THE HEART OF YOUR COMMUNITY

YOUNG'S ANNUAL REPORT

FOR THE 52 WEEKS ENDED 30 MARCH 2015

We are focused on developing and growing an estate of premium pubs, primarily in London and the home counties with an emphasis on managed operations.

We will continue to invest in our estate to maintain our premium position and continue to look to acquire further managed houses, either as packages or individual pubs.

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FINANCIAL HIGHLIGHTS

	2015 £m	2014 £m	% CHANGE
REVENUE	227.0	210.8	+7.7
ADJUSTED OPERATING PROFIT[1]	37.4	33.2	+12.7
OPERATING PROFIT	41.5	32.6	+27.3
ADJUSTED PROFIT BEFORE TAX[1]	32.0	27.2	+17.6
PROFIT BEFORE TAX	36.1	26.6	+35.7
ADJUSTED BASIC EARNINGS PER SHARE[1]	50.62p	42.88p	+18.1
BASIC EARNINGS PER SHARE	55.17p	45.78p	+20.5
DIVIDEND PER SHARE (interim and recommended final)	16.46p	15.52p	+6.1
NET ASSETS PER SHARE[2]	£8.40	£7.86	+6.9

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 notes 9 and 10).

(2) Net assets per share are the group's net assets divided by the shares in issue at the period end.

Fox & Anchor
(Smithfield Market)

CHAIRMAN'S STATEMENT

Nicholas Bryan
Chairman

+7.7%
Revenue

+6.5%
Managed house like-for-like revenue

+17.6%
Adjusted profit before tax

Our clear strategy of maintaining and operating a premium well-invested pub estate, focussed on London and the south east, continues to bear fruit.

This year, total revenue grew by 7.7%, as our core business, in particular, continued to prosper. On the back of this increased revenue and a strong operating performance, profit before tax increased by 35.7% to £36.1 million and once adjusted for exceptional items increased by 17.6% to £32.0 million. Importantly, all three of our formats – Young's, Geronimo, and the Ram Pub Company, which comprises our tenanted operation – are contributing to this growth.

This year we invested a total of £50.9 million in our pubs and employed 139 more people.

We have added eight pubs, 76 bedrooms and have continued to enhance our existing estate. These investments will provide a solid foundation on which to build next year's performance. The business, as ever, remains conservatively financed with net debt of £129.0 million (2014: £112.0 million) being 2.47 times EBITDA (2014: 2.45 times).

We were pleased to see that March's Budget cut beer duty for the third successive year. Such support increases our ability to invest for growth, and we hope that the Government will continue to recognise the important part the British pub plays in the UK economy.

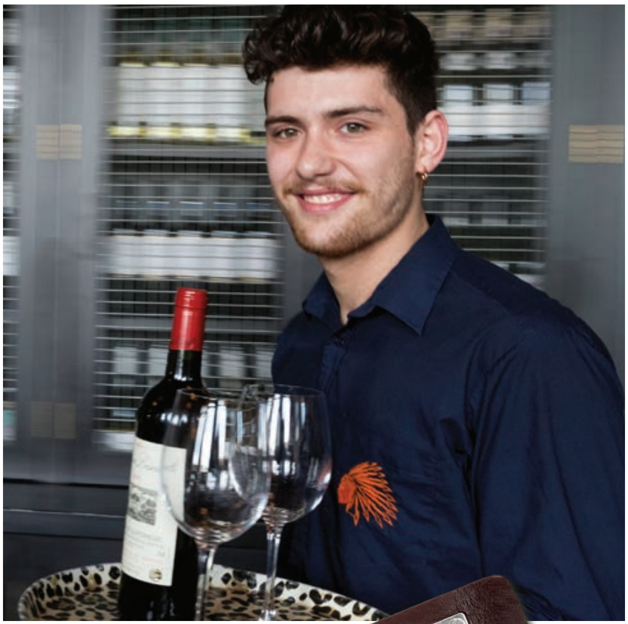
In January we welcomed Trish Corzine to our board, as a non-executive director. Trish has excellent credentials, bringing with her a wide-ranging knowledge of the hospitality and leisure sector having spent the majority of her career in the restaurant industry, latterly with The Restaurant Group plc where she spent 20 years, nine as an executive director responsible for their concessions business.

We recently announced Rupert Clevely's retirement as a non-executive director. On behalf of the Board, I would like to thank him for the excellent job he did in leading Geronimo during its integration into Young's. We are also grateful for his contribution as a non-exec following his stepping down as an executive director in the early part of 2013. In addition David Page will be retiring from the Board after seven years at the end of our forthcoming AGM. We would like to express our gratitude to David for the insight, guidance and good humour that he has provided over many years on the Board. We wish them both well.

We are a highly focussed successful pub company but, above all, we remain a people business, relying heavily on the dedication, enthusiasm, boundless energy and creativity of almost 3,500 people working with us to exceed the expectations of our discerning customers on a daily basis. The quality of the Young's team makes me very proud and, together with my colleagues on the Board, I would like to express my thanks for the work they have done during the year in delivering these excellent results. As a consequence the Board is recommending, for the eighteenth consecutive year, an increase in the final dividend, this time by 6.1% to 8.56 pence, resulting in a total dividend for the year of 16.46 pence (2014: 15.52 pence).

NICHOLAS BRYAN
Chairman
20 May 2015


Coborn
(Bow)



CHIEF EXECUTIVE'S REVIEW

Stephen Goodyear
Chief Executive

129
(2014: 128)

37
(2014: 35)

80
(2014: 79)

I'm pleased to report on another successful year for Young's with profit before tax up 35.7% and once adjusted for exceptional items by 17.6%. Adjusted basic earnings per share increased 18.1% to 50.62 pence.

This profit increase was created by the combination of strong revenue growth and an improving operating performance driven by operational excellence and cost discipline.

Revenue was up 7.7% to £227.0 million, primarily the result of an industry leading like-for-like performance, up 6.5%, from our managed houses. This represents the fourth year of consistently high managed house like-for-like sales growth, following increases of 6.0%, 4.6% and 6.7% in the previous three years. Adjusted operating profit increased 12.7% to £37.4 million as a result of both the sales performance and an improved margin.

Well-invested, well-positioned and performing well year after year

Our three distinct formats, Young's and Geronimo, which comprise our managed house division, and the Ram Pub Company, our tenanted division, are all growing well. In each market, our absolute and like-for-like performance was underpinned by: our continued investment in growth projects; strong operational delivery; focus on our London and south east heartland and our clear positioning at the premium end of the market; not to mention a warm and dry summer last year.

At the year-end we had 166 managed pubs (including 22 hotels) and 80 tenancies, spanning a mixture of vibrant London destinations including Borough Market, Covent Garden, Mayfair, the Southbank and Westminster in central London alongside affluent London neighbourhoods such as Islington, Richmond, Wandsworth and Wimbledon. In turn, these locations are complemented by pubs in picturesque cities and market towns like Stow on the Wold, Shaftesbury, Chichester and Guildford. Amidst this variety, the common strand remains premium, well-invested pubs which seek to play a pivotal role in their communities, run by teams who maintain traditional values in an environment that appeals to today's consumers.

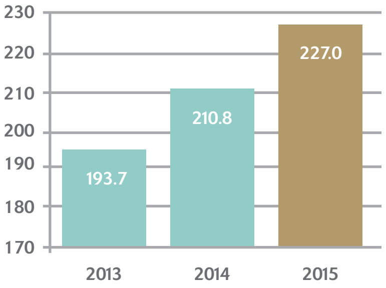
We invested £24.3 million in acquisitions. In the summer we acquired the Fox & Anchor pub and hotel in Smithfield Market and the White Bear in Kennington. In October we purchased the 580 Group for £10.4 million, adding four large London pubs in attractive locations where we were looking to grow our presence; all are performing excellently. In January we acquired the Bell at Stow, another pub and hotel, in the heart of the Cotswolds and the Trafalgar Arms in Tooting, which is due to open in early autumn after an extensive redevelopment.

Over the course of the year, we also invested £26.3 million in our existing estate. As part of our strategy to maximise the potential of our pubs and to develop, where appropriate, a premium, boutique hotel offering, we have added 76 bedrooms and undertaken some transformative developments elsewhere.

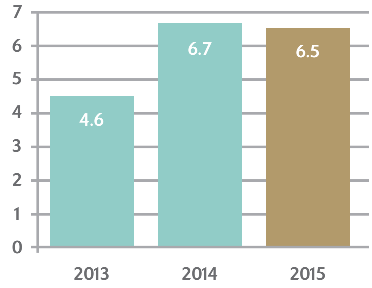
HOW WE PERFORMED

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

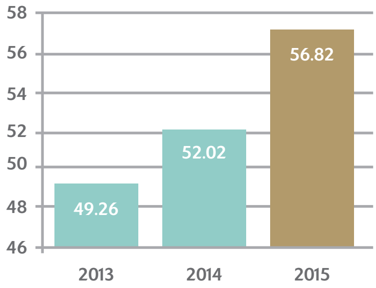
Revenue £m
This is our total group revenue, including both managed and tenanted businesses.



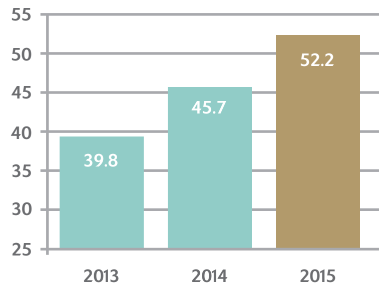
Like for like revenue %
This is our revenue growth for this period compared with the previous period for our managed pubs and hotels that traded throughout both periods.



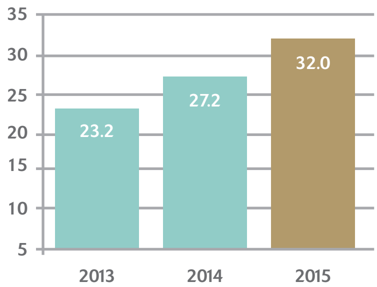
RevPAR £
This is our revenue per available bedroom; it is the average room rate achieved multiplied by the occupancy percentage.



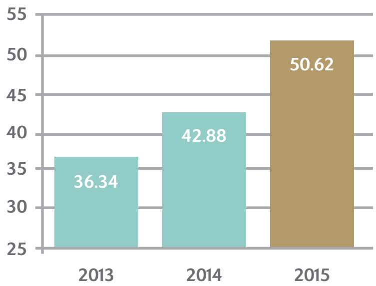
Adjusted EBITDA £m
This is our adjusted earnings before interest, taxes, depreciation and amortisation.



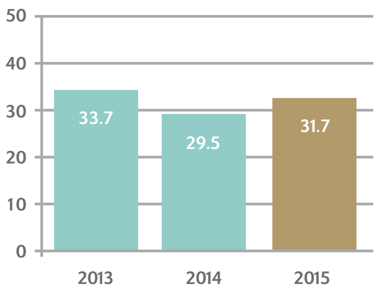
Adjusted profit before tax £m
This is our profit before tax on continuing operations only, adjusted to exclude any exceptional items for the group.



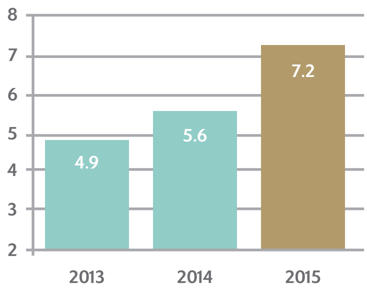
Adjusted earnings per share (pence)
This is our adjusted profit before tax, but after tax has been deducted, divided by the weighted average number of ordinary shares in issue.



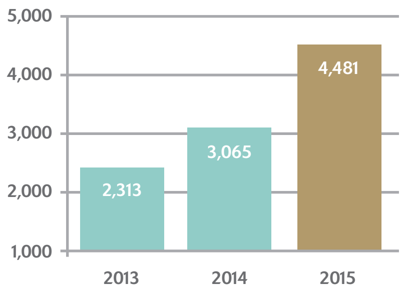
Gearing %
This is our net debt divided by our net assets (expressed as a percentage).



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.



Betjeman Arms (St Pancras Station)

Soundly financed, asset backed with a progressive dividend policy

We are a highly focussed, successful premium pub company with a progressive dividend policy and a balance sheet underpinned by freehold property, predominantly in London. Helped by our strong operating performance and sound investment, our total property value has increased to £617.3 million (2014: £559.2 million).

We have debt facilities of £175 million with the Royal Bank of Scotland and Barclays repayable between 2018 and 2023. At the year-end we had net debt of £129.0 million representing a 2.47 multiple of EBITDA, gearing of 31.7%, with interest covered 7.2 times by adjusted operating profit. As a result we are well placed to expand and enhance our estate further. We continue to seek out opportunities either alongside our existing estate or by extending our trading area into those cities and market towns in the south where our premium offering finds a natural home. We focus on pubs that add to the depth, richness and variety that already exists within our estate.

Outlook

Last year's strong sales performance has continued into the current period and with the uncertainty surrounding the general election behind us, we should continue to benefit from the improving economy and consumer confidence. Managed house revenue in the first seven weeks of the new financial year was up 8.1% in total and 5.6% on a like-for-like basis.

Next year will benefit from the eight new acquisitions made during the year and the large investments made in our estate elsewhere. These will provide a helpful tailwind as we compete against the strong comparatives we have set ourselves. In addition, already this year we have opened, after longer than expected planning delays, the Bull & Gate (Kentish Town) and have acquired and opened the Canonbury, an iconic Islington pub. Three other pubs currently under development are due to open in the late summer/autumn: the Nine Elms Tavern, the Trafalgar (Tooting) and the Guard House (Woolwich). We have sold the Seven Stars (Brighton) and exchanged contracts for the sale of the New Town (Sutton) for a total of £3.4 million. Furthermore, we can look forward to Rugby World Cup 2015 this autumn, an event we would expect to draw a lot of people into Young's pubs in south west London and beyond.

As a result we are confident that, through our long-standing strategy, the talent, commitment and passion of my colleagues, our strong financial profile and our progressive dividend policy, we will continue to deliver superior returns to our shareholders.

Stephen Goodyear
Chief Executive
20 May 2015

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 49.

	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 the 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. Property rates on our estate are due to be revised upwards in April 2017 (based on a revaluation of our properties). The new rates would be impacted by any changes to the business rates regime (for example increased rates or reduced reliefs for large businesses).	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 therefore needs to generate sufficient cash to repay these debts with accrued interest. Interest rates are also subject to change.	Our ability to trade as a going concern depends on generating sufficient cash to meet these repayments.	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 help 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 retain and 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. We have provided a number of agents and landlords with details of our preferred site profile.
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.
	The Government will be introducing a statutory code to govern the relationship between tenants and large pub companies (owning more than 500 pubs). With 246 pubs, the code will not apply to us.	The imposition on us of a statutory code (if things were to change) 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.	We have in place and follow 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; this is different from a statutory code.

Revenue increased by 7.7% to £227.0 million with good like-for-like growth across all three formats: Young's (7.6%), Geronimo (3.1%) and the Ram Pub Company (3.0%).

This was the result of the benefit of recent investments, strong operating performances, a warm dry summer and a buoyant festive period. An improvement in operating margin to 16.5% (2014: 15.7%) and lower finance costs resulted in a 17.6% increase in adjusted profit before tax to £32.0 million.

Managed houses

Our managed estate, which at the year-end comprised 129 Young's pubs (including 22 hotels) and 37 Geronimo pubs, has had another excellent year. Our managed pubs follow a straightforward strategy; they are community-led, well-invested with market leading products and high levels of customer service and are all designed to exceed our customers' expectations.

This strategy, coupled with our commitment to provide our highly motivated team with the freedom and opportunity to perform, has driven strong revenue growth, on both an absolute (7.6%) and like-for-like basis (6.5%), and a higher operating margin (23.4%, 2014: 22.6%), the combination of which has resulted in a 11.3% increase in adjusted operating profit to £50.1 million.

Revenue and profits

Total drink sales increased by 7.1% and by 5.6% on a like-for-like basis. Draught lager sales grew by 5.5%, as once again our consumers' tastes shifted to the more premium ranges. The launch of Young's London Stout alongside a fine range of craft beers, with an emphasis on local brewing, has clearly met popular demand for variety and choice, leading to a 6.3% increase in draught ale and stout sales. The excellent summer helped sales of cider, rosé and white wine. Sparkling wine was up over 25% in volume for the second year in a row. Spirit sales were up 12.3% supported by the shift into premium brands and promotions, which drove 26.1% volume growth in gin.

Our food strategy remains steadfastly focussed on freshly prepared, seasonal British pub food, whilst serving best-in-class classics and the ultimate Sunday roasts. As a result food sales grew by 6.9% and now comprise 31.5% of our drink:food sales mix.

We have been consistently increasing our accommodation profile over recent years, and this year we invested £10.8 million in our 22 hotels on a combination of 76 extra bedrooms and raising the standard of 75 existing ones. We have added 17 bedrooms at the Dog & Fox (Wimbledon Village), 13 at the Orange Tree (Richmond) and 13 rooms to the Windmill (Clapham Common), acquired the Fox & Anchor (Smithfield Market)

and The Bell at Stow (Stow on the Wold) and have taken the Lamb Inn (Hindon) back into managed operations. We have upgraded rooms at the Alexander Pope (Twickenham), Coach and Horses (Kew) and Rose and Crown (Wimbledon Village) to our premium, boutique standard. Despite the disruption these investments have contributed to increases in average room rate (£4.77), occupancy (1.8% points) and RevPAR (£4.80). We now have a total of 476 bedrooms across our hotel business.

In addition, we have made some exciting improvements to a number of pubs, most notably the Castle (Tooting) where we have transformed the car park into a 78 seater orangery, with the warmth of a central fireplace in the winter and concertina windows that open into a beautiful garden in the summer. We also added a roof terrace at the Windmill (Mayfair) and an eye-catching new conservatory at the Richard the First (Greenwich). In addition we have now embarked upon a two-year roll out of our new signage across all Young's managed pubs. This refreshed corporate identity, with contemporary illustrative pictorials, is designed to capture the individuality of our pubs, embrace our heritage and truly reflect the modernity of each pub's offer.

Geronimo's rate of growth, both like-for-like and total, was adversely affected by events at Heathrow. The closure of Terminal 1 resulted in the loss of the Tin Goose in October. Airline changes at Terminal 3 saw reduced passenger numbers visiting the Three Bells. Our Geronimo business is now well established and reinvigorating its growth is a priority for the year ahead. With three new openings scheduled for the current year and the full year benefit of the Owl & Pussycat (Shoreditch) and the Fellow (King's Cross) the overall Geronimo footprint continues to expand.

Investment

During the course of the year we have invested £48.5 million in our managed estate.

We invested £27.7 million in Young's pubs. We acquired the White Bear (Kennington), Defector's Weld (Shepherd's Bush) and the John Salt (Islington), the latter two acquired through the purchase of the 580 Group. Major developments were carried out at the Britannia (Kensington), Coborn (Bow), Crooked Billet (Wimbledon), Crown (Lee), Duke on the Green (Fulham), Finch's (formerly the Master Gunner, Finsbury Square), Halfway House (Earlsfield), Porchester (Paddington), Richard the First (Greenwich) and the Spring Grove (Kingston).

Bull & Gate
(Kentish Town)

Our hotels benefitted from a £10.8 million investment, as we added an extra 76 bedrooms through a combination of converting existing space into rooms, two acquisitions and transfers between our tenanted and managed operations.

We have invested £10.0 million in our Geronimo estate, which includes the purchase of the Owl & Pussycat (Shoreditch) and the Fellow (King's Cross), also as part of the 580 Group acquisition. Major developments were completed at the Betjeman Arms (St Pancras) and the Bull (Westfield in Shepherd's Bush).

Customer engagement

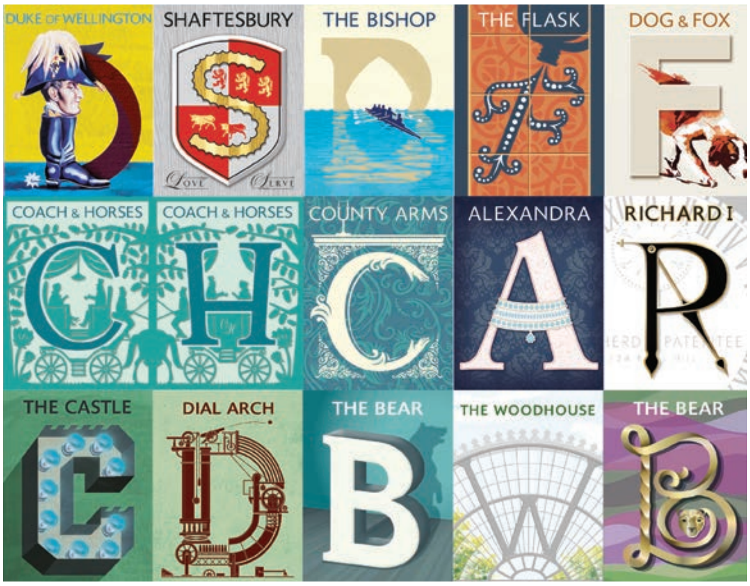
We continue to strengthen our e-marketing platform to deliver enhanced local engagement, maximise consumer loyalty and position pubs right at the heart of their communities. We are using new technology within our pubs to improve the face-to-face communication with customers.

Over one third of the estate is now using tablet technology to facilitate our "you stay there and we'll look after you" service proposition. Together, we and our customers are seeing the benefit of these tablets across a wide range of pubs from the Lamb Tavern (Leadenhall Market), delivering exceptional service through their "Thirst Aiders", to our many pubs with large gardens, where regularly over 30% of their sales are delivered through the use of tablets. Our new virtual hotel hot desk ensures that guests unable to get through to their desired hotel first time are transferred to an available hotel receptionist, who will be able to attend to their booking or enquiry on behalf of any hotel within our estate.

Events in our pubs have gone from strength to strength with many creating bespoke occasions to inspire, involve and connect our customers. Last spring we launched 'Ginspiration', our festival of gin, while also running a series of highly successful cider versus wine taste matching dinners.

Our innovative, individual pubs are also creating new ways of engaging with their local communities, and in September we were delighted when Barbara Smith from the Grange (Ealing Common) won the Publican and Morning Advertiser national award for Best Community Pub. Barbara and the Grange typify what we try to achieve across all of our pubs, namely to be the community's hub, with business savvy and digitally minded ideas attracting a wide range of customers: from parents with their babies, local business people, salsa and quiz night enthusiasts, all alongside the more traditional regulars. They even cater to pets, with weekly 'play dates' for customers' dogs. Elsewhere, initiatives range from the White Hart's (Barnes) '#TweetYourStreet' campaign offering one-off deals to residents of a different street every week, giving those residents a chance to 'meet


EAT


DUKE OF WELLINGTON
SHAFTESBURY
THE BISHOP
THE FLASK
DOG & FOX
COACH & HORSES
COACH & HORSES
COUNTY ARMS
ALEXANDRA
RICHARD I
THE CASTLE
DIAL ARCH
THE BEAR
THE WOODHOUSE
THE BEAR


Coborn (Bow)

their neighbours', to mouth-watering food quizzes at the Castle (Tooting).

As autumn arrived we celebrated Young's Day, now an annual tradition, which provides us with an opportunity to thank our customers for their loyalty. Over 13,000 of them took up our offer to enjoy a free pint to celebrate our 183rd birthday. Meanwhile within Geronimo we held harvest food festivals, linking up with City Farms, and raising funds to enable city children to experience a taste of rural life.

As winter set in we had one of the most exciting Rugby Six Nations tournaments, providing the perfect backdrop for this autumn's Rugby World Cup 2015. Our pubs are perfectly placed to take advantage of these events.

Ram Pub Company

The benefits of strategic initiatives implemented over the last few years, which culminated in the launch of the Ram Pub Company, are now evident. Our tenanted operation has returned to revenue and profit growth both on a total and a like-for-like basis.

Revenue and profits

Total revenue was up 9.6%, the result of 3.0% like-for-like growth, the full year benefit of last year's acquisitions (the Clapham North, New Inn (Ealing) and the Royal Oak (Bethnal Green)) and a net three transfers from our managed operations over the last year (the Marquess Tavern (Islington), Riverside (Chelmsford), King's Arms (Epsom) and the Butcher's Hook (formerly the Thatched House, Hammersmith) with the Lamb Inn (Hindon) moving in the opposite direction). Adjusted operating profits increased by 13.2% and by 7.2% on a like-for-like basis. Our 80 tenanted pubs (2014: 79), represent 5.5% of our group revenue (2014: 5.4%) and 7.9% of group adjusted operating profit at outlet level (2014: 7.8%).

Investment

We invested £2.1 million in our tenanted business, with major developments at the Butcher's Hook, Dog & Bull (Croydon), Grand Junction Arms (Harlesden), Grey Horse (Kingston), Hope (Norwood), Horse Pond (Castle Cary), Riverside (Chelmsford) and the Unicorn (Somerton). The external appearance of all our tenanted pubs has, where appropriate, been rebranded with the Ram Pub Company signage. These investments have been partly funded by the sale of the Tamworth Arms (Croydon) and the Bunch of Grapes (Bradford-on-Avon).

Tenant engagement

The Ram Pub Company is small enough to provide flexible agreements with plenty of choice, financial backing for trade-building initiatives and, together with marketing and operational support, is a model designed to attract and harness the entrepreneurial flair of today's business partners.

This year's re-branding, new website and strengthened support team has provided a new impetus to the division, allowing us to market ourselves more successfully to a wider audience and to have more effective communication with our existing tenants.

The Small Business, Enterprise and Employment Bill, which will alter the relationship some businesses have with their tenants through the introduction of a Statutory Code of Practice, received Royal Assent at the end of March. Importantly, due to our size, we will not be required to offer our tenants a free of tie option. We will continue to operate our code of practice and expect to update this as and when a new pub industry framework code of practice on how tied agreements should operate in the pub trade is introduced. The new law is not expected to have a material impact on the Ram Pub Company's operations.

Property and treasury

Property

CBRE, an independent and leading commercial property and real estate services adviser, revalued 20% of our estate as at the year-end. The remaining 80%, as permitted by International Accounting Standards and in common with other listed pub groups, was revalued internally. This internal review, which was led by Andrew Cox MRICS, our Director of Property and Tenancies, used updated trading results together with management's knowledge of each pub.

Improving pub values, especially in our London and south east heartland, once coupled with our improving trade, have driven a net upward revaluation of £23.8 million. The total estate is now valued at £617.3 million. In accordance with International Financial Reporting Standards, 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, but these have no cash impact.

Treasury

This has been another year of record operating cash flow (£50.6 million, 2014: £47.3 million) driven by 7.7% revenue growth which in turn increased EBITDA, before exceptional items, by 14.2% to £52.2 million. This cash flow helped finance £50.9 million of capital expenditure including eight new pubs. As a result of this investment, net debt increased by £17.0 million to £129.0 million. Despite this, fixed charge cover improved to 3.9 times (2014: 3.2 times), interest cover increased to 7.2 times (2014: 5.6 times), annualised net debt to EBITDA was little changed at 2.47 times and gearing was 31.7% (2014: 29.5%).

We have debt facilities of £175 million with the Royal Bank of Scotland and Barclays repayable between 2018 and 2023, which provide us with capacity to expand and enhance our business further. With these committed facilities, our freehold-backed balance sheet and the benefit of the conservative financial ratios outlined above, these financial statements, as usual, have been prepared on a going concern basis.

We believe it is important to have some protection from adverse movements in interest rates and have over the years entered into interest


SCRUM IT?


Alma
(Wandsworth)
YOUNG'S
LONDON GOLD
YOUNG'S
SPECIAL
YOUNG'S
BITTER
Heineken
PERONI

rate swaps. Presently £80 million of our £129.0 million net debt is fixed through these swaps. These swaps, the bank's margin and other costs 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 2016 for the remaining life of our term loan. As a consequence, in 2016 we expect to have an interest rate of 5.1% on the hedged element of our bank debt. These swaps are valued each year at market rates, have maturities that match the underlying liabilities and have been designated as cash flow hedges for accounting purposes. As a result the £3.6 million adverse movement (2014: £5.6 million improvement) in their market value has been recorded in the statement of other comprehensive income.

The group's financial position, its cash flow, liquidity position and borrowing facilities are set out in note 22 of the financial statements. This note also summarises the group's capital management and principal treasury objectives and the tools we use to monitor and manage exposure to certain financial risks.

Retirement benefits

The deficit on our final salary defined benefit scheme, which closed to new entrants in 2003, has increased by £7.1 million to £13.1 million. The fair value of the scheme assets increased by £10.4 million to £115.7 million, which was principally the result of investment performance. However this performance, with the additional benefit of lower inflationary expectations, only partially offset the impact of lower long-dated corporate bond yields on the schemes liabilities. It's these yields, now at unprecedented lows, that are used by our actuary to determine the rate at which our liabilities are discounted. The present value of the scheme's liabilities has increased by £17.5 million to £128.8 million.

Corporate and social responsibility

We pride ourselves on being at the heart of the community, and recognise the importance of operating a responsible and sustainable business. Our recycling efforts have gone up a gear and last year we recycled 4,481 tonnes (2014: 3,065 tonnes). Recycled waste now represents 64% of our total waste (2014: 57%) with just 2% going to landfill and 163,000 litres of waste cooking oil being converted to bio-diesel. We have now switched practically all our managed pubs to LED lighting which has saved around 2,900,000 kWh of electricity and in turn has prevented 1,570 tonnes of CO_2 emissions being released into the atmosphere.

In recognition of Geronimo's own ongoing commitment to sustainability, it once more received a three star award from the Sustainable Restaurant Association, the highest award available.

In the year of Rugby World Cup 2015 we are proud to announce our association with Wooden Spoon, the children's charity of rugby. Together we will raise money to support local disadvantaged and disabled children.

Shareholder returns

This year's performance, as in previous years, is the result of a clear strategy to deliver earnings and dividend growth. Revenue growth of 7.7% and an extra 0.8% points added to our operating margin when coupled with lower net finance charges has resulted in adjusted profit before tax increasing by 17.6% to £32.0 million and by 35.7% to £36.1 million on an unadjusted basis. Earnings per share increased by 20.5% to 55.17 pence and our adjusted EPS was up 18.1% at 50.62 pence after allowing for the following exceptional items:

- A non-cash £4.2 million valuation gain arising from the revaluation of our pub estate (i.e. pubs where there has been a reversal of previous downward valuations);
- Acquisition costs of £1.0 million, including legal and professional fees and stamp duty, incurred on the business combination of 580 Limited, the Bell at Stow Limited and three other freehold pub purchases;
- Profit on disposal, net of selling costs, of £0.9 million on the sale of the Elephant (City of London), Tamworth Arms and Bunch of Grapes, and the termination of the Tin Goose lease;
- A £0.2 million pension scheme settlement gain in relation to the members who have left the scheme; and
- A £0.2 million capital gains tax provision for the shares held in connection with the closed Profit Sharing Scheme. A liability is recognised at each balance sheet date for the potential capital gains tax that could arise on the disposal of shares to the members of the scheme on retirement; this is impacted by an increasing share price.

Dividends

In line with our dividend policy we are recommending a 6.1% increase in the final dividend to 8.56 pence per share, making a total dividend for the year of 16.46 pence. Our progressive policy is designed to deliver year-on-year growth whilst allowing us to retain sufficient profits in the business to enable us to make the investments on which this long-term track record depends. The dividend, following this eighteenth consecutive increase, is covered 3.1 times by our adjusted earnings.

Summary

Our strategy continues to deliver shareholder value and strong revenue and earnings growth, while allowing us to invest £50.9 million this year to create the platform for future growth and enabling us to maintain our balance sheet strength.

On behalf of the board

STEPHEN GOODYEAR
Chief Executive
20 May 2015

DIRECTORS' REPORT

FOR THE 52 WEEKS ENDED 30 MARCH 2015

Welcome to our board of directors. Apart from Patricia ('Trish') Corzine who was appointed on 12 January 2015, all served throughout the period; no other person was a director during the period other than Rupert Clevely who served throughout the period but stepped down from the board on 27 April 2015.

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 62.

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. Was recently the Master of the Brewers' Company, one of the oldest Livery Companies in the City of London. Aged 59.

Torquil Sligo-Young

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 the group's technological needs and for health and safety. Previously worked for stockbrokers Bell, Lawrie, Macgregor & Co.
Aged 55.

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 53.

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 56.

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 47.

Roger Lambert, M.A.

NON-EXECUTIVE AND
SENIOR INDEPENDENT

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 J.P. Morgan 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 56.

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 62.

Trish Corzine

NON-EXECUTIVE

Appointed to the board in 2015. Has wide-ranging knowledge of the hospitality and leisure sector, having spent the majority of her career in the restaurant industry. Before her retirement from the board of The Restaurant Group plc in 2013, she spent 20 years with them, nine as an executive director responsible for their concessions business.
Aged 58.

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.

Corporate governance

The board is committed to good corporate governance in the management and operation of the group's business. Summarised below are its current corporate governance arrangements; no particular corporate governance code has been adopted.

The role of the board

The board is collectively responsible for the business and management of the group. Its role includes:

- approving and monitoring the group's long-term objectives, commercial strategy, major acquisitions and disposals and the group's annual operating and capital expenditure budgets;
- ensuring a sound system of internal control and risk management; and
- overseeing the group's operations, ensuring competent and prudent management, sound planning, adequate accounting and other records, and compliance with statutory and regulatory obligations.

Board composition

The board is made up of:

- a non-executive chairman: Nicholas Bryan;
- five executive directors: Stephen Goodyear, Torquil Sligo-Young, Peter Whitehead, Patrick Dardis and Ed Turner; and
- three further non-executive directors: Roger Lambert, David Page and Trish Corzine.

Their roles and brief biographical details appear opposite.

How the board works

The board governs through its executive management and via committees.

The board has a formal written schedule of matters reserved for its review and approval; this includes those matters described above as well as major financial and key operational issues.

The board meets every two months with additional meetings arranged as required; it met nine times during the year. Formal agendas and reports are provided to the board on a timely basis along with other information to enable it to discharge its duties. Each of the executive directors and the company secretary updates the board at each meeting on matters for which they are responsible. This flow of information is in addition to information exchanged between and prior to board meetings, and regular meetings of non-executives with one or more of the executive directors outside of board meetings.

The board has a procedure in place such that it can consider and, if it sees fit, authorise situations where a director has an interest that conflicts, or may possibly conflict, with the interests of the company.

The board's committees

The board has four standing or permanent committees: executive, audit, remuneration and disclosure. The latter three committees have specific terms of reference which can be found in the investors section of www.youngs.co.uk.

Executive committee

Chairman: Stephen Goodyear

Members: Executive directors

It is responsible for the daily running of the group and the execution of approved policies and the business plan. It usually meets on a weekly basis, with members of the group's senior management being invited to attend as appropriate.

Remuneration committee

Chairman: David Page

Members: Nicholas Bryan
Roger Lambert

Its primary function is to determine, on behalf of the board, the remuneration packages of the executive directors (see Remuneration: executive directors on page 19). After David Page's retirement in July, the committee will comprise Nicholas Bryan, who will chair it, Roger Lambert and Trish Corzine.

Audit committee

Chairman: Nicholas Bryan

Members: Roger Lambert
David Page

It assists the board in fulfilling its oversight responsibilities, with its primary functions being monitoring the integrity of the company's financial statements and internal control systems (including risk management), overseeing the company's relationship with its external auditor and reviewing the effectiveness of the audit process. The finance director usually attends the committee's meetings as do the external audit partner and audit manager when the business of the meeting relates to the full year and half year results. The committee meets separately with the group's business risk assurance manager and with the external audit partner and audit manager without any other member of the group's management present to give them the opportunity to raise any concerns they may have and any issues arising from their work. The committee has a meeting planner which sets out the basic items to be covered at its regular meetings. At its meeting in May the committee reviews the company's preliminary announcement, the report and accounts and the performance of the group's external auditor and also assesses whether the auditor continues to show the required level of independence; the focus of the November meeting is on reviewing the interim report and agreeing the scope for the next external audit, the audit plan and related fees. At each of its meetings there is an internal audit report from the group's business risk assurance manager. Following David Page's forthcoming retirement from the board at the company's AGM in July (see below), the committee will comprise Roger Lambert, who will chair it, Nicholas Bryan and Trish Corzine.

Disclosure committee

Chairman: Peter Whitehead

Members: Executive directors

It assists the company in making timely and accurate disclosure of any information required to be disclosed in order to meet legal and regulatory obligations.

Other committees are established from time to time depending on the needs of the business.

Balance of the board

There is a clear division of responsibility between the chairman and the chief executive. The former is responsible for the effective running of the board; the latter has overall responsibility for the running of the business.

Each of the executive directors has specific roles and responsibilities, and all of the non-executives are experienced business people who bring a wide range of skills and experiences to the board. In their roles the non-executive directors are required, amongst other things, to constructively challenge and contribute to the development of strategy, to scrutinise the performance of management in meeting agreed goals and objectives and to monitor the reporting of performance.

Roger Lambert is the Senior Independent Director. In his current role as Chairman of Corporate Broking at Canaccord Genuity, he attends and advises at board meetings of corporate clients. Coupling this with his many years working in corporate finance at JPMorgan Cazenove, where he was a senior managing director with responsibilities for corporate client coverage of the consumer sector, including brewing, drinks and hospitality, he is able to provide knowledge, support and advice to the chairman and to the other members of the board.

The directors consider that the board is a well-balanced one that has the right number of members for the size of the group.

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 it. 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.

Once appointed, the company's articles of association ensure that any new board member is subject to re-appointment by the company's voting shareholders at the first AGM after their appointment – this applies to Trish Corzine at this year's AGM. They are then subject to a further re-appointment vote every third AGM after that – this applies to Torquil Sligo-Young, Peter Whitehead and Roger Lambert at this year's AGM (and each of them is seeking re-appointment and their brief biographical details are on page 16). This latter requirement also applies to David Page; however, as announced on 27 April 2015, he has decided not to seek re-appointment and he will therefore be retiring from the board at the end of the company's AGM in July.

Subject to shareholder re-appointment, each of the executive directors has been appointed for an indefinite period and is generally entitled to not less than one year's notice from the company if it wishes to terminate his appointment. In return, each of Stephen Goodyear, Torquil Sligo-Young and Peter Whitehead has to give not less than six months' notice if he wishes to leave, and Patrick Dardis and Ed Turner have to give at least one year's notice.

The non-executives have been appointed for fixed terms which are terminable earlier by them or the company giving notice and they are likewise subject to shareholder re-appointment. The expiry dates of their current fixed terms and their minimum periods of notice are as follows: Nicholas Bryan (11 July 2017 and three months), Roger Lambert (31 July 2017 and six months) and Trish Corzine (11 January 2018 and six months). David Page's current fixed term was due to expire on 31 July 2015; however, he will now be retiring from the board at the end of the company's AGM in July.

No compensation is payable by the company for early termination.

The executive directors are expected to devote substantially the whole of their time, attention and ability to their duties, whereas, as one would expect, the non-executives have a lesser time commitment. Apart from the chairman, who has agreed to spend 30-50 days a year on work for the company, it is anticipated that each of the non-executives will dedicate 15 days a year.

Copies of the executive directors' service contracts and copies of the letters of appointment of the non-executive directors are available for inspection at the company's registered office.

Advice for the board

Subject to certain limitations, all of the directors are entitled to obtain independent professional advice at the company's expense; they also have access to the advice and services of the company secretary.

Keeping up to date generally and particularly with the market

From time to time the directors attend training courses and/or industry forums. They also attend relevant specialist briefings, some of which form part of board or executive committee meetings.

The directors, executive and non-executive, regularly spend time out in the trade with fellow directors, colleagues and friends. This helps to keep them up to date with the group's operations, developments in the market and the competition.

Directors and officers' liability insurance cover

The company maintains, at its own expense, insurance cover in respect of legal action against its directors and officers.

Remuneration: executive directors

The remuneration of the executive directors is determined by the remuneration committee in the context of the company's reward policy, the principal objective of which is the recruitment and retention of officers with appropriate skills and qualities to drive the company's strategy and deliver value for shareholders. Against this background, the remuneration committee determined that base salary levels for the executive directors should be in line with the market while variable remuneration should be linked to key performance measures and reward achievement accordingly. None of the executive directors are involved in deciding their own remuneration.

This variable element is currently delivered via deferred annual bonus awards which are dependent on certain performance targets being achieved. The terms of the awards are such that if any bonus is paid, half of it has to be settled in shares, with the other half being paid in cash except to the extent that the director elects to receive all or part of it in shares instead. For every share taken in place of cash, the director is allowed to subscribe at nominal value for one 'matching' share. 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 their employment terminates by reason of illness, disability or redundancy. The 'matching' shares are subject to satisfaction of a further condition relating to the increase over a set period in the group's adjusted earnings per ordinary share in respect of the group's continuing operations. Any of the shares acquired, whether 'matching' or otherwise, are liable to forfeiture in certain circumstances.

The remuneration committee believes that the company's remuneration policy is consistent with the group's risk management policy as it does not encourage inappropriate risks to be taken to achieve the performance targets; the focus is very much on a long-term remuneration model.

Details of the remuneration of each executive director appear in note 8 on page 37; none of them receive remuneration as a non-executive director elsewhere.

Remuneration: non-executives

The remuneration of the non-executives is determined by the executive committee, with the intention being that the fees paid are not out of line with the market and go some way towards rewarding the non-executives for the time they commit to their various roles. Accordingly all non-executive directors receive a basic fee; they do not participate in bonus schemes or share options and none of them are members of any group pension scheme other than for the purposes of complying with pensions auto-enrolment legislation. Rupert Clevely was, however, a participant in a bonus scheme as a result of his former employment within the group as an executive director. The non-executives are entitled to be reimbursed for certain business-related expenses.

Details of the remuneration of each non-executive director appear in note 8 on page 37.

Risk and internal control

The board has overall responsibility for the group's internal control system and for reviewing its effectiveness. The executive directors implement and maintain the risk management and internal control systems, and the audit committee assists the board in fulfilling its oversight responsibilities by monitoring the system's integrity.

The system is designed to manage risk; it cannot eliminate it and therefore provides reasonable, not absolute, assurance against material misstatement or loss. As part of the system, the board regularly reviews its financial controls memorandum; this lengthy and detailed document seeks to:

- mitigate risks which might cause the failure of business objectives;
- help safeguard assets against unauthorised use or disposal;
- ensure the maintenance and reliability of proper accounting records and financial information used within the business or for publication; and
- help achieve compliance with applicable laws and regulations.

The group's business risk assurance manager regularly tests controls contained in the financial controls memorandum in order to assess their effectiveness. The results of his work are shared with the executive directors concerned and with the audit committee. With the approval of that committee, changes, as appropriate, are then made to the financial controls memorandum.

The group, through its business risk assurance manager, carries out internal reviews of financial areas according to a programme set by the audit committee following input from the finance director, the head of finance and the group's external auditor. The business risk assurance manager reports to the company secretary and is independent of the areas which he reviews. His reports, the management responses and the recommended actions are presented to the audit committee on a regular basis. Management may from time to time supplement the internal resource for these reviews with specialist external resources.

The group also employs an in-house team of retail auditors who monitor the controls in place in the group's managed pubs and hotels, in particular those covering stock and cash. This team reports to the head of finance.

The group has business continuity arrangements in place with third parties. It also has, and reviews annually, business continuity plans for each of the departments within the group's head office.

In 2008 the group introduced a whistleblowing policy. This is overseen by the audit committee and allows staff to raise any concerns in confidence directly with the chairman of the audit committee, the company secretary or the group's business risk assurance manager.

Relations with shareholders

Copies of the annual report and the interim report are sent to all shareholders and copies can be downloaded from the investors section of www.youngs.co.uk. Other information for shareholders and interested parties is also provided on the website. Written or e-mailed enquiries are handled by the company secretary.

The company has an ongoing programme of individual meetings with institutional shareholders and analysts following the preliminary and half year results presentations to the City. These meetings allow the chief executive and the finance director to update shareholders on strategy and the group's performance. Additional meetings with institutional investors and/or analysts are arranged from time to time. All members of the board receive copies of feedback reports from the City presentations and meetings, thus keeping them in touch with shareholder opinion.

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.

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 26 and 27.

		As at	A shares	Non-voting shares
Nicholas Bryan	Beneficial and family	**30 March 2015**	**8,505**	**–**
		31 March 2014	8,505	–
Stephen Goodyear (i), (ii)	Beneficial and family	**30 March 2015**	**196,283**	**–**
		31 March 2014	147,566	–
Torquil Sligo-Young (i), (ii)	Beneficial and family	**30 March 2015**	**253,153**	**3,000**
		31 March 2014	246,255	7,000
	Trustee	**30 March 2015**	**4,154,340**	**649,914**
		31 March 2014	3,689,188	549,591
Peter Whitehead (i), (ii)	Beneficial and family	**30 March 2015**	**95,363**	**–**
		31 March 2014	68,547	–
Patrick Dardis (i), (ii)	Beneficial and family	**30 March 2015**	**39,891**	**–**
		31 March 2014	14,670	–
Edward Turner (i)	Beneficial and family	**30 March 2015**	**8,854**	**–**
		31 March 2014	–	–
Roger Lambert	Beneficial and family	**30 March 2015**	**5,250**	**5,000**
		31 March 2014	5,250	5,000
David Page	Beneficial and family	**30 March 2015**	**3,278**	**–**
		31 March 2014	3,278	–
Rupert Clevely (i)	Beneficial and family	**31 March 2015**	**13,081**	**–**
		31 March 2014	20,081	–
Trish Corzine	Beneficial and family	**30 March 2015**	**–**	**–**
		31 March 2014	–	–

Also interested in:

(i) 635,064 (2014: 680,856) A shares held in trust by RBT II Trustees Limited – see note 28 on page 58.
(ii) 387,541 (2014: 477,769) A shares held in trust by Young's Pension Trustees Limited – see note 28 on page 58.

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 58; 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.

Other disclosures

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 £26.7 million. The directors recommend a final dividend for the period of 8.56 pence per share. Subject to approval at the AGM, this is expected to be paid on 9 July 2015 to shareholders on the register at the close of business on 12 June 2015. When added to the interim dividend of 7.90 pence per share, this will produce a total dividend for the period of 16.46 pence per share.

AGM: notice convening the AGM and an explanation of the resolutions being proposed are set out on pages 61 to 64.

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 1 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 49, are the group's financial risk management objectives and policies and an indication of the group's exposure to certain risks.

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 both formally and informally, 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

DIRECTORS' REPORT

CONTINUED

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 on and from 1 April 2012 to join the group's savings-related share option scheme for 2014. 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 840 pence per share, being a discount of 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 application of Challenge 21). The company also maintained its financial and in-kind support for Drinkaware and the "Why let the Good times go bad?" campaign. 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 30 March 2015 the company had been notified of the following holdings of 3% or more of the voting rights in the company:

Torquil Sligo-Young	14.82%	BlackRock Investment Management (UK) Limited	<5.00%
James Young	13.81%	Helena Young	3.12%
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 31 March 2015 and 19 May 2015, 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, comprising of a strategic report, a directors' report and financial statements. The latter must be prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by members of the EU 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 they were 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 they took all the steps that they ought to have taken as a director to make themselves 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, comprising of a strategic report, a directors' report and financial statements for the period ended 30 March 2015, 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
20 May 2015

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 52 week period ended 30 March 2015 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 22, 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 30 March 2015 and of the group's profit for the 52 week 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
20 May 2015

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 30 MARCH 2015

	Notes	**2015 £m**	2014 £m
Revenue	6	**227.0**	210.8
Operating costs before exceptional items	7	**(189.6)**	(177.6)
Operating profit before exceptional items		**37.4**	33.2
Operating exceptional items	9	**4.1**	(0.6)
Operating profit		**41.5**	32.6
Finance costs	11	**(5.2)**	(5.9)
Finance revenue	11	**–**	0.3
Other finance charges	24	**(0.2)**	(0.4)
Profit before tax		**36.1**	26.6
Taxation	12	**(9.4)**	(4.5)
Profit for the period attributable to shareholders of the parent company		**26.7**	22.1

		Pence	Pence
Earnings per 12.5p ordinