – for their continued support and contribution to our success.

I look forward to meeting many of you at my first AGM as chairman on 10 July 2012 in the Civic Suite in Wandsworth Town Hall, London SW18.

Nicholas Bryan
Chairman
23 May 2012

£7.50

CHOOSE YOUR OWN
CHUTNEY

SOUP OF THE DAY

FRENCH ONION
WITH PARMESAN
CROUTONS



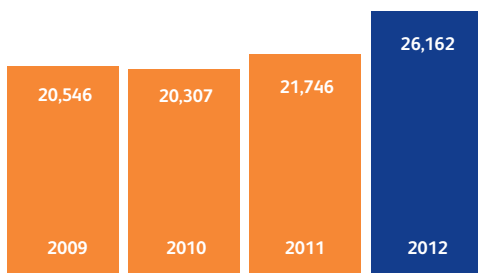
CHIEF EXECUTIVE'S REPORT



Stephen Goodyear
Chief Executive

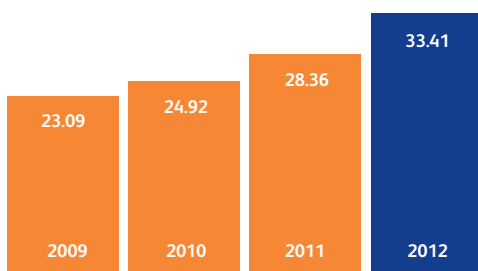
Adjusted operating profit (£m)

£26,162 **+20.3%**



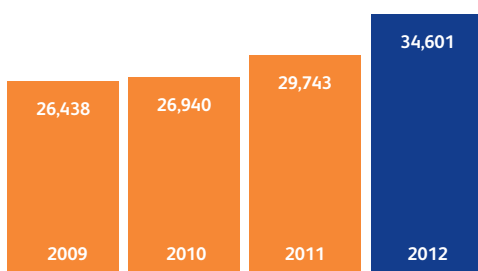
Adjusted basic earnings per share (pence)

33.41p **+17.8%**



Net cash generated from operations

£34,601 **+16.3%**



OVERVIEW

This year has been a very productive and successful one for Young's which, following on from the acquisition of Geronimo in December 2010, has seen the completion of our transformation into a focused pubs business.

Geronimo has been smoothly and successfully integrated, with the benefits of the sharing of best practice already being felt.

Halfway through the year, we took the decision to exit from our brewing interests with Charles Wells. Having been involved in brewing since 1831, this was an historically significant step. However, from a strategic point of view it allows us to focus all our resources – both managerial and financial – on developing our high quality pub estate yet further. In addition, we decided to dispose of a number of tenanted pubs that did not fit with our future plans for the tenanted operation.

Our strategy is very clear: we are focused on developing and growing an estate of premium pubs, primarily in London and the South East, with a clear emphasis on managed operations. A high quality food offering is increasingly an integral part of what we are about. Nonetheless the nature of our estate is that we run pubs as opposed to restaurants since they are a more consistent source of profits. We will continue to invest in the existing estate to maintain our premium positioning and to grow our hotel business. We are looking to acquire further managed houses, either as bolt on packages or individual sites, to increase the size of both the Young's and Geronimo operations further.

Alongside this strategic progress, we achieved strong revenue and profit growth. Revenues increased by 25.5% to £179.0 million and, whilst this was significantly enhanced by a full year's contribution from Geronimo (compared with 16 weeks last year), we also delivered strong like-for-like managed house growth across both Young's and Geronimo.

Operating profit before exceptional items increased 20.3%. Profit before tax and exceptional items was up 17.4% at £21.3 million. Adjusted basic earnings per share increased 17.8% to 33.41 pence. Reported profits have been significantly impacted by largely non-recurring property related exceptional items which are described below.

CHIEF EXECUTIVE'S REPORT (Continued)



Our estate was revalued last autumn at £497.4 million, a large net uplift of £174.0 million to book value. As previously reported and as required by accounting standards, this has been reflected in our accounts as a £203.1 million balance sheet credit for the property values that have increased and a £29.1 million exceptional charge to the income statement where they have fallen. The result of this and certain other exceptional items is a reported loss before tax of £7.5 million, and a basic loss per share of 11.13 pence.

During the year, we opened three new pubs and acquired a further one. We also made eight disposals and, since the year end, have exchanged contracts on another. Six of these sales were from our tenanted estate, reflecting our aim to retain a high quality but smaller tenanted estate alongside the managed operation that provides our core focus for growth. We therefore finished the year with 242 pubs, four fewer than last year, of which 187 were freehold and 13 were held on long leases at peppercorn rents.

The business generated a strong operating cash flow of £34.6 million which, together with the proceeds from the Wells & Young's share sale and pub disposals, allowed us to invest £25.6 million and reduce net debt by £4.5 million. Our balance sheet therefore remains robust with net debt at £118.1 million, 3.1 times EBITDA, and gearing at 37.2%.

None of this year's success could have been achieved without the tireless effort and commitment of our management and their teams both in the pubs and at head office. I am, as ever, most grateful to them all.

BUSINESS REVIEW

MANAGED HOUSES

At the year end, the managed operation comprised 121 Young's pubs, 16 of which were hotels, and 33 Geronimo pubs.

Revenue for the year, which reflects a full year's contribution from Geronimo, was up 29.1% at £165.0 million. Our Young's managed house operation generated industry leading underlying growth with like-for-like sales, which excludes Geronimo, up 6.0%. Geronimo's sales, which do not currently form part of our total like-for-like sales, were up 9.8% compared with the corresponding year, the vast majority of which, pre-dated our period of ownership.

This performance was achieved against a mixed trading backdrop. We had good weather early and late in the year, the Royal Wedding weekend in April and Young's 180th birthday celebrations in September. At the same time, the difficult economic climate continued and there were the dreadful London riots in August.



The strong revenue growth, combined with tight cost control, mitigated some of the additional rates and utility cost burden and raw material inflation which increased our cost of goods. As a result, managed house operating profits were up 20.6% at £35.3 million, and up 5.2% on a like-for-like basis.

Our operating margin decreased from 22.9% to 21.4%, reflecting two factors: first, Geronimo's lower operating margins as a result of the proportionately larger number of leases in its estate and the resultant larger rent element and second, the impact of immature sites which have generated very impressive sales but at the cost of higher than normal levels of staffing costs in their early months' trading.

Our Geronimo estate, with its large central London managed houses, has played an important part in increasing our average EBITDAR (earnings before interest, tax, depreciation and rent) per managed house, which was up 12.1% at £345,000.

Liquor sales were up 5.0% on a like-for-like basis. Cask beer continues to outperform the market and we are well positioned to benefit from this resurgence. Beer and cider festivals continue to offer customers a diverse range of quality cask products, bringing new and younger drinkers into the category. With the addition of London craft beers such as Meantime, craft spirits

such as Sipsmiths, innovative wine lists and premium soft drinks, our drinks range has been developed in tandem with the quality of the food and décor in our pubs, hence the successful premium pub offer.

Like-for-like food sales were up 7.2%, reflecting a continuing emphasis on high quality food, locally sourced and prepared in-house which has captured growth in demand for eating out with restaurant quality food in a relaxed pub atmosphere. This approach, coupled with the acquisition of Geronimo, has increased food sales as a proportion of the whole from 27.5% to 29.1%. This percentage reflects our commitment to striking the right balance of having a quality food offering whilst retaining the proper feel of a pub.

Accommodation sales were up 15.4%. This demonstrates the continued success of our growing hotel operation and, in particular, the benefits of last year's investments at the Alma (Wandsworth) and the Red Lion (Radlett). RevPAR (revenue per available room) rose strongly by 10.7% to £48.85. We are continuing to improve our hotel offering, with ten rooms having been added at the Bull's Head (Chislehurst), the interior at the Duke's Head (Wallington) being redeveloped and a new 17 bedroom hotel opening at the Foley Arms (Claygate) this autumn.

CHIEF EXECUTIVE'S REPORT (Continued)

We have increased the level of support provided to our pubs, particularly through the recruitment of five additional Operations Managers. This allows us to deliver even better customer service and standards which in turn drives superior profit growth.

Overall, we invested £24.2 million in our managed houses during the year:

- Of this, £4.7 million was invested in four new sites. The Cow in the new Westfield shopping centre in Stratford next to the Olympic Park, the Oyster Shed on the north bank of the Thames by London Bridge, and the Lion & Unicorn, a freehold in Kentish Town, all opened as Geronimo pubs. The Plough at Clapham Junction, a New York inspired bar and kitchen, was added to the Young's estate.
- £9.6 million was invested in the existing managed estate including the Home Cottage (Redhill), which underwent a transformational redevelopment, the Hollywood Arms (Chelsea), the Founder's Arms (alongside the Tate Modern) and the Cock Tavern (Fulham).
- In addition, we acquired the freeholds of the Clarence (Whitehall), the Fentiman Arms (Vauxhall), the Kings Head (Winchmore Hill) and the Kings Head (Roehampton) for £9.1 million.
- After last year's successful conversion of the Coach and Horses (Isleworth) to a managed house, we moved a further three sites over from tenancy and invested £0.8 million in them. The iconic music venue in Putney, the Half Moon, and the Chelsea Ram have transferred to our Geronimo operation whilst the Shaftesbury (Richmond) has moved into our Young's one.

We disposed of the George (Fulham) and the Stinging Nettle (Shepherd's Bush), both pubs that failed to make an acceptable return on capital.

We continue to develop sales and marketing initiatives that are designed to build loyalty and communicate directly with customers, rather than simply buying custom through discounting. Our primary customer communication tool remains our e-marketing database, which has over 500,000 individual addresses for our managed estate. With an email being sent on average once a month to each registered address, this gave us some 6.5 million touch points across the year. Our integrated social media strategy, using Facebook and Twitter to widen our consumer reach, is also proving increasingly successful.

All our pubs and hotels are easily accessible online and in the past year we received over five million hits across our websites. In the last quarter alone, we have received over 10,000 online bookings.

In April 2011, we celebrated the Royal Wedding with a commemorative brew, Young's Prince of Ales, and local "street parties" at many pubs. In September 2011, we marked 180 years of Young's with a big Birthday Party in all our Young's pubs, with selected beers, including our specially brewed 1831 Anniversary Ale. These community celebrations will continue throughout 2012 across what will be a very busy summer with the Queen's Diamond Jubilee festivities and the London Olympics.

Also during the year, 32 of our pubs participated in the London Restaurant Festival, celebrating the diversity of London restaurants and, through our continued participation in Taste of London, we show-cased our premium food and drink offer to over 50,000 Londoners.

Other initiatives include our "Perfect Sundays" campaign which has been launched through the pubs, Facebook and the press. The campaign has promoted Young's pubs as the perfect place to spend part of your weekend and offered customers the opportunity to engage with us to win their own Perfect Sunday.

The year finished with recognition from the trade of what has been a very good year. At the Publican Awards 2012, we picked up the trophies for Best Managed Pub Company (150+ sites) and Best Accommodation Operator. In addition, as always, one of the highlights of the year for the operations team was our own annual award ceremony which recognises the enormous talent we have within our managed operations. This year's winners were Mick and Sarah Dore at the Alexandra in Wimbledon. The Alexandra goes from strength to strength after a major refurbishment last year and Mick and Sarah play a major role in developing new initiatives and young talent within both their pub and Young's as a whole.

TENANTED HOUSES

At the year end, following the disposal of six sites and the transfer of a further three to the managed operation, the tenanted operation comprised 88 pubs.

These disposals, which in aggregate raised £4.5 million in proceeds, reflect our strategy of concentrating on an estate of fewer but higher quality tenanted houses. Contracts have been exchanged on the sale of a further property. Whilst further disposals are possible, we believe that we now have a tenanted operation set for profitable growth.



CHIEF EXECUTIVE'S REPORT (Continued)

Like-for-like revenue and operating profit were both up, by 0.6% and 4.1% respectively. Total revenue was down 5.8% at £13.6 million, and operating profit was down 1.9% at £5.3 million, both reflecting the smaller number of pubs compared with last year, and particularly the fact that three of the largest sites were transferred to the managed operations. However, the average EBITDAR per pub improved 1.9% to £73,000.

During the course of the year, we invested £1.1 million in our tenanted operation, in pubs such as the Bell (Broadway), Grand Junction Arms (Willesden), White Hart (Whitley), Old Sergeant (Wandsworth), Lord Nelson (Sutton) and the Waggon and Horses (Surbiton).

We believe in the traditional tenancy model which remains an effective way of harnessing entrepreneurial talent, especially in an environment where raising money for business start-ups is so difficult. Our tenancy agreements are built on the principle of partnership, and we were one of the first pub companies to introduce its own code of practice. Within this "partnership", we offer tenants a wide range of training courses focusing on customer service, marketing and social media, product knowledge, and compliance with the ever-changing regulatory environment.

INVESTMENT AND FINANCE

At the year end, following the disposal of eight pubs, group revenue was up 25.5% at £179.0 million, and our operating profit before exceptional items was up 20.3% at £26.2 million. Despite the challenging consumer environment, we improved gross profit margins across the business. The operating margin, at 14.6%, was down from 15.2% last year, due primarily to the larger leasehold element within our Geronimo business and also to the lower initial margins generated by new sites.

Adjusted profit before tax increased by 17.4% to £21.3 million, reflecting last year's acquisition of Geronimo, market leading like-for-like sales growth in the managed business, and the continued strong performance of our hotels.

This year's reported results are significantly distorted by the following exceptional items and in particular the decision to change our accounting policy to take account of the estate revaluation which we feel reflects the value of our property portfolio better:

- A revaluation reserve movement of £203.1 million and a £29.1 million non-cash valuation adjustment

via our income statement. This resulted from Colliers (Chartered Surveyors) revaluing our estate as at October 2011 at £497.4 million, comprising a large net uplift of £174.0 million to book value. Individual uplifts in value have been reflected in the revaluation reserve in the balance sheet; individual falls in value below cost have been accounted for through the income statement as required under international accounting standards.

- Acquisition costs of £0.5 million, including legal and professional fees and stamp duty, incurred on the purchase of the freehold interests of the Clarence (Whitehall), Fentiman Arms (Vauxhall) and the King's Head (Winchmore Hill).
- A £1.3 million profit on the disposal of eight pubs.
- £0.4 million in compensation payments to terminate three leases so that these pubs could be brought into managed operations.
- A £0.2 million capital gains tax provision for the shares held in the Employee Share Ownership Scheme. A liability is recognised at each balance sheet date for the potential capital gains tax that could arise on the disposal of shares to the members of the scheme on retirement.

Finance costs at £6.1 million were £2.1 million higher than last year, the consequence of this year's increased average debt, due principally to the £60.0 million acquisition of Geronimo in December 2010. Interest costs are covered 4.3 times by operating profits.

We are recommending a 5.1% increase in the final dividend to 7.25 pence per share, making a total dividend for the year of 13.93 pence. The dividend is covered 2.4 times by our adjusted earnings.

In August 2011 we sold our 40% stake in Wells & Young's for £15.1 million. As a result, Wells & Young's has been treated as a discontinued operation and our comparatives have been restated accordingly. £5.1 million of the proceeds were received in February and the remaining £10.0 million is payable in two equal amounts in February 2013 and February 2014. The disposal has resulted in a £0.4 million loss (£1.7 million when taking account of a £1.3 million implied cost of the deferred consideration). This implied cost will be unwound through the income statement over the deferral period.

In addition, we disposed of eight pubs for a total of £7.0 million. These pubs were not achieving acceptable returns on capital and we believed that the capital would be better invested elsewhere.

The business generated a strong operating cash flow of £34.6 million which, together with these disposals, allowed us to invest £25.6 million and reduce net debt by £4.5 million. Net debt at the year end was £118.1 million, 3.1 times EBITDA. Following the large increase in the valuation of the estate arising from the October revaluation, gearing at the year end was 37.2%.

None of our debt needs to be refinanced until December 2015. £100 million of our net debt has been fixed at just below 5.0%. Longer term interest rates have fallen over the year and as a result we are enjoying lower rates on our variable debt. Where we have taken the decision to fix interest rates, there has been an £8.2 million adverse movement in our interest rate swap valuation which has been charged to equity.

The £8.3 million retirement benefit scheme deficit deteriorated by £0.7 million during the year. Pension liabilities increased as a result of falling bond yields and their adverse impact on the discount rate applied to valuing future commitments. This, coupled with improving life expectancy, offset gains made from the investments held and the extra contributions the company made during the year.

Having taken account of the recent estate valuation, which excludes the benefit of a lotting premium, our net assets per share at the year end were £6.59 post deferred tax and £7.71 pre deferred tax.

CURRENT TRADING AND OUTLOOK

We enter the current year in excellent shape, now wholly focused on a large and expanding premium managed pub estate and a smaller, high quality tenanted one; both of these are well invested and capable of generating attractive profitable growth going forward. The combined talent from the Young's and Geronimo teams is being brought to bear energetically to maximise the potential of these operations.

Trading in the current year will benefit from the full year impact of last year's investments reaching maturity, including both new pubs – such as the Cow, the Oyster Shed and the Plough – and the three sites recently transferred from tenancy.

The current pipeline of openings is encouraging, with the Calf in Westfield (Stratford) opening in June for seven months and the King's Head (Roehampton) and the Wheatsheaf (Borough Market), both opening in the autumn.

Furthermore, our financial position is such that we are able to continue to acquire managed houses, either as bolt on packages or individual sites, and recently we have seen an improvement in the number of attractive opportunities becoming available.

We continue to capitalise on the development opportunity across our estate to add more accommodation. 23 rooms have been added over the last two years and a further 27 are planned or are due to be developed over the next year.

Our performance in recent weeks has inevitably been affected by the dismal weather conditions; the glorious weather we enjoyed in the same period in 2011 makes the year on year comparisons more challenging still. Managed house revenue in the first seven weeks of the year was up 3.9% in total, but down 2.0% on a like-for-like basis. This like-for-like figure includes Geronimo as it has now traded within the business for a complete financial year.

We can't do anything about the weather but our premium strategy, well-invested estate and management focus should continue to drive superior like-for-like growth over normal comparative periods.

Our orientation towards London and the South East continues to help insulate us in part against the worst of the economic uncertainty and its pressure on consumers. This positioning will be of particular benefit in the coming months as London celebrates the Queen's Diamond Jubilee and as the Olympic Games come to town. As a sign of activity to come, our advance hotels bookings are already up on the number of rooms actually sold last year and our five most central sites already having bookings in excess of 90% of their capacity over the Olympic weeks.

We are clearly focused on generating profitable growth from our pub estate and on maximising value for shareholders. With a clear strategy in place, we look forward to this year and the longer term future with confidence.



Stephen Goodyear
Chief Executive
23 May 2012

“Like-for-like food sales were up 7.2%, reflecting a continuing emphasis on high quality food, locally sourced and prepared in-house”



THE BOARD OF DIRECTORS



NICHOLAS BRYAN, B.A., F.C.A. NON-EXECUTIVE CHAIRMAN

Appointed to the board in 2006 and as non-executive chairman in 2011. Member and chairman of the company's audit committee as well as a member of the company's remuneration committee. Co-founder and chief executive of the Innsolve Group. Has particular expertise in the hospitality, property and brewing sectors gained through various positions within Courage (including managing director of Courage UK (1992-95)). Has held other chairman and non-executive director roles while a management committee member of Investcorp (1995-2001). Began his career in finance as a chartered accountant and with positions at Lonrho and Hanson. Aged 59.



