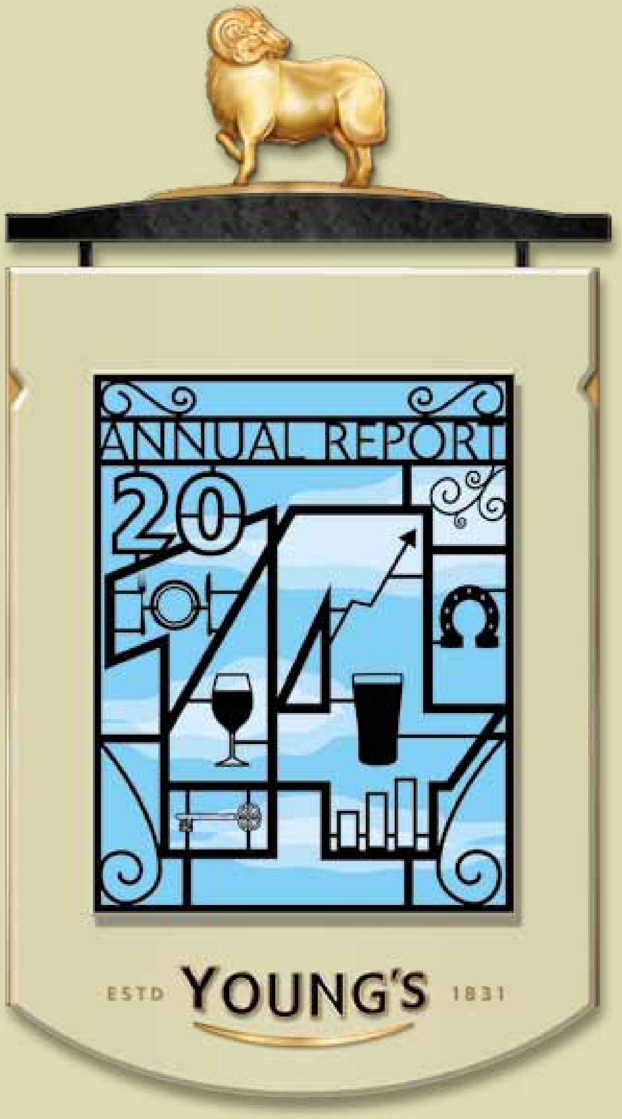
AT THE HEART OF THE COMMUNITY



FOR THE 52 WEEKS ENDED 31 MARCH 2014

Our strategy is 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 to maintain our premium position. We are looking to acquire further managed houses, either packages or individual sites, to increase the size of both our Young's and Geronimo operations.

Contents

Financial highlights

	2014 £000	2013 £000	% CHANGE
REVENUE	210,768	193,677	+8.8
ADJUSTED OPERATING PROFIT[1]	33,255	28,935	+14.9
OPERATING PROFIT	32,644	27,126	+20.3
ADJUSTED PROFIT BEFORE TAX[1][2]	27,171	23,224	+17.0
PROFIT BEFORE TAX[2]	26,560	21,415	+24.0
ADJUSTED BASIC EARNINGS PER SHARE[1][2]	42.74p	36.34p	+17.6
BASIC EARNINGS PER SHARE[2]	45.68p	33.78p	+35.2
DIVIDEND PER SHARE (interim and recommended final)	15.52p	14.63p	+6.1
NET ASSETS PER SHARE[3]	£7.86	£6.94	+13.3

All of the results above are from continuing operations.

[1] Reference to an "adjusted" item means that item has been adjusted to exclude exceptional items (see note 9).

[2] Where applicable the comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19 Employee benefits (see note 2).

[3] Net assets per share are the group's net assets divided by the shares in issue at the period end.


BITTER

Chairman's statement

Nicholas Bryan
Chairman

+8.8%
Revenue

+6.7%
Managed house like-for-like revenue

+17.0%
Adjusted profit before tax

Another very successful and positive year for Young's

Our clear strategy of maintaining and operating a premium and well-invested pub estate, focused on London and the south east, has seen us grow our revenues 8.8% in the year, and deliver strong like-for-like growth of 6.7%. Growth has been achieved across both Young's and Geronimo, and is proof of the strength and complementary nature of the two brands that we operate. Profits, once adjusted for exceptional items, have grown by 17.0% to £27.2 million.

This year we have been able to invest £33.6 million in the business whilst managing to reduce our net debt. Once more it is this investment, which serves to underline our determination to maintain our premium positioning and to differentiate our estate from the many operators who, by necessity or choice, reined back on such investment during the recessionary years. Alongside this high quality estate, the quality of the teams in our pubs sets us apart. It is a measure of their talent and creativity that they consistently find innovative ways to attract and delight our discerning customers. The quality of the Young's team is something of which I am very proud.

We are constantly looking to grow as a company, and the investment we have made in our estate has been achieved whilst maintaining a strong balance sheet. We are therefore in a very strong position to grow our estate further, both through acquisitions that either add to or complement our existing estate, and through extending our reach into cities and affluent market towns in the south and south east where we believe our premium offer will fit comfortably.

The coming year will see acquisitions made during the last year feed through to our numbers and see our hotel offering expand further with recently-developed accommodation coming on stream. There is increasing confidence, and evidence, that the economic recovery is here to stay, and I believe that we are uniquely positioned to deliver a high quality, differentiated and diverse offer as consumer sentiment continues to improve.

A great many people play a part in Young's success, not least our customers, the teams in our pubs, our operational staff, my board colleagues, and, of course, our shareholders. All deserve my sincere thanks.

NICHOLAS BRYAN
Chairman
21 May 2014

Stephen Goodyear
Chief Executive

Managed houses
128
(2013: 125)

Geronimo Inns
35
(2013: 34)

Tenanted houses
79
(2013: 78)

OVERVIEW

This has been another very successful year for Young's. Revenue increased by 8.8% to £210.8 million, with another period of strong like-for-like managed house growth, across both Young's and Geronimo of 6.7% in total. This follows like-for-like sales in the two previous years of 6.0% and 4.6%. Adjusted operating profit increased 14.9% to £33.3 million. Adjusted profit before tax was up 17.0% at £27.2 million and adjusted basic earnings per share increased 17.6% to 42.74 pence. The business generated strong operating cash flow of £47.3 million and we ended the year with net debt of £112.0 million (2013: £112.6 million).

WELL POSITIONED, WELL INVESTED AND GROWING

Our concentration on London and the south east, where the recovery is most pronounced, is a real advantage, and we also benefit from our very clear positioning at the premium end of the market. There are clear signs that the improving economic picture is leading to increased confidence amongst our customers; we have seen this in footfall and in spending patterns, with customers trading up in both drink and food. This, combined with the warmer summer, helped us achieve an excellent start, even when compared with the Olympic and Jubilee effect of 2012. The strong performance continued throughout the remainder of the year despite the wettest winter on record.

There is real depth, richness and variety to our estate. We have maintained a consistently high level of investment throughout the economic cycle. We accelerated this last year, investing £33.6 million with a record £19.8 million being invested on improving our existing pubs. We also acquired two new managed houses, the Weyside (a riverside pub in Guildford) and the King's Head (a theatre pub in Islington). In addition we acquired three new tenancies, the New Inn (Ealing), Royal Oak (Bethnal Green) and the Clapham North. Our total estate now comprises 242 pubs and hotels.

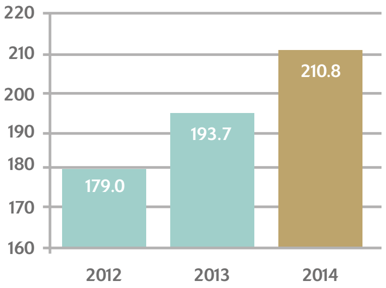
In an exciting and highly competitive market we have two subtly different premium offerings, the Young's managed and Geronimo brands. We have pubs across London including some of the best riverside locations along the Thames, and we have a particularly strong presence in south west London, with many pubs that are particularly vibrant during the Boat Race, Wimbledon and international rugby matches. We also have a small but quality presence in high-footfall locations such as Heathrow, St Pancras and the two Westfield shopping centres, which we would like to grow. In addition, we continue to invest heavily in our hotel offering, creating very high quality boutique rooms. Amidst all this variety however, there is one common strand: ours are premium, well invested pubs run by teams who aim to play a pivotal role in the communities in which they operate, maintaining our traditional values in an environment that appeals to today's consumers.

We have ambitions to expand and enhance our estate further. We continue to seek out opportunities to buy single sites that fit with our existing estate, to extend into those cities and market towns in the south and south east where our premium offering will find a natural home, and to acquire packages of pubs that add further to the depth, richness and variety that already exists.

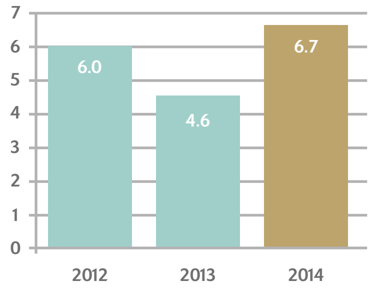
How we performed

We measure the development, performance and position of our business against a number of key indicators.

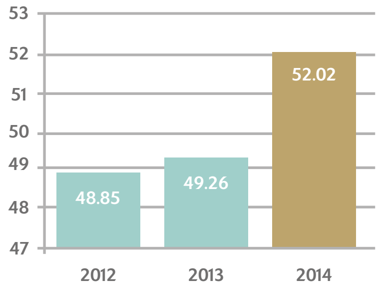
Revenue £M
This is our total group revenue, including both managed and tenanted businesses.



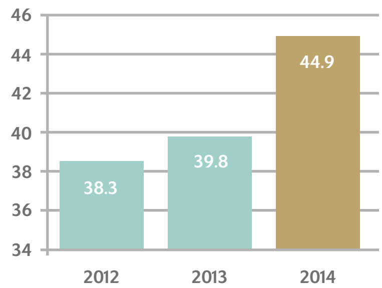
Like for like revenue %
This is our revenue growth for this period compared with the previous period for our managed pubs and hotels that traded throughout both periods.



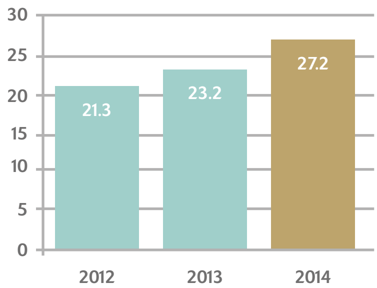
RevPAR £
This is the our revenue per available bedroom; it is the average room rate achieved multiplied by the occupancy percentage.



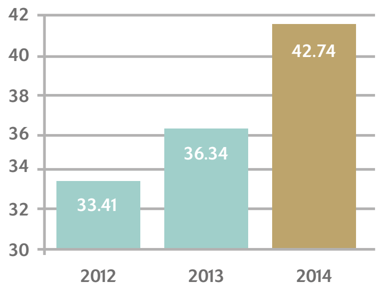
EBITDA £M
This is our adjusted earnings before interest, taxes, depreciation and amortisation by business segment.



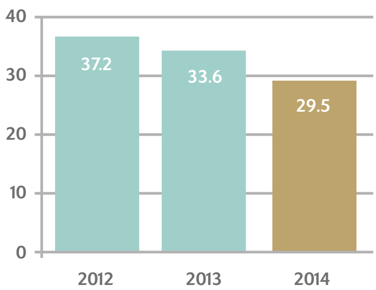
Adjusted profit before tax £M
This is our profit before tax on continuing operations only, adjusted to exclude any exceptional items for the group.



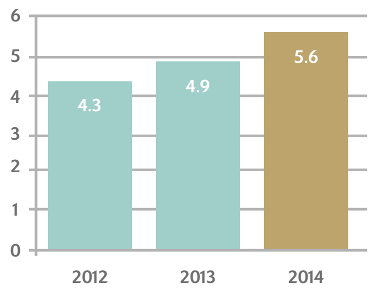
Adjusted earnings per share pence
This is our adjusted profit before tax, but after tax has been deducted, divided by the weighted average number of ordinary shares in issue.



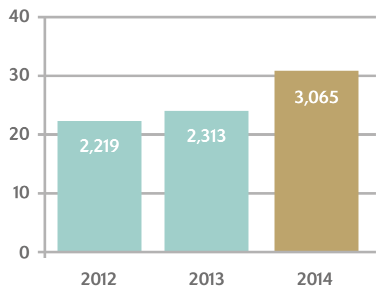
Gearing %
This is our net debt divided by our net assets (expressed as a percentage).



Interest cover (times)
This is our adjusted operating profit divided by our finance costs.



Recycling tonnes
This is the amount of waste we recycle and divert from landfill.



SOUNDLY FINANCED, ASSET BACKED AND PROGRESSIVE DIVIDEND POLICY

During the year we successfully secured new long-term banking facilities, and with current gearing of 29.5%, we are in a strong position from which to pursue our growth ambitions.

We remain as committed as ever to a progressive dividend policy. On the basis of our strong trading performance, sound financial position and confidence in the outlook, the board is recommending a final dividend of 8.07 pence per share, a 6.0% increase, resulting in a total dividend for the year of 15.52 pence (2013: 14.63 pence). This final dividend, if approved, is expected to be paid on 10 July 2014 to shareholders on the register at the close of business on 6 June 2014. This would be the 17th consecutive year of dividend growth.

OUTLOOK

The strong performance achieved in the year under review has continued into the current period and we continue to see evidence that the consumer backdrop is improving. Managed house revenue in the first seven weeks of the new financial year was up 8.5% in total and 7.2% on a like-for-like basis.

The current year will benefit from a full year's trade from the five new acquired pubs, the re-launched Bull's Head (Barnes) and the 43 recently developed bedrooms. These will more than offset the loss of the Tin Goose, a Geronimo pub in Heathrow's Terminal One, which like the terminal itself is due to close at the end of the summer.

Overall, the consistently high level of investment in our estate combined with the hard work put in by our teams across the group, is clearly paying off. This once coupled with the steadily improving economic news flow gives us every reason to be confident that the current year will be another positive one for Young's.

Without the talent, commitment and passion of our colleagues across the group none of this success and confidence in the future would be possible. I, and my colleagues on the board, greatly appreciate all that they do.

We are confident that our strategy, when combined with our strong financial profile and progressive dividend policy, will continue to deliver superior returns to our shareholders.

STEPHEN GOODYEAR
Chief Executive
21 May 2014

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 may currently be unknown and others currently regarded as immaterial could turn out to be material. Further information on the group's financial risk management objectives and policies are set out in note 22, starting on page 45.

	RISK/UNCERTAINTY	POTENTIAL IMPACT	MITIGATION
CONSUMER-RELATED	Our revenue is largely dependent on consumer spending in our managed houses. A consumer's decision of if and where to spend his or her money can be affected by a broad range of matters (including confidence in the economy, fears of terrorist activity, improved awareness of the potential adverse health consequences associated with misuse of alcohol and the weather), all set against a background of an ever-increasing choice of where to go and what to do.	A reduction in our revenue could lead to lower growth rates.	Our pubs and hotels are spread throughout southern England, albeit the majority are within the M25. Through them we provide an hospitable and welcoming home from home, often at the heart of their local community. They benefit from customer-focussed designs, high service standards, quality food and market-leading drinks, all things that matter to the discerning consumer. By having a mix of excellent riverside, garden and city pubs and hotels, we seek to address the impact of seasonality and changes in consumers spending habits.
	Various factors may result in the amount we pay for our key supplies (including food, drink, gas and electricity) being increased, making our offering potentially less attractive to consumers if they are passed on.	Increased costs will have an impact on our margins and result in lower profits. A reduction in our revenue could also lead to lower growth rates.	Fixed-price arrangements are in place with some of our food and drink suppliers. Regarding utilities, we continually look at ways of reducing our levels of consumption; we also regularly review our energy needs and price changes in the market, and, where appropriate, we make forward purchases.
FINANCIAL	The pub industry is subject to a variety of taxes, including business taxes, duty on alcoholic beverages and property rates.	The introduction of new taxes and/or increases in the rates of existing taxes will result in lower profits.	Through our membership of the British Beer and Pub Association, we seek to ensure that appropriate action is taken to minimise this risk.
	We operate a defined benefit pension scheme, the Young & Co.'s Brewery, P.L.C. Pension Scheme, which has to be funded to meet agreed benefit payments. The value of the scheme, and therefore its funding, is subject to changes in life expectancy assumptions, lower than anticipated performances of the stock market and by reduced bond yields.	Variations in the difference in value between the assets of the scheme and its liabilities may increase the amount we are required to pay into it in order to account for past service benefit deficits and future service benefit accruals.	The scheme was closed to new entrants in 2003 and we make additional contributions over and above regular service contributions in order to address any funding deficit. We also maintain a close dialogue with the scheme's trustee.
	Our financial structure involves bank borrowings. The business needs therefore to generate sufficient cash to repay these debts and interest thereon. Interest rates are also subject to change.	Our ability to trade as a going concern depends on generating sufficient cash to meet these payments.	The board ensures the group's debt profile is long dated, facilities are committed and debt is carefully managed within financial covenants. A mix of debt at fixed and variable interest rates is also maintained with interest rate SWAPS used to manage this exposure.

	RISK/UNCERTAINTY	POTENTIAL IMPACT	MITIGATION
OPERATIONS	We rely on a number of key suppliers to provide our pubs and hotels with food and drink.	Supply disruption could affect customer satisfaction, leading to a reduction in our revenue and possibly lower growth rates.	Food and drink is sourced from a number of suppliers. Informal arrangements are also in place such that substitute suppliers or products could be used if required. We regularly review our choice of suppliers.
	We, and particularly our managed estate, are reliant on information systems and technology for many aspects of our business (including communication, sales transaction recording, stock management, purchasing, accounting and reporting and many of our internal controls).	Any failure of such systems or technology would cause some disruption, and any extended period of downtime, loss of backed up information or delay in recovering information could impact significantly on our ability to do business.	Firewalls and anti-virus software are installed to protect our networks. Information is routinely backed up and arrangements are in place with a third party provider to assist with data recovery. An off-site disaster recovery facility is also available if anything major happens at our head office or to our systems. The IT needs of the business are regularly monitored and we invest in new technology and services as necessary.
	We are dependent on having the right people throughout our organisation, whether that is in our pubs and hotels or in our head office.	Our ability to achieve our strategic and operational objectives could be affected if we are unable to attract and retain the right people with the right capabilities.	We look to recruit and retain the best. The remuneration and reward packages we offer are competitive and designed to motivate staff. We have training and development programmes in place intended to ensure that our people have the right skills to perform their jobs successfully and achieve their full potential.
	Part of our growth plan is built around us acquiring or developing more pubs and hotel rooms.	If we do not acquire the right opportunities when planned, or at all, our desired future rate of growth will be delayed or reduced.	We have relationships with a variety of third parties to ensure, as far as possible, that we are made aware of acquisition opportunities as and when they come up. A number of agents and landlords also have a short brochure setting out our preferred property criteria.
REGULATION	We are required to meet a range of ever-increasing health and safety obligations in the operation of our business (including in the areas of food and fire safety).	A failure to comply could result in an accident or incident occurring involving injury, illness or even loss of life. This could damage our reputation, possibly leading to a reduction in our revenue and lower growth rates. Increases in the cost of compliance will have an impact on our margins and result in lower profits.	Training programmes, processes and audits designed to promote and achieve compliance with health and safety legislation are in place. These audits are undertaken by a third party who also works with us to ensure changes in health and safety practices and procedures are incorporated into our business and reviewed on a regular basis. Insurance cover to help with any financial compensation that may be payable as a result of an accident or incident has been taken out.
	Last year the Government consulted on a statutory code to govern the relationship between tenants and large pub companies. An outcome to the consultation is awaited, but, for now and in view of the small number of tenancies we have, it does not appear that, if introduced, the code would apply to us.	The imposition on us of a statutory code could increase the running costs of our tenanted business and reduce our revenue from it. Any increase in costs will result in lower profits and any reduction in revenue could lead to lower growth rates.	A fully-accredited legally-binding code which meets the latest requirements of the UK pub industry framework code of practice on how tied agreements should operate in the pub trade is in place; this is different from a statutory code.

MANAGED HOUSES

Our managed operation has had another excellent year, combining strong revenue growth on both an absolute and like-for-like basis with an improving operating margin. Our total managed estate now comprises 128 Young's pubs (including 18 hotels) and 35 Geronimo pubs.

REVENUE AND PROFITS

Total revenue was up 9.6% driven by strong like-for-like growth of 6.7%, one of the leading performances in the industry. Revenue growth also resulted from the full year benefit from last year's successful acquisitions, the transfers from our tenanted operation and our two new managed houses. Together with a 0.8% point improvement in adjusted operating margin, this drove adjusted operating profit up 13.7% to £45.0 million.

Total and like-for-like drink sales were up 10.2% and 6.3% respectively. We remain committed to an offer based around a premium portfolio of products, and in particular on being the natural destination of choice for craft beers. Beer sales were up 8.8%; the Young's beer brands have had a good year and their new pump clip design has complemented Young's new contemporary brand identity. Young's London Stout was launched towards the end of the year, a traditionally crafted, slightly sweeter tasting beer with a contemporary London feel; it is already proving very popular with drinkers. Wine sales were up 10.0%, with sparkling, rosé and white wine leading the way, assisted by the good summer weather.

Food sales outperformed drink once more, with total food sales up 11.2% and 7.6% on a like-for-like basis. Our food offer, as always, is simplicity itself – high quality seasonal British products, locally sourced and prepared in-house. Our third annual Scotch Egg challenge at the Ship (Wandsworth) created an online sensation with #ScotchEggChallenge trending on Twitter. Geronimo's #AskRay digital foodie mini-series promoting chef expertise also proved very popular on iTunes.

Our hotel performance has been strong, with room rates up £0.96, occupancy up 2.9% points and RevPAR (revenue per available room) up by £2.76 to £52.02.

The operating margin has benefitted from the investment we have made in our operational team and technology over the past few years, working even more closely with our suppliers and benefitting from our growing market share. Reducing our environmental impact is a key priority and we have invested in initiatives to reduce our carbon footprint. By the end of the first quarter, LED light bulbs will have been fitted across the majority of the estate; we voluntarily committed to "WRAP" (Waste Recycling and Action Program) in 2012; and in the current year we recycled 57% of our waste (2013: 49%) with the majority of the rest going to refuse derived fuel and less than 8% (2013: 15%) going to landfill. We also recycled 145,000 litres of waste cooking oil into Bio-Diesel.

Our managed house philosophy is based on providing the freedom and opportunity for our highly motivated teams to perform. This involves ensuring that our pubs are well invested and exceed the needs of the community in which they serve, that our products are market leading and that our digital systems enable us to drive footfall and provide the superior service our customers expect whilst delivering an efficient back office.

INVESTMENT

Over the course of the year we have invested £25.8 million in our managed estate – £7.0 million on new pubs, £11.3 million on existing Young's pubs, £3.5 million on refurbishing existing Young's hotels and developing new ones, and £4.0 million on Geronimo pubs.

Our largest pub investment was at the Bull's Head (Barnes), a recent transfer from tenancy. Here we have combined its position as one of London's best loved jazz venues with a contemporary pub complete with a new dining area providing the modern British pub food for which we are renowned. Major investments were also made at the Adam and Eve (Fitzrovia), Castle (Tooting), Duke of Wellington (Notting Hill), Elgin (Notting Hill), Flask (Hampstead), Hand and Spear (Weybridge), King's Head (Winchmore Hill), Lord Palmerston (Tufnell Park), Queen Adelaide (Wandsworth), Spread Eagle (Camden) and the White Hart (Barnes). At Horts (Bristol) we have added a 26 seat private cinema – the "Director's Cut".

We have once more invested in our hotels as part of our strategy of maximising returns from our existing estate. Since Christmas we have been busy adding 30 rooms to two of our iconic pubs – 17 at the Dog & Fox (Wimbledon Village) and 13 at the Orange Tree (Richmond). Both pubs will join the top end of our hotel offer with exquisite boutique rooms throughout. The Dog & Fox rooms hint at its heritage as Wimbledon's oldest public house and the Orange Tree can maximise its reputation as the u ltimate rugby pub. We are also adding an extra 13 rooms to the very popular Windmill (Clapham Common), a hotel with high occupancy. All of these new rooms will be open in the first half of the new financial year. By September therefore, there will be hotel accommodation in 20 of our pubs, offering 443 bedrooms (2013: 397) between them.

"In March 2014, we were delighted to be crowned double award winners at the Publican Awards. Young's was named Best Pub Company (51+ sites) and Best Food Offer (51+ sites)."

CUSTOMER ENGAGEMENT

Technology continues to change the way we communicate with our customers. We have strengthened our e-marketing platform to deliver enhanced local engagement, maximise consumer loyalty and to position pubs right at the heart of their communities. With over 150,000 social media followers and an email database in excess of 750,000, we are actively listening to and engaging with our customers through their platform of choice.

We are also embracing new technology within our pubs to improve the face-to-face communication with customers. Hand held order tablets, for example, are allowing us to improve speed of service in our larger pubs, exceeding customer service expectations and driving revenue.

In order to foster customers' engagement and loyalty we have continued to run successful butchery, fish and game master classes in a number of our pubs. Geronimo's "Tasty Tuesdays" have proved hugely successful, showcasing local suppliers who are an inspiration to both staff and customers alike.

INDUSTRY RECOGNITION

Geronimo were awarded a 3* accreditation, the highest available, by the Sustainable Restaurant Association and were named Sustainable Large Restaurant Group of the Year 2014 in recognition of their focus on locally sourced food, exceptional level of environmental responsibility and commitment to working closely with the community.

In March 2014, we were delighted to be crowned double award winners at the Publican Awards. Young's was named Best Pub Company (51+ sites) and Best Food Offer (51+ sites) following a rigorous judging process including mystery visits, multiple site visits by the Publican Morning Advertiser's editorial team and interviews with senior company representatives.

TENANTED HOUSES

As previously reported our tenanted estate has gone through a period of consolidation. As a result we have a tenanted business of 79 pubs, based mainly in London and the south east. The next stage of our strategic plan is already underway and by the end of the summer our tenanted operation will be re-launched as the Ram Pub Company, with its own unique identity.

REVENUE AND PROFITS

Tenanted houses now represent 5.4% of group revenue. Nonetheless they remain an important part of our business. As a result of the reduction in the size of our tenanted estate by nine pubs over a two year period, our tenanted division's sales were down 2.1% and operating profit was down 9.4% at £3.8 million. As a consequence of our strategic initiatives, we are confident that our tenanted operation will return to growth in the current year.

YOUNG'S

INVESTMENT

We acquired three new tenancies in the summer, the Clapham North, New Inn (Ealing) and the Royal Oak (Bethnal Green). Four pubs including the Bull's Head (Barnes) were transferred to our managed estate. As part of our strategic plan we have identified six managed houses that we believe will deliver enhanced returns as tenancies. Two of these transferred to the tenanted operation just before the year end with the remaining four planned to transfer over the summer.

TENANT ENGAGEMENT

The new Ram Pub Company will be in place by the second quarter of the new financial year and once rebranded, with a new website and a strengthened support team, will be able to change substantially the way in which we market and communicate with our tenants building on the important business partnerships we cherish.

Our code of practice achieved industry accreditation and meets the latest requirements of the UK pub industry on how tied agreements should operate. Although the majority of our tenancies are three or five year agreements, we also provide longer term agreements and other flexible solutions in order to attract the best operators currently available in the marketplace.

PROPERTY AND TREASURY

PROPERTY

In line with our revaluation policy, in January this year 20% of our estate was revalued by CBRE, an independent and leading commercial property and real estate services adviser. Using the results of this external valuation and as permitted by IAS 16 and in common with other listed pub groups, the remaining 80% of the pub estate was revalued internally, led by Andrew Cox MRICS, our Director of Property and Tenancies, using updated trading results together with management's knowledge of each pub.

Improving trade and property prices have resulted in our total property value increasing to £559.2 million (2013: £515.9 million), driven by a net upward revaluation of £22.2 million and additions of £33.6 million offset by depreciation of £12.5 million. In accordance with IFRS, individual increases in value have been reflected in the revaluation reserve in the balance sheet (except to the extent that they had previously been revalued downwards) and individual falls in value below cost have been accounted for through the income statement.

TREASURY

At the year end net debt was £112.0 million, down £0.6 million on the previous year. A record operating cash flow of £47.3 million and receipt of the final £5.0 million instalment from the Wells & Young's share disposal offset a £33.6 million investment in the business, of which £19.8 million was invested in our core estate – a group record.

We recently took the opportunity to extend our banking facilities in terms of both amount and duration. Total facilities, provided by the Royal Bank of Scotland and Barclays, are now £175 million. These comprise a new £50 million seven year term loan and a new £75 million five year revolving credit facility. These new facilities sit alongside our existing longer dated £50 million term loan.

At present £90 million (falling to £80 million in December 2014) of our £112.0 million net debt is fixed through interest rate swaps; these swaps plus the bank's margin result in a combined rate of just below 4.8%. In addition we have entered into a forward starting £30 million swap, which runs from the expiry of one for the same amount in December 2015 for the remaining life of the new term loan. As a consequence, we would then expect an interest rate of 5.1% on the hedged element of our bank debt. We benefit from lower interest rates on our variable rate bank debt, but the board believes it is important to provide some protection from adverse movements in interest rates, especially now that the economy is beginning to improve and these historically low interest rates could start to rise. Our interest rate swaps are valued each year based on market rates at the balance sheet date. These swaps, with maturities that perfectly match the underlying liabilities, have been designated as cash flow hedges and the £5.5 million improvement (2013: £1.6 million adverse) in their market value is taken through the statement of other comprehensive income.

In our opinion, with the combination of our new long term financing, interest costs being covered 5.6 times by adjusted operating profit, net debt continuing to fall in absolute terms and as a multiple of EBITDA (now 2.45 times) and gearing of 29.5%, the business is soundly financed.

Note 22 in the financial statements describes in detail the group's financial position, its cash flows, liquidity position and borrowing facilities. It also summarises the group's capital management and principal treasury objectives and the tools it uses to monitor and manage its exposure to certain financial risks. The group has a predominantly freehold backed balance sheet and committed facilities of £175 million in place, of which £115 million was drawn down at the period end, none of which needs to be refinanced until March 2018. As usual, these financial statements have been prepared on a going concern basis.

RETIREMENT BENEFITS

We have a final salary defined benefit scheme which has been closed to new entrants since 2003. During the course of the year our retirement benefit deficit has reduced by £2.8 million to £6.0 million as a consequence of an improvement in investment returns and slightly higher inflationary expectations offset by marginally higher bond rates used to discount the scheme's liabilities. Our defined contribution schemes

Business and financial review (Continued)

which, following the Government's introduction of its Automatic Enrolment scheme – an integral part of its Workplace Pension Reform, are open to all our employees.

With effect from 1 January 2013 the group has adopted the revised IAS 19 Employee benefits which has been applied retrospectively and therefore triggered a restatement of the prior year comparatives. Although the revisions have had no impact on the deficit at either balance sheet date, it has changed the amounts recognised in the income statement and in other comprehensive income. The effect has been to reduce the 2013 profit after tax for the period by £696,000 with a compensating credit in other comprehensive income.

SHAREHOLDER RETURNS

The combination of revenue rising by 8.8% and adjusted operating margin increasing by 0.8% points has resulted in adjusted PBET growing by 17.0% to £27.2 million or by 24.0% to £26.6 million on an unadjusted basis. This performance, as in previous years, is the result of a clear strategy to deliver earnings and dividend growth.

EARNINGS PER SHARE

Adjusted earnings per share have grown by 17.6% to 42.74 pence, a faster rate than the underlying profits as a result of the lower tax charge.

Our unadjusted EPS was up 35.2% at 45.68 pence, after the following exceptional items:

- A non-cash £0.3 million profit movement arising from the reversal of previously revalued pubs as a result of the revaluation of our pub estate;
- Acquisition costs of £0.6 million, including legal and professional fees and stamp duty, incurred on the purchase of the five freehold pubs;
- A £0.3 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; this is impacted by an increasing share price; and
- A £2.6 million income statement tax credit in respect of a decrease in our deferred tax liability arising as a result of a 3% reduction in the main UK corporation tax rate, substantially enacted before 31 March 2014.

DIVIDENDS

As a result of our improved performance we are recommending a 6.0% increase in the final dividend to 8.07 pence per share, making a total dividend for the year of 15.52 pence. The dividend is covered 2.8 times by our adjusted earnings. This increase, like the sixteen before it, reflects our progressive dividend policy which has delivered year-on-year growth whilst providing the spare capacity to enable us to continue to invest for the future growth on which this long term track record depends.

In summary, it has been a successful year from a shareholder perspective, with strong revenue and earnings growth, record levels of investment in our core estate, five new freehold pubs acquired, all achieved whilst reducing net debt both in absolute terms and as a multiple of EBITDA to 2.45 times (2013: 2.77 times).

On behalf of the board

STEPHEN GOODYEAR
Chief Executive
21 May 2014

"It has been a successful year from a shareholder perspective, with strong revenue and earnings growth, record levels of investment in our core estate."

Directors' report

For the 52 weeks ended 31 March 2014

Welcome to our board of directors. All served throughout the period; no other person was a director during the period.

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 Innserve 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 61.

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. Is the current Master of the Brewers' Company, one of the oldest Livery Companies in the City of London. Aged 58.

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 group's technological needs. Previously worked for stockbrokers Bell, Lawrie, Macgregor & Co. Aged 54.

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 52.

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 for Young's managed house pub acquisitions and developments. Previous positions have included director of retail operations at Wolverhampton & Dudley Breweries PLC (now Marston's PLC), business development with Guinness Brewing and retail management with Whitbread PLC and Courage Ltd. Aged 55.

EDWARD TURNER
MANAGING DIRECTOR GERONIMO INNS

Joined in 2010 and appointed to the board in 2013. Has overall responsibility for Geronimo Inns, including strategy and pub acquisitions and developments within the Geronimo estate. Joined Geronimo in 1999, becoming operations director that year, and then held the position of commercial director for a number of years before Geronimo was acquired by Young's. Previously in retail management with Mitchells & Butlers (1989–99). Aged 46.

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. Aged 55.

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 MEATliquor, Franco Manca and The Real Greek. Was co-founder and chairman of The Clapham House Group, owner of Gourmet Burger Kitchen and other restaurant brands. Prior to that, spent 27 years with Pizza Express where at various times he was chairman, chief executive and the owner/manager of the group's largest franchisee organisation. Chairman of Fulham Shore, a quoted company, which is to invest in distinct growth restaurant businesses. Aged 61.

RUPERT CLEVELY
NON-EXECUTIVE

Joined the company and the board in 2010. Retired from his executive position and became non-executive in 2013. As an executive director, had overall responsibility for the management and development strategy of Geronimo Inns which he co-founded. Previous to this, worked at Veuve Clicquot Champagne where he held the position of worldwide marketing director and managing director UK (1990-2000). Aged 56.

THE BOARD

The business and management of the group is the collective responsibility of the board. At each board meeting the group's financial and trading performance is reviewed. The board 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. 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).

CORPORATE GOVERNANCE

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

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
Edward Turner	one year	one year

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, both Roger Lambert's and David Page's on 31 July 2014 and Rupert Clevely's on 1 April 2016.

RE-APPOINTMENT

Under the company's articles of association the following automatically retire from office at every AGM 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 Rupert Clevely 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.

Rupert Clevely is seeking re-appointment and his brief biographical details are on page 16.

BOARD NOMINATIONS AND APPOINTMENTS

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.

REMUNERATION

Details of each director's remuneration appear in note 8(b) on page 35. 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 28 on page 52; 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.

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.

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; these are in addition to the interests shown in notes 8(d) and 8(e) on pages 36 and 37.

		As at	A shares	Non-voting shares
Nicholas Bryan	Beneficial and family	**31 March 2014**	**8,505**	**–**
		1 April 2013	8,505	–
Stephen Goodyear (i), (ii)	Beneficial and family	**31 March 2014**	**147,566**	**–**
		1 April 2013	119,836	–
Torquil Sligo-Young (i), (ii)	Beneficial and family	**31 March 2014**	**246,255**	**7,000**
		1 April 2013	240,971	10,000
	Trustee	**31 March 2014**	**3,689,188**	**549,591**
		1 April 2013	3,317,972	111,436
Peter Whitehead (i), (ii)	Beneficial and family	**31 March 2014**	**68,547**	**–**
		1 April 2013	50,000	–
Patrick Dardis (i), (ii)	Beneficial and family	**31 March 2014**	**14,670**	**–**
		1 April 2013	7,869	–
Edward Turner (i)	Beneficial and family	**31 March 2014**	**–**	**–**
		1 April 2013	–	–
Roger Lambert	Beneficial and family	**31 March 2014**	**5,250**	**5,000**
		1 April 2013	5,250	5,000
David Page	Beneficial and family	**31 March 2014**	**3,278**	**–**
		1 April 2013	3,278	–
Rupert Clevely (i)	Beneficial and family	**31 March 2014**	**20,081**	**–**
		1 April 2013	17,000	–

Also interested in:

(i) 680,856 (2013: 719,956) A shares held in trust by RBT II Trustees Limited – see note 28 on page 53

(ii) 477,769 (2013: 502,769) A shares held in trust by Young's Pension Trustees Limited – see note 28 on page 53

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. 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. 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.

OTHER DISCLOSURES

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.

• AIM

The company's shares are traded on AIM. There are no other exchanges or trading platforms on which the company has applied or agreed to have its shares admitted or traded.

• PROFIT AND DIVIDENDS

The profit for the period attributable to shareholders was £22.1 million. The directors recommend a final dividend for the period of 8.07 pence per share. Subject to approval at the AGM, this is expected to be paid on 10 July 2014 to shareholders on the register at the close of business on 6 June 2014. When added to the interim dividend of 7.45 pence per share, this will produce a total dividend for the period of 15.52 pence per share.

• ANNUAL GENERAL MEETING

Notice convening the AGM and an explanation of the resolutions being proposed are set out on pages 57 to 60.

• IMPORTANT EVENTS SINCE THE END OF THE PERIOD AND LIKELY FUTURE DEVELOPMENTS

In accordance with section 414C(11) of the Companies Act 2006, the directors have chosen to include in the strategic report (on pages 3 to 15) particulars of important events affecting the group which have occurred since the end of the period and an indication of likely future developments in the group's business.

• FINANCIAL INSTRUMENTS AND RELATED MATTERS

Included in note 22, starting on page 45, are the group's financial risk management objectives and policies and an indication of the group's exposure to certain risks.

• RELATIONS WITH SHAREHOLDERS AND INVESTORS

Copies of the annual report 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. To encourage further involvement in the group's performance the company invited all employees of the group who had been continuously employed from 2 April 2011 to join the group's savings-related share option scheme for 2013. After saving for a three year period (through deductions from net salary), scheme members can then buy A shares in the company if they choose to do so at 662 pence per share, being a discount of about 20% to the market price at the time the invitations were issued. 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.

• PUBLIC HEALTH RESPONSIBILITY DEAL

The company continued to support the Government's public health responsibility deal, an initiative established to tap into the potential for businesses and other influential organisations to make a significant contribution to improving public health by helping to create that environment. As a result the company agreed to ensure effective action was taken in its managed pubs to reduce and prevent under-age sales of alcohol (primarily through the rigorous application of Challenge 21). The company has maintained its financial and in-kind support for Drinkaware and the "Why let the Good times go bad?" campaigns and agreed to ensure alcohol advertising was undertaken by the company's managed pubs in accordance with industry codes on advertising and was not placed on any outdoor poster site within 100 metres of a school. Recognising the impact chronic conditions could have, guides (developed through the public health responsibility deal's health at work network) remained embedded within the company's HR procedures to ensure that those with chronic conditions at work were managed in the best way possible with reasonable flexibilities and workplace adjustments.

• NOTIFICATIONS OF MAJOR HOLDINGS OF VOTING RIGHTS

As at 31 March 2014 the company had been notified of the following holdings of 3% or more of the voting rights in the company:

Thomas Young	14.31%
James Young	13.81%
Torquil Sligo-Young	13.24%
BlackRock Investment Management (UK) Limited	8.13%
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 1 April 2014 and 20 May 2014, 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, a strategic 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 the persons who was a director 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 himself 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, together with the strategic report (on pages 3 to 15) and the financial statements for the period ended 31 March 2014, 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
21 May 2014

Independent auditor's report

For the 52 weeks ended 31 March 2014

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 31 March 2014 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 Statement of Changes in Equity and the related notes 1 to 31. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 March 2014 and of the group's profit 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 Strategic Report and the Directors' Report for the financial year 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.

Andy Glover (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 May 2014

Notes:

1. The maintenance and integrity of the Young & Co.'s Brewery, P.L.C. website is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
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 31 March 2014

	Notes	2014 £000	Restated 2013 £000
Revenue	6	**210,768**	193,677
Operating costs before exceptional items	7	**(177,513)**	(164,742)
Operating profit before exceptional items		**33,255**	28,935
Operating exceptional items	9	**(611)**	(1,809)
Operating profit		**32,644**	27,126
Finance costs	11	**(5,941)**	(5,894)
Finance revenue	11	**250**	543
Other finance charge	24	**(393)**	(360)
Profit before tax		**26,560**	21,415
Taxation	12	**(4,506)**	(5,066)
Profit for the period		**22,054**	16,349
Attributable to			
Shareholders of the parent		**22,054**	16,292
Non controlling interest		**–**	57
Profit for the period		**22,054**	16,349

	Notes	Pence	Pence
Earnings per 12.5p ordinary share			
Basic	15	**45.68**	33.78
Diluted	15	**45.63**	33.76

All of the results above are from continuing operations.
The comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19 Employee benefits (see note 2).

The notes on pages 28 to 55 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 31 March 2014

		Group		Company	
			Restated		Restated
		2014	2013	**2014**	2013
	Notes	**£000**	£000	**£000**	£000
Profit for the period		**22,054**	16,349	**17,297**	14,090
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of retirement benefit schemes	24	**3,001**	(2,198)	**3,001**	(2,198)
Tax on remeasurement of retirement benefit schemes		**(1,377)**	268	**(1,377)**	268
Items that will be reclassified subsequently to profit or loss:					
Unrealised gain on revaluation of property	17	**21,968**	8,547	**18,300**	5,450
Fair value movement of interest rate swaps	22	**5,481**	(1,647)	**5,481**	(1,647)
Tax on components of other comprehensive income		**706**	2,440	**1,133**	2,668
		29,779	7,410	**26,538**	4,541
Total comprehensive income		**51,833**	23,759	**43,835**	18,631
Attributable to					
Shareholders of the parent		**51,833**	23,702	**43,835**	18,631
Non controlling interest		**–**	57	**–**	–
Total comprehensive income		**51,833**	23,759	**43,835**	18,631

All of the results above are from continuing operations.
The comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19 Employee benefits (see note 2).

The notes on pages 28 to 55 form part of these financial statements.
The independent auditor's report is set out on page 21.

Balance sheets

At 31 March 2014

	Notes	Group 2014 £000	Group 2013 £000	Company 2014 £000	Company 2013 £000
Non current assets					
Goodwill	16	**20,426**	20,426	**–**	–
Property and equipment	17	**559,230**	515,899	**501,717**	462,358
Investment in subsidiaries	18	**–**	–	**24,254**	24,254
Deferred tax assets	23	**4,735**	7,111	**4,771**	7,135
		584,391	543,436	**530,742**	493,747
Current assets					
Inventories	19	**2,554**	2,455	**1,958**	1,875
Other financial asset	28	**–**	4,749	**–**	4,749
Trade and other receivables	20	**5,943**	4,261	**26,730**	29,729
Cash		**2,435**	6,123	**1,320**	4,938
		10,932	17,588	**30,008**	41,291
Total assets		**595,323**	561,024	**560,750**	535,038
Current liabilities					
Borrowings	22	**(6)**	(10,006)	**(6)**	(10,006)
Trade and other payables	21	**(29,310)**	(24,156)	**(27,900)**	(23,108)
Income tax payable		**(3,165)**	(2,545)	**(1,951)**	(2,101)
		(32,481)	(36,707)	**(29,857)**	(35,215)
Non current liabilities					
Borrowings	22	**(114,422)**	(108,680)	**(114,422)**	(108,680)
Derivative financial instruments	22	**(8,389)**	(13,870)	**(8,389)**	(13,870)
Deferred tax liabilities	23	**(54,374)**	(58,381)	**(48,386)**	(51,850)
Retirement benefit schemes	24	**(5,995)**	(8,841)	**(5,995)**	(8,841)
		(183,180)	(189,772)	**(177,192)**	(183,241)
Total liabilities		**(215,661)**	(226,479)	**(207,049)**	(218,456)
Net assets		**379,662**	334,545	**353,701**	316,582
Capital and reserves					
Share capital	25	**6,036**	6,028	**6,036**	6,028
Share premium		**1,675**	1,274	**1,675**	1,274
Capital redemption reserve		**1,808**	1,808	**1,808**	1,808
Hedging reserve		**(6,711)**	(10,680)	**(6,711)**	(10,680)
Revaluation reserve		**193,046**	168,860	**186,936**	165,991
Retained earnings		**183,808**	167,255	**163,957**	152,161
Total equity		**379,662**	334,545	**353,701**	316,582

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

Nicholas Bryan Chairman
Peter Whitehead Finance Director

21 May 2014

The notes on pages 28 to 55 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 31 March 2014

		Group		Company	
			Restated		Restated
		2014	2013	**2014**	2013
	Notes	**£000**	£000	**£000**	£000
Operating activities					
Net cash generated from operations	27	**47,316**	35,118	**43,102**	30,794
Interest received		**–**	6	**971**	1,264
Tax paid		**(6,150)**	(5,393)	**(5,678)**	(4,420)
Net cash flow from operating activities		**41,166**	29,731	**38,395**	27,638
Investing activities					
Sale of property and equipment		**–**	4,161	**–**	4,155
Sale of discontinued operations	28	**5,000**	5,000	**5,000**	5,000
Purchases of property and equipment	17	**(22,829)**	(16,793)	**(19,988)**	(14,542)
Business combinations, net of cash acquired	13	**(10,785)**	(3,700)	**(10,785)**	(3,700)
Net cash used in investing activities		**(28,614)**	(11,332)	**(25,773)**	(9,087)
Financing activities					
Issued share capital	25	**8**	–	**8**	–
Interest paid		**(5,481)**	(5,808)	**(5,481)**	(5,808)
Equity dividends paid	14	**(7,267)**	(6,882)	**(7,267)**	(6,882)
Decrease in borrowings		**(3,500)**	(3,500)	**(3,500)**	(3,500)
Net cash flow used in financing activities		**(16,240)**	(16,190)	**(16,240)**	(16,190)
(Decrease)/increase in cash		**(3,688)**	2,209	**(3,618)**	2,361
Cash at the beginning of the period		**6,123**	3,914	**4,938**	2,577
Cash at the end of the period		**2,435**	6,123	**1,320**	4,938

The notes on pages 28 to 55 form part of these financial statements.
The independent auditor's report is set out on page 21.

Group statement of changes in equity

At 31 March 2014

	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 2 April 2012		**7,302**	**1,808**	**(9,290)**	**158,731**	**159,134**	**317,685**	**(42)**	**317,643**
Total comprehensive income									
Profit for the period[2]		–	–	–	–	16,292	16,292	57	16,349
Other comprehensive income									
Unrealised gain on revaluation of property	17	–	–	–	8,547	–	8,547	–	8,547
Remeasurement of retirement benefit schemes[2]	24	–	–	–	–	(2,198)	(2,198)	–	(2,198)
Fair value movement of interest rate swaps	22	–	–	(1,647)	–	–	(1,647)	–	(1,647)
Tax on above components of other comprehensive income[2]	12	–	–	257	2,183	268	2,708	–	2,708
		–	–	(1,390)	10,730	(1,930)	7,410	–	7,410
Total comprehensive income		–	–	(1,390)	10,730	14,362	23,702	57	23,759
Transactions with owners recorded directly in equity									
Dividends paid on equity shares	14	–	–	–	–	(6,882)	(6,882)	–	(6,882)
Revaluation reserve realised on disposal of properties		–	–	–	(601)	601	–	–	–
Disposal of subsidiary		–	–	–	–	–	–	(15)	(15)
Share based payments	26	–	–	–	–	33	33	–	33
Tax on share based payments		–	–	–	–	7	7	–	7
		–	–	–	(601)	(6,241)	(6,842)	(15)	(6,857)
At 1 April 2013		**7,302**	**1,808**	**(10,680)**	**168,860**	**167,255**	**334,545**	**–**	**334,545**
Total comprehensive income									
Profit for the period		–	–	–	–	22,054	22,054	–	22,054
Other comprehensive income									
Unrealised gain on revaluation of property	17	–	–	–	21,968	–	21,968	–	21,968
Remeasurement of retirement benefit schemes	24	–	–	–	–	3,001	3,001	–	3,001
Fair value movement of interest rate swaps	22	–	–	5,481	–	–	5,481	–	5,481
Tax on above components of other comprehensive income	12	–	–	(1,512)	2,218	(1,377)	(671)	–	(671)
		–	–	3,969	24,186	1,624	29,779	–	29,779
Total comprehensive income		–	–	3,969	24,186	23,678	51,833	–	51,833
Transactions with owners recorded directly in equity									
Share capital issued	25	409	–	–	–	–	409	–	409
Dividends paid on equity shares	14	–	–	–	–	(7,267)	(7,267)	–	(7,267)
Share based payments	26	–	–	–	–	104	104	–	104
Tax on share based payments		–	–	–	–	38	38	–	38
		409	–	–	–	(7,125)	(6,716)	–	(6,716)
At 31 March 2014		**7,711**	**1,808**	**(6,711)**	**193,046**	**183,808**	**379,662**	**–**	**379,662**

[1] Total share capital comprises the share capital issued and fully paid of £6,036,000 (2013: £6,028,000) and the share premium account of £1,675,000 (2013: £1,274,000).

[2] The comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19: Employee Benefits (Revised) (see note 2).

The notes on pages 28 to 55 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 31 March 2014

	Notes	Share capital [1] £000	Capital redemption reserve £000	Hedging reserve £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 2 April 2012		**7,302**	**1,808**	**(9,290)**	**158,731**	**146,242**	**304,793**
Total comprehensive income							
Profit for the period[2]		–	–	–	–	14,090	14,090
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	5,450	–	5,450
Remeasurement of retirement benefit schemes[2]	24	–	–	–	–	(2,198)	(2,198)
Fair value movement of interest rate swaps	22	–	–	(1,647)	–	–	(1,647)
Tax on above components of other comprehensive income[2]	12	–	–	257	2,411	268	2,936
		–	–	(1,390)	7,861	(1,930)	4,541
Total comprehensive income		–	–	(1,390)	7,861	12,160	18,631
Transactions with owners recorded directly in equity							
Dividends paid on equity shares	14	–	–	–	–	(6,882)	(6,882)
Revaluation reserve realised on disposal of properties		–	–	–	(601)	601	–
Share based payments	26	–	–	–	–	33	33
Tax on share based payments		–	–	–	–	7	7
		–	–	–	(601)	(6,241)	(6,842)
At 1 April 2013		**7,302**	**1,808**	**(10,680)**	**165,991**	**152,161**	**316,582**
Total comprehensive income							
Profit for the period		–	–	–	–	17,297	17,297
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	18,300	–	18,300
Remeasurement of retirement benefit schemes	24	–	–	–	–	3,001	3,001
Fair value movement of interest rate swaps	22	–	–	5,481	–	–	5,481
Tax on above components of other comprehensive income		–	–	(1,512)	2,645	(1,377)	(244)
		–	–	3,969	20,945	1,624	26,538
Total comprehensive income		–	–	3,969	20,945	18,921	43,835
Transactions with owners recorded directly in equity							
Share capital issued	25	409	–	–	–	–	409
Dividends paid on equity shares	14	–	–	–	–	(7,267)	(7,267)
Share based payments	26	–	–	–	–	104	104
Tax on share based payments		–	–	–	–	38	38
		409	–	–	–	(7,125)	(6,716)
At 31 March 2014		**7,711**	**1,808**	**(6,711)**	**186,936**	**163,957**	**353,701**

[1] Total share capital comprises the share capital issued and fully paid of £6,036,000 (2013: £6,028,000) and the share premium account of £1,675,000 (2013: £1,274,000).

[2] The comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19: Employee Benefits (Revised) (see note 2).

The notes on pages 28 to 55 form part of these financial statements.
The independent auditor's report is set out on page 21.

Notes to the financial statements

For the 52 weeks ended 31 March 2014

1. General information

The group and parent company financial statements of Young & Co.'s Brewery, P.L.C. for the period ended 31 March 2014 were authorised for issue by the board of directors on 21 May 2014. 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 strategic report on pages 3 to 15.

The current period and prior period relate to the 52 weeks ended 31 March 2014 and 1 April 2013 respectively.

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 and amendments to existing IFRS were issued by the International Accounting Standards Board (IASB). The impact and, if applicable, the adoption of these standards 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 profit after tax for the period was £17,297,000 (2013: £14,090,000 revised).

New Accounting Standards, Amendments and Interpretations

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

IAS 19: Employee Benefits (Revised): the group's income statement and statement of comprehensive income for the period ended 1 April 2013 has been restated following the adoption of IAS 19: Employee Benefits (Revised). Although the restatement had no effect on the group's balance sheet and statement of cash flow, certain notes have been restated to reflect the reclassification between other finance charge and remeasurement of retirement benefits. The revised standard was effective for the full year ended 31 March 2014 and has been applied retrospectively. The key impact on the group was to remove the separate assumptions for expected return on plan assets and discounting of scheme liabilities and to replace them with one single discount rate for the net deficit.

For the full year comparatives at 1 April 2013, within the income statement, the other finance income of £544,000 has been restated to a charge of £360,000 and the tax charge has been reduced from £5,274,000 to £5,066,000. Within other comprehensive income, the remeasurement of retirement benefits has been reduced by £904,000 and the deferred tax credit has been reduced by £208,000.

IFRS 13: Fair value measurement: was effective for the full year ended 31 March 2014 and is to be applied prospectively. The new standard establishes a single source of guidance under IFRS for all fair value measurements. The standard does not change when a company is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The adoption of the standard has no impact on the recognised assets, liabilities and comprehensive income of the group but has increased the disclosure in notes 17 and 22 in the current period.

IAS 1: Presentation of items of other comprehensive income – amendments to IAS 1: Presentation of Financial Statements, the group has modified the presentation of items of other comprehensive income to present separately items that would be reclassified to profit or loss in the future from those that would never be.

The adoption of the amendment to IAS 1 has no impact on the recognised assets, liabilities and comprehensive income of the group.

IFRS 1: Government Loans (Amendment): the amendment allows first time adopters relief from a retrospective measurement of government loans with a below market rate of interest. The amendment was effective for the full year ending 31 March 2014 but the group does not have any government loans or grants so has had no impact on the group.

IFRS 7: Offsetting Financial Assets and Financial Liabilities (Amendment): effective 1 January 2013 and requires an entity to disclose information about rights of set-off and related arrangements (e.g. collateral agreements). The adoption of the standard has had no impact on the group.

IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine: was effective for the full year ended 31 March 2014 and applies to surface mining activities. The group does not partake in these activities and thus the adoption of this interpretation has had no impact on the group.

The directors also intend to adopt the Standards, Amendments and Interpretations listed below when they become effective. The directors do not expect that adoption in future periods will have a material impact.

		Effective date
IFRS 10, 11, 12 (IAS 27, 28)	Investments Entities (Amendments)	1 January 2014
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendment)	1 January 2014
IAS 36	Recoverable Amount Disclosures to Non-Financial Assets (Amendment)	1 January 2014
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting (Amendment)	1 January 2014
IFRIC 21	Levies	1 January 2014
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments)	1 July 2014
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2018

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.

(b) The parent company's investments in subsidiaries

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

(c) 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 and VAT.

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.

(d) 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.

(e) 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 and the amount of any non controlling interest in the acquiree. The consideration transferred is measured at acquisition date fair value. 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.

(f) 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. The valuation is assessed on the basis of the highest and best use on which that asset could be realised, predominantly as a public house. When the necessary requirements have been met in respect of assets identified for disposal and revalued immediately prior to transfer to non current assets held for sale, the highest and best use for a market participant may reflect an alternative use for the asset. 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.

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(g)).

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, fittings and equipment are treated as disposals in the period following completion of their write down.

3. Summary of significant accounting policies (continued)

(g) 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. Goodwill is mandatorily assessed for impairment on an annual basis or more frequently if there are indications that the carrying value may be impaired.

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. 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.

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 and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of groups of assets. The fair value less costs to sell of the asset is assumed to be the market value of the property. 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 relates to goodwill in which case it is not reversed.

(h) 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.

(i) 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 the lower of their carrying value and fair value less costs of disposals.

(j) 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.

(k) Cash

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

(l) Trade and other payables

Trade and other 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.

(m) Interest bearing loans and borrowings

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

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

(n) Taxation

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

The current tax payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the income statement because the former excludes items of income or expense that are taxable or deductible in other years and also excludes items that are never taxable or deductible. The group's liability for current tax is calculated using UK tax rates that have been enacted under UK law and that are applicable to the period.

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 credited or charged directly to equity.

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 and the asset is expected to be realised through disposal, 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 UK tax 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.

(o) Accounting for the ESOP Trust

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.

(p) 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 remeasured 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.

(q) Pensions and other post retirement benefits

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

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

For the defined benefit scheme, the actuarial cost charged to the income statement in the period consists of the current service cost, net interest on the net defined benefit liability or asset, past service cost and the impact of any settlements or curtailments.

Remeasurement of retirement benefit schemes are recognised in full in the statement of comprehensive income in the period in which they occur.

The net defined benefit pension liability or asset in the balance sheet comprises the present value of the defined benefit obligations 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. 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 participants' 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.

(r) 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 impairment provision. Impaired debts are derecognised when they are assessed as irrecoverable.

3. Summary of significant accounting policies (continued)

(s) 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) 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) Impairment of goodwill

The group considers annually whether goodwill has suffered any impairment in accordance with the accounting policy set out in note 3(g). 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(g) and 16.

(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, the net assets acquired and whether the purchase represents a business combination. See notes 3(e), 13 and 16.

(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(f) and 17.

(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 an independent qualified actuary. See notes 3(q) and 24.

(f) Taxation

The group reviews potential tax liabilities and benefits to assess the appropriate accounting treatment. Tax provisions are made if it is probable that a liability will arise. Tax benefits are not recognised unless it is probable that they will be obtained. Assessing the outcome of uncertain tax positions requires judgements to be made based on past experience and the current tax environment. See notes 3(n), 12 and 23.

5. Segmental reporting

The group is organised into the reporting segments referred to opposite. 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 opposite 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. Unallocated relates to head office costs.

There were no intersegment revenues between the segments in the current period (2013: £511,000). In the prior period these were eliminated on consolidation and were charged at current market prices. The group's revenue is derived entirely from the UK.

Income statement

2014	Managed houses £000	Tenanted houses £000	Segments total £000	Unallocated £000	Total £000
External revenue	**199,032**	**11,383**	**210,415**	**353**	**210,768**
Intersegment revenue	**–**	**–**	**–**	**–**	**–**
Total segment revenue	**199,032**	**11,383**	**210,415**	**353**	**210,768**
Operating profit/(loss) before exceptional items	**44,994**	**3,844**	**48,838**	**(15,583)**	**33,255**
Operating exceptional items	**33**	**(376)**	**(343)**	**(268)**	**(611)**
Operating profit/(loss)	**45,027**	**3,468**	**48,495**	**(15,851)**	**32,644**

2013					
External revenue	181,558	11,623	193,181	496	193,677
Intersegment revenue	–	–	–	511	511
Total segment revenue	181,558	11,623	193,181	1,007	194,188
Operating profit/(loss) before exceptional items	39,560	4,245	43,805	(14,870)	28,935
Operating exceptional items	(977)	(114)	(1,091)	(718)	(1,809)
Operating profit/(loss)	38,583	4,131	42,714	(15,588)	27,126

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

	2014 £000	Restated 2013 £000
Operating profit	**32,644**	27,126
Finance costs	**(5,941)**	(5,894)
Finance revenue	**250**	543
Other finance charge	**(393)**	(360)
Profit before tax	**26,560**	21,415

Balance sheet

2014	Managed houses £000	Tenanted houses £000	Segments total £000	Unallocated £000	Total £000
Segment assets	**526,708**	**52,260**	**578,968**	**9,185**	**588,153**
Deferred tax assets	**–**	**–**	**–**	**4,735**	**4,735**
Cash	**–**	**–**	**–**	**2,435**	**2,435**
Total assets	**526,708**	**52,260**	**578,968**	**16,355**	**595,323**
Other segmental information					
Depreciation	**(11,130)**	**(1,042)**	**(12,172)**	**(338)**	**(12,510)**
Additions to non current assets	**25,813**	**7,653**	**33,466**	**148**	**33,614**
Upward movements in property valuation	**320**	**(61)**	**259**	**–**	**259**

2013 – restated					
Segment assets	487,487	48,766	536,253	6,788	543,041
Deferred tax assets	–	–	–	7,111	7,111
Other financial asset	–	–	–	4,749	4,749
Cash	–	–	–	6,123	6,123
Total assets	487,487	48,766	536,253	24,771	561,024
Other segmental information					
Depreciation	(10,377)	(1,019)	(11,396)	(288)	(11,684)
Additions to non current assets	19,352	989	20,341	152	20,493
Downward movements in property valuation	(687)	(271)	(958)	–	(958)

6. Revenue

	2014 £000	2013 £000
Sales of goods	**199,545**	182,735
Rental income	**11,223**	10,942
Revenue	**210,768**	193,677
Finance revenue	**250**	543
	211,018	194,220

Revenue shown above is from continuing operations.

7. Operating costs before exceptional items

	2014 £000	2013 £000
Changes in inventories of finished goods and raw materials	**(99)**	(113)
Raw materials, consumables and finished goods used	**54,988**	52,058
Employment costs (note 8(a))	**66,354**	60,864
Depreciation (note 17)	**12,510**	11,684
Other operating costs	**43,760**	40,249
	177,513	164,742

Other operating costs include:

		2014 £000	2013 £000
Operating lease rentals:	minimum lease payments	**5,930**	6,156
	sublease payments	**603**	544
		6,533	6,700
Auditor's remuneration to main group auditor:	audit of the group financial statements	**114**	111
	audit of subsidiaries' accounts	**19**	18
	audit related assurance services	**36**	37
	taxation advisory services	**10**	30
	all other services	**–**	267
		179	463

8. Employment

(a) Costs and employee numbers

	2014 £000	2013 £000
Wages and salaries	**60,505**	55,444
Social security	**4,706**	4,422
Pension and health care schemes	**1,143**	998
Employment costs before exceptional items	**66,354**	60,864
Employment costs in exceptional items: capital gains tax on ESOP Trust allocated shares	**268**	168
	66,622	61,032

The average monthly number of employees was 3,357 (2013: 3,242).

(b) Directors' emoluments

	Basic salary and fees £	Benefits £	Bonus £	Total excluding pension costs 2014 £	Total excluding pension costs 2013 £
Nicholas Bryan	**83,220**	**–**	**–**	**83,220**	79,825
Stephen Goodyear	**307,585**	**20,683**	**311,798**	**640,066**	476,346
Torquil Sligo-Young	**124,818**	**26,124**	**120,958**	**271,900**	236,528
Peter Whitehead	**220,137**	**18,487**	**208,747**	**447,371**	338,012
Patrick Dardis	**228,806**	**1,593**	**208,747**	**439,146**	340,020
Edward Turner	**179,259**	**11,209**	**170,000**	**360,468**	–
Roger Lambert	**38,110**	**–**	**–**	**38,110**	37,740
David Page	**38,110**	**–**	**–**	**38,110**	37,740
Rupert Clevely	**38,110**	**10,100**	**–**	**48,210**	294,629
Total 2014	**1,258,155**	**88,196**	**1,020,250**	**2,366,601**	
Total 2013	1,239,239	95,278	506,323		1,840,840

Notes:
The Benefits column relates primarily to the provision of private medical insurance and car related benefits.

Bonuses were receivable by the directors in connection with the performance targets they were set during the period. At the outset, it was agreed that if any bonus were to be paid, half of it would be settled in shares, with the other half being paid in cash except to the extent that the director elected to receive all or part of it in shares instead. For every share taken in place of cash, the director would be allowed to subscribe at nominal value for one 'matching' share. Each of Stephen Goodyear, Torquil Sligo-Young, Peter Whitehead and Patrick Dardis has elected to take his cash element in shares and is therefore entitled to subscribe for 'matching' shares. None of the directors are generally free to sell any of the shares before the end of a restricted period which ordinarily will end three years after the shares have been acquired or, if earlier, the date on which his employment terminates by reason of illness, disability or redundancy. The 'matching' shares are subject to satisfaction of a further condition relating to the extent to which the group's adjusted earnings per ordinary share in respect of the group's continuing operations for the financial period ending on or around 31 March 2017 exceeds the same measure for the financial period ended 1 April 2013. Any of the shares acquired, whether 'matching' or otherwise, are liable to forfeiture in certain circumstances. The number of shares to be issued to each director in order to fulfil his entitlement will be calculated with reference to the market price of the company's A ordinary shares as shown in the Financial Times (on-line version) published on the date on which the issue is made (which is expected to be around mid-June 2014). The amounts shown in the Bonus column reflect the cash value of the bonuses receivable by the directors, excluding the cash value of any 'matching' shares. The cash value of the 'matching' shares to be awarded to Stephen Goodyear is £155,899, to Torquil Sligo-Young is £60,479, to Peter Whitehead is £104,374 and to Patrick Dardis is £104,374.

8. Employment (continued)

(c) Retirement benefits

Defined benefit pension scheme

The company operates a defined benefit pension scheme, namely the Young & Co.'s Brewery, P.L.C. Pension Scheme. All individuals in this pension scheme contribute to it, with contributions being at the rate of 5.0% of pensionable earnings. This pension scheme invests largely in managed funds.

As at 31 March 2014 two directors, Peter Whitehead and Patrick Dardis, were accruing benefits under the defined benefit pension scheme in respect of qualifying service. The company accounts for retirement benefits in accordance with IAS 19 and detailed disclosures covering this are set out in note 24.

	1 Accrued pension as at 31 March 2014 £ p.a.	2 Age normal retirement date reached	3 Value of increase in accrued pension during year to 31 March 2014 (net of member contributions) £
Peter Whitehead	60,872	60	64,116
Patrick Dardis	36,262	60	55,450

Notes:

(1) The pension entitlement shown in column 1 is that which would be paid annually on retirement under the terms of the relevant director's service agreement based on service to 31 March 2014. 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 & Customs. Peter Whitehead has opted for 2014 Fixed Protection and therefore ceased future pension accrual from 6 April 2014.

(2) Stephen Goodyear and Torquil Sligo-Young have begun to draw their pensions. They therefore have no further defined benefit accrual and have not been included in the above table.

(3) The value of the increase in accrued pension in column 3, for the directors who accrued benefits over the year in the Young & Co.'s Brewery, P.L.C. Pension Scheme, is calculated using appropriate methodology prescribed under relevant legislation. For example, this includes applying a factor of 20 to the increase in accrued pension over the year (net of the required allowance for inflation). This method of valuation is different from using the scheme's normal cash equivalent transfer value basis.

Defined contribution pension schemes

The company also operates a number of defined contribution pension schemes.

As at 31 March 2014 two directors, Ed Turner and Rupert Clevely, were in such a scheme. For the year ended 31 March 2014 the company paid contributions of £8,550 and £135 respectively into a defined contribution pension arrangement for them.

Post retirement health care

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

(d) Profit sharing scheme

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 members receive 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 (and there is no further accrual): Stephen Goodyear (22,680), Torquil Sligo-Young (31,412), Peter Whitehead (20,816) and Patrick Dardis (6,696). None of the other directors who served during the period have an accrued entitlement under the scheme.

(e) Savings-related share option scheme

The company operates a savings-related share option scheme. From year to year eligible employees of the group are invited to join the scheme and be granted options to buy shares in the company. Employees must normally have been employed throughout a period of two years preceding the financial year in which they are invited to join, and they must agree to save a fixed monthly amount with a savings institution through deductions from net salary and usually over a three year period. The amount to be saved determines the number of shares over which an option is granted. If the board chooses options are granted at a discount of up to 20% of the market price of a share at the time invitations are sent out to join the scheme for that year. There are no performance conditions other than continued employment.

The entitlement to A shares under the scheme of each of the directors who served during the period is as follows:

	At 1 April 2013	Granted during the period	At 31 March 2014	Exercise price (pence) [1]	Exercisable from	Exercisable to
Stephen Goodyear	1,844	–	1,844	488	01.09.15	28.02.16
Torquil Sligo-Young	1,844	–	1,844	488	01.09.15	28.02.16
Peter Whitehead	1,844	–	1,844	488	01.09.15	28.02.16
Patrick Dardis	1,844	–	1,844	488	01.09.15	28.02.16
Edward Turner	1,844	–	1,844	488	01.09.15	28.02.16

Note:
[1] The exercise price of 488p per share represents a 20% discount to the then market price of 610p per share.

9. Exceptional items

	2014 £000	Restated 2013 £000
Amounts included in operating profit:		
Upward movement on the revaluation of properties (note 17)	**3,773**	2,418
Downward movement on the revaluation of properties (note 17)	**(3,514)**	(3,376)
Acquisition costs	**(602)**	(217)
Capital gains tax on ESOP Trust allocated shares	**(268)**	(168)
Profit on sale of properties	**–**	765
Restructuring costs	**–**	(552)
Compensation to terminate leases	**–**	(679)
	(611)	(1,809)
Exceptional tax:		
Change in corporation tax rate	**2,567**	802
Tax attributable to above adjustments	**(535)**	(228)
	2,032	574
Total exceptional items after tax	**1,421**	(1,235)

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 net upward movement of £259,000 (2013: £958,000 net downward) which has been taken to the income statement. The upward movement for the period ended 31 March 2014 is all within land and buildings. In the previous period the downward movement was split between land and buildings £228,000 and fixtures and fittings £730,000. See note 5 for segmental information.

The acquisition costs include legal fees and stamp duty incurred on the purchase of the Clapham North, New Inn (Ealing) and Royal Oak (Bethnal Green) on 27 June 2013, Weyside (Guildford) on 19 November 2013 and the King's Head (Islington) on 17 January 2014. In the prior period acquisition costs related to the purchase of the Cutty Sark (Greenwich) on 30 October 2012 and the Narrowboat (Islington) on 9 October 2012.

The capital gains tax on ESOP Trust allocated shares relates to the shares held within the Ram Brewery Trust II on behalf of the closed profit sharing scheme (see note 8(d)). 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, the following properties were sold realising a profit: the Plough Inn (Lambeth), Marble Hill (Twickenham), Mitre (Richmond), Gorringe Park (Tooting), Chequers (Cassington), Prince of Wales (Merton) and the Old Anchor (Twickenham). Restructuring costs relate to a reorganisation of the group's head office functions and compensation was paid to former tenants to terminate leases so they could be moved to the managed house division.

10. 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.

	2014 £000	Restated 2013 £000
Profit before tax	**26,560**	21,415
Operating exceptional items (note 9)	**611**	1,809
	27,171	23,224

11. Finance costs and revenue

	2014 £000	2013 £000
Bank loans and overdrafts	**5,899**	5,852
Finance lease interest	**42**	42
Finance costs	**5,941**	5,894
Interest receivable and unwinding of discounted deferred consideration	**(250)**	(543)
	5,691	5,351

12. Taxation

Tax charged in the group income statement	**2014 £000**	Restated 2013 £000
Current tax		
Current tax expense	**6,894**	5,719
Adjustment in respect of current tax of prior periods	**(124)**	(250)
	6,770	5,469
Deferred tax		
Origination and reversal of temporary differences	**209**	637
Change in corporation tax rate	**(2,567)**	(802)
Adjustment in respect of deferred tax of prior periods	**94**	(238)
	(2,264)	(403)
Tax expense	**4,506**	5,066

Deferred tax in the group statement of comprehensive income		
Property revaluation and disposals	**3,624**	(378)
Retirement benefit schemes	**690**	(528)
Interest rate swaps	**1,261**	(395)
Change in corporation tax rate	**(4,904)**	(1,407)
Tax expense/(credit)	**671**	(2,708)

Deferred tax in the group income statement

Property revaluation and disposals	**(830)**	795
Fair value gains on acquisition of subsidiaries	**(972)**	(600)
Capital allowances	**78**	(1,050)
Retirement benefit schemes	**(544)**	370
Other tax provisions	**116**	63
Share based payments	**(112)**	(8)
Derecognition of deferred tax on the sale of subsidiary	**–**	27
Tax credit	**(2,264)**	(403)

A reconciliation of the tax expense applicable to the profit from operating activities before tax at the statutory rate to the actual tax expense at the group's effective tax rate for the periods ended 31 March 2014 and 1 April 2013 respectively is as follows:

	2014 £000	2013 £000
Profit before tax	**26,560**	21,415
Total profit before tax at corporation tax rate of 23% (2013: 24%)	**6,109**	5,140
Tax effects of:		
Expenses not deductible for tax purposes	**672**	778
Recognition of property revaluation, rollover claim and other property movements	**380**	723
Non assessable income	**(58)**	(312)
Remeasurement of deferred tax – change in corporation tax rate	**(2,567)**	(802)
Derecognition of deferred tax on sale of subsidiary	**–**	27
Prior period adjustment – current tax	**(124)**	(250)
Prior period adjustment – deferred tax	**94**	(238)
Total tax expense	**4,506**	5,066

Changes in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and then from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Accordingly, the deferred tax balances have been remeasured from 23% to 20%. It is not expected that any deferred tax balances will be realised or settled between 1 April 2014 and 1 April 2015 and therefore the 21% rate has not been applied.

13. Business combinations

The group and company acquired the Clapham North, New Inn (Ealing), Royal Oak (Bethnal Green), Weyside (Guildford) and the King's Head (Islington) in the current period. The aggregated fair value of the identifiable assets and liabilities of the acquired businesses was property and equipment of £10,785,000 and inventories of £nil. The group incurred £602,000 of costs associated with the acquisitions, which have been recorded as operating exceptional items.

In the prior period, the group acquired the Cutty Sark (Greenwich) and the Narrowboat (Islington). The aggregated fair value of the identifiable assets and liabilities of the acquired businesses was property and equipment of £3,700,000 and inventories of £nil. The group incurred £217,000 of costs associated with the acquisitions, which have been recorded as operating exceptional items.

14. Dividends on equity shares

	2014 Pence	2013 Pence	**2014 £000**	2013 £000
Final dividend (previous period)	**7.61**	7.25	**3,670**	3,497
Interim dividend (current period)	**7.45**	7.02	**3,597**	3,385
	15.06	14.27	**7,267**	6,882

In addition, the board is proposing a final dividend in respect of the period ended 31 March 2014 of 8.07p per share at a cost of £3,897,000. If approved, it is expected to be paid on 10 July 2014 to shareholders who are on the register of members at the close of business on 6 June 2014.

15. Earnings per ordinary share

(a) Earnings

	2014 £000	Restated 2013 £000
Profit attributable to equity shareholders of the parent	**22,054**	16,292
Operating exceptional items	**611**	1,809
Tax attributable to above adjustments	**535**	228
Change in corporation tax rate	**(2,567)**	(802)
Adjusted earnings after tax	**20,633**	17,527

	Number	Number
Basic weighted average number of ordinary shares in issue	**48,275,784**	48,224,000
Dilutive potential ordinary shares from outstanding employee share options	**60,685**	33,932
Diluted weighted average number of shares	**48,336,469**	48,257,932

(b) Basic earnings per share

	Pence	Pence
Basic	**45.68**	33.78
Effect of exceptional items and other adjustments	**(2.94)**	2.56
Adjusted basic	**42.74**	36.34

(c) Diluted earnings per share

	Pence	Pence
Diluted	**45.63**	33.76
Effect of exceptional items and other adjustments	**(2.94)**	2.56
Adjusted diluted	**42.69**	36.32

The basic earnings per share figure is calculated by dividing the profit attributable to equity shareholders of the parent for the period by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share have been calculated on a similar basis taking into account 60,685 (2013: 33,932) dilutive potential shares under the SAYE scheme (See note 8(e) and 26).

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.

16. Goodwill

	Group 2014 £000	Group 2013 £000
Goodwill	**20,426**	20,426

Goodwill of £20.4 million arose 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 the board. Cash flows beyond this period assume 2.0% growth (2013: 2.0%) which is below the industry long term average growth rate. The pre-tax discount rate applied to cash flow projections is 9.2% (2013: 8.5%). The calculation is most sensitive to revenue assumptions and the pre-tax discount rate, however the board believes that the assumptions used are reasonable. The group has conducted a sensitivity analysis on the impairment test and neither a 10% decline in cash flow nor a 1% increase in the discount rate would lead to the impairment of the goodwill in the period ended 31 March 2014.

17. 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 2 April 2012	509,295	80,025	589,320	457,993	73,684	531,677
Additions	5,229	11,564	16,793	4,867	9,675	14,542
Business combinations	3,397	303	3,700	3,397	303	3,700
Disposals	(3,011)	(1,058)	(4,069)	(3,009)	(876)	(3,885)
Fully depreciated assets	–	(4,916)	(4,916)	–	(4,916)	(4,916)
Revaluation[1]						
– effect of upward movements in property valuation	13,573	–	13,573	10,476	–	10,476
– effect of downward movements in property valuation	(5,026)	–	(5,026)	(5,026)	–	(5,026)
At 1 April 2013	523,457	85,918	609,375	468,698	77,870	546,568
Additions	7,477	15,352	22,829	6,689	13,299	19,988
Business combinations	9,728	1,057	10,785	9,728	1,057	10,785
Transfer to assets held for sale	–	(8,927)	(8,927)	–	(8,927)	(8,927)
Revaluation[1]						
– effect of upward movements in property valuation	27,865	–	27,865	24,119	–	24,119
– effect of downward movements in property valuation	(5,897)	–	(5,897)	(5,819)	–	(5,819)
At 31 March 2014	**562,630**	**93,400**	**656,030**	**503,415**	**83,299**	**586,714**
Depreciation and impairment						
At 2 April 2012	43,359	43,919	87,278	39,465	42,021	81,486
Depreciation charge	2,172	9,512	11,684	1,255	8,037	9,292
Disposals	(770)	(758)	(1,528)	(768)	(582)	(1,350)
Fully depreciated assets	–	(4,916)	(4,916)	–	(4,916)	(4,916)
Revaluation[1]						
– effect of downward movements in property valuation	2,559	817	3,376	1,270	609	1,879
– effect of upward movements in property valuation	(2,331)	(87)	(2,418)	(2,181)	–	(2,181)
At 1 April 2013	44,989	48,487	93,476	39,041	45,169	84,210
Depreciation charge	2,087	10,423	12,510	1,331	8,687	10,018
Fully depreciated assets	–	(8,927)	(8,927)	–	(8,927)	(8,927)
Revaluation[1]						
– effect of downward movements in property valuation	3,514	–	3,514	3,233	–	3,233
– effect of upward movements in property valuation	(3,773)	–	(3,773)	(3,537)	–	(3,537)
At 31 March 2014	**46,817**	**49,983**	**96,800**	**40,068**	**44,929**	**84,997**
Net book value						
At 2 April 2012	465,936	36,106	502,042	418,528	31,663	450,191
At 1 April 2013	478,468	37,431	515,899	429,657	32,701	462,358
At 31 March 2014	**515,813**	**43,417**	**559,230**	**463,347**	**38,370**	**501,717**

[1] The group's net book value uplift due to revaluation of £22.2 million (2013: £7.6 million) comprises an upward movement of £21.9 million (2013: £8.6 million) shown in the statements of comprehensive income plus a reversal of previous downward revaluations of £0.3 million (2013: £1.0 million downward) in the income statement. The company's net book value uplift due to revaluation of £18.6 million (2013: £5.8 million) comprises an upward movement of £18.3 million (2013: £5.5 million) shown in the statements of comprehensive income plus a reversal of previous downward revaluations of £0.3 million (2013: £0.3 million) in the income statement.

(a) Revaluation of property and equipment

The group's property estate is valued externally on an annual basis in accordance with the provisions of the RICS Valuation – Professional Standards January 2014 ('the Red Book'), which takes account of the properties' highest and best value. The group's freehold and leasehold land, buildings, fixtures and fittings were valued at market value, as at 31 March 2014 and 1 April 2013, by CBRE Ltd, independent chartered surveyors and by Andrew Cox MRICS, the group's director of property and tenancies and a Chartered Surveyor.

The external valuation is based on information, such as current and historic levels of turnover, gross profit, wages and overheads and resultant EBITDA. The external valuers have then applied a multiplier to the EBITDA based upon the relative risks associated with the trading format, tenure and property. In a number of cases the value of the property derived purely from an income approach understates the underlying property value. In these cases the external valuers have applied a spot value to the property rather than a value derived from a multiple applied to the income. EBITDA represents a key unobservable input. In addition, the valuation was based on the valuer's assumptions and models. Each individual pub is valued as a fully equipped operational entity after taking into account its trading potential, location, tenure, size and condition and other factors such as recent market transactions. Changes in these variables and assumptions could materially impact the valuations.

These valuations and the assumptions made are discussed and reviewed with Andrew Cox, the Board and the auditors. The highest and best use of its properties do not differ materially from their current use, public houses.

These techniques are consistent with the principles in IFRS 13 Fair Value Measurement and use significant unobservable inputs such that the fair value measurement of each property within the portfolio has been classified as Level 3 in the fair value hierarchy.

The key inputs to valuation on property and equipment are as follows:

Segment	**Tenure**	**EBITDA multiple range**		**Number of pubs**	**Value of pubs**
		Low	High		£000
Managed houses	Freehold	7.0	12.5	134	478,622
Managed houses	Leasehold	2.0	4.0	26	18,516
Managed houses	Concession	Spot	Spot	3	384
Tenanted houses	Freehold	6.0	10.5	68	51,726
Tenanted houses	Leasehold	Spot	Spot	11	316
Segment total				**242**	**549,564**
Unallocated				–	9,666
Total net book value 31 March 2014				**242**	**559,230**

If, at 31 March 2014, the property estate had been carried at historic cost less accumulated depreciation and impairment losses, its carrying amount would have been approximately £357.8 million (2013: £336.1 million).

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

A sensitivity analysis has been conducted on the property estate to give an indication of the impact of movements in the most sensitive assumption, EBITDA. The analysis considers this single change with the other assumptions unchanged. In practice changes in one assumption may be accompanied by changes in another. Changes in market values may also occur at the same time as any changes in assumptions. This information should not be taken as a projection of likely future valuation movements. Decreasing the EBITDA used in the revaluation by 10% would decrease the valuation by £47.1 million (2013: £45.4 million). Increasing the EBITDA used in the revaluation by 10% would increase the valuation by £47.1 million (2013: £45.4 million).

(b) Assets held under finance leases

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

	2014 £000	2013 £000
Land and buildings held under finance leases	**10,056**	9,209

(c) Capital commitments

Capital commitments not provided for in these financial statements and for which contracts have been placed amounted to:	**5,352**	2,719

18. Investments in subsidiaries

	Company	
	2014 £000	2013 £000
Investments	**24,254**	24,254

Group subsidiary undertakings	Country of incorporation and registration	Country of principal operations	% of equity and votes held
Geronimo Inns Limited	England	England	100
Geronimo Airports Limited	England	England	100

In the prior period, the group disposed of its entire 51% share in Sticky Fingers Food Limited ("Sticky Fingers"), its food production subsidiary. Sticky Fingers was a non-core business and the disposal allowed the group to focus on operating pubs. The disposal was for a consideration of £2 and resulted in a loss on disposal of £23,000.

19. Inventories

	Group		Company	
	2014 £000	2013 £000	**2014 £000**	2013 £000
Finished goods and goods for resale	**2,554**	2,455	**1,958**	1,875

20. Trade and other receivables

	Group		Company	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Trade receivables	**1,955**	1,438	**1,787**	1,282
Other receivables	**381**	417	**317**	393
Prepayments and accrued income	**3,607**	2,406	**3,035**	1,824
Amounts due from subsidiaries	**–**	–	**21,591**	26,230
	5,943	4,261	**26,730**	29,729

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 31 March 2014, trade receivables with a nominal value of £724,000 (2013: £587,000) were impaired and fully provided for.

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

	2014	2013
	£000	£000
Opening balance	**587**	899
Charge for period	**255**	109
Amounts written off	**(118)**	(421)
	724	587

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

The analysis of trade receivables at 31 March 2014 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**
2014	**1,955**	**715**	**822**	**230**	**20**	**168**
2013	1,438	323	742	264	45	64

Of the trade receivables that are neither past due nor impaired by value, 19.2% (2013: 1.8%) reflects new customers with no previous history of default, 71.5% (2013: 68.3%) represents existing customers with no history of default and 9.3% (2013: 29.9%) represents existing customers with some history of default.

21. Trade and other payables

	Group		Company	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Trade payables	**11,600**	8,428	**11,502**	8,370
Other related parties: Ram Brewery Trust II	**294**	–	**294**	325
Other tax and social security	**5,818**	5,520	**5,762**	5,191
Other creditors	**7,083**	5,706	**6,321**	5,228
Accruals and deferred income	**4,515**	4,502	**4,021**	3,994
	29,310	24,156	**27,900**	23,108

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

22. 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 25) and debt (note 27).

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 %	Effect on profit before tax £000
2014	**+1.0**	**(250)**
	−0.5	**125**
2013	+1.0	(184)
	−0.5	92

Credit risk

The objective is to minimise the group's credit risk. Credit risks include counterparties defaulting 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 8.

(a) Derivative financial instruments: interest rate swaps

	Group and company	
	2014	2013
	£000	£000
Financial liability – interest rate swaps	**(8,389)**	(13,870)
Fair value movement of interest rate swaps taken to equity	**5,481**	(1,647)

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 each 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, borrowings, interest rates and fair values

2014	Term or expiry date	Effective interest rate	Period rate fixed	Fair value 2014 £000	Book value 2014 £000
	Group and company				
Secured					
£20 million loan swapped into fixed rate	March 2018	4.58%	4 years	**21,489**	**19,969**
£40 million loan swapped into fixed rate	March 2021	4.01% to 4.59%	1 to 7 years	**40,713**	**39,614**
£10 million loan	March 2021	Variable	None	**9,903**	**9,903**
£30 million loan swapped into fixed rate	March 2023	5.97%	9 years	**35,748**	**29,978**
£75 million revolving credit facility	March 2019	Variable	None	**14,276**	**14,276**
				122,129	**113,740**
Unsecured					
Finance leases					**688**
Financial liabilities					**114,428**
As shown					
Current borrowings					**6**
Non current borrowings					**114,422**
Financial liabilities					**114,428**

2013	Term or expiry date	Effective interest rate	Period rate fixed	Fair value 2013 £000	Book value 2013 £000
Secured					
£20 million loan swapped into fixed rate	March 2018	4.58%	5 years	22,790	19,940
£30 million loan swapped into fixed rate	March 2023	5.97%	10 years	39,182	29,910
£50 million loan swapped into fixed rate	December 2013 to 2015	4.51%	1 to 3 years	51,898	49,821
£50 million revolving credit facility	December 2015	Variable	None	18,321	18,321
				132,191	117,992
Unsecured					
Finance leases					694
Financial liabilities					118,686
As shown					
Current borrowings					10,006
Non current borrowings					108,680
Financial liabilities					118,686

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 £10 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 loan is repayable as to £20 million on 28 March 2018 and as to £30 million on 28 March 2023. The syndicated loan is repayable on 17 March 2021. Interest rate swaps have been entered into in respect of some of bank loans which results in the effective interest charge being fixed at the rates disclosed above.

Revolving credit facility

The group has a £75 million revolving credit facility with the Royal Bank of Scotland and Barclays of which £15 million was drawn at the period end. Final repayment of the total drawn down balance is due as one payment on 17 March 2019. This is a committed facility which permits drawings of different amounts and for different 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.

22. Capital management and financial instruments (continued)

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

	Maturity of financial liabilities				
2014	**Within one year £000**	**Between one and two years £000**	**Between two and five years £000**	**After five years £000**	**Total £000**
Borrowings	**639**	**1,121**	**38,982**	**83,644**	**124,386**
Trade and other payables	**16,611**	**–**	**–**	**–**	**16,611**
Derivative financial instruments	**3,073**	**2,948**	**8,514**	**7,715**	**22,250**
	20,323	**4,069**	**47,496**	**91,359**	**163,247**

2013	Within one year £000	Between one and two years £000	Between two and five years £000	After five years £000	Total £000
Borrowings	12,713	12,259	53,828	52,320	131,120
Trade and other payables	13,948	–	–	–	13,948
Derivative financial instruments	2,712	2,712	7,006	7,628	20,058
	29,373	14,971	60,834	59,948	165,126

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 2014 £000	**Level 1 2014 £000**	**Level 2 2014 £000**	**Level 3 2014 £000**
Financial liabilities at fair value				
Interest rate swaps	**(8,389)**	**–**	**(8,389)**	**–**
	(8,389)	**–**	**(8,389)**	**–**

	Fair value 2013 £000	Level 1 2013 £000	Level 2 2013 £000	Level 3 2013 £000
Financial liabilities at fair value				
Interest rate swaps	(13,870)	–	(13,870)	–
	(13,870)	–	(13,870)	–

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.

23. Deferred tax

	Group		Company	
	2014 £000	2013 £000	**2014 £000**	2013 £000
Deferred tax assets				
Interest rate swaps	**1,678**	3,190	**1,678**	3,190
Retirement benefit schemes	**1,200**	2,033	**1,200**	2,033
Decelerated capital allowances	**820**	898	**856**	922
Capital losses	**873**	860	**873**	860
Other provisions	**–**	116	**–**	116
Share based payments	**164**	14	**164**	14
	4,735	7,111	**4,771**	7,135
Deferred tax liabilities				
Rolled over gains and property revaluations	**(49,043)**	(52,078)	**(48,386)**	(51,850)
Fair value gains on acquisition of subsidiaries	**(5,331)**	(6,303)	**–**	–
	(54,374)	(58,381)	**(48,386)**	(51,850)
Net deferred tax liabilities	**(49,639)**	(51,270)	**(43,615)**	(44,715)

The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 20%.

The group has realised capital losses of £5,592,000 (2013: £5,589,000) which are available indefinitely to offset against future capital gains. A deferred tax asset has not been recognised in respect of £1,327,000 (2013: £1,946,000) 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 £15,334,000 (2013: £11,985,000) of which £100,000 (2013: £99,000) has been recognised and £15,234,000 (2013: £11,886,000) has not been recognised at present because it is uncertain whether these unrealised losses will be utilised. The company has unrealised capital losses of £12,968,000 (2013: £8,807,000) of which £100,000 (2013: £99,000) has been recognised and £12,868,000 (2013: £8,708,000) has not been recognised.

24. Retirement benefit schemes

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

The aggregate contribution to the defined contribution schemes was £343,000 (2013: £286,000).

Independent, professionally qualified actuarial advice is sought to determine the liabilities arising from the defined benefit scheme, using the projected unit credit method. The scheme is formally valued every three years. The obligations under the scheme consist mainly of a final salary scheme which provides members benefits based on length of service and salary.

Through its defined benefit scheme and post retirement health care scheme the group is exposed to a number of risks which are referred to in the principal risks and uncertainties section starting on page 8.

The employer contribution to the defined benefit scheme for the period ended 31 March 2014 was £653,000 (2013: £2,478,000) plus premiums of £251,000 (2013: £241,000) to the post retirement health care scheme. The current arrangement as regards contribution rates is described in the relevant Schedule of Contributions.

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 5.0% of pensionable earnings. Future employer contribution rates are projected to be 18.0% of pensionable earnings. The total contributions to the defined benefit scheme in the 2015 financial period are expected to be £2,600,000 which includes a special contribution of £2,100,000. The total contributions to the post retirement health care scheme in the 2015 financial period are expected to be £260,000.

As explained in note 2, with effect of 1 January 2013 the group has adopted the revised IAS 19 Employee benefits. The 2013 comparative figures have been restated as detailed in note 2.

24. Retirement benefit schemes (continued)

Financial assumptions

	Pension		Health care	
	2014 %	2013 %	**2014 %**	2013 %
Rate of increase in salaries	**3.50**	3.40	**N/A**	N/A
Discretionary pension increases	**3.50**	3.40	**N/A**	N/A
Rate of revaluation of deferred pensions	**2.50**	2.40	**N/A**	N/A
Discount rate	**4.60**	4.50	**4.60**	4.50
Inflation	**3.50**	3.40	**3.50**	3.40
General medical expenses inflation	**N/A**	N/A	**9.00**	9.00

Mortality assumptions

The life expectancies underlying the valuation are as follows:

	2014 Years	2013 Years
Current pensioners (at age 65) – males	**22.8**	22.7
Current pensioners (at age 65) – females	**25.2**	25.1
Future pensioners (at age 65) – males	**24.7**	24.6
Future pensioners (at age 65) – females	**27.1**	27.0

The weighted average duration of liabilities for the current period was 17.5 years (2013: 17.9 years)

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	24	(21)
Effect on defined benefit obligation	505	(430)

The sensitivities regarding the principal assumptions used to measure the schemes' 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 8.7%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 7.6%
Life expectations	Increase by 1 year	Increase by 3.6%

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

	Group and company	
	Assets and liabilities	
	2014 £000	2013 £000
Equities	**27,832**	24,454
Diversified growth fund	**9,430**	21,443
Absolute return	**10,964**	4,384
Corporate bonds	**46,377**	38,972
Insured pensions	**12,300**	14,639
Other	**(1,555)**	(6)
Total fair value of assets	**105,348**	103,886
Present value of retirement benefit liabilities	**(111,343)**	(112,727)
Scheme deficit	**(5,995)**	(8,841)

The pension scheme assets includes some of the company's A shares with a fair value of £4,395,000 (2013: £3,670,000). There are no property assets of the scheme occupied by the company.

The fair values of the assets have not materially changed due to the adoption of IFRS 13.

Movement in scheme deficits in the period

	Group and company					
	2014			Restated 2013		
	Pension schemes £000	**Health care scheme £000**	**Total £000**	Restated Pension schemes £000	Restated Health care scheme £000	Restated Total £000
(a) Changes in the present value of the pension schemes are as follows:						
Opening deficit	**(4,205)**	**(4,636)**	**(8,841)**	(3,802)	(4,488)	(8,290)
Current service cost	**(655)**	**(11)**	**(666)**	(701)	(11)	(712)
Contributions	**653**	**251**	**904**	2,478	241	2,719
Other finance charges	**(190)**	**(203)**	**(393)**	(144)	(216)	(360)
Remeasurement through other comprehensive income	**2,861**	**140**	**3,001**	(2,036)	(162)	(2,198)
Closing deficit	**(1,536)**	**(4,459)**	**(5,995)**	(4,205)	(4,636)	(8,841)
(b) Recognised in the income statement						
Current service cost included in operating costs	**(655)**	**(11)**	**(666)**	(701)	(11)	(712)
Net interest expense	**(190)**	**(203)**	**(393)**	(144)	(216)	(360)
(c) Recognised in statement of comprehensive income						
Experience gains/(losses) arising on the scheme liabilities	**2,758**	**93**	**2,851**	(2,051)	45	(2,006)
(Loss)/gain from change in demographic assumptions	**–**	**–**	**–**	–	–	–
Gain/(loss) from change in financial assumptions	**206**	**47**	**253**	(7,725)	(207)	(7,932)
Remeasurement of obligations	**2,964**	**140**	**3,104**	(9,776)	(162)	(9,938)
Return on scheme assets (less amounts included in net interest expense)	**(103)**	**–**	**(103)**	7,740	–	7,740
Net remeasurement recognised	**2,861**	**140**	**3,001**	(2,036)	(162)	(2,198)
(d) Movements in the present value of defined benefit obligations during the period						
Opening defined benefit obligations	**(108,091)**	**(4,636)**	**(112,727)**	(96,754)	(4,488)	(101,242)
Current service cost	**(655)**	**(11)**	**(666)**	(701)	(11)	(712)
Interest on obligations	**(4,796)**	**(203)**	**(4,999)**	(4,711)	(216)	(4,927)
Contributions by scheme members	**(97)**	**–**	**(97)**	(104)	–	(104)
Remeasurement of obligations	**2,964**	**140**	**3,104**	(9,776)	(162)	(9,938)
Benefits paid	**3,791**	**251**	**4,042**	3,955	241	4,196
Present value of scheme liabilities	**(106,884)**	**(4,459)**	**(111,343)**	(108,091)	(4,636)	(112,727)
(e) Change in fair value of scheme assets						
Opening fair value of scheme assets	**103,886**	**–**	**103,886**	92,952	–	92,952
Interest on scheme assets	**4,606**	**–**	**4,606**	5,471	–	5,471
Return on scheme assets (less amounts included in net interest expense)	**(103)**	**–**	**(103)**	6,836	–	6,836
Contributions by employer	**653**	**251**	**904**	2,478	241	2,719
Contributions by scheme members	**97**	**–**	**97**	104	–	104
Benefits paid	**(3,791)**	**(251)**	**(4,042)**	(3,955)	(241)	(4,196)
Fair value of scheme assets	**105,348**	**–**	**105,348**	103,886	–	103,886

25. Share capital and reserves

	2014 Shares	2014 £000	2013 Shares	2013 £000
Issued and fully paid shares – 12.5p each				
Opening balance	**48,224,000**	**6,028**	48,224,000	6,028
Issued under employee share schemes	**66,292**	**8**	–	–
Closing balance	**48,290,292**	**6,036**	48,224,000	6,028

Of the opening balance of 48,224,000 shares, 29,064,000 are A shares and 19,160,000 are non-voting shares (2013: 29,064,000 A shares, 19,160,000 non-voting shares). Of the closing balance of 48,290,292 shares, 29,130,292 are A shares and 19,160,000 are non-voting shares (2013: 29,064,000 A shares, 19,160,000 non-voting shares).

The majority of the A shares issued in the current period relate to directors' emoluments (see note 8(b)) and the share awards (see note 26).

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.

26. Share awards

During the prior period the group introduced a Save-As-You-Earn ("SAYE") scheme. The scheme enables directors and eligible employees to acquire options over A shares of the company at a discount of up to 20% of their market price at the time of granting using the proceeds of a related SAYE contract. All employees who have worked for the minimum qualifying period on an invitation date are eligible to join the scheme. Options granted under the SAYE scheme are not subject to performance conditions other than continued employment. These options are all equity settled.

In the current period, a further 27,542 A shares (2013: 130,679 A shares) were granted under the SAYE scheme on 15 July 2013 at an exercise price of 662.0p per share (2013: 488.0p per share). Subject to the participants remaining in the employment of the group and making 36 monthly contributions, these options will be exercisable between September 2016 and February 2017.

120,739 A shares remained outstanding at the beginning of the period. During the period, a total of 9,952 options lapsed. A further 1,225 options were exercised at an average price of 488.0p resulting in an increase in share capital of £153.13 and an increase in share premium of £5,824.87.

A charge of £53,000, valued using the Black-Scholes option pricing model, was made to the group and company income statement in respect of these options in the period. As at 31 March 2014 options over 137,104 A shares remain outstanding.

27. Net cash generated from operations and analysis of net debt

	Group		Company	
		Restated		Restated
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Profit before tax on continuing operations	**26,560**	21,415	**21,519**	18,910
Net finance cost	**5,691**	5,351	**4,720**	4,093
Other finance charge	**393**	360	**393**	360
Operating profit on continuing operations	**32,644**	27,126	**26,632**	23,363
Depreciation	**12,510**	11,684	**10,018**	9,292
Movement on revaluation of properties	**(259)**	958	**(304)**	(302)
Profit on sale of properties	**–**	(765)	**–**	(765)
Difference between pension service cost and cash contributions paid	**(238)**	(2,007)	**(238)**	(2,007)
Amounts due from subsidiaries waived	**–**	–	**–**	90
Share based payments	**104**	33	**104**	33
Provision for capital gains tax on ESOP Trust allocated shares	**268**	168	**268**	168
Movements in working capital				
- Inventories	**(99)**	(113)	**(83)**	12
- Receivables	**(1,682)**	184	**2,999**	2,300
- Payables	**4,068**	(2,150)	**3,706**	(1,390)
Net cash generated from operations	**47,316**	35,118	**43,102**	30,794

Analysis of net debt

	Group		Company	
	2014	2013	**2014**	2013
	£000	£000	**£000**	£000
Cash	**2,435**	6,123	**1,320**	4,938
Loan capital and finance leases	**(114,428)**	(118,686)	**(114,428)**	(118,686)
Net debt	**(111,993)**	(112,563)	**(113,108)**	(113,748)

28. Related party transactions

Balances and transactions between the company and its wholly owned subsidiaries have been eliminated on consolidation and are not disclosed in this note; they were on an arm's length basis and are disclosed in notes 5, 20 and 21.

Directors

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

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 £9,787 (2013: £9,787) 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 £59,741 (2013: £38,102). No amount was outstanding at 31 March 2014 (2013: £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 £149,991 (2013: £131,385). £36,463 was outstanding at 31 March 2014 (2013: £17,286).

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

28. Related party transactions (continued)

Former director

Roy Summers, a former non-executive director, advises 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 assists with quality monitoring. For these services (and inclusive of expenses) he received £14,549 (2013: £15,451). £1,790 was outstanding at 31 March 2014 (2013: £1,580).

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, but has not made any such payments in the period ended 31 March 2014 (2013: nil). It is managed by a corporate trustee, Ram Brewery Trustees Limited, none of the directors of which is a director of the company. As the trusts affecting the General Fund no longer serve any useful purpose they are being terminated on 31 May 2014. As at 31 March 2014 the General Fund held nil A shares (2013: 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 31 March 2014, the Young & Co.'s Brewery, P.L.C. Pension Scheme held 477,769 A shares (2013: 502,769), being 1.64% 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 31 March 2014 the trust held 680,856 A shares (2013: 719,956), being 2.34% 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.

Former majority owned subsidiary

In the prior period, the group disposed of its 51% interest in Sticky Fingers Food Limited ("Sticky Fingers"), a supplier of food to the group for sale in its pubs. The consideration for the disposal was £2. As part of the disposal the aggregate sum of £53,000 borrowed by Sticky Fingers from Geronimo Inns Limited when the Sticky Fingers venture was set up in 2010 was rescheduled (over a five year period) and Sticky Fingers was released from its obligation to re-pay the sum of £90,000 owed to the company.

Goods purchased by the group from Sticky Fingers up until the date of disposal totalled £510,815 of which £49,951 was outstanding at the date of disposal.

Until 25 February 2013 the group performed payroll and administration functions on behalf of Sticky Fingers. For these services the group re-charged £266,298. £38,430 was outstanding at the date of disposal.

Former associate

On 8 August 2011, the group disposed of its entire 40% share in Wells & Young's Brewing Company, its former brewing associate. The consideration receivable for the company's shareholding was £15.1 million in cash, due in three instalments, the final instalment of £5.0 million was received during the current period. In the prior period, this deferred consideration was recognised in the group's balance sheet as "Other financial asset" within current assets at its discounted present value of £4,749,000.

29. 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	
	2014 £000	2013 £000	**2014 £000**	2013 £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	**2,661**	2,708	**2,661**	2,708
	2,898	2,945	**2,898**	2,945
Less: finance charges allocated to future years	**(2,210)**	(2,251)	**(2,210)**	(2,251)
	688	694	**688**	694

The present value of minimum lease payments is analysed as follows:				
Not later than one year	**6**	6	**6**	6
Later than one year and not later than five years	**27**	27	**27**	27
Later than five years	**655**	661	**655**	661
	688	694	**688**	694

Future minimum rentals receivable from non cancellable subleases on the above properties as at 31 March 2014 were £137,000 (2013: £206,000).

(b) Operating lease agreements where the group is lessee

Operating leases for property are for terms ranging from one 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	**5,824**	6,315	**2,824**	2,278
Later than one year and not later than five years	**18,487**	19,226	**10,383**	8,898
Later than five years	**35,729**	38,849	**22,173**	20,745
	60,040	64,390	**35,380**	31,921

Future minimum rentals receivable from non cancellable subleases on the above properties as at 31 March 2014 were £907,000 (2013: £821,000).

(c) Operating lease agreements where the group is lessor

The group leases licensed properties to third party tenants. These non cancellable leases are over terms varying from one to 21 years.

Future minimum rentals receivable under non cancellable operating leases are as follows:				
Not later than one year	**3,344**	2,992	**3,344**	2,992
Later than one year and not later than five years	**4,638**	4,913	**4,638**	4,913
Later than five years	**7,328**	7,665	**7,328**	7,665
	15,310	15,570	**15,310**	15,570

30. Post balance sheet events

There were no post balance sheet events.

31. Contingent liabilities

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

Five year review

	2014 £000	Restated 2013 £000	2012 £000	2011 £000	2010 £000
Revenue	**210,768**	193,677	178,964	142,597	127,539
Operating profit before exceptional items	**33,255**	28,935	26,162	21,746	20,307
Operating exceptional items	**(611)**	(1,809)	(28,827)	(4,883)	(234)
Net finance costs and other finance charge	**(6,084)**	(5,711)	(4,829)	(3,569)	(2,844)
Profit/(loss) before tax	**26,560**	21,415	(7,494)	13,294	17,229
Taxation	**(4,506)**	(5,066)	2,100	2,555	(5,858)
Profit/(loss) from continuing operations	**22,054**	16,349	(5,394)	15,849	11,371
(Loss)/profit from discontinued operation	**–**	–	(1,117)	1,964	1,147
Profit/(loss) for the period	**22,054**	16,349	(6,511)	17,813	12,518
Adjusted profit before tax	**27,171**	23,224	21,333	18,177	17,463
Net assets employed					
Non current assets	**584,391**	543,436	526,931	356,503	277,506
Current assets and assets held for sale	**10,932**	17,588	16,205	9,362	10,174
Current liabilities	**(32,481)**	(36,707)	(28,614)	(30,611)	(19,734)
Non current liabilities	**(183,180)**	(189,772)	(196,879)	(153,737)	(99,332)
	379,662	334,545	317,643	181,517	168,614
Financed by					
Share capital	**6,036**	6,028	6,028	6,028	6,028
Reserves	**373,626**	328,517	311,657	175,504	162,586
Non controlling interest	**–**	–	(42)	(15)	–
	379,662	334,545	317,643	181,517	168,614
Purchase of fixed assets and business combinations	**33,614**	20,493	25,605	78,614	10,819
Net debt	**(111,993)**	(112,563)	(118,069)	(122,615)	(62,632)

	Pence	Pence	Pence	Pence	Pence
Per 12.5p ordinary share					
Adjusted basic earnings from continuing operations	**42.74**	36.34	33.41	28.36	24.92
Basic earnings/(loss) from continuing operations	**45.68**	33.78	(11.13)	32.89	23.62
Dividends – paid in period	**15.06**	14.27	13.58	13.12	12.87
Gearing	**29.5%**	33.6%	37.2%	67.6%	37.1%
Average number of employees	**3,357**	3,242	2,985	2,335	2,059

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 reports, 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, 6 July 2014. 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 125th 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, 8 July 2014 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 31 March 2014, together with the strategic report, directors' report and the auditor's report on those accounts and reports.

2. To declare a final dividend of 8.07p per share for the financial year ended 31 March 2014.

3. That Ernst & Young LLP be, and is hereby, re-appointed as the Company's auditor to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which the Company's annual accounts and reports are laid in accordance with section 437 of the Companies Act 2006.

4. That the directors be, and are hereby, authorised to fix the remuneration of the Company's auditor.

5. That Rupert Clevely be, and is hereby, re-appointed as a director.

6. 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 2015) 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.

7. 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 £2,012,000 (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 £4,024,000 (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,
   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 2015) 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:

8. That if resolution 7 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 7, 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 7 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 £301,814,

   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 2015) 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.

9. 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 authority to be limited:
   (a) to a maximum number of 4,829,029 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 that may be paid for an Ordinary Share is the nominal amount of that share and the maximum price that may be paid for an Ordinary Share is an amount equal to 5% above the average of the middle market quotations for that share as derived from the AIM appendix to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that share is contracted to be purchased,

   such authority to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 30 September 2015) 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 authority ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the authority had not ended.

By order of the board

Anthony Schroeder
Company Secretary
21 May 2014

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, 7 July 2014 (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, 6 July 2014.

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.

(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 2014 annual report or any proxy form for the Company's 125th 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 125th annual general meeting of Young & Co.'s Brewery, P.L.C. (the "Company") to be held on Tuesday, 8 July 2014 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 7 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 strategic report, directors' report and the auditor's report on those accounts and reports before you at a general meeting; this is a legal requirement.

Resolution 2: final dividend
An interim dividend of 7.45p per share was paid in December 2013. The directors are recommending a final dividend of 8.07p per share for the year ended 31 March 2014, bringing the total dividend for the year to 15.52p per share. Subject to approval being given, the final dividend is expected to be paid on 10 July 2014 to shareholders on the register at the close of business on 6 June 2014.

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.

Resolution 5: re-appointment of director
Rupert Clevely 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. He is seeking re-appointment and his brief biographical details are on page 16.

Resolution 6: 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 7: general authority 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 £2,012,000 – this amount represents approximately one-third of the Company's issued share capital as at 20 May 2014 (but would be reduced by the nominal amount of any shares allotted or rights granted under paragraph (b) of this resolution in excess of £2,012,000). 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 £4,024,000, 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 20 May 2014. Therefore the maximum nominal amount of shares and rights that may be allotted or granted under this resolution is £4,024,000. 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 2015). The directors have no present intention of exercising either of the authorities sought under this resolution other than in respect of any one or more of the Company's share schemes. As at the date of the notice, no shares are held by the Company in treasury.

Resolutions 8 and 9 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 8: 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 £301,814. This aggregate nominal amount represents approximately 5% of the Company's issued share capital as at 20 May 2014. 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 2015).

Resolution 9: 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 4,829,029 of its shares, being no more than 10% of its issued share capital as at 20 May 2014. 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 2015). 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, that may be paid for a share is its nominal value. The maximum price, exclusive of expenses, that 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. As at 1 May 2014, there were options outstanding over 136,367 A shares, representing 0.28% of the Company's issued share capital at that date. If the Company were to purchase its own shares to the fullest possible extent of its existing authority and of the authority sought pursuant to this resolution, these would then represent 0.35% of the Company's issued share capital. No warrants to subscribe for shares are outstanding.

Young's pubs and hotels

London and the surrounding areas

Radlett
Red Lion Hotel H

Oxford
Angel & Greyhound
King's Arms

Hendon
Beaufort
Greyhound T

Harlesden
Grand Junction Arms T

Kilburn
Queen's Arms T

Maida Vale
Prince Alfred

Greenford
Bridge Hotel H

Ealing
Grange
New Inn T

Shepherd's Bush
Bull (Westfield) G
Eagle G

Notting Hill
Duke of Wellington
Elgin G

Paddington
Porchester

Bayswater
Mitre

Heathrow Airport
Five Tuns G
Three Bells G
Tin Goose G

Hammersmith
Brook Green Hotel H
Hammersmith Ram
Old Ship
Thatched House

Kensington
Britannia
Curtains Up G
Duke of Clarence G

Isleworth
Castle T
Coach & Horses

Chelsea
Builder's Arms G
Chelsea Ram G
Cooper's Arms
Hollywood Arms
King's Arms G
Phoenix G
Surprise G

Kew
Coach & Horses H

Mortlake
Jolly Gardeners T

Twickenham
Alexander Pope H

East Sheen
Hare & Hounds

Fulham
Cock Tavern
Duke on the Green
Waterside

Richmond
Lass O'Richmond Hill
Marlborough
Old Ship
Orange Tree H
Red Cow T
Shaftesbury
Waterman's Arms T
White Cross

Teddington
Abercorn Arms T

Barnes
Bull's Head G
Coach & Horses
White Hart

Roehampton
Angel T
King's Head

Putney
Boathouse
Coat and Badge G
Duke's Head
Green Man
Half Moon G
Spotted Horse

Wandsworth
Alma H
Armoury T
Brewers Inn H
County Arms
East Hill G
Gardeners' Arms T
Grand Union T
Grapes T
Old Sergeant T
Pig & Whistle T
Queen Adelaide
Ship
Spread Eagle T
Waterfront

Battersea
Duke of Cambridge
Northcote G
Plough
Prince Albert G

Staines
Bells T

Kingston
Albert
Bishop
Grey Horse T
Spring Grove

Wimbledon
Alexandra
Bayee Village T
Crooked Billet
Dog & Fox H
Fire Stables
Hand in Hand
Rose & Crown H

Clapham
Clapham North T
Windmill H

Walton-on-Thames
Royal George T
Swan

Surbiton
Black Lion T
Victoria
Waggon & Horses T

Balham
Devonshire
Grove
Nightingale

Chertsey
Crown Hotel H

Esher
Bear Inn H

Tooting
Castle

Weybridge
Hand & Spear

Claygate
Foley H

Earlsfield
Halfway House
Leather Bottle

Epsom
King's Arms
Rising Sun T

Mitcham
King's Arms T

Sutton
Lord Nelson T
New Town T
Robin Hood T

Oxshott
Bear

Walton-on-the-Hill
Chequers

Carshalton
Greyhound H

Southern England

Sherston
Rattlebone T

Littleton-on-Severn
White Hart

Bristol
Bristol Ram T
Highbury Vaults
Horts
Rope Walk T

Burnham-on-Sea
Dunstan House Inn H

Congresbury
Old Inn T

Wrington
Plough Inn T

Broadway, Nr Illminster
Bell Inn T

Somerton
Unicorn T

Keynsham
Lock Keeper

Exeter
City Gate H
Double Locks

Sidmouth
Swan T

Castle Cary
Horse Pond T

Exmouth
Grove

Barnet
Lord Nelson T

Winchmore Hill
Kings Head G

Chelmsford
O'Connor's T
Riverside Inn H

Hampstead
Flask
Roebuck

Islington
Castle G
Duchess of Kent G
King's Head
Marquess Tavern
Narrowboat

Tufnell Park
Lord Palmerston G

Clapton
Princess of Wales G

Kentish Town
Lion & Unicorn G

Stratford
Cow (Westfield) G

Camden
Spread Eagle

Primrose Hill
Queens

Bethnal Green
Royal Oak T

City of London
Albion
Boisdales T
Dirty Dick's
Elephant
Lamb Tavern
Master Gunner
Oyster Shed G
Paternoster
Three Lords T
White Horse G

St Pancras Station
Betjeman Arms G

Bow
Coborn Arms
Crown G

Euston
Square Tavern T

Bloomsbury
Calthorpe Arms T
Lamb

Stepney
Queen's Head T

Marylebone
Lord Wargrave T

Fitzrovia
Adam & Eve G
One Tun

Clerkenwell
Sekforde Arms T

Westminster
Buckingham Arms
Clarence G
Morpeth Arms
Phoenix G
Royal Oak T

Covent Garden
Marquess of Anglesey

Mayfair
Guinea
Windmill

Pimlico
Fox & Hounds T
Rising Sun T

Borough Market
Bunch of Grapes
Wheatsheaf

Southwark
Founders' Arms
Mulberry Bush
Prince William Henry T

Greenwich
Cutty Sark
Richard the First

Woolwich
Dial Arch

Dartford
Court House T
Malt Shovel T

Rotherhithe
Ship T

Vauxhall
Fentiman Arms G
Riverside

Camberwell
Grand Union T

Peckham Rye
Clock House

Catford
Catford Ram T

Lee
Crown

Lambeth
Surprise T

Bromley
Two Doves T

Dulwich
Dulwich Wood House

Chislehurst
Bull's Head Hotel H

Stockwell
Trinity Arms

Norwood
Hope T
Railway Bell T

Brixton
Grand Union T

Thornton Heath
Lord Napier T
Railway Telegraph T

Streatham
Pied Bull

Croydon
Dog & Bull T
Tamworth Arms T

Wallington
Duke's Head H

Beddington
Plough

Key
Young's managed house unless marked

Tenanted	T
Geronimo	G
Hotel	H

Fetcham
Bell

Leatherhead
Penny Black

Redhill
Home Cottage
William IV T

Farnborough
Rose & Crown

Sherfield-on-Loddon
White Hart

Bradford-on-Avon
Bunch of Grapes T

Effingham
Plough T

Betchworth
Dolphin

Blindley Heath
Red Barn G

Guildford
Weyside

Dorking
Falkland Arms T
Old House at Home T

Hindon
Lamb Inn T

Lingfield
Greyhound T

Witley
White Hart T

Shaftesbury
Mitre

Stonebridge
Royal Oak T

Emsworth
Sussex Brewery T

East Grinstead
Ship T

Plumpton Green
Fountain Inn T

Southampton
Mavericks T

Chichester
Crown & Anchor

Bognor Regis
Waverley

Brighton
Seven Stars

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

Edward Turner
Managing Director Geronimo Inns

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

David Page
Non-executive

Rupert Clevely
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 plc
25 Bank Street
London E14 5JP

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 2014

4 June 2014
Ex-dividend date for final dividend

6 June 2014
Record date for final dividend

8 July 2014
Annual general meeting

10 July 2014
Payment of final dividend

20 November 2014
Interim results announcement

26 November 2014
Ex-dividend date for interim dividend

28 November 2014
Record date for interim dividend

12 December 2014
Payment of interim dividend

Young & Co.'s Brewery, P.L.C.
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Wandsworth, London SW18 1NH
Telephone: 020 8875 7000
Fax: 020 8875 7100
www.youngs.co.uk
Registered in England number 32762