STEPHEN GOODYEAR CHIEF EXECUTIVE

Joined in 1995 as sales director. Appointed to the board in 1996 as sales and marketing director. Appointed chief executive in 2003. Previously worked for Courage Ltd (1974-95) in a number of senior roles, most recently business unit director. Aged 56.



TORQUIL SLIGO-YOUNG HUMAN AND INFORMATION RESOURCES

Joined in 1985. Held a number of senior positions in different areas of the company before being appointed to the board in 1997. Has overall responsibility for personnel, health and safety and the company's technological needs. Previously worked for stockbrokers Bell, Lawrie, Macgregor & Co. Aged 52.



PETER WHITEHEAD, F.C.A. FINANCE

Joined the company and the board as finance director in 1997. Qualified as a chartered accountant with KPMG in 1988, becoming a fellow of the Institute of Chartered Accountants in 1998. Previously worked for Fuller, Smith & Turner P.L.C. (1990-97). Aged 50.



PATRICK DARDIS RETAIL

Joined in 2002 and appointed to the board in 2003. Has overall responsibility for the operation of the Young's managed estate as well as Young's managed house pub acquisitions and developments. Previous positions have included director of retail operations at Wolverhampton & Dudley PLC, business development with Guinness Brewing and retail management with Whitbread PLC and Courage Ltd. Aged 53.



RUPERT CLEVELY MANAGING DIRECTOR GERONIMO INNS

Joined the company and the board in 2010. Has overall responsibility for the management and development strategy of Geronimo Inns which he co-founded and where he has driven the business for the past 12 years. Previously worked at Veuve Clicquot Champagne where he held the position of worldwide marketing director and managing director UK (1990-2000). Aged 54.



DAVID PAGE NON-EXECUTIVE

Appointed to the board in 2008 and as chairman of the company's remuneration committee in 2011. Also a member of the company's audit committee. His current restaurant portfolio includes Rocca, Franco Manca and The Real Greek. Co-founder of The Clapham House Group, owner of Gourmet Burger Kitchen and other restaurant brands. Prior to founding Clapham House, spent 27 years with Pizza Express plc; initially as managing director of the largest franchisee group, becoming chief executive of the holding company in 1993, chairman in 1998 and returning to the post of chief executive in 2002. Aged 59.



ROGER LAMBERT, M.A. NON-EXECUTIVE AND SENIOR INDEPENDENT DIRECTOR

Appointed to the board in 2008 and as senior independent director in 2011. Member of the company's audit and remuneration committees. Chairman of Corporate Broking, Canaccord Genuity. Previously worked for 26 years in corporate finance at JPMorgan Cazenove where he was a senior managing director with responsibilities for corporate client coverage of the consumer sector. Has a wealth of relevant expertise in brewing, drinks and hospitality, having acted for over 25 companies in the sector. Was involved in many of the major transactions that changed the industry in recent years and developed considerable advisory expertise in the area of small, family and medium sized companies. Aged 53.

DIRECTORS' REPORT

The directors present their annual report, and the audited financial statements, for the financial period ended 2 April 2012.

In this report, reference to the "company" or to "Young's" is to Young & Co.'s Brewery, P.L.C., and reference to the "group" is to the group of companies of which Young's is the parent company.

The Chairman's statement (on pages 2 and 3) and the Chief Executive's report (on pages 5 to 11) both form part of this report.

PRINCIPAL ACTIVITIES

The group's principal activities are described in the Chief Executive's report.

BUSINESS REVIEW

A review of the group's business is contained in the Chairman's statement and in the Chief Executive's report.

KEY PERFORMANCE INDICATORS

The board measures the development, performance and position of the group's business by reference to the following factors:

- **Adjusted profit before tax**
This is the profit before tax on continuing operations only, adjusted to exclude any exceptional items for the group. See note 15.
- **Adjusted earnings per share**
This is the adjusted profit before tax detailed above, but after tax has been deducted, divided by the weighted average number of ordinary shares in issue; it provides a useful statistic to compare with a share price or dividend, for instance. See note 16(c).
- **Like-for-like revenue**
This is same outlet like-for-like revenue growth for this period (364 days) compared with the last period (adjusted from 371 to 364 days) for the pubs and hotels that traded throughout both periods.
- **RevPAR**
This is the group's revenue per available bedroom; it is the average room rate achieved multiplied by the occupancy percentage.
- **EBITDA**
This is the adjusted earnings before interest, taxes, depreciation and amortisation by business segment. It provides useful information in determining the value of the underlying assets.

- **EBITDAR**

This is the EBITDA detailed above, but with rent added back.

- **Interest cover**

This is the group's adjusted operating profit divided by the finance costs.

- **Gearing**

This is the group's net debt divided by the group's net assets.

Both interest cover and gearing are useful tools in determining whether the business can maintain its current level of debt or its capacity to increase that level.

The performance of the business, measured by reference to these factors, is shown in the Chief Executive's report and in the financial highlights on page 1.

PROFIT AND DIVIDENDS

The loss for the period attributable to shareholders was £6.5 million. The directors recommend a final dividend for the period of 7.25p per share. Subject to approval at the AGM, this is expected to be paid on 12 July 2012 to shareholders on the register at the close of business on 8 June 2012. When added to the interim dividend of 6.68p per share, this will produce a total dividend for the period of 13.93p per share.

ANNUAL GENERAL MEETING

Notice convening the AGM and an explanation of the resolutions being proposed are set out on pages 57 to 61.

IMPORTANT EVENTS SINCE THE END OF THE PERIOD

The Chief Executive's report contains particulars of important events affecting the group which have occurred since the end of the period.

LIKELY FUTURE DEVELOPMENTS

An indication of likely future developments in the group's business is contained in the Chief Executive's report.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the group are listed below. It is not an exhaustive list of all significant risks and uncertainties. Some risks may currently be unknown and other risks, currently regarded as immaterial, could turn out to be material.

- **Reduced consumer spending**

The group's revenue is largely dependent on consumer spending which can be affected in numerous ways; examples include the general economic environment and terrorist activity. Attitudes to various social factors are relevant too, as is consumers' heightened awareness of a healthy lifestyle and the potential adverse health consequences associated with misuse of alcohol. Consumers also have a wide range of choice of where to spend their money, whether this is at the group's pubs and hotels, at those of its competitors or at off licences, supermarkets and takeaways, or at competing leisure attractions such as cinemas. Focusing on the individuality of each of the group's outlets and being located throughout London and Southern England helps mitigate this risk to a degree; the group also seeks to minimise this risk further with its customer focused designs, high service standards and quality food and market leading drinks. Spending in the group's pubs and hotels is also affected by the weather; traditionally, they tend to be busier in the summer and on warm, sunny days, especially those with outside areas. Holiday periods such as Christmas, New Year and bank holidays also tend to be better for trade. Recognising this, the group seeks to exploit its excellent locations and offerings to address the impact of seasonality, wherever possible, by capturing demand in busy periods and encouraging customers to visit in quieter periods.

- **Suppliers: drink, food and utilities**

The group relies on a number of suppliers for drink, food and other services to its pubs and hotels. Part of the group has an exclusive agreement with its former associate, Wells & Young's, for the supply of drinks to its pub estate. The group also has a number of arrangements with food suppliers, including its majority owned subsidiary, Sticky Fingers Food Limited. In terms of both drink and food, the group remains exposed to the risk of price increases and to the risk of interruption or failure of suppliers resulting in products not being delivered on time or to the standard expected. It attempts to mitigate this risk by entering into fixed price arrangements, by regularly reviewing the suppliers it uses, by having informal arrangements in place such that substitute suppliers or products could be used if required and by having safety measures in place which seek to ensure product integrity is maintained wherever possible. The group uses a large amount of electricity and gas and is therefore particularly subject to fluctuations in their cost. To help counter this, the group's needs and price changes in the market are reviewed regularly and, where appropriate, it makes forward purchases; it is also continually looking at ways of promoting further efficiencies in energy consumption.

- **Licensing**

If they believe that any of the Government's licensing objectives is being compromised, local residents, the police and other relevant agencies can ask the local authority to review a premises licence; local health bodies can also instigate a review. This could result in a range of possible outcomes, including further conditions being attached to a licence, trading hours being reduced, a change in the pub's management being called for or ultimately a licence being suspended or revoked. Penalties for non observance of certain aspects of the licensing laws can also be severe, and include the possibility of a licence being suspended. The group has training programmes in place which have been designed to achieve compliance with these laws and to have the group's pubs and hotels run in a responsible manner, thereby minimising some of these risks.

- **Other regulation**

Changes in regulation can have a significant impact upon the group's business. In addition to those already mentioned, other examples include increases in the minimum wage and proposed improvements in glass safety. The group seeks to mitigate these through continual consideration of operating procedures to ensure any cost increases arising from such changes can be mitigated through increases in productivity. As a member of the British Beer and Pub Association ("BBPA"), it also seeks to ensure that the impact of any new legislation is considered well in advance of its introduction and that plans are put in place to address any required changes in advance of any implementation date. In addition, it works with an outside third party in ensuring changes in health and safety practices and procedures are incorporated into the business and reviewed on a regular basis.

- **Taxation**

A number of tax related matters affect the group, including business taxes, duty on alcoholic beverages and property rates. Again, as a member of the BBPA, the group seeks to ensure that appropriate action is taken to minimise tax related risks. It also regularly reviews its operating procedures to identify ways in which the impact of tax related cost increases can be lessened through productivity increases and cost reductions.

- **Pensions**

The group operates a defined benefit scheme: the Young & Co.'s Brewery, P.L.C. Pension Scheme. Its operation gives rise to various funding risks, the main one of which is the variability of the amount of contributions required to be paid to it by the group in order to account for past service benefit deficits and future service benefit accruals. These, in turn, are impacted at any point in time by changes in life expectancy assumptions, the performance

DIRECTORS' REPORT (Continued)

of the stock market and bond yields. The scheme has been closed to new entrants for a number of years and the group makes additional contributions over and above regular service contributions in order to address previous funding deficits. The group also maintains a close dialogue with the scheme's trustee.

• People

People play a key part in helping the group maintain its premium position within the pub sector. This, and the group's ability to achieve its strategic and operational objectives, could therefore be affected if the group is unable to attract, retain, develop and motivate the best people with the right capabilities throughout the organisation, whether that be in the pubs, hotels or head office. Therefore, significant investment is made in recruitment, remuneration packages are competitive, reward policies are in place and comprehensive training is provided to ensure that the group's people have the right skills to perform their jobs successfully and achieve their full potential.

• IT and telecoms

The group, and particularly its managed estate, is reliant on IT systems for communication, sales transaction recording, stock management, purchasing, accounting and reporting and many of its internal controls. Any failure of these systems would cause some degree of disruption to the business and any extended period of downtime, loss of backed up information or delay in recovering information could affect performance significantly. To help protect against this, information is routinely backed up and arrangements are in place with third party providers to assist with data recovery and business continuity. The group also regularly monitors the needs of the business and invests in new technology and services as necessary.

• Finance

Note 24, starting on page 47, contains an indication of the group's exposure to certain financial risks.

• Regulation of tied pubs

The Government has been urged to review, in autumn 2012, the progress of toughened self regulation in the pubco/tenant relationship. At this stage, it is not possible to predict whether a review will take place and how any outcome may affect the company's tenanted division. If self regulation is found to have failed, a statutory code of practice could be the result, possibly to include a free-of-tie option combined with an open market rent review

for any new or existing tenant. From the company's perspective, further regulation would be disappointing; the company's tenancy agreements already address the perceived industry issues and the company operates a legally binding code that meets the requirements of the UK pub industry framework code of practice on how tied agreements should operate in the pub trade.

FINANCIAL INSTRUMENTS AND RELATED MATTERS

The group's financial risk management objectives and policies are set out in note 24, starting on page 47.

PAYMENT OF SUPPLIERS

The company's policy is to pay those persons who are or may become its suppliers promptly at the end of the month following the month in which invoices are received, provided all trading terms and conditions have been complied with. As at 2 April 2012, the aggregate amount owing to trade creditors (see note 23 on page 47) was equivalent to 35 days' average purchases from suppliers (2011: 59 days).

GOING CONCERN

This report contains a review of the group's business, together with a list of principal risks and uncertainties facing the group. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described within the financial statements. Note 24, starting on page 47, summarises the group's capital management and principal treasury objectives and some tools it uses to monitor and manage its exposure to certain financial risks (including credit risk and liquidity and cash flow risk). The group has a predominantly freehold backed balance sheet and committed facilities of £150 million in place, none of which need to be renewed until December 2015. The directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook and they have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS

Names and brief biographical details

The names and brief biographical details of the current directors are on page 13. All of them were directors throughout the period and, apart from Christopher Sandland who retired in July 2011, no other person was a director during the period.

Length of appointments

Each of the executive directors has been appointed for an indefinite period. The period of notice required to be given to terminate his appointment is as follows:

Name	Minimum period of notice from Young's	Minimum period of notice from the executive
Stephen Goodyear	one year	six months
Torquil Sligo-Young	one year	six months
Peter Whitehead	one year	six months
Patrick Dardis	one year	one year
Rupert Clevely	one year to be given on or after 1 July 2012	one year to be given on or after 1 July 2012

No compensation is payable by Young's for early termination.

Each of the non-executive directors is part way through a three year term: Nicholas Bryan's expires on 11 July 2014 and both Roger Lambert's and David Page's on 31 July 2014.

Re-appointment

Under the company's articles of association, at every AGM the following automatically retire from office but may offer themselves for re-appointment:

- any director who held office at the time of the two preceding AGMs but did not retire at either of them – this applies to Torquil Sligo-Young, Peter Whitehead, Roger Lambert and David Page at this year's AGM; and
- any director appointed by the board since the last AGM – this does not apply to any director at this year's AGM.

Each of Torquil Sligo-Young, Peter Whitehead, Roger Lambert and David Page is seeking re-appointment and his brief biographical details are on page 13.

Remuneration

Details of each director's remuneration appear in note 8(b) on page 36. No director is involved in deciding his own remuneration. The remuneration of the executive directors is determined by the company's remuneration committee; the remuneration of the non-executive directors is determined by the executive committee. None of the executive directors receives remuneration as a non-executive director elsewhere.

Qualifying indemnity provisions

The company's articles of association contains an indemnity provision in favour of the directors; this provision, which is a qualifying third party indemnity provision, was in force throughout the period and is in force at the date of this report. Additional indemnity provisions in favour of Rupert Clevely are described in note 29 on page 54; these provisions, which are qualifying third party indemnity provisions, were in force throughout the period and are in force at the date of this report.

DIRECTORS' REPORT (Continued)

DIRECTORS' HOLDINGS AND INTERESTS

The holdings and interests of the directors who held office at the period end (and their immediate families) in the share capital of the company are shown in the table below. Any accrued entitlement to A shares under the company's closed profit sharing scheme is shown separately in note 8(d) on page 37.

		As at	A shares	Non-voting shares
Nicholas Bryan	Beneficial and family	2 April 2012 4 April 2011	8,505 8,505	– –
Stephen Goodyear (i), (ii)	Beneficial and family	2 April 2012 4 April 2011	111,004 111,004	– –
Torquil Sligo-Young (i), (ii)	Beneficial and family	2 April 2012 4 April 2011	240,971 240,971	14,000 14,000
	Trustee	2 April 2012 4 April 2011	3,317,972 3,317,972	111,436 111,436
Peter Whitehead (i), (ii)	Beneficial and family	2 April 2012 4 April 2011	50,000 50,000	– –
Patrick Dardis (i), (ii)	Beneficial and family	2 April 2012 4 April 2011	7,869 12,280	– –
Rupert Clevely (i)	Beneficial and family	2 April 2012 4 April 2011	80,756 80,756	– –
Roger Lambert	Beneficial and family	2 April 2012 4 April 2011	1,000 1,000	1,000 1,000
David Page	Beneficial and family	2 April 2012 4 April 2011	3,278 3,278	– –

Also interested in:

- (i) 762,284 (2011: 869,412) A shares held in trust by RBT II Trustees Limited
- (ii) 702,769 (2011: 726,906) A shares held in trust by Young's Pension Trustees Limited.

CORPORATE GOVERNANCE

The board is committed to good corporate governance in the management and operation of the group's business.

The board

The business and management of the group is the collective responsibility of the board. At each meeting, the board considers and reviews the group's financial and trading performance. It has a formal written schedule of matters reserved for its review and approval; this includes matters such as strategy, long term objectives and major financial and key operational issues. The board meets every two months with additional meetings arranged as required; it met six times during the period and also passed a written resolution in place of a meeting. Formal agendas and reports are provided to the board on a timely basis, along with other information to enable it to discharge its duties. All directors have access to independent professional advice at the company's expense and to the advice and services of the Company Secretary. There is a clear division of responsibility between the Chairman (who is responsible for

the effective running of the board) and the Chief Executive (who has overall responsibility for the running of the business).

Independence

The board regards all three of its non-executive directors as independent; the board views independence as an attitude of mind and a matter of strength of character.

Committees

The board has four standing committees: executive, audit, remuneration and disclosure.

- **Executive committee**

This comprises the executive directors and is chaired by Stephen Goodyear, the Chief Executive. It usually meets on a weekly basis and is responsible for the daily running of the group and the execution of approved policies and the business plan. Members of the company's senior management are invited to attend as appropriate.

- **Audit committee**

This comprises Nicholas Bryan, who chairs it, Roger Lambert and David Page. It assists the board in fulfilling its oversight responsibilities; its primary functions are to monitor the integrity of the company's financial statements and internal control systems (including risk management), to oversee the company's relationship with its external auditor and to review the effectiveness of the audit process. The committee's terms of reference, which set out in full its responsibilities, can be found in the investor relations section of www.youngs.co.uk.

- **Remuneration committee**

This comprises David Page, who chairs it, Nicholas Bryan and Roger Lambert. Its primary function is to determine, on behalf of the board, the remuneration packages of the executive directors. The committee's terms of reference, which set out its other responsibilities, can be found in the investor relations section of www.youngs.co.uk.

- **Disclosure committee**

This comprises the executive directors and is chaired by Peter Whitehead, the Finance Director. It assists the company in making timely and accurate disclosure of information required to be disclosed in order to meet legal and regulatory obligations. The committee's terms of reference, which set out its other responsibilities, can be found in the investor relations section of www.youngs.co.uk.

- **Nomination committee**

In practice, the Chairman and the Chief Executive lead on the board nomination and appointment process. They consider the balance of skills, knowledge and experience on the board and make appropriate recommendations for consideration by the board. This formal but unwritten process has been used effectively for a number of years and has led the board to remain of the view that it should continue to operate in this way rather than through a more formal nomination committee.

Internal control

The board has overall responsibility for the internal control system and for reviewing its effectiveness. The executive directors implement and maintain the risk management and internal control systems. The audit committee assists the board in fulfilling its oversight responsibilities by monitoring the system's integrity. The system of control has been designed to manage risk; it cannot eliminate it and therefore provides reasonable, not absolute, assurance against material misstatement or loss.

Relations with shareholders and investors

Copies of the annual report and the financial statements and the interim report are sent to all shareholders and copies are available at www.youngs.co.uk. The company's website also provides other information for shareholders and interested parties. Written or e-mailed enquiries are

handled by the Company Secretary. Shareholders are given the opportunity to ask questions and raise issues at the AGM; this can be done formally during the meeting or informally with the directors after it. The Chief Executive and the Finance Director meet with institutional investors and analysts after the announcement of the interim and year end results. Additional meetings with institutional investors and/or analysts are arranged from time to time.

EMPLOYEES

Considerable importance is placed on communications with employees and so, within the limitation of commercial confidentiality and security, Young's provided them with information concerning trading, development and other appropriate matters. It did this at many levels throughout the business on both a formal and informal level, including through management presentations. It also consulted regularly with employees and their representatives, thereby enabling the board to have regard to their views when making decisions likely to affect their interests; in connection with this, Young's continued to operate an information and consultation committee, with its members being drawn from departments based at its head office in Wandsworth. The company's integrated appraisal and development process, designed to improve communications and company performance, remained in place, and the company continued to operate a bonus scheme for eligible employees. Young's maintained its policy of giving full and fair consideration to all applications for employment, including those made by disabled people, taking account of the applicant's particular aptitude and ability; of seeking to continue to employ anyone who becomes disabled while employed by the company and arranging training in a role appropriate to the person's changed circumstances; and of giving all employees, including disabled employees, equal opportunities for training, career development and promotion.

DONATIONS

The group made £11,336 of charitable donations. In addition, throughout the year, the group's customers, pub managers and other members of staff were involved in a variety of initiatives and fundraising activities. No political donations were made.

PUBLIC HEALTH RESPONSIBILITY DEAL

The company has pledged its support to the Government's public health responsibility deal, an initiative established to tap into the potential for businesses and other organisations to improve public health and tackle health inequalities through their influence over such things as alcohol and health in the workplace. This saw the company agreeing to ensure effective action is taken in its managed pubs to reduce and prevent under-age sales of alcohol (primarily through the rigorous application of Challenge 21).

DIRECTORS' REPORT (Continued)

The company also committed to maintain its financial and in-kind support for Drinkaware and the "Why let the Good times go bad?" campaign and to ensure alcohol advertising is undertaken by the company's managed pubs in accordance with industry codes on advertising and is not placed on any outdoor poster site within 100 meters of a school. Recognising the impact chronic conditions can have, guides (developed through the public health responsibility deal's health at work network) were embedded within the company's HR procedures to ensure that those with chronic conditions at work are managed in the best way possible with reasonable flexibilities and workplace adjustments.

NOTIFICATIONS OF MAJOR HOLDINGS OF VOTING RIGHTS

As at 2 April 2012, the company had been notified of the following holdings of 3% or more of the voting rights in the company:

Guinness Peat Group plc	15.05 %
Thomas Young	14.31 %
James Young	13.81 %
Torquil Sligo-Young	11.99 %
Lindsell Train Limited	5.28 %
El Oro and Exploration Company plc	3.10 %

No changes in those holdings, and no other holdings of 3% or more of the voting rights in the company, had been notified to the company between 3 April 2012 and 21 May 2012, both dates inclusive.

STATEMENT OF CERTAIN RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS AND OTHERWISE

For each financial period, the directors are required to prepare an annual report and financial statements. The latter must be prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable law and must present fairly the financial position of the group and the financial performance and cash flows of the group for the relevant period. The directors have also elected to prepare the company's financial statements under IFRS. In preparing the statements, the directors must select suitable accounting policies and then apply them consistently, state that the group has complied with IFRS (subject to

any material departures disclosed and explained in the financial statements) and present information, including accounting policies, in a manner that provides relevant, reliable and comparable information. The directors are responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the group and the company at that time and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of Nicholas Bryan, Stephen Goodyear, Torquil Sligo-Young, Peter Whitehead, Patrick Dardis, Rupert Clevely, Roger Lambert and David Page, being the persons who were directors at the time when this report was approved, has confirmed that, so far as he was aware, there was no information needed by the company's auditor in connection with preparing its report of which the company's auditor was unaware. Each of those individuals has also confirmed that he took all the steps that he ought to have taken as a director to make him aware of any such information and to establish that the company's auditor was aware of it. This paragraph is to be interpreted in accordance with section 418 of the Companies Act 2006.

PREPARATION AND DISCLAIMER

This annual report and the financial statements for the year ended 2 April 2012 have been drawn up and presented for the purpose of complying with English law. Any liability arising out of or in connection with them will also be determined in accordance with English law.

By order of the board

Anthony Schroeder
Company Secretary
23 May 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUNG & CO.'S BREWERY, P.L.C.

We have audited the financial statements of Young & Co.'s Brewery, P.L.C. for the period ended 2 April 2012 which comprise the Group Income Statement, the Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 2 April 2012 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Iain Wilkie (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
23 May 2012

Notes:

1. The maintenance and integrity of the Young & Co.'s Brewery, P.L.C. web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GROUP INCOME STATEMENT

For the 52 weeks ended 2 April 2012

	Notes	2012 52 weeks £000	2011 53 weeks £000
Continuing operations			
Revenue	6	178,964	142,597
Operating costs before exceptional items	7	(152,802)	(120,851)
Operating profit before exceptional items		26,162	21,746
Operating exceptional items	9	(28,827)	(4,883)
Operating (loss)/profit		(2,665)	16,863
Finance costs	10	(6,135)	(4,015)
Finance revenue	10	537	9
Other finance income	26	769	437
(Loss)/profit before tax		(7,494)	13,294
Taxation	11	(3,540)	(2,390)
Taxation on property revaluation	11	5,640	–
Recognition of rollover claim	11	–	4,945
(Loss)/profit for the period from continuing operations		(5,394)	15,849
Discontinued operations			
(Loss)/profit for the period from discontinued operations	12	(1,117)	1,964
(Loss)/profit for the period		(6,511)	17,813
Attributable to			
Shareholders of the parent		(6,484)	17,827
Non controlling interest		(27)	(14)
(Loss)/profit for the period		(6,511)	17,813
		Pence	Pence
Earnings per 12.5p ordinary share			
Basic and diluted from continuing operations	16	(11.13)	32.89
Basic and diluted from continuing and discontinued operations	16	(13.45)	36.97

All discontinued operations are attributable to the shareholders of the parent.

The notes on pages 28 to 56 form part of these financial statements.

The independent auditor's report is set out on page 21.

STATEMENTS OF COMPREHENSIVE INCOME

For the 52 weeks ended 2 April 2012

	Notes	Group		Company	
		2012	2011	2012	2011
		52 weeks £000	53 weeks £000	52 weeks £000	53 weeks £000
(Loss)/profit for the period		(6,511)	17,813	(9,623)	9,916
Other comprehensive income					
Actuarial (loss)/gain on retirement benefit schemes	26	(4,088)	3,228	(4,088)	3,228
Hedging reserve fair value movement of interest rate swap	24	(8,215)	282	(8,215)	282
Unrealised gain on revaluation of property	18	203,065	–	203,065	–
Tax on above components of other comprehensive income	11	(41,222)	(1,455)	(41,222)	(1,455)
Discontinued operations' actuarial loss (net of deferred tax) on retirement benefit schemes		(377)	(678)	–	–
		149,163	1,377	149,540	2,055
Total comprehensive income		142,652	19,190	139,917	11,971
Attributable to					
Shareholders of the parent		142,679	19,204	139,917	11,971
Non controlling interest		(27)	(14)	–	–
Total comprehensive income		142,652	19,190	139,917	11,971

All discontinued operations are attributable to the shareholders of the parent.

The notes on pages 28 to 56 form part of these financial statements.

The independent auditor's report is set out on page 21.

BALANCE SHEETS

At 2 April 2012

	Notes	Group		Company	
		2012 £000	2011 £000	2012 £000	2011 £000
Non current assets					
Goodwill	17	20,426	20,426	–	–
Property and equipment	18	502,042	320,204	450,191	267,137
Investment in subsidiaries	19	–	–	24,254	25,620
Investment in associate	12	–	15,273	–	11,303
Other financial asset	12	4,463	600	4,463	600
		526,931	356,503	478,908	304,660
Current assets					
Inventories	20	2,342	2,143	1,887	1,824
Other financial asset	12	4,749	–	4,749	–
Trade and other receivables	21	4,445	4,887	32,029	37,220
Cash		3,914	2,332	2,577	112
		15,450	9,362	41,242	39,156
Non current assets classified as held for sale	22	755	–	755	–
Total assets		543,136	365,865	520,905	343,816
Current liabilities					
Borrowings	24	(5)	(2,672)	(5)	(2,672)
Trade and other payables	23	(26,140)	(26,181)	(24,256)	(22,528)
Income tax payable		(2,469)	(1,758)	(2,204)	(1,758)
		(28,614)	(30,611)	(26,465)	(26,958)
Non current liabilities					
Borrowings	24	(121,978)	(122,275)	(121,978)	(122,275)
Derivative financial instruments	24	(12,223)	(4,008)	(12,223)	(4,008)
Deferred tax	25	(54,388)	(19,862)	(47,156)	(11,558)
Retirement benefit schemes	26	(8,290)	(7,592)	(8,290)	(7,592)
		(196,879)	(153,737)	(189,647)	(145,433)
Total liabilities		(225,493)	(184,348)	(216,112)	(172,391)
Net assets		317,643	181,517	304,793	171,425
Capital and reserves					
Share capital	27	6,028	6,028	6,028	6,028
Share premium		1,274	1,274	1,274	1,274
Capital redemption reserve		1,808	1,808	1,808	1,808
Hedging reserve		(9,290)	(2,966)	(9,290)	(2,966)
Revaluation reserve		158,731	–	158,731	–
Retained earnings		159,134	175,388	146,242	165,281
Equity attributable to equity shareholders of the parent		317,685	181,532	304,793	171,425
Non controlling interest		(42)	(15)	–	–
Total equity		317,643	181,517	304,793	171,425

Approved by the board of directors and signed on its behalf by:

Nicholas Bryan Chairman
Peter Whitehead Finance Director

23 May 2012

The notes on pages 28 to 56 form part of these financial statements.
The independent auditor's report is set out on page 21.

STATEMENTS OF CASH FLOW

For the 52 weeks ended 2 April 2012

	Notes	Group		Company	
		2012	2011	2012	2011
		52 weeks £000	53 weeks £000	52 weeks £000	53 weeks £000
Operating activities					
Net cash generated from operations	28	34,601	29,743	31,235	25,832
Interest received		5	9	768	419
Tax paid		(3,885)	(4,357)	(3,885)	(4,357)
Net cash flow from operating activities		30,721	25,395	28,118	21,894
Investing activities					
Sales of property and equipment		7,033	3,316	7,033	3,316
Sale of discontinued operations	12	5,100	–	5,100	–
Purchases of property and equipment	18	(25,605)	(18,614)	(22,119)	(15,193)
Business combinations, net of cash acquired	13	–	(60,000)	–	(62,140)
Net cash used in investing activities		(13,472)	(75,298)	(9,986)	(74,017)
Financing activities					
Interest paid		(6,154)	(3,753)	(6,154)	(3,753)
Equity dividends paid	14	(6,549)	(6,327)	(6,549)	(6,327)
(Decrease)/increase in borrowings		(300)	58,073	(300)	58,073
(Decrease)/increase in short term borrowings		(2,664)	2,667	(2,664)	2,667
Net cash flow (used in)/from financing activities		(15,667)	50,660	(15,667)	50,660
Increase in cash		1,582	757	2,465	(1,463)
Cash at the beginning of the period		2,332	1,575	112	1,575
Cash at the end of the period		3,914	2,332	2,577	112

The notes on pages 28 to 56 form part of these financial statements.
The independent auditor's report is set out on page 21.

GROUP STATEMENT OF CHANGES IN EQUITY

At 2 April 2012

	Notes	Share capital ⁽¹⁾ £000	Capital redemption reserve £000	Hedging reserve £000	Revaluation reserve £000	Retained earnings £000	Total equity attributable to equity shareholders £000	Non controlling interest £000	Total equity £000
At 30 March 2010		7,302	1,808	(3,089)	-	162,593	168,614	-	168,614
Total comprehensive income									
Profit/(loss) for the period		-	-	-	-	17,827	17,827	(14)	17,813
Other comprehensive income									
Actuarial gain on retirement benefit schemes	26	-	-	-	-	3,228	3,228	-	3,228
Fair value movement of interest rate swap	24	-	-	282	-	-	282	-	282
Tax on above components of other comprehensive income	11	-	-	(159)	-	(1,296)	(1,455)	-	(1,455)
Discontinued operations' actuarial loss (net of deferred tax) on retirement benefit schemes		-	-	-	-	(678)	(678)	-	(678)
		-	-	123	-	1,254	1,377	-	1,377
Total comprehensive income		-	-	123	-	19,081	19,204	(14)	19,190
Transactions with owners recorded directly in equity									
Dividends paid on equity shares	14	-	-	-	-	(6,327)	(6,327)	-	(6,327)
Share based payments by discontinued operations		-	-	-	-	41	41	-	41
Acquisition of businesses		-	-	-	-	-	-	(1)	(1)
		-	-	-	-	(6,286)	(6,286)	(1)	(6,287)
At 4 April 2011		7,302	1,808	(2,966)	-	175,388	181,532	(15)	181,517
Total comprehensive income									
Loss for the period		-	-	-	-	(6,484)	(6,484)	(27)	(6,511)
Other comprehensive income									
Actuarial loss on retirement benefit schemes	26	-	-	-	-	(4,088)	(4,088)	-	(4,088)
Fair value movement of interest rate swap	24	-	-	(8,215)	-	-	(8,215)	-	(8,215)
Unrealised gain on revaluation of property	18	-	-	-	203,065	-	203,065	-	203,065
Tax on above components of other comprehensive income	11	-	-	1,891	(43,702)	589	(41,222)	-	(41,222)
Discontinued operations' actuarial loss (net of deferred tax) on retirement benefit schemes		-	-	-	-	(377)	(377)	-	(377)
		-	-	(6,324)	159,363	(3,876)	149,163	-	149,163
Total comprehensive income		-	-	(6,324)	159,363	(10,360)	142,679	(27)	142,652
Transactions with owners recorded directly in equity									
Dividends paid on equity shares	14	-	-	-	-	(6,549)	(6,549)	-	(6,549)
Revaluation reserve realised on disposal of properties		-	-	-	(632)	632	-	-	-
Share based payments by discontinued operations		-	-	-	-	23	23	-	23
		-	-	-	(632)	(5,894)	(6,526)	-	(6,526)
At 2 April 2012		7,302	1,808	(9,290)	158,731	159,134	317,685	(42)	317,643

⁽¹⁾ Total share capital comprises the share capital issued and fully paid of £6,028,000 (2011: £6,028,000) and the share premium account of £1,274,000 (2011: £1,274,000).

The notes on pages 28 to 56 form part of these financial statements.
The independent auditor's report is set out on page 21.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

At 2 April 2012

	Notes	Share capital ⁽¹⁾ £000	Capital redemption reserve £000	Hedging reserve £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 30 March 2010		7,302	1,808	(3,089)	-	159,760	165,781
Total comprehensive income							
Profit for the period		-	-	-	-	9,916	9,916
Other comprehensive income							
Actuarial gain on retirement benefit schemes	26	-	-	-	-	3,228	3,228
Fair value movement of interest rate swap	24	-	-	282	-	-	282
Tax on above components of other comprehensive income	11	-	-	(159)	-	(1,296)	(1,455)
		-	-	123	-	1,932	2,055
Total comprehensive income		-	-	123	-	11,848	11,971
Transactions with owners recorded directly in equity							
Dividends paid on equity shares	14	-	-	-	-	(6,327)	(6,327)
At 4 April 2011		7,302	1,808	(2,966)	-	165,281	171,425
Total comprehensive income							
Loss for the period		-	-	-	-	(9,623)	(9,623)
Other comprehensive income							
Actuarial loss on retirement benefit schemes	26	-	-	-	-	(4,088)	(4,088)
Fair value movement of interest rate swap	24	-	-	(8,215)	-	-	(8,215)
Unrealised gain on revaluation of property	18	-	-	-	203,065	-	203,065
Tax on above components of other comprehensive income	11	-	-	1,891	(43,702)	589	(41,222)
		-	-	(6,324)	159,363	(3,499)	149,540
Total comprehensive income		-	-	(6,324)	159,363	(13,122)	139,917
Transactions with owners recorded directly in equity							
Dividends paid on equity shares	14	-	-	-	-	(6,549)	(6,549)
Revaluation reserve realised on disposal of properties		-	-	-	(632)	632	-
		-	-	-	(632)	(5,917)	(6,549)
At 2 April 2012		7,302	1,808	(9,290)	158,731	146,242	304,793

⁽¹⁾ Total share capital comprises the share capital issued and fully paid of £6,028,000 (2011: £6,028,000) and the share premium account of £1,274,000 (2011: £1,274,000).

The notes on pages 28 to 56 form part of these financial statements.
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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 2 April 2012

1. GENERAL INFORMATION

The group and parent company financial statements of Young & Co.'s Brewery, P.L.C. for the period ended 2 April 2012 were authorised for issue by the board of directors on 23 May 2012. Young & Co.'s Brewery, P.L.C. is a public limited company incorporated and domiciled in England and Wales. The company's shares are listed on the Alternative Investment Market of the London Stock Exchange. The nature of the group's operations and its principal activities are set out in note 5 and in the directors' report on pages 14 to 20.

The current period relates to the 364 days ended 2 April 2012; the prior period relates to the 371 days ended 4 April 2011.

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. IFRS includes the application of International Financial Reporting Standards including International Accounting Standards (IAS) and related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Interpretations of the Standing Interpretations Committee (SIC). During the period, new IFRS, amendments to existing IFRS and new Interpretations were issued by the International Accounting Standards Board (IASB). The impact and, if applicable, the adoption of these policies is described below in "New Accounting Standards, Amendments and Interpretations".

No separate income statement is presented for the company, as permitted by section 408(3) of the Companies Act 2006. The company's loss after tax for the period was £9,623,000 (2011: £9,916,000 profit).

Property and equipment

As permitted by IAS 16: Property Plant and Equipment, the group has changed its accounting policy on valuing property and equipment from the cost model to the revaluation model. This change in accounting policy has been applied in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

Since the adoption of IFRS in 2007, properties have been measured at cost (or for pre 1997 acquired properties, deemed cost) less accumulated depreciation and impairment. For property acquired before 1997, deemed cost was derived from its 1997 valuation less accumulated depreciation up to the adoption of IFRS.

During the current period, the directors of the group concluded that the cost model no longer represented a relevant value of properties within the estate so adopted the revaluation model. The directors consider the revaluation model to provide users of the financial statements with a better understanding of the potential value of the group's property portfolio. Properties, including land and buildings, and fixtures, fittings and equipment are now held at fair value, and will be revalued by qualified valuers on a sufficiently regular basis using open market value so that the carrying value of an asset does not differ significantly from its fair value at the balance sheet date. Surpluses which arise from the revaluation exercise are included within other comprehensive income (in the revaluation reserve) unless they are reversing a revaluation adjustment which has been recognised in the income statement previously. Where the revaluation exercise gives rise to a deficit, this is reflected directly in other comprehensive income (in the revaluation reserve) to the extent that a surplus exists against the same asset. Any further decrease in value is recognised in the income statement as an exceptional expense.

In the current period, an amount of £203,065,000 has been recognised within other comprehensive income to reflect these surpluses and an amount of £29,110,000 has been recognised in the income statement to reflect the deficits. This has resulted in a net uplift to the carrying value of property and equipment of £173,955,000. The change in accounting policy to the revaluation method is to be accounted for prospectively so has no impact on prior periods.

In addition, the group has changed its estimate of useful life for a small number of leasehold properties. This change is also permitted by IAS 16, and in accordance with IAS 8, has been accounted for prospectively. In the current period and going forward, the useful lives of leasehold properties is the shorter of the useful life or the lease term. Previously, leasehold buildings were depreciated over 50 years, or the lease term if shorter.

New Accounting Standards, Amendments and Interpretations

The group has adopted the following new accounting standards and interpretations during the period.

IFRS 1: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: The amendment allows first time adopters of IFRSs a limited exemption from IFRS 7 Disclosures. The group considers the amendment to have no impact as it has adopted IFRS 7 in full.

IAS 24: Related Party Disclosures (Revised): The revised standard was effective for accounting periods beginning on or after 1 January 2011. The definition of a related party has been clarified to simplify the identification of related party relationships. The group has considered the definition and concluded that there is no impact to its related party disclosures.

IFRIC 14: Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement: The amendments are effective for accounting periods beginning on or after 1 January 2011. The amendment provides further guidance on assessing the recoverable amount of a net pension asset. The adoption of the amendment has had no impact on the group.

IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments: The interpretation was effective for accounting periods beginning on or after 1 July 2010. The interpretation clarifies the treatment of equity instruments issued to creditors. The group did not issue any equity instruments during the period and therefore this amendment is not applicable to the group.

IFRS 3: Amendments to IFRS 3 Business Combinations: The amendments are effective for accounting periods beginning on or after 1 July 2010. The amendment states that only holders of non controlling interests which are entitled to a proportionate share of net assets upon liquidation can measure their interests as a proportionate share of the net identifiable assets or at fair value. If this is not stated then the interests should be measured at fair value. The adoption of the amendment is considered by the group to have no impact on the non controlling interest's share of its net assets, which are measured at fair value.

At the date of authorisation of these financial statements, the following Standards, Amendments and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

		Effective date
IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First time Adopters (Amendment)	1 July 2011
IFRS 1	Government Loans (Amendment)	1 January 2013
IFRS 7	Financial Instruments: Disclosures (Amendment)	1 July 2011
IFRS 7	Offsetting Financial Assets and Financial Liabilities (Amendment)	1 January 2013
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2015
IFRS 10, IAS 27	Consolidated Financial Statements, Separate Financial Statements	1 January 2013
IFRS 11, IAS 28	Joint Arrangements, Investments in Associates and Joint Ventures	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1	Presentation of Items of Other Comprehensive Income (Amendment)	1 July 2012
IAS 12	Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets	1 January 2012
IAS 19	Employee Benefits (Revised)	1 January 2013
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendment)	1 January 2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The directors intend to adopt the above Standards, Amendments and Interpretations when they become effective. The directors do not expect that the adoption of these Standards, Amendments and Interpretations in future periods will have a material impact on the financial statements of the group or company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are set out below and, except as noted above, have been applied consistently in presenting the group and parent company financial information.

(a) Basis of consolidation

The group's financial statements consolidate the financial statements of Young & Co.'s Brewery, P.L.C. with the entities it controls, its subsidiaries, and a special purpose entity, drawn up to the period end. Control exists where the company has the power to govern the financial and operating policies of the investee entity so as to obtain benefits from its activities. The special purpose entity is an Employee Share Ownership Plan (ESOP) Trust.

The results of subsidiaries acquired or disposed of during the period are included in the group income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The financial statements of the subsidiaries and special purpose entity are consolidated on a comparable period basis, using consistent accounting policies. All inter company balances and transactions, including unrealised profits arising on them, are eliminated.

For non wholly owned subsidiaries, a share of the profit for the financial period and the net assets is attributed to the non controlling interests as shown in the group income statement, the group other comprehensive income statement and the group balance sheet.

(b) Investment in associate

During the current period, the group disposed of its entire 40% share in Wells & Young's Brewing Company Limited, its brewing associate. In the prior period, the group's interest in its associate, being an entity over which the group had significant influence, was accounted for using the equity method of accounting.

Under the equity method, the investment in the associate is carried in the balance sheet at cost (net of deferred tax) plus post acquisition changes in the group's share of net assets, less distributions received and any impairment in value of the investment. The group's income statement reflects the share of the associate's results after tax, disclosed within discontinued operations. The group's statement of comprehensive income reflects the group's share of any income or expense recognised by the associate outside the income statement. The group's statement of changes in equity reflects the group's share of any transactions not included in the group's income statement or the group's statement of comprehensive income.

(c) The parent company's investments in subsidiaries and associate

In its separate financial statements, the parent company recognises its investments in its subsidiaries and associate on the basis of the direct equity interest. Income is recognised from these investments in relation to distributions received.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes.

The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rental income

Rental income arising from operating leases on properties is accounted for on a straight line basis over the lease term.

Interest income

Revenue is recognised as interest accrues (using the effective interest method).

Dividends

Revenue is recognised when the company's right to receive payment is established.

(e) Exceptional items

Exceptional items, as disclosed on the face of the income statement, are items which due to their material and non recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements. They are included in the adjustments that, in management's judgement, are required in order to show more accurately the business performance of the group in a consistent manner and to reflect how the business is managed and measured on a day to day basis.

(f) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non controlling interest in the acquiree. The non controlling interest is measured as the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in operating exceptional items.

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the net identifiable assets acquired and liabilities assumed at the date of acquisition. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(g) Property and equipment

Properties, including land and buildings, and fixtures, fittings and equipment are held at fair value, and are revalued by qualified valuers on a sufficiently regular basis using open market values so that the carrying value of an asset does not differ significantly from its fair value at the balance sheet date. Surpluses which arise from the revaluation exercise are included within other comprehensive income (in the revaluation reserve) unless they are reversing a revaluation adjustment which has been recognised in the income statement previously. Where the revaluation exercise gives rise to a deficit, this is reflected directly in other comprehensive income (in the revaluation reserve) to the extent that a surplus exists against the same asset. Any further decrease in value is recognised in the income statement as an exceptional expense.

The carrying amount of an asset, less any residual value, is depreciated on a straight line basis over the asset's useful life or lease term if shorter. The residual value, useful life and depreciation method applied to each asset are reviewed annually. Freehold land is not depreciated.

Useful lives:

Freehold and long leasehold buildings	50 years
Short leasehold buildings	Shorter of the estimated useful life and the lease term
Fixtures, fittings and equipment	3-10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 3(h)).

The gain arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the income statement. Pub fixtures and fittings are treated as disposals in the period following completion of their write down.

(h) Impairment of assets

The carrying values of investments, property and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and the value in use. Value in use is assessed by reference to the estimated future cash flows, which are discounted to present value using an appropriate pre tax discount rate. Impairment losses are recognised in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the group income statement unless the impairment loss related to goodwill in which case it is not reversed.

Impairment is assessed on the basis of either each individual asset, each individual cash generating unit (an individual pub), or, in the case of goodwill, the group of cash generating units associated with it. The fair value of the asset is assumed to be the market value of the property. Goodwill is mandatorily assessed for impairment on an annual basis or more frequently if there are indications that the carrying value is impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash generating units (or groups of cash generating units) that are expected to benefit from the combination.

(i) Leases**(1) Where the group is the lessee**

Assets held under finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

(2) Where the group is the lessor

Assets leased out under operating leases are included in property and equipment and depreciated over their estimated useful lives. Rental income, including the effect of lease incentives, is recognised on a straight line basis over the lease term.

(j) Non current assets held for sale

Assets whose carrying amounts will be recovered principally by sale rather than continuing use are classified separately as assets held for sale. Assets are classified as held for sale when management has committed to their sale, the asset is available for immediate sale and a sale is highly probable. Assets held for sale are measured at their carrying value or if lower fair value less costs of disposal.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost formula used is equivalent to a 'First in, First out' method.

(l) Cash

Cash in the balance sheet comprises cash at banks and in hand. For the purpose of the group and parent cash flow statements, cash is net of outstanding bank overdrafts. Cash and cash equivalents include only deposits which mature in less than three months.

(m) Trade and other payables

Trade payables are recognised initially at fair value and subsequently at amortised cost. When applicable, trade and other payables are analysed between current and non current liabilities on the face of the balance sheet, depending on when the obligation to settle will crystallise.

(n) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value. Directly attributable transaction costs are capitalised and amortised, using the effective interest method through finance expense, over the life of the facility.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(o) Taxation

The tax expense or credit for the period comprises current and deferred tax. The current tax expense is recognised in the income statement unless it relates to items that are credited or charged to equity, in which case it is charged or credited directly to equity.

The current tax payable is measured at the amount expected to be paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, with the following exceptions:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries or associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Where capital gains have been rolled over for tax purposes, a deferred tax liability is recorded on the rolled over gain to reflect the tax that may be due on this amount at a future date.

Where there has been an upward revaluation of an asset, a deferred tax liability is recorded based on the difference between the indexed cost of the asset less any capital gains which have been rolled over against the asset and the revalued amount.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply on reversal of the underlying temporary differences, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(p) Provisions

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect is material, the present value of those cash flows is discounted using a pre tax rate that reflects, where appropriate, the risks specific to the liability.

(q) Accounting for the ESOP Trust

In 2009, the unallocated shares of the Ram Brewery Trust General Fund, investment in own shares, were treated as a deduction from capital and reserves in the group balance sheet. No such shares were held at the end of the current period. Allocations of shares to employees under the closed profit sharing scheme are treated as disposals.

The capital gains tax liability that may arise on the allocated shares in the Ram Brewery Trust II when they are transferred to employees on retirement is recognised as a provision in the financial statements.

(r) Derivative financial instruments and hedging

The group uses derivative financial instruments such as interest rate swaps to hedge its risk associated with interest rate fluctuations. From 1 April 2006, derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how its effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

Where cash flow hedge accounting is not applied, the movement in the fair value of the derivative is recognised immediately in the income statement. Where cash flow hedge accounting is applied, as in the case of the interest rate swaps held by the group, the effective portion of the gain or loss on the hedging instrument is recognised in the statement of comprehensive income, while the ineffective portion is recognised in the income statement.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs, at which point they are transferred to the income statement. If the related transaction is not expected to occur, the amount held in equity is recognised immediately in the income statement.

(s) Pensions and other post retirement benefits

The group operates a defined contribution pension scheme, a defined benefit pension scheme and a post retirement health care scheme.

Contributions to the defined contribution scheme are recognised in the income statement in the period in which they become due.

The group's accounting policy for recognising actuarial gains and losses is to recognise these immediately through the statement of comprehensive income.

For the defined benefit scheme, the cost of providing benefits is determined using the projected unit credit method, which attributes entitlements to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in the income statement on a straight line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in the future entitlement) occurs, the obligation and related scheme assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligations, taking into account material changes in the obligations during the period. The expected return on scheme assets is based on an assessment made at the beginning of the period of long term market returns on scheme assets, adjusted for the effect on the fair value of scheme assets of contributions received and benefits paid during the period. The difference between the expected return on scheme assets and the interest cost is recognised in the income statement as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of comprehensive income in the period in which they occur.

The defined benefit pension liability in the balance sheet comprises the present value of the defined benefit obligations (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of scheme assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the sum of any unrecognised past service costs and the present value of any amount the group expects to recover by way of refunds from the scheme or reductions in the future contributions.

Post retirement health care benefits are provided for certain employees and certain directors (together, the "members"). Entry to the scheme is on a discretionary basis. The annual premium for providing cover is determined by BUPA. This information is taken by qualified actuaries who then assess the reserve required to provide this benefit for members' future lifetimes, using IAS 19 assumptions. The liability for new entrants is recognised through the income statement in the period in which the benefit is granted. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in full directly in the statement of comprehensive income.

(t) Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoice value and recoverable amount. A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as irrecoverable.

(u) Use of estimates

The preparation of financial information in conformity with IFRS requires management to make certain judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

The areas involving a higher degree of judgement or complexity, or where the most sensitive estimates and assumptions are significant to the financial statements, are set out in note 4.

4. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are the key judgements that management have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Estimated valuation of property and equipment

The group is required to value property and equipment on a sufficiently regular basis using open market values to ensure the current carrying value does not differ significantly from the fair value. The valuation, performed by qualified valuers, is based on market observations and estimates on the selling price in an arms' length transaction, and includes estimates of future income levels and trading potential for each pub, as well as taking into account other factors such as location, tenure and current income levels.

(b) Estimated impairment of goodwill

The group considers annually whether goodwill has suffered any impairment in accordance with the accounting policy set out in note 3(h). The recoverable amounts of cash generating units have been determined based on value in use calculations. This calculation requires the use of estimates including growth rates, capital maintenance expenditure and pre tax discount rates. See notes 3(h) and 17.

(c) Business combinations

When assets are acquired, management determines whether the assets form a business combination. A fair value exercise of both the consideration and the net assets acquired is performed once it is determined that a business combination has taken place. If the fair value of the consideration is in excess of the fair value of the net assets acquired, the difference is recognised as goodwill. If the opposite occurs, the difference is recognised in the income statement. The group makes judgements and estimates in relation to the fair value of the consideration and of the net assets acquired. See notes 3(f) and 13.

(d) Depreciation

Depreciation is provided so as to write down the assets to their residual values over the estimated useful lives. The selection of these residual values and estimated lives requires the exercise of management's judgement. See notes 3(g) and 18.

(e) Defined benefit pension obligations

Measurement of defined benefit pension obligations requires an estimate of future changes in salaries and inflation, as well as mortality rates, the expected return on assets and the selection of a suitable discount rate. These have been determined on advice from the group's qualified actuary. See notes 3(s) and 26.

(f) Taxation

Judgement is required when determining the provision for taxes as the tax treatment of some transactions cannot be finally determined until a formal resolution has been reached with the tax authorities. Tax benefits are not recognised unless it is probable that they will be obtained. Tax provisions are made if it is probable that a liability will arise. The group reviews each significant tax liability or benefit to assess the appropriate accounting treatment. See notes 3(o), 11 and 25.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. SEGMENTAL REPORTING

The group is organised into the reporting segments referred to below. These segments are based on the different resources and risks involved in the running of the group. The executive board of the group internally reviews each reporting segment's operating profit or loss before exceptional items for the purpose of deciding on the allocation of resources and assessing performance.

The group has three operating segments: Young's managed houses, Geronimo managed houses and tenanted houses. Both Young's and Geronimo managed houses operate pubs. Revenue is derived from sales of drink, food and, also for Young's managed houses, accommodation. Due to common economic characteristics, similar product offerings and customers, the Young's managed houses and Geronimo managed houses operating segments have been reported below as a single reportable segment, managed houses. Tenanted houses consists of pubs owned or leased by the company and leased or sub leased to third parties. Revenue is derived from rents payable by, and sales of drink made to, tenants.

There were intersegment revenues of £473,000 between the segments in the current period (2011: £95,000), which have been eliminated on consolidation. Intersegment sales are charged at current market prices. The group's revenue is derived entirely from the UK.

Income statement

	Managed houses £000	Tenanted houses £000	Segment total £000	Unallocated £000	Total £000
2012 – 52 weeks					
External revenue	164,999	13,555	178,554	410	178,964
Intersegment revenue	–	–	–	473	473
Total segment revenue	164,999	13,555	178,554	883	179,437
Depreciation and amortisation	(10,158)	(1,222)	(11,380)	(460)	(11,840)
Operating profit before exceptional items	35,257	5,286	40,543	(14,381)	26,162
2011 – 53 weeks					
External revenue	127,836	14,392	142,228	369	142,597
Intersegment revenue	–	–	–	95	95
Total segment revenue	127,836	14,392	142,228	464	142,692
Depreciation and amortisation	(8,353)	(1,223)	(9,576)	(455)	(10,031)
Operating profit before exceptional items	29,228	5,387	34,615	(12,869)	21,746

The following is a reconciliation of the operating profit before exceptional items to the profit before tax:

	2012 £000	2011 £000
Operating profit before exceptional items	26,162	21,746
Operating exceptional items	(28,827)	(4,883)
Finance costs	(6,135)	(4,015)
Finance revenue	537	9
Other finance income	769	437
(Loss)/profit before tax from continuing operations	(7,494)	13,294

Balance sheet

	Managed houses £000	Tenanted houses £000	Segment total £000	Unallocated £000	Total £000
2012					
Segment assets	470,741	52,449	523,190	6,820	530,010
Other financial asset	–	–	–	9,212	9,212
Cash	–	–	–	3,914	3,914
Total assets	470,741	52,449	523,190	19,946	543,136
Other segmental information					
Additions to non current assets	24,185	1,144	25,329	276	25,605
Downward movements in property valuation	21,066	7,902	28,968	142	29,110
2011					
Segment assets	292,008	51,584	343,592	4,068	347,660
Investment in associate	–	–	–	15,273	15,273
Other financial asset	–	–	–	600	600
Cash	–	–	–	2,332	2,332
Total assets	292,008	51,584	343,592	22,273	365,865
Other segmental information					
Additions to non current assets	87,227	2,329	89,556	220	89,776
Impairment of properties	1,642	240	1,882	–	1,882

6. REVENUE

	2012 52 weeks £000	2011 53 weeks £000
Sales of goods	167,985	132,203
Rental income	10,979	10,394
Revenue	178,964	142,597
Finance revenue	537	9
	179,501	142,606

Revenue shown above is from continuing operations.

7. OPERATING COSTS BEFORE EXCEPTIONAL ITEMS

	2012 52 weeks £000	2011 53 weeks £000
Changes in inventories of finished goods and raw materials	(199)	(438)
Raw materials, consumables and finished goods used	49,239	39,734
Employment costs (note 8(a))	54,879	43,221
Depreciation (note 18)	11,840	10,031
Other operating costs	37,043	28,303
	152,802	120,851

Other operating costs include:

Operating lease rentals:	minimum lease payments	5,549	3,092
	sublease payments	500	404
		6,049	3,496
Auditor's remuneration to main group auditor:	audit of the group financial statements	137	177
	audit of subsidiaries' accounts	21	28
	audit related assurance services	32	31
	taxation advisory services	4	26
	corporate finance services	-	205
		194	467
Auditor's remuneration to other auditor:	other audit services	8	49
	taxation advisory services	5	14
	all other services	-	12
		13	75

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. EMPLOYMENT

(a) Costs and employee numbers

	2012 52 weeks £000	2011 53 weeks £000
Wages and salaries	49,816	38,765
Social security	4,096	3,223
Pension and health care schemes	967	1,233
Employment costs before exceptional items	54,879	43,221
Employment costs in exceptional items: capital gains tax on ESOP allocated shares	152	166
	55,031	43,387

The average monthly number of employees was 2,985 (2011: 2,335).

(b) Directors' emoluments

	Basic salary and fees £	Benefits £	Bonus £	Total excluding pension costs 2012 52 weeks £	Total excluding pension costs 2011 53 weeks £
Nicholas Bryan	66,363	–	–	66,363	38,000
Christopher Sandland	23,198	6,259	–	29,457	84,751
Stephen Goodyear	304,292	22,293	200,000	526,585	384,300
Torquil Sligo-Young	120,290	26,291	70,000	216,581	172,739
Peter Whitehead	212,076	20,499	140,000	372,575	266,477
Patrick Dardis	220,745	3,605	140,000	364,350	267,767
Rupert Clevely	216,732	23,717	200,000	440,449	67,249
Roger Lambert	36,333	–	–	36,333	35,000
David Page	36,333	–	–	36,333	35,000
Total 2012	1,236,362	102,664	750,000	2,089,026	
Total 2011	1,092,109	90,700	168,474		1,351,283

Notes:

The amounts shown in the "Benefits" column relate primarily to the provision of private medical insurance and car related benefits.

(c) Retirement benefits

The company operates one pension scheme, namely the Young & Co.'s Brewery, P.L.C. Pension Scheme. All individuals in the pension scheme contribute to it, with contributions being at the rate of 5.0% of pensionable earnings. The pension scheme is a defined benefit scheme investing largely in managed funds. As at 2 April 2012, only two directors, Peter Whitehead and Patrick Dardis, were accruing benefits under the pension scheme in respect of qualifying service.

The company bears the cost of post retirement health care premia for certain employees and ex-employees.

The company accounts for retirement benefits in accordance with IAS 19. Detailed disclosures are set out in note 26.

	1	2	3	4	5	6
	Increase in accrued pension during the period (excluding inflation)	Transfer value of increase (net of member contributions)	Accumulated total accrued pension as at 2 April 2012	Transfer value of accrued pension benefits as at 4 April 2011	Transfer value of accrued pension benefits as at 2 April 2012	Increase in transfer value during the period (net of member contributions)
	£	£	£	£	£	£
Stephen Goodyear	1,399	(75,585)	50,354	1,629,927	1,744,137	110,430
Peter Whitehead	1,494	46,957	50,798	735,839	900,187	157,868
Patrick Dardis	3,218	47,451	28,958	325,960	437,668	105,228

Notes:

- (i) Subject to note (ii), the pension entitlement shown in column 3 is that which would be paid annually on retirement under the terms of the relevant director's service agreement based on service to 2 April 2012. As Peter Whitehead was appointed before 6 April 1997, he is entitled to a pension payable without reduction at the earliest age permissible by HM Revenue and Customs; this has been allowed for in the calculation of his transfer values shown above.
- (ii) Stephen Goodyear began to draw his pension from 1 November 2011, whilst remaining in employment as a director. He exchanged part of his pension for tax-free cash. The figure in column 3 is based on his post-commutation pension in payment, whilst the figures in columns 2, 5 and 6 allow for the tax-free cash taken.
- (iii) Torquil Sligo-Young began to draw his pension during the period ended 29 March 2010. He therefore has no further defined benefit accrual and has not therefore been included in the above table.

(d) Profit sharing scheme

This scheme was abandoned during the company's financial period ended 29 March 2010.

Share allocations made up to and including those for the company's financial period that ended in 2 April 2005, which were based on a member's individual entitlement after deductions of income tax and national insurance, are held in the Ram Brewery Trust II. On retirement, the member receives their accrued entitlement to shares. If they leave the company's employment before reaching normal retirement age, they continue to receive the income accruing to them by virtue of their membership of the scheme prior to them leaving, and their allocation to the date of leaving is held on their behalf until normal retirement age.

The accrued entitlement to A shares under the scheme of each of the directors who served during the period is as follows: Stephen Goodyear (22,680), Torquil Sligo-Young (31,412), Peter Whitehead (20,816) and Patrick Dardis (6,696). None of Nicholas Bryan, Rupert Clevely, Roger Lambert and David Page has an accrued entitlement under the scheme.

9. EXCEPTIONAL ITEMS

	2012	2011
	52 weeks	53 weeks
	£000	£000
Amounts included in operating profits:		
Movement on the revaluation of properties (note 18)	(29,110)	–
Acquisition costs	(489)	(2,040)
Profit on sales of properties	1,306	542
Compensation to terminate leases	(382)	–
Capital gains tax on ESOP allocated shares	(152)	(166)
Impairment of properties (note 18)	–	(1,882)
Integration costs	–	(1,142)
Hotel project fees written off	–	(195)
	(28,827)	(4,883)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. EXCEPTIONAL ITEMS (CONTINUED)

	2012 52 weeks £000	2011 53 weeks £000
Exceptional tax:		
Movement on the revaluation of properties	5,640	–
Change in corporation tax rate	1,746	1,394
Tax attributable to above adjustments	(39)	729
Recognition of rollover claim	–	4,945
	7,347	7,068
Total exceptional items after tax	(21,480)	2,185

The movement on the revaluation of properties relates to the revaluation exercise which was completed during the period. The revaluation was conducted at an individual pub level and identified a downward movement of £29,110,000 which has been taken to the income statement. The movement is split between land and buildings at £26,534,000 and fixtures and fittings at £2,576,000. See notes 2 and 3(g) for further details on the change in accounting policy to the revaluation model, and note 5 for segmental information.

The acquisition costs include legal fees and stamp duty incurred on the purchase of the freeholds of the Clarence (Whitehall), Fentiman Arms (Vauxhall) and King's Head (Winchmore Hill).

The profit on sales of properties relates to the difference between the cash, less selling costs, received from the sale of the George (Fulham), Charlie Butler (Mortlake), Castle (Battersea), Bricklayers Arms (Sydenham), Britannia Tap (Kensington), Stinging Nettle (Shepherd's Bush), Queen Dowager (Teddington) and Prince of Wales (Tooting) and the carrying value of the assets on the date of sale.

Compensation paid to terminate leases represents payments made to former tenants to enable properties to be moved into both the Young's managed houses and Geronimo managed houses operating segments.

The capital gains tax on ESOP allocated shares relates to the shares held within the Ram Brewery Trust II on behalf of the closed profit sharing scheme. A liability is recognised at each balance sheet date for the potential capital gains tax that could arise on the disposal of shares to the members of the scheme on retirement.

In the prior period, exceptional items related to an impairment charge, one off integration costs, and hotels project fees relating to unsuccessful research costs.

10. FINANCE COSTS AND REVENUE

	2012 52 weeks £000	2011 53 weeks £000
Bank loans and overdrafts	6,093	4,005
Finance lease interest	42	10
Finance costs	6,135	4,015
Interest receivable and unwinding of discounted deferred consideration	(537)	(9)
Net finance cost	5,598	4,006

11. TAXATION

	2012 52 weeks £000	2011 53 weeks £000
Group income statement		
Current tax		
Current tax expense	(4,825)	(4,631)
Adjustment in respect of current tax of prior periods	229	553
	(4,596)	(4,078)
Deferred tax		
Movement on the revaluation of properties	5,640	–
Origination and reversal of temporary differences	(875)	555
Change in corporation tax rate	1,746	1,394
Adjustment in respect of prior periods	185	(261)
Recognition of rollover claim	–	4,945
	6,696	6,633
Tax credit	2,100	2,555
Presented in the income statement as follows:		
Taxation	(3,540)	(2,390)
Taxation on property revaluation	5,640	–
Recognition of rollover claim	–	4,945
Tax credit	2,100	2,555
Group and company statement of comprehensive income		
Deferred tax		
Movement on the revaluation of properties	(47,344)	–
Retirement benefit schemes	1,063	(904)
Interest rate swaps	2,136	(79)
Change in corporation tax rate	2,923	(472)
Tax expense	(41,222)	(1,455)
Group income statement – deferred tax		
Property revaluation and disposals	4,926	6,786
Fair value gains on acquisition of subsidiaries	1,543	157
Capital allowances	1,583	265
Utilisation of tax losses	(426)	(154)
Retirement benefit schemes	(858)	(444)
Other tax provisions	(72)	23
Tax credit	6,696	6,633

As described in note 2, the group changed its accounting policy for property and equipment. The tax impact in relation to the downward movement was a credit in the income statement of £5.6 million, while the impact of the upward movement was a debit through the statement of comprehensive income of £47.3 million. A deferred tax liability relating to fair value gains on acquisition of subsidiaries arose on the acquisition of Geronimo Group Limited on 16 December 2010. In the prior period, property revaluation and disposals included the reduction in the deferred tax liability by £4.9 million arising from the allocation of rolled over capital gains to specific assets in August 2010 and the subsequent claim to HM Revenue & Customs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TAXATION (CONTINUED)

A reconciliation of the tax (credit)/expense applicable to the (loss)/profit from operating activities before tax at the statutory rate to the actual tax (credit) at the group's effective tax rate for the periods ended 2 April 2012 and 4 April 2011 respectively is as follows:

	2012 52 weeks £000	2011 53 weeks £000
(Loss)/profit before tax from continuing operations	(7,494)	13,294
Total (loss)/profit before tax at corporation tax rate of 26 % (2011: 28 %)	(1,948)	3,722
Tax effects of:		
Expenses not deductible for tax purposes	7,988	1,511
Recognition of property revaluation, rollover claim and other property movements	(5,640)	(5,764)
Non assessable income	(340)	(153)
Re-measurement of deferred tax – change in corporation tax rate	(1,746)	(1,394)
Prior period adjustment – current tax	(229)	(553)
Prior period adjustment – deferred tax	(185)	261
Utilisation of previously unrecognised tax losses	–	(185)
Total tax credit	(2,100)	(2,555)

During the period, as a result of the change in the UK corporation tax rate from 26 % to 24 %, that was substantively enacted in two parts on 5 July 2011 and on 26 March 2012, and is effective from 1 April 2012, the relevant deferred tax balances have been re-measured. Deferred tax expected to reverse in the period ending 1 April 2013 and thereafter has been measured using the effective rate that will apply in the UK for the period.

Further reductions to the UK tax rate have been announced. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1 % per annum to 22 % by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and are not therefore recognised in these financial statements.

12. DISCONTINUED OPERATIONS

On 8 August 2011, the group disposed of its entire 40 % share in Wells & Young's Brewing Company Limited ("Wells & Young's"), its brewing associate. The disposal allows Young's to increase its focus on its pubs and the cash generated will be used to expand the group's core business.

The consideration receivable for the company's shareholding is £15.1 million in cash. £5.1 million was received in February 2012, with the remaining £10.0 million being receivable in two equal amounts in February 2013 and February 2014. This deferred consideration has been discounted to its current fair value and is recognised in the group's balance sheet as "Other financial asset" of which £4,749,000 is held under current assets and £4,463,000 is held under non current assets.

The discounted fair value of these proceeds less the carrying amount of the investment in associate and disposal costs resulted in a loss on disposal of £1.7 million:

	2012 52 weeks £000
Cash consideration	13,782
Net assets disposed	(15,455)
Disposal costs	(60)
Loss on disposal of discontinued operations	(1,733)

The results of the discontinued operations, which have been included in the group income statement, were as follows:

	2012 52 weeks £000	2011 53 weeks £000
Share of associate's profit before exceptional items and tax	1,289	2,642
Share of associate's exceptional items	(401)	(141)
Share of associate's tax expense	(272)	(537)
Share of associate's post tax result	616	1,964
Loss on disposal of discontinued operations	(1,733)	–
Tax on loss on disposal of discontinued operations	–	–
(Loss)/profit for the period from discontinued operations	(1,117)	1,964

During the current period and the prior period, Wells & Young's contributed £nil to the group's cash flows.

Investment in associate

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Opening balance	15,273	13,942	11,303	11,303
Items charged directly to equity	(354)	(637)	-	-
Share of profit of associate	616	1,964	-	-
(Release)/increase of stock provision	(80)	4	-	-
Disposal	(15,455)	-	(11,303)	-
	-	15,273	-	11,303

13. BUSINESS COMBINATIONS

There were no business combinations in the period.

Prior period business combinations

On 16 December 2010, the group acquired the entire issued share capital of Geronimo Group Limited for a total cash payment of £60.0 million. At the time, Geronimo Group Limited operated a high quality estate of 26 individually designed, food-led managed pubs. The estate had exceptional locations with 22 pubs based in London, three at Heathrow and one in Surrey. The prior period transaction achieved an important step change in the size of the Young's managed estate, which increased by more than 20% to 149 pubs, taking the total estate at the end of the prior period to 246 pubs.

The fair values of the identifiable assets and liabilities of the acquired business at the date of acquisition were as follows:

	Fair value £000
Assets and liabilities acquired:	
Property and equipment (note 18)	50,736
Inventories	467
Cash	2,140
Trade and other receivables	823
Overdrafts and loans	(32,850)
Trade and other payables	(4,128)
Deferred tax asset	279
Deferred taxation on fair value adjustments	(8,603)
Net assets	8,864
Goodwill arising on acquisition (note 17)	20,426
Total consideration	29,290
Cash flow on acquisition:	
Cash acquired	2,140
Overdrafts and loans acquired and repaid	(32,850)
Cash paid	(29,290)
Net cash outflow	(60,000)

In addition, the group incurred £1.9 million of costs associated with the acquisition, paid in cash, which were recorded as operating exceptional items.

The goodwill arising on the acquisition of Geronimo Group Limited included deferred taxation of £8.6 million, which arose on the fair value adjustment of property and equipment. In addition, goodwill arising on acquisition also included intangible assets that could not be individually separated. These items include the expected value of synergies from the business combination together with the benefits and experience of the Geronimo Group Limited management team. None of the goodwill is expected to be deductible for income tax purposes.

In the prior period, between the date of acquisition and the balance sheet date, Geronimo Group Limited contributed £10.3 million of revenue and £0.7 million of operating profit. If the acquisition of Geronimo Group Limited had been completed on 30 March 2010, group revenues for the prior period would have increased by £24.0 million and group operating profit would have increased by £1.9 million.

In addition, in the prior period the group acquired the Lass O'Richmond Hill, White Hart (Witley) and the Lion & Unicorn (Kentish Town). The aggregated fair value of the identifiable assets and liabilities of the acquired businesses was property and equipment of £3.8 million and inventories of £nil. The group incurred £182,000 of costs associated with the acquisitions, which were recorded as operating exceptional items.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. DIVIDENDS ON EQUITY SHARES

	2012 52 weeks Pence	2011 53 weeks Pence	2012 52 weeks £000	2011 53 weeks £000
Final dividend (previous period)	6.90	6.76	3,328	3,260
Interim dividend (current period)	6.68	6.36	3,221	3,067
	13.58	13.12	6,549	6,327

In addition, the board is proposing a final dividend in respect of the period ended 2 April 2012 of 7.25p per share at a cost of £3,496,000. If approved, it is expected to be paid on 12 July 2012 to shareholders who are on the register of members at the close of business on 8 June 2012.

15. ADJUSTED PROFIT BEFORE TAX

The table below shows how adjusted group profit before tax has been arrived at. This alternative performance measure has been provided as the board believes that it gives a useful additional indication of the group's underlying performance. All the results below are from continuing operations.

	2012 52 weeks £000	2011 53 weeks £000
(Loss)/profit before tax	(7,494)	13,294
Operating exceptional items (note 9)	28,827	4,883
	21,333	18,177

16. EARNINGS PER ORDINARY SHARE

(a) Earnings	2012 52 weeks £000	2011 53 weeks £000
(Loss)/profit from continuing operations	(5,367)	15,863
(Loss)/profit from discontinued operations	(1,117)	1,964
(Loss)/profit attributable to equity shareholders of the parent	(6,484)	17,827
(Loss)/profit from continuing operations	(5,367)	15,863
Operating exceptional items	28,827	4,883
Tax attributable to above adjustments	39	(729)
Tax on movement on revaluation of properties	(5,640)	–
Change in corporation tax rate	(1,746)	(1,394)
Recognition of rollover relief claim	–	(4,945)
Adjusted earnings after tax	16,113	13,678
	Number 000	Number 000
Basic and diluted weighted average number of ordinary shares in issue	48,224	48,224
(b) Basic and diluted earnings per share	Pence	Pence
Basic and diluted from continuing operations	(11.13)	32.89
Basic and diluted from discontinued operations	(2.32)	4.08
Basic and diluted	(13.45)	36.97

(c) Adjusted basic and diluted earnings per share

	2012 52 weeks Pence	2011 53 weeks Pence
Basic and diluted from continuing operations	(11.13)	32.89
Effect of exceptional items and other adjustments	44.54	(4.53)
Adjusted basic and diluted from continuing operations	33.41	28.36

The basic earnings per share figure is calculated by dividing the net profit before the non controlling interest for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

Adjusted earnings per share are presented to eliminate the effect of the exceptional items and the tax attributable to those items on basic and diluted earnings per share.

17. GOODWILL

	2012 £000	2011 £000
Opening 5 April (30 March)	20,426	–
Businesses acquired*	–	20,426
Closing 2 April (4 April)	20,426	20,426

* included £8.6 million due to the deferred tax recognised on fair value adjustments.

In the prior period, goodwill of £11.8 million arose (net of deferred tax) on the acquisition of Geronimo Group Limited and was allocated for impairment testing purposes to the Geronimo group of cash generating units. The Geronimo group of cash generating units is the pubs trading under the Geronimo concept and falls within the Geronimo managed houses segment.

The group tests the goodwill annually for impairment or more frequently if there are indicators that goodwill may have been impaired.

The recoverable amount is the value in use and exceeds the carrying value. The value in use is calculated using the three year business plan approved by senior management. Cash flows beyond this period assume 2.0% growth (2011: nil) which is below the industry long term average growth rate. The pre-tax discount rate applied to cash flow projections is 8.6% (2011: 8.4%). The calculation is most sensitive to revenue assumptions and the pre-tax discount rate, however senior management believes that the assumptions used are reasonable. The group has conducted a sensitivity analysis on the impairment test and neither a 10% decline in revenue nor a 1% increase in the discount rate would lead to the impairment of the goodwill in the current period.

18. PROPERTY AND EQUIPMENT

	Group			Company		
	Land & buildings £000	Fixtures, fittings & equipment £000	Total £000	Land & buildings £000	Fixtures, fittings & equipment £000	Total £000
Cost or valuation						
At 30 March 2010	246,818	65,988	312,806	246,818	65,988	312,806
Additions	8,919	9,695	18,614	6,025	9,168	15,193
Business combinations	47,776	2,960	50,736	–	–	–
Disposals	(191)	(750)	(941)	(191)	(750)	(941)
Fully depreciated assets	–	(4,918)	(4,918)	–	(4,918)	(4,918)
At 4 April 2011	303,322	72,975	376,297	252,652	69,488	322,140
Additions	12,405	13,200	25,605	11,773	10,346	22,119
Transfer from other financial assets	600	–	600	600	–	600
Disposals	(7,799)	(1,026)	(8,825)	(7,799)	(1,026)	(8,825)
Transfer to assets held for sale	(777)	–	(777)	(777)	–	(777)
Fully depreciated assets	–	(5,124)	(5,124)	–	(5,124)	(5,124)
Revaluation*	201,544	–	201,544	201,544	–	201,544
At 2 April 2012	509,295	80,025	589,320	457,993	73,684	531,677

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. PROPERTY AND EQUIPMENT (CONTINUED)

	Group			Company		
	Land & buildings £000	Fixtures, fittings & equipment £000	Total £000	Land & buildings £000	Fixtures, fittings & equipment £000	Total £000
Depreciation and impairment						
At 30 March 2010	15,630	34,212	49,842	15,630	34,212	49,842
Depreciation charge	1,485	8,546	10,031	862	8,079	8,941
Impairment charge	1,171	711	1,882	1,171	711	1,882
Disposals	(191)	(553)	(744)	(191)	(553)	(744)
Fully depreciated assets	–	(4,918)	(4,918)	–	(4,918)	(4,918)
At 4 April 2011	18,095	37,998	56,093	17,472	37,531	55,003
Depreciation charge	2,650	9,190	11,840	1,036	7,970	9,006
Disposals	(2,377)	(721)	(3,098)	(2,377)	(721)	(3,098)
Transfer to assets held for sale	(22)	–	(22)	(22)	–	(22)
Fully depreciated assets	–	(5,124)	(5,124)	–	(5,124)	(5,124)
Revaluation*						
effect of downward movements in property valuation	26,534	2,576	29,110	24,877	2,365	27,242
effect of upward movements in property valuation	(1,521)	–	(1,521)	(1,521)	–	(1,521)
At 2 April 2012	43,359	43,919	87,278	39,465	42,021	81,486
Net book value						
At 30 March 2010	231,188	31,776	262,964	231,188	31,776	262,964
At 4 April 2011	285,227	34,977	320,204	235,180	31,957	267,137
At 2 April 2012	465,936	36,106	502,042	418,528	31,663	450,191

* The group net book value uplift due to revaluation of £174.0 million (company £175.8 million) comprises an upward movement of £203.1 million (company £203.1 million) shown in the statements of comprehensive income, net of a downward movement of £29.1 million (company £27.2 million) in the income statements.

(a) Revaluation of property and equipment

A policy of valuing the group's property estate was adopted in the current period, as described in notes 2 and 3(g). All of the group's freehold and leasehold land, buildings, fixtures and fittings were valued at market value, as at 3 October 2011, by Colliers International UK P.L.C., independent chartered surveyors. The valuation was carried out in accordance with the provisions of the RICS Valuation Standards ('the Red Book'). The pubs were valued as fully equipped operational entities having regard to trading potential, and factors such as current and future projected income levels, taking account of the location, tenure, the quality of the pub and recent market transactions in the sector. Changes in these assumptions, such as the valuation basis applied in comparable market transactions or the income level generated by a pub, could materially impact the valuations.

At 2 April 2012, had the property estate been carried at historic cost less accumulated depreciation and impairment losses their carrying amount would have been approximately £327.8 million.

The revaluation surplus represents the amount by which the fair value of the estate exceeds its historic value.

A sensitivity analysis was conducted on the property estate to give an indication of the impact of movements in the most sensitive assumption, cash flow. The analysis considers the single change with the other assumptions assumed to be unchanged. In practice, changes in one assumption may be accompanied by changes in another assumption. Changes in market values may also occur at the same time as the changes in assumptions and may or may not offset them. This information should not be taken as a projection of likely future valuation movements. Decreasing the cash flows used in the revaluation by 10% would decrease the valuation by £41.4 million. Increasing the cash flows used in the revaluation by 10% would increase the valuation by £41.4 million.

(b) Assets held under finance leases

The net book value of assets held under finance leases was:

	2012 £000	2011 £000
Land and buildings held under finance leases	9,311	13,101

(c) Capital commitments

	2012 £000	2011 £000
Capital commitments not provided for in these financial statements and for which contracts have been placed amounted to:	5,606	1,880

(d) Impairment

During the period, the group changed its property and equipment accounting policy and adopted the revaluation model (see notes 2 and 3(g)). As a result of adopting this model, a downward movement of £29.1 million was recorded in the income statement.

In the prior period, an impairment charge of £1,882,000 was made. Impairment was assessed at the cash generating unit level, which is considered to be each individual pub. Whether an asset was impaired or not was determined by comparing the carrying value of an asset against its deemed 'recoverable amount'. The recoverable amount was taken as the higher of either the fair value (net of disposal costs) or its value in use. The value in use was determined by conducting a net present value review of all relevant cash flows from the asset. The pre-tax discount rate used in the prior period review was 8.4%.

19. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Opening balance	-	-	25,620	20
Additions	-	-	24,254	25,600
Disposals	-	-	(25,620)	-
Closing balance	-	-	24,254	25,620

Group subsidiary undertakings (*held indirectly)	Country of incorporation or registration	Country of principal operations	% of equity and votes held
Geronimo Group Limited ⁽¹⁾	England	England	100
Geronimo Inns Limited	England	England	100
Geronimo Airports Limited	England	England	100
Sticky Fingers Food Limited*	England	England	51

(1) An application has been made to strike off and dissolve the inactive Geronimo Group Limited.

During the period, each of the following inactive companies successfully applied to be struck off and dissolved, namely Wigwam Holdings Limited, Geronimo Inns VCT I Limited, Geronimo Inns VCT II Limited, Geronimo Inns VCT LLP and Bill Bentley's (Bishopsgate) Limited. Prior to that, each of these entities was directly or indirectly a 100% subsidiary of the company. The addition and disposals above reflect a group reorganisation during the period.

20. INVENTORIES

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Finished goods and goods for resale	2,342	2,143	1,887	1,824

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Trade receivables	1,340	1,019	1,210	999
Other receivables	512	1,453	363	1,129
Prepayments and accrued income	2,593	2,415	2,046	1,810
Amounts due from subsidiaries	–	–	28,410	33,282
	4,445	4,887	32,029	37,220

Trade receivables are denominated in sterling, are non interest bearing and are generally on 0-20 days' terms. The above carrying values are shown net of a provision for impairment and equate to fair value.

At 2 April 2012, trade receivables with a nominal value of £899,000 (2011: £1,112,000) were impaired and fully provided for.

Movements in the provision for impairment of receivables were as follows:

	2012 £000	2011 £000
Opening balance	1,112	993
Charge for period	54	210
Amounts written off	(267)	(91)
	899	1,112

The amounts written off in the period were specific debts which proved irrecoverable.

At 2 April 2012, the analysis of trade receivables is as follows:

	Total £000	Neither past due nor impaired £000	<31 days £000	31-60 days £000	61-90 days £000	91+ days £000
2012	1,340	264	709	154	64	149
2011	1,019	234	509	171	–	105

Of the trade receivables that are neither past due nor impaired by value, 8.7% (2011: 2.7%) reflect new customers with no previous history of default, 89.1% (2011: 86.1%) represent existing customers with no history of default and 2.2% (2011: 11.2%) represent existing customers with some history of default.

22. NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Non current assets classified as held for sale	755	–	755	–

At 2 April 2012, two properties were classified as held for sale (2011: none). One property has been sold subsequent to the period end and the other property sale is expected to be completed within one year. The value of property and equipment held for sale represents the expected net disposal proceeds. This includes an upward revaluation of £165,000 which is included in the revaluation reserve within equity. Both properties are included in the tenanted houses segment.

During the period, two properties were transferred from property and equipment (2011: none) to non current assets classified as held for sale.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Trade payables	9,859	11,769	9,304	10,047
Amounts owed to subsidiaries	–	–	–	565
Other related parties: Ram Brewery Trust General Fund	–	–	325	295
Other tax and social security	5,551	4,375	5,249	3,876
Other creditors	4,739	5,462	4,118	3,959
Accruals and deferred income	5,991	4,575	5,260	3,786
	26,140	26,181	24,256	22,528

All trade payables are payable on demand and the carrying values above equate to fair value.

24. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

The group's capital management objective is to maintain an optimal structure, measuring investment opportunities against returning capital to shareholders, but with an appropriate level of gearing. This provides a platform from which the group can seek to maximise shareholder value. The group monitors its capital using gearing ratios, net debt as a multiple of EBITDA and interest cover. The group finances the business with a mixture of equity (note 27) and debt (note 28).

The group's principal treasury objective is to manage financial risks and provide secure and competitively priced funding for the group's activities. When appropriate, the group uses financial instruments and derivatives to manage these risks.

The borrowing requirements are met largely by bank debt and, to a very small extent, finance leases. Other sources of funding arise directly from trading activities, such as trade and other payables.

The main financial risks relate to interest rates, credit and liquidity. The board seeks to manage these in the following manner:

Interest rate risk

The objective is to minimise the group's interest cost and provide protection from adverse movements in interest rates. The board does this by maintaining a mix of debt at fixed and variable interest rates. Interest rate swaps are used to help manage this exposure by fixing interest rates whilst matching the maturity profile and cash flows of the underlying debt. These swaps are designated as cash flow hedges.

The following table demonstrates the sensitivity of the group's profit before tax to a change in interest rates, with all other variables held constant.

	Increase/ decrease in basis points	Effect on profit before tax £000
2012	+100	(218)
	–50	109
2011	+100	(232)
	–50	116

Credit risk

The objective is to minimise the group's costs relating to credit risk. Such risks arise where counterparties default on their debts or other obligations which would impair the group's ability to recover the carrying value of that asset. The group has financial control policies which it follows before entering into arrangements with a new counterparty or when there is a substantial change in the existing relationship. Any potential impairments are monitored and, where appropriate, provision is made for any irrecoverable balances. The company is not considered to have any exposure to credit risk from amounts due from subsidiaries.

Liquidity and cash flow risk

The objective is to ensure that the group has sufficient financial resources to develop its existing business and exploit opportunities as they arise. The board manages liquidity risk by ensuring that the group's debt profile is long dated, facilities are committed and the group does not rely unduly on short term borrowings. The group's borrowings are dependent on certain financial covenants being met. If these were breached, funding could be withdrawn leaving the group with insufficient working capital and if the group were unable to find other alternative sources of funding it may not be possible to continue trading in its current form. The board is vigilant in managing the business, assessing and monitoring acquisitions and investments, and forecasting the group's profit and cash flows. The funding position of the group is continuously reviewed against the headroom in the group's borrowing facilities.

Other risks that the group faces are referred to in the principal risks and uncertainties section starting, on page 14.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(a) Derivative financial instruments: interest rate swaps

	Group and company	
	2012	2011
	£000	£000
Financial liability – interest rate swaps	(12,223)	(4,008)
(Loss)/profit on cash flow hedge taken to equity	(8,215)	282

The group has a number of interest rate swaps that fix future interest cash flows on the variable interest rate bank loans. These instruments result in the group paying fixed interest rates on the notional amount for the swap's life. The swaps are being used to hedge the exposure to changes in the group's cash flows on its variable rate loans due to changes in LIBOR. The secured loans and the interest rate swaps have the same critical terms over their relevant period.

The duration of each swap, and its respective interest rates once combined with the bank's margin and other costs, are detailed in part (b) of this note.

(b) Loans, borrowing, interest rates and fair values

	Term or expiry date	Effective interest rate	Period rate fixed	Group and company			
				Fair value	Fair value	Book value	Book value
				2012 £000	2011 £000	2012 £000	2011 £000
Secured							
£20 million loan swapped into fixed rate	March 2018	4.58 %	6 years	22,492	20,672	19,916	19,891
£30 million loan swapped into fixed rate	March 2023	5.97 %	11 years	37,660	33,577	29,873	29,837
£50 million loan swapped into fixed rate	December 2013 to 2015	4.51 %	2 to 4 years	52,071	49,759	49,747	49,673
£50 million revolving credit facility	December 2015	Variable	None	21,747	24,842	21,747	24,842
				133,970	128,850	121,283	124,243
Unsecured							
Finance leases						700	704
Financial liabilities						121,983	124,947
Current financial liabilities						(5)	(2,672)
Non current financial liabilities						121,978	122,275

The secured borrowings are secured on the assets of the group.

The fair values of borrowings and interest rates derivatives are estimates based on prevailing market rates of interest and expected future cash flows arising from those instruments.

Bank overdrafts

Bank overdrafts are used for day to day cash management. The group has a £5 million overdraft facility with interest linked to the base rate.

Bank loan

The group has a bilateral £50 million term loan with the Royal Bank of Scotland and a £50 million syndicated facility with the Royal Bank of Scotland and Barclays. The bilateral is repayable as to £20 million on 28 March 2018 and as to £30 million on 28 March 2023. The syndicated loan is repayable in two instalments of £10 million on 15 December 2013 and 15 December 2014 with a final £30 million repayment on 15 December 2015. An interest rate swap has been entered into in respect of all these bank loans which results in the effective interest charge being fixed at the rates disclosed above.

Revolving credit facility

The group has a £50 million revolving credit facility with the Royal Bank of Scotland and Barclays of which £22 million was drawn at the period end. Final repayment of the total drawn down balance is due as one payment on 15 December 2015. This is a committed facility which permits drawings of different amounts and periods. These drawings carry interest at a margin above LIBOR, with a commitment payment on the undrawn portions. Interest is payable at each renewal date.

(c) Maturity of the group's financial liabilities and expiry of facilities

Maturity of financial liabilities					
2012	Within one year £000	Between one and two years £000	Between two and five years £000	After five years £000	Total £000
Borrowings	4,012	14,012	70,595	61,511	150,130
Trade and other payables	15,850	–	–	–	15,850
Derivative financial instruments	1,712	1,712	4,506	6,244	14,174
	21,574	15,724	75,101	67,755	180,154
2011	Within one year £000	Between one and two years £000	Between two and five years £000	After five years £000	Total £000
Borrowings	2,754	2,754	79,074	56,575	141,157
Trade and other payables	16,344	–	–	–	16,344
Derivative financial instruments	3,362	3,362	10,086	14,226	31,036
	22,460	6,116	89,160	70,801	188,537

The above maturity table includes contractual gross undiscounted cash flows of the borrowings, related interest, net derivatives, finance leases, trade payables and contractual accruals.

(d) Fair value hierarchy for instruments measured at fair value

	Group and company			
	Fair value	Level 1	Level 2	Level 3
	2012 £000	2012 £000	2012 £000	2012 £000
Financial liabilities at fair value				
Interest rate swaps	(12,223)	–	(12,223)	–
	(12,223)	–	(12,223)	–
	Fair value	Level 1	Level 2	Level 3
	2011 £000	2011 £000	2011 £000	2011 £000
Financial liabilities at fair value				
Interest rate swaps	(4,008)	–	(4,008)	–
	(4,008)	–	(4,008)	–

Level 1

Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Fair values measured using inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly.

Interest rate swaps are accounted for at their fair value based on market prices.

Level 3

Fair values measured using inputs for the asset or liability that are not based on observable market data.

(e) Financial assets

Financial assets of the group and the company are not included in this note because their book value approximates their carrying value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. DEFERRED TAX

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Deferred tax assets				
Interest rate swap	(2,934)	(1,042)	(2,934)	(1,042)
Retirement benefit schemes	(2,135)	(2,405)	(2,135)	(2,405)
Other provisions	(179)	(250)	(179)	(250)
Tax losses	(26)	(453)	-	-
Decelerated capital allowances	-	-	(203)	-
	(5,274)	(4,150)	(5,451)	(3,697)
Deferred tax liabilities				
Rolled over gains and property revaluations	52,607	13,832	52,607	13,832
Fair value gains on acquisition of subsidiaries	6,903	8,446	-	-
Accelerated capital allowances	152	1,734	-	1,423
	59,662	24,012	52,607	15,255
Net deferred tax liabilities	54,388	19,862	47,156	11,558

The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 24%. Whilst detailed calculations have not been prepared at this stage, it is estimated that the impact of the remaining annual corporation tax rate reductions from 24% to 22% would be to reduce the value of the group's net deferred tax liabilities at the balance sheet date by approximately £4,532,000 and to reduce the value of the company's net deferred tax liabilities by approximately £3,930,000.

The group has realised capital losses of £6,252,000 (2011: £3,694,000) which are available indefinitely to offset against future capital gains. Deferred tax assets have not been recognised in respect of £1,327,000 (2011: £1,344,000) of these losses because at present it is unclear whether suitable gains will arise in the foreseeable future to utilise these losses.

In addition, the group has unrealised capital losses of £10,236,000 (2011: £9,978,000) of which £1,375,000 have been recognised (2011: £nil) and £8,861,000 (2011: £9,978,000) have not been recognised at present because it is uncertain whether these unrealised losses may be utilised. The company has unrealised capital losses of £7,131,000 (2011: £5,981,000) of which £1,375,000 have been recognised (2011: £nil) and £5,756,000 (2011: £5,981,000) have not been recognised because it is uncertain whether these unrealised losses may be utilised.

26. RETIREMENT BENEFIT SCHEMES

The company operates one defined benefit pension scheme, namely the Young & Co.'s Brewery, P.L.C. Pension Scheme, a defined contribution pension scheme and a post retirement health care scheme.

The contribution to the defined contribution scheme was £227,000 (2011: £225,000).

An independent qualified actuary has updated the most recent actuarial valuations at 5 April 2008 to take account of the requirements of IAS 19 in order to assess the liabilities of the schemes as at 2 April 2012.

The employer contribution to the defined benefit scheme for the period ended 2 April 2012 was £3,129,000 (2011: £3,640,000) plus premiums of £232,000 (2011: £232,000) to the post retirement health care scheme. The current arrangement as regards contribution rates is described in the relevant Schedule of Contributions.

The overall expected rate of return of the scheme assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class.

The defined benefit scheme is closed to new entrants. Consequently the current service cost will increase as the members of that scheme approach retirement.

Future employee contribution rates are projected to be 5% of pensionable earnings. Future employer contribution rates are projected to be 18% of pensionable earnings. The total contributions to the defined benefit scheme in the 2013 financial period are expected to be £2,600,000. The total contributions to the post retirement health care scheme in the 2013 financial period are expected to be £250,000.

The pension scheme assets includes some of the company's A shares with a fair value of £4,498,000 (2011: £4,074,000). There are no property assets of the scheme occupied by the company.

Assumptions

	Pension		Health care	
	2012 %	2011 %	2012 %	2011 %
Rate of increase in salaries	4.20	4.60	N/A	N/A
Discretionary pension increases	3.20	3.60	N/A	N/A
Rate of revaluation of deferred pensions	2.20	3.00	N/A	N/A
Discount rate	4.95	5.55	4.95	5.55
Inflation	3.20	3.60	3.20	3.60
General medical expenses inflation	N/A	N/A	9.00	9.00

Mortality assumptions

The life expectancies underlying the valuation are as follows:

	2012 Years	2011 Years
Current pensioners (at age 65) – males	22.6	21.9
Current pensioners (at age 65) – females	25.0	24.2
Future pensioners (at age 65) – males	24.5	23.0
Future pensioners (at age 65) – females	26.9	25.1

A one percentage point change in the assumed rate of increase in health care costs would have the following effects:

	Increase £000	Decrease £000
Effect on the aggregate service cost and interest cost	28	(24)
Effect on defined benefit obligation	502	(428)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Movement in scheme deficits in the period

	Group and company					
	Pension scheme £000	2012 Health care scheme £000	Total £000	Pension scheme £000	2011 Health care scheme £000	Total £000
(a) Changes in the present value of the pension schemes are as follows:						
Opening deficit	(3,572)	(4,020)	(7,592)	(9,947)	(4,174)	(14,121)
Current service cost	(730)	(10)	(740)	(999)	(9)	(1,008)
Contributions	3,129	232	3,361	3,640	232	3,872
Other finance income/(cost)	986	(217)	769	662	(225)	437
Actuarial (losses)/gains	(3,615)	(473)	(4,088)	3,072	156	3,228
Closing deficit	(3,802)	(4,488)	(8,290)	(3,572)	(4,020)	(7,592)

(b) Recognised in the income statement

Current service cost included in operating costs	(730)	(10)	(740)	(999)	(9)	(1,008)
Expected return on pension scheme assets	5,926	–	5,926	5,661	–	5,661
Interest on pension liabilities	(4,940)	(217)	(5,157)	(4,999)	(225)	(5,224)
Other finance income/(charge)	986	(217)	769	662	(225)	437

(c) Recognised in statement of comprehensive income

Actual return less expected return on scheme assets	627	–	627	(262)	–	(262)
Experience gains/(losses) arising on the scheme liabilities	859	(24)	835	2,806	156	2,962
Changes in assumptions underlying the scheme liabilities	(5,101)	(449)	(5,550)	528	–	528
Actuarial (losses)/gains recognised	(3,615)	(473)	(4,088)	3,072	156	3,228

(d) Movements in the present value of defined benefit obligations during the period

Opening defined benefit obligations	90,445	4,020	94,465	91,379	4,174	95,553
Current service cost	730	10	740	999	9	1,008
Interest on obligation	4,940	217	5,157	4,999	225	5,224
Contributions by scheme members	107	–	107	145	–	145
Actuarial losses/(gains) on obligations	4,242	473	4,715	(3,334)	(156)	(3,490)
Benefits paid	(3,710)	(232)	(3,942)	(3,743)	(232)	(3,975)
Present value of scheme liabilities	96,754	4,488	101,242	90,445	4,020	94,465

(e) Change in fair value of scheme assets

Opening fair value of scheme assets	86,873	–	86,873	81,432	–	81,432
Expected return on scheme assets	5,926	–	5,926	5,661	–	5,661
Actuarial gains/(losses) on scheme assets	627	–	627	(262)	–	(262)
Contributions by employer	3,129	232	3,361	3,640	232	3,872
Contributions by scheme members	107	–	107	145	–	145
Benefits paid	(3,710)	(232)	(3,942)	(3,743)	(232)	(3,975)
Fair value of scheme assets	92,952	–	92,952	86,873	–	86,873

Pension scheme and health care scheme assets, liabilities and expected rates of return

	Group and company			
	Expected rates of return		Assets and liabilities	
	2012 %	2011 %	2012 £000	2011 £000
Equities	7.00	8.25	22,358	21,869
Diversified growth fund	7.00	8.25	18,905	18,894
Absolute return	5.50	N/A	1,624	N/A
Corporate bonds	5.15	5.75	35,018	31,241
Insured pensions	4.95	5.55	14,512	13,747
Other	2.00	2.00	535	1,122
Total fair value of assets			92,952	86,873
Present value of retirement benefit liabilities			(101,242)	(94,465)
Scheme deficit			(8,290)	(7,592)

The long term weighted average rate of return on scheme assets at 2 April 2012 is 5.93% (2011: 6.84%).

History of experience gains and losses

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Fair value of scheme assets	92,952	86,873	81,432	65,070	79,261
Present value of defined benefit obligations	(101,242)	(94,465)	(95,553)	(76,823)	(84,349)
Deficit in the schemes	(8,290)	(7,592)	(14,121)	(11,753)	(5,088)
Experience gains/(losses) arising on scheme liabilities	835	2,962	(365)	5,883	(613)
Experience gains/(losses) arising on scheme assets	627	(262)	13,869	(16,973)	(10,413)

The cumulative amount of actuarial gains and losses recognised since 2 April 2006 in the statement of comprehensive income is a £16,856,000 loss (2011: £12,768,000 loss). The directors are unable to determine how much of the pension scheme deficit of £5,898,000 recognised on transition to IFRS and taken directly to equity is attributable to actuarial gains and losses since inception of those pension scheme. Consequently, the directors are unable to determine the amount of actuarial gains and losses that would have been recognised in the statement of comprehensive income before 2 April 2006.

The sensitivities regarding the principal assumptions used to measure the scheme's liabilities are set out below. The illustrations consider the single change shown with the other assumptions assumed to be unchanged. In practice, changes in one assumption may be accompanied by offsetting changes in another assumption. Changes in market values may also occur at the same time as the changes in assumptions and may or may not offset them.

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.5%	Decrease/increase by 8.6%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 7.6%
Life expectations	Increase by 1 year	Increase by 3.2%

27. SHARE CAPITAL AND RESERVES

	2012 and 2011 Shares	2012 and 2011 £000
Issued and fully paid shares		
A shares of 12.5p each	29,064,000	3,633
Non voting shares of 12.5p each	19,160,000	2,395
	48,224,000	6,028

The two classes of shares are equal in all respects, except that the non voting shares do not carry the right to receive notices of general meetings or to attend, speak or vote at them.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. NET CASH GENERATED FROM OPERATIONS AND ANALYSIS OF NET DEBT

	Group		Company	
	2012 52 weeks £000	2011 53 weeks £000	2012 52 weeks £000	2011 53 weeks £000
(Loss)/profit before tax on continuing operations	(7,494)	13,294	(13,335)	7,380
Net finance cost	5,598	4,006	4,834	3,597
Other finance income	(769)	(437)	(769)	(437)
Operating (loss)/profit on continuing operations	(2,665)	16,863	(9,270)	10,540
Depreciation	11,840	10,031	9,006	8,941
Movement on revaluation of properties	29,110	–	27,242	–
Impairment of property	–	1,882	–	1,882
Profit on sales of properties	(1,306)	(542)	(1,306)	(542)
Difference between pension service cost and cash contributions paid	(2,621)	(2,864)	(2,621)	(2,864)
Amounts due from subsidiaries waived	–	–	6,080	5,643
Provision for capital gains tax on ESOP allocated shares	152	166	152	166
Movements in working capital				
Inventories	(119)	25	(63)	(43)
Receivables	442	257	459	(2,002)
Payables	(232)	3,925	1,556	4,111
Net cash generated from operations	34,601	29,743	31,235	25,832

Analysis of net debt

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Cash	3,914	2,332	2,577	112
Loan capital and finance leases	(121,983)	(124,947)	(121,983)	(124,947)
Net debt	(118,069)	(122,615)	(119,406)	(124,835)

29. RELATED PARTY TRANSACTIONS

Balances and transactions between the company and its wholly owned subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. These are on an arms' length basis and disclosed in notes 21 and 23.

Directors

Directors' emoluments and retirement benefits are disclosed in notes 8(b) and 8(c). Directors' shareholdings and interests are disclosed or referred to on page 18 and in note 8(d).

Rupert Clevely and his wife, Jo Clevely:

- reside from time to time, free of charge, in accommodation above one of the group's pubs in London – the value of the benefit was £9,050 (2011: £2,870) and is included in the "Benefits" column for Rupert Clevely in note 8(b);
- are lessees of a property in London from which the group operates one of its pubs – they hold the property on trust for two companies within the group jointly and, as part of that arrangement, those companies have agreed to indemnify Rupert and Jo Clevely in respect of certain liabilities relating to the property and the lease under which it is held; and
- are entitled to be reimbursed for certain liabilities, costs and expenses that may be incurred by them pursuant to or in connection with certain pub related guarantees given by them – the guarantees are not expected to be called on.

Rupert Clevely and four other members of his family own a 50% share of Rogers and Rufus Pty Limited, an Australian wine producer. That company provides wine to the group for sale in its pubs via an intermediary wine supplier on an arm's length basis. Goods purchased by the group totalled £54,011 (2011: £4,317). No amount was outstanding at 2 April 2012 (2011: £nil).

Jo Clevely Design Limited, a company owned and controlled by Jo Clevely, provides interior design services for some of the group's pubs. For these services (and inclusive of expenses and reimbursement for items of furniture purchased on behalf of the group), that company has received £202,713 (2011: £34,813). £20,580 was outstanding at 2 April 2012 (2011: £nil).

No other transactions requiring disclosure have been entered into with the directors.

Former director

Roy Summers, a former non-executive director, has agreed to advise on the quality of the company's own-brand beers brewed by the company's former associate, Wells & Young's Brewing Company Limited, in Bedford, and also to assist with quality monitoring. For these services (and inclusive of expenses), he has received £7,854 (2011: £16,242). No amount was outstanding at 2 April 2012 (2011: £nil).

Pension scheme and trusts

In 1959, the Ram Brewery Trust was established. It has two parts, namely:

- the General Fund. This holds assets and makes payments to or for the benefit of employees. It is managed by a corporate trustee, Ram Brewery Trustees Limited, none of the directors of which is a director of the company. As at 2 April 2012, the General Fund held nil A shares (2011: nil).
- the Pension Fund (now renamed and known as the Young & Co.'s Brewery, P.L.C. Pension Scheme). This provides pensions and other benefits to employees of the group and certain other individuals. It is managed by a corporate trustee, Young's Pension Trustees Limited ("YPTL"). Torquil Sligo-Young, a director of the company, and two other individuals, neither of whom is a director of the company, are the directors of YPTL. As at 2 April 2012, the Young & Co.'s Brewery, P.L.C. Pension Scheme held 702,769 A shares (2011: 726,906), being 2.42% of the class.

In 2008, the Ram Brewery Trust II was established. It holds assets for the benefit of employees and former employees, principally reflecting their accrued entitlement to A shares under the group's now closed profit sharing scheme – see note 8(d). The shares are all fully vested and are not therefore disclosed as an investment in own shares in the group's financial statements. The Ram Brewery Trust II is managed by a corporate trustee, RBT II Trustees Limited ("RBT II"). Torquil Sligo-Young, a director of the company, and Roy Summers, a former non-executive director of the company, are the directors of RBT II. As at 2 April 2012, the trust held 762,284 A shares (2011: 869,412), being 2.62% of the class.

Key management

The group considers key management personnel to be solely the directors of the company as they are the only people with authority and responsibility for planning, directing and controlling the activities of the group. The compensation provided to the directors is detailed in note 8.

Majority owned subsidiary

Sticky Fingers Food Limited ("SFFL"), a majority owned subsidiary of the group, provides food to the group for sale in its pubs. Goods purchased by the group totalled £472,781 (2011: £291,966). £57,321 was outstanding at 2 April 2012 (2011: £69,658).

The group performs payroll and administration functions on behalf of SFFL. For these services, the group has charged £319,387 (2011: £268,306). £144,990 was outstanding at 2 April 2012 (2011: £76,275).

As part of the arrangements entered into when the SFFL venture was set up, in 2010, SFFL borrowed £53,000 from Geronimo Inns Limited. The whole of that amount remains outstanding.

Former associate

The group has agreed to purchase the majority of its drinks for its pub estate from its former associate, Wells & Young's, at commercial market prices. This arrangement is terminable on two year's notice which may only be given by the group on or after 30 September 2013. The group disposed of its entire 40% share in Wells & Young's in August 2011. Listed below are the transactions between the group and Wells & Young's up until the date of disposal:

	2012 £000	2011 £000
Purchase of beer, wines and spirits for resale by the group	(10,450)	(26,761)
Other charges made to the group	–	(336)

All transactions arise in the normal course of business on an arm's length basis.

30. OBLIGATIONS UNDER LEASES**(a) Obligations under finance leases**

Finance leases for property are for terms ranging from 50 to 999 years. Minimum lease payments for most leases are nominal amounts. Leases do not have a purchase option but most are renewable at the lessee's option at the end of the lease term. Equipment is leased over terms of up to five years.

Future minimum lease payments under finance leases are as follows:

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Future minimum lease payments due:				
Not later than one year	47	47	47	47
Later than one year and not later than five years	190	190	190	190
Later than five years	2,755	2,802	2,755	2,802
	2,992	3,039	2,992	3,039
Less: finance charges allocated to future years	(2,292)	(2,335)	(2,292)	(2,335)
	700	704	700	704

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. OBLIGATIONS UNDER LEASE (CONTINUED)

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
The present value of minimum lease payments is analysed as follows:				
Not later than one year	5	5	5	5
Later than one year and not later than five years	25	24	25	24
Later than five years	670	675	670	675
	700	704	700	704

Future minimum rentals receivable from non cancellable subleases on the above properties as at 2 April 2012 were £1,248,000 (2011: £1,304,000).

(b) Operating lease agreements where the group is lessee

Operating leases for property are for terms ranging from seven to 50 years. Minimum lease payments are typically reviewed every five years and are based on a percentage of turnover or a negotiated rate per square foot. Most property leases are renewable at the lessee's option at the end of the lease term. Equipment is leased over terms of up to five years.

Future minimum rentals payable under non cancellable operating leases are as follows:				
Not later than one year	6,267	5,603	2,141	2,276
Later than one year and not later than five years	18,856	18,508	7,635	8,054
Later than five years	39,690	35,535	19,504	19,304
	64,813	59,646	29,280	29,634

Future minimum rentals receivable from non cancellable subleases on the above properties as at 2 April 2012 were £1,009,000 (2011: £1,262,000).

(c) Operating lease agreements where the group is lessor

The group leases licensed properties to third party tenants. These non cancellable lease terms are over terms varying from three to 25 years.

Future minimum rentals receivable under non cancellable operating leases are as follows:				
Not later than one year	3,179	3,805	3,179	3,805
Later than one year and not later than five years	4,749	5,633	4,749	5,633
Later than five years	8,164	8,337	8,164	8,337
	16,092	17,775	16,092	17,775

31. POST BALANCE SHEET EVENTS

There were no post balance sheet events.

32. CONTINGENT ASSET

In a prior period, following the House of Lords' ruling in the Condé Nast/Fleming cases removing the three year limit on VAT reclaims, the company lodged a claim for repayment of VAT on gaming machine receipts on the basis that application of the VAT rules was not consistent and breached fiscal neutrality. In a subsequent prior period, the company made a further claim for repayment of VAT on similar grounds of fiscal discrimination. Both claims stand behind the Rank case on fiscal neutrality and gaming machines. On 10 November 2011, the European Court of Justice (ECJ) ruled on the Rank case, however the ECJ's decision on amusement machine receipts was not conclusive and the appeal was referred back to the UK courts. Therefore, the outcome of both of the company's claims are uncertain. In addition, the company's claims were based on management's best estimates from the information available and the company expects the valuation of the claim to be reviewed by HMRC if any settlement is reached.

The group and company have not recognised any revenue from the claims in the financial statements for the period ended 2 April 2012.

33. CONTINGENT LIABILITIES

There were no contingent liabilities at the current or prior period balance sheet date.

NOTICE OF MEETING

If you hold any A shares, this notice is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this notice or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser. If you have sold or otherwise transferred all of your shares, please pass this copy of the annual report, and any proxy form and business reply envelope that came with it, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass it or them to the person who now holds the shares.

If you hold any A shares, you should have received a proxy form for use at the meeting. Guidance notes on how to complete it, and on other matters, are given on the form itself and in the notes to this notice. Whether or not you propose to attend the meeting, please complete and submit the proxy form. It must be received by Computershare Investor Services PLC by 11.30am on Sunday, 8 July 2012. Appointing a proxy does not stop you from attending the meeting and voting. An admission card is attached to the proxy form; please bring this with you to the meeting.

If you do not hold any A shares, this notice is for information purposes only.

Notice is hereby given that the 123rd annual general meeting of Young & Co.'s Brewery, P.L.C. (the "Company") will be held in the Civic Suite in Wandsworth Town Hall, Wandsworth High Street, Wandsworth, London SW18 2PU on Tuesday, 10 July 2012 at 11.30am for the following purposes:

Ordinary resolutions

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company's annual accounts for the financial year ended 2 April 2012, together with the directors' report and the auditor's report on those accounts and that directors' report.
2. To declare a final dividend of 7.25p per share for the financial year ended 2 April 2012.
3. That Ernst & Young LLP be, and is hereby, re-appointed as the Company's auditor for the financial year starting 3 April 2012.
4. That the directors be, and are hereby, authorised to fix the remuneration of the Company's auditor.
5. That Torquil Sligo-Young be, and is hereby, re-appointed as a director.
6. That Peter Whitehead be, and is hereby, re-appointed as a director.
7. That Roger Lambert be, and is hereby, re-appointed as a director.
8. That David Page be, and is hereby, re-appointed as a director.
9. That the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be, and are hereby, authorised to:
 - (a) make political donations to political parties, not exceeding £50,000 in total;
 - (b) make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
 - (c) incur political expenditure, not exceeding £50,000 in total;
 in each case at any time during the period starting with the date this resolution is passed and ending at the end of next year's annual general meeting (or, if earlier, at the close of business on 30 September 2013) but the aggregate amount of political donations and political expenditure that may be made and incurred by the Company and its subsidiaries pursuant to this authority must not exceed £50,000.

Note: for the purposes of this resolution, "political donation" has the meaning given in section 364 of the Companies Act 2006, "political expenditure" has the meaning given in section 365 of the Companies Act 2006 and reference to a "political party" or to a "political organisation" is to a party or to an organisation to which Part 14 of the Companies Act 2006 applies.
10. That the directors be, and are hereby, authorised to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:
 - (a) up to a nominal amount of £2,009,333 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of such sum); and
 - (b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £4,018,666 (such amount to be reduced by the nominal amount allotted or granted under paragraph (a) above) in connection with an offer by way of a rights issue:
 - (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

NOTICE OF MEETING (Continued)

such authorities to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 30 September 2013) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for, or to convert securities into, shares to be granted after the authority ends and the directors may allot shares or grant rights to subscribe for, or to convert securities into, shares under any such offer or agreement as if the authority had not ended.

Special resolutions

To consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

11. That if resolution 10 is passed, the directors be, and are hereby, given power to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authorities given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:
- (a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 10, by way of a rights issue only):
 - (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
 - (b) in the case of the authority granted under paragraph (a) of resolution 10 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £301,400,
- such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 30 September 2013) but during this period the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.
12. That the Company be, and is hereby, authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 12.5p each ("Ordinary Shares"), such power to be limited:
- (a) to a maximum number of 4,822,400 Ordinary Shares (which may be all A shares, all non-voting shares or a mix); and
 - (b) by the condition that, in each case exclusive of expenses, the minimum price which may be paid for an Ordinary Share is the nominal amount of that share and the maximum price which may be paid for an Ordinary Share is an amount equal to five per cent. above the average of the middle market quotations for that share as derived from the AIM appendix to the London Stock Exchange's Daily Official List for the five business days immediately preceding the day on which that share is contracted to be purchased,
- such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 30 September 2013) but during this period the Company may enter into a contract to purchase Ordinary Shares which would, or might, be executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

By order of the board

Anthony Schroeder
Company Secretary
23 May 2012

Young & Co.'s Brewery, P.L.C.
Registered office:
Riverside House,
26 Osiers Road,
Wandsworth,
London SW18 1NH
Registered in England and Wales No. 32762

Notes

Entitlement to attend, speak and vote at the meeting

To be entitled to attend, speak and vote at the meeting (and for the purpose of determining the number of votes you may cast), your name must be entered in that part of the register of members relating to holders of A shares at 7am on Monday, 9 July 2012 (or, in the event of any adjournment, at 7am on the day before the day of the adjourned meeting).

What you need to bring

If you come to the meeting, please bring with you the admission card attached to the proxy form.

Appointment of proxies

If you hold any A shares, you may appoint a proxy to exercise all or any of your rights to attend and to speak and vote on your behalf at the meeting. You can do this by completing the proxy form which came with this document. If you did not receive a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars. To be valid, your proxy form must be received by the Company's registrars no later than 11.30am on Sunday, 8 July 2012.

Who to appoint as a proxy

A proxy does not have to be a member of the Company but must attend the meeting for your vote to be counted and to otherwise represent you. Your proxy could be the chairman of the meeting, a director of the Company or someone you know personally who has agreed to attend and represent you. If you appoint a proxy, you may still attend the meeting.

Multiple proxies

You may appoint more than one proxy in relation to the meeting provided each proxy is appointed to exercise the rights attached to a different A share or different A shares held by you. A space has been included in the proxy form to allow you to specify the number of A shares in respect of which that proxy is appointed. If you return the proxy form duly executed but leave this space blank, you will be deemed to have appointed the proxy in respect of all of your holding of A shares. If you wish to appoint more than one proxy in respect of your A shares, you should contact the Company for further proxy forms or photocopy the form as required; you should also read the notes on the proxy form relating to the appointment of multiple proxies.

The following principles apply in relation to the appointment of multiple proxies:

- (a) The Company will give effect to your intentions and include votes wherever and to the fullest extent possible.
- (b) Where a proxy does not state the number of A shares to which it applies (a "blank proxy") then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of A shares registered in your name ("your entire holding"). If there is a conflict between a blank proxy and a proxy which does state the number of A shares to which it applies (a "specific proxy"), the specific proxy will be counted first, regardless of the time it was sent or received (on the basis that as far as possible the conflicting forms of proxy should be judged to be in respect of different A shares) and remaining A shares will be apportioned to the blank proxy (pro rata if there is more than one).
- (c) Where there is more than one proxy appointed and the total number of A shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different A shares, rather than that conflicting appointments have been made in relation to the same A shares; that is, there is only assumed to be a conflict where the aggregate number of A shares in respect of which proxies have been appointed exceeds your entire holding.
- (d) When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time to minimise the number of conflicting proxies.
- (e) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them will be treated as valid.
- (f) Where the aggregate number of A shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the Company's registrars or the Company will take steps to try to clarify the situation with you should time permit. If this is not possible, none of your proxies will be treated as valid.
- (g) If you appoint a proxy or proxies and then decide to attend the meeting in person and vote in person, then the vote in person will override any proxy vote. If the vote in person is on a poll and is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting on a poll in respect of less than your entire holding, then if you indicate on your poll card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.

NOTICE OF MEETING (Continued)

(h) In relation to paragraph (g), if you do not specifically revoke proxies, it will not be possible for the Company to determine the intentions of you in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.

Changing proxy instructions

To change your proxy instructions, you need to submit a new proxy appointment – further copies can be obtained from the Company. However, in doing so, you should be aware of the principles that apply to multiple proxies – see the note headed [Multiple proxies](#). If you are in any doubt as to what to do where you wish to change your proxy instruction, please contact the Company's registrars or your stockbroker, solicitor, accountant or other professional adviser.

Termination of proxy appointments

If you wish to revoke your proxy instruction, you must send to the Company's registrars a signed hard copy notice clearly stating your intention to revoke your proxy appointment. If you are a corporation, the revocation notice must be executed under your common seal or signed on your behalf by an officer of you or an attorney for you. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrars before the start of the meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject as follows, your proxy appointment will remain valid. Appointing a proxy does not stop you from attending the meeting and voting. If you appoint a proxy and attend the meeting, your proxy appointment will automatically be terminated.

Multiple corporate representatives

If you are a corporation, you may appoint one or more corporate representatives who may exercise on your behalf all your powers as a member provided they do not do so in relation to the same A shares.

Name and address of the Company's registrars

The Company's registrars are Computershare Investor Services PLC. They can be contacted at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.

Display documents

The following will be available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) from the date of this notice until 10am on the day of the meeting:

- copies of the executive directors' service contracts; and
- copies of the letters of appointment of the non-executive directors.

After 10am on the day of the meeting, these documents will be available for inspection in the Civic Suite in Wandsworth Town Hall, Wandsworth High Street, Wandsworth, London SW18 2PU until the end of the meeting.

Communication

Any address or number used for the purpose of sending or receiving documents or information by electronic means that is referred to in the Company's annual report 2012 or any proxy form for the Company's 123rd annual general meeting may not be used to communicate with the Company for any purpose other than any expressly stated.

EXPLANATORY NOTES TO THE NOTICE OF MEETING

Notice of the 123rd annual general meeting of Young & Co.'s Brewery, P.L.C. (the "Company") to be held on Tuesday, 10 July 2012 is set out on pages 57 to 60. The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole; accordingly, the Company's board of directors will be voting in favour of them and unanimously recommends that all A shareholders do so as well.

Resolutions 1 to 10 are ordinary resolutions; this means that for each of those resolutions to be passed, more than half of the votes cast must be in favour.

Resolution 1: annual accounts and reports

The directors have to lay copies of the Company's annual accounts, the directors' report and the auditor's report on those accounts and that directors' report before you at a general meeting; this is a legal requirement.

Resolution 2: final dividend

An interim dividend of 6.68p per share was paid in December 2011. The directors are recommending a final dividend of 7.25p per share for the year ended 2 April 2012, bringing the total dividend for the year to 13.93p per share. Subject to approval being given, the final dividend is expected to be paid on 12 July 2012 to shareholders on the register at the close of business on 8 June 2012.

Resolution 3: re-appointment of auditor

An auditor is required to be appointed for each financial year of the Company. Ernst & Young LLP, the Company's current auditor, has agreed to serve for the current financial year and its re-appointment is therefore being proposed.

Resolution 4: auditor's remuneration

In accordance with normal practice, the directors are asking for your authority to determine the auditor's remuneration.

Resolutions 5-8: re-appointments of directors

Each of Torquil Sligo-Young, Peter Whitehead, Roger Lambert and David Page will be retiring automatically from the office of director at the meeting; this is because he held that position at the last two annual general meetings and did not retire at either of them. Each of these individuals is seeking re-appointment and his brief biographical details are on page 13.

Resolution 9: political donations etc.

This resolution seeks renewal of the existing authority for the Company and its subsidiaries to make or incur certain political donations and political expenditure. Although there is no intention to make or incur such donations or expenditure, the legislation is very broadly drafted and may catch activities such as funding seminars and other functions to which politicians are invited and supporting certain bodies involved in policy review and law reform. The authority given by this resolution will be capped at £50,000 in total.

Resolution 10: general power to allot

This resolution effectively seeks renewal of the directors' existing authority to allot shares and grant rights. Paragraph (a) of this resolution would give the directors the authority to allot shares or grant rights to subscribe for, or to convert any securities into, shares up to an aggregate nominal amount equal to £2,009,333 - this amount represents approximately one-third of the Company's issued share capital as at 22 May 2012 (but would be reduced by the nominal amount of any shares allotted

or rights granted under paragraph (b) of this resolution in excess of £2,009,333). In line with guidance issued by the Association of British Insurers, paragraph (b) of this resolution would give the directors authority to allot shares or grant rights to subscribe for, or to convert any securities into, shares in connection with a rights issue in favour of shareholders up to an aggregate nominal amount equal to £4,018,666, as reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution - this amount (before any reduction) represents approximately two-thirds of the Company's issued share capital as at 22 May 2012. Therefore the maximum nominal amount of shares and rights that may be allotted or granted under this resolution is £4,018,666. The authorities sought under paragraphs (a) and (b) of this resolution will expire at the end of next year's annual general meeting (or, if earlier, the close of business on 30 September 2013). The directors have no present intention to exercise either of the authorities sought under this resolution other than in respect of any one or more of the Company's employees' share schemes. As at the date of the notice, no shares are held by the Company in treasury.

Resolutions 11 and 12 are special resolutions; this means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

Resolution 11: general power to disapply

This resolution effectively seeks renewal of the directors' existing power to allot shares (or sell any shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings. This authority would be, similar to previous years, limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the directors otherwise consider necessary, or otherwise up to an aggregate nominal amount of £301,400. This aggregate nominal amount represents five per cent. of the Company's issued share capital as at 22 May 2012. The power sought under this resolution will expire at the end of next year's annual general meeting (or, if earlier, the close of business on 30 September 2013).

Resolution 12: authority to undertake market purchases of own shares

This resolution effectively seeks renewal of the Company's existing authority to make market purchases of not more than 4,822,400 of its shares, being no more than ten per cent. of its issued share capital as at 22 May 2012. The authority sought under this resolution will expire at the end of next year's annual general meeting (or, if earlier, the close of business on 30 September 2013). The directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to be earnings enhancing. Any shares purchased pursuant to this authority will be held in treasury or be cancelled. The minimum price, exclusive of expenses, which may be paid for a share is its nominal value. The maximum price, exclusive of expenses, which may be paid for a share is an amount equal to 105% of the average of the middle market quotations for that share for the five business days immediately preceding the date of the purchase. No warrants or options to subscribe for share capital are outstanding.

FIVE YEAR REVIEW

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Revenue	178,964	142,597	127,539	126,091	122,124
Operating profit before exceptional items	26,162	21,746	20,307	20,546	20,858
Operating exceptional items and discount of site proceeds	(28,827)	(4,883)	(234)	(10,519)	2,889
Debenture redemption	–	–	–	–	(6,817)
Net finance costs and other finance (charge)/income	(4,829)	(3,569)	(2,844)	(3,281)	(3,988)
(Loss)/profit before tax	(7,494)	13,294	17,229	6,746	12,942
Taxation	2,100	2,555	(5,858)	(2,988)	(4,023)
(Loss)/profit from continuing operations	(5,394)	15,849	11,371	3,758	8,919
(Loss)/profit from discontinued operation	(1,117)	1,964	1,147	(1,684)	1,783
(Loss)/profit for the period	(6,511)	17,813	12,518	2,074	10,702
Adjusted profit before tax	21,333	18,177	17,463	17,265	16,870
Net assets employed					
Non current assets	526,931	356,503	277,506	276,992	277,631
Current assets and assets held for sale	16,205	9,362	10,174	8,760	10,461
Current liabilities	(28,614)	(30,611)	(19,734)	(20,505)	(30,543)
Non current liabilities	(196,879)	(153,737)	(99,332)	(101,036)	(81,278)
	317,643	181,517	168,614	164,211	176,271
Financed by					
Equity share capital	6,028	6,028	6,028	6,028	6,028
Reserves	311,657	175,504	162,586	158,183	170,243
Non controlling interest	(42)	(15)	–	–	–
	317,643	181,517	168,614	164,211	176,271
Purchase of fixed assets and business combinations	25,605	78,614	10,819	24,487	38,055
Net debt	(118,069)	(122,615)	(62,632)	(65,690)	(49,967)
Per 12.5p ordinary share					
Adjusted basic and diluted earnings from continuing operations	33.41p	28.36p	24.92p	23.09p	27.12p
Basic and diluted earnings from continuing operations	-11.13p	32.89p	23.62p	7.84p	18.83p
Dividends – paid in period	13.58p	13.12p	12.87p	12.62p	10.84p
Gearing	37.2%	67.6%	37.1%	40.0%	28.3%
Average number of employees	2,985	2,335	2,059	2,084	2,261

The figures for 2010 and 2009, but not the earlier period, have been restated in respect of deferred tax relating to the group's investment in its former associate, Wells & Young's Brewing Company Limited, a deferred tax liability relating to capital allowances, and the adoption of amendments to IAS 17 Leases.

The figures for 2008 have been restated for the release of deferred tax liabilities on the impairment of property and brands and for the adjustment to the deferred tax liability on industrial buildings allowances.

SENIOR PERSONNEL, COMMITTEES AND ADVISERS

Directors

Nicholas Bryan, B.A., F.C.A.
Non-executive Chairman

Stephen Goodyear
Chief Executive

Torquil Sligo-Young
Human and Information Resources

Peter Whitehead, F.C.A.
Finance

Patrick Dardis
Retail

Rupert Clevely
Managing Director Geronimo Inns

Roger Lambert, M.A.
Non-executive Senior Independent Director

David Page
Non-executive

Company Secretary

Anthony Schroeder

Audit committee

Nicholas Bryan (Chairman)
Roger Lambert
David Page

Remuneration committee

David Page (Chairman)
Nicholas Bryan
Roger Lambert

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Royal Bank of Scotland Group plc
Corporate Banking London
280 Bishopsgate
London EC2M 4RB

Barclays Bank plc
1 Churchill Place
London E14 5HP

Nominated adviser and stockbroker

J.P. Morgan Securities Limited
10 Aldermanbury
London EC2V 7RF

Solicitors

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Wragge & Co
55 Colmore Row
Birmingham
B3 2AS

SHAREHOLDER INFORMATION

Registrar

The company's registrar is Computershare Investor Services PLC.

If you have questions about your shareholding or if you require other guidance (e.g. to notify a change of address or to give instructions for dividends to be paid directly into a bank account), please contact Computershare.

All requests to amend account details must be made in writing to:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

You can also contact Computershare by telephone on 0870 707 1420

Shareholders can manage their Young's shareholding online at:
www.investorcentre.co.uk

Share dealing service

J.P. Morgan Cazenove
020 7588 2828

The availability of this service should not be taken as a recommendation to deal.

Shareholder offers

Details of shareholder discounts and offers are mailed to shareholders from time to time. Any shareholder who does not wish to receive details of such offers should write to the Company Secretary at the registered office.

Registered office and company number

Riverside House
26 Osiers Road
Wandsworth
London SW18 1NH
Registered number: 32762

Further information

Please visit www.youngs.co.uk

Proposed financial diary 2012

6 June 2012
Ex-dividend date for final dividend

8 June 2012
Record date for final dividend

10 July 2012
Annual general meeting

12 July 2012
Payment of final dividend

22 November 2012
Interim results announcement

28 November 2012
Ex-dividend date for interim dividend

30 November 2012
Record date for interim dividend

14 December 2012
Payment of interim dividend

YOUNG'S PUBS AND HOTELS

Key

Young's managed house unless marked

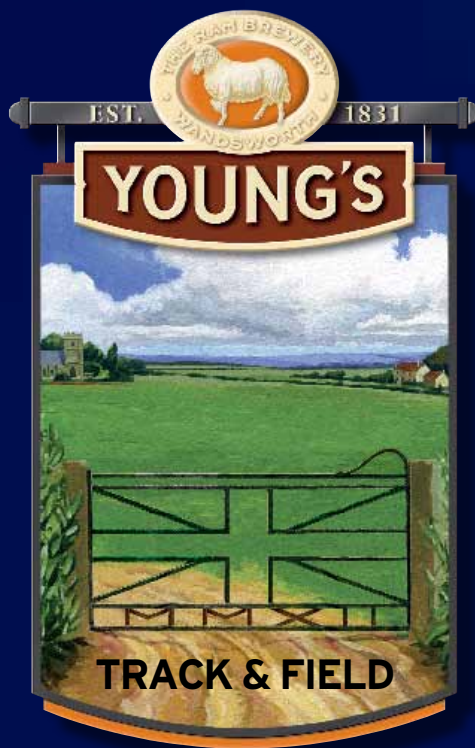
Tenanted pub T

Geronimo pub G

Hotel H

Balham Devonshire Grove Nightingale		Burnham-on-Sea Dunstan House Inn	H	Claygate Foley Arms	H	Fetcham Bell	
Barnes Bull's Head Coach & Horses White Hart	T	Camberwell Grand Union	T	Clerkenwell Sekforde Arms	T	Fitzrovia Adam & Eve One Tun	G
Barnet Lord Nelson	T	Camden Spread Eagle		Congresbury Old Inn	T	Fulham Cock Tavern Duke on the Green	
Battersea Duke of Cambridge Northcote Plough Prince Albert	G G	Carshalton Greyhound	H	Covent Garden Marquess of Anglesey		Greenford Bridge Hotel	H
Bayswater Mitre		Cassington Chequers	T	Croydon Dog & Bull Tamworth Arms	T	Greenwich Richard the First	
Beddington Plough		Castle Cary Horse Pond	T	Dartford Court House Malt Shovel	T T	Hammersmith Brook Green Hotel Hammersmith Ram Old Ship Thatched House	H
Betchworth Dolphin		Catford Catford Ram	T	Dorking Falkland Arms Old House at Home	T T	Hampstead Flask Roebuck	
Blindley Heath Red Barn	G	Chedworth Seven Tuns	T	Dulwich Dulwich Wood House		Harlesden Grand Junction Arms	T
Bloomsbury Calthorpe Arms Lamb	T	Chelmsford O'Connor's Riverside Inn	T H	Ealing Grange		Heathrow Airport Five Tuns Three Bells Tin Goose	G G G
Bognor Regis Waverley		Chelsea Builder's Arms Chelsea Ram Cooper's Arms Hollywood Arms King's Arms Phoenix Surprise Waterside	G G G G G	East Grinstead Ship	T	Hendon Beaufort Greyhound	T
Borough Market Bunch of Grapes		Chertsey Crown Hotel	H	East Sheen Hare & Hounds		Hindon Lamb Inn	T
Bow Coborn Arms Crown	G	Chichester Crown & Anchor		Effingham Plough	T	Isleworth Castle Coach & Horses	T
Bradford-on-Avon Bunch of Grapes	T	Chislehurst Bull's Head Hotel	H	Emsworth Sussex Brewery	T	Islington Castle Duchess of Kent Marquess Tavern	G G T
Brighton Seven Stars		City of London Albion Boisdales City Retreat Dirty Dick's Elephant Lamb Tavern Master Gunner Oyster Shed Paternoster Three Lords White Horse	T T T G T G	Epsom King's Arms Rising Sun	T T	Kensington Britannia Curtains Up Duke of Clarence	G G G
Bristol Bristol Ram Highbury Vaults Horts Rope Walk	T T	Clapham Common Windmill on the Common	H	Exeter City Gate Double Locks	H	Kew Coach & Horses	H
Brixton Grand Union	T	Clapton Princess of Wales	G	Exmouth Grove		Keynsham Lock Keeper	
Broadway, Nr Illminster Bell Inn	T			Farnborough Rose & Crown			
Bromley Two Doves	T						

Kilburn Queen's Arms	T	Pimlico Fox & Hounds Rising Sun	T T	Southampton Mavericks	T	Walton-on-Thames Royal George Swan	T
Kingston Albert Arms Bishop out of Residence Grey Horse Spring Grove	T	Plumpton Green Fountain Inn	T	Southwark Founders' Arms Mulberry Bush Prince William Henry	T	Walton-on-the-Hill Chequers	
Lambeth Surprise	T	Primrose Hill Queens		Staines Bells	T	Wandsworth Alma Armoury Brewers Inn County Arms East Hill Gardeners' Arms Grand Union Grapes Old Sergeant Pig & Whistle Queen Adelaide Ship Spread Eagle Waterfront	H T H G T T T T T
Leatherhead Penny Black		Putney Boathouse Coat and Badge Duke's Head Green Man Half Moon Spotted Horse	G G	Stepney Queen's Head	T	Westminster Buckingham Arms Clarence Morpeth Arms Phoenix Royal Oak	G G T
Lee Crown		Radlett Red Lion Hotel	H	Stockwell Trinity Arms		Weybridge Hand & Spear	
Lingfield Greyhound	T	Redhill Home Cottage William IV	T	Stonebridge Royal Oak	T	Wimbledon Alexandra Bayee Village Crooked Billet Dog & Fox Fire Stables Hand in Hand Rose & Crown	T T
Littleton-on-Severn White Hart		Richmond Lass O'Richmond Hill Marlborough Mitre Old Ship Orange Tree Red Cow Shaftesbury Waterman's Arms White Cross	T T T T T	Stratford Calf (Westfield) Cow (Westfield)	G G	Winchmore Hill Kings Head	G
Maida Vale Prince Alfred		Roehampton Angel	T	Streatham Pied Bull		Witley White Hart	T
Marylebone Lord Wargrave	T	Rotherhithe Ship	T	Surbiton Black Lion Victoria Waggon & Horses	T T T	Woolwich Dial Arch	
Mayfair Guinea Windmill		St Pancras Station Betjeman Arms	G	Sutton Lord Nelson New Town Robin Hood	T T T	Wrington Plough Inn	T
Merton Prince of Wales	T	Shaftesbury Mitre		Teddington Abercorn Arms	T		
Mitcham King's Arms	T	Shepherd's Bush Bull (Westfield) Eagle	G G	Thornton Heath Lord Napier Railway Telegraph	T T		
Mortlake Jolly Gardeners	T	Sherfield-on-Loddon White Hart		Tooting Castle Gorringe Park	T		
Norwood Hope Railway Bell	T T	Sherston Rattlebone	T	Tufnell Park Lord Palmerston	G		
Notting Hill Duke of Wellington Elgin	G	Sidmouth Swan	T	Twickenham Alexander Pope Marble Hill Old Anchor	H T T		
Oxford Angel & Greyhound King's Arms		Somerton Unicorn	T	Vauxhall Fentiman Arms Riverside	G		
Oxshott Bear				Wallington Duke's Head	H		
Paddington Porchester							
Peckham Rye Clock House							



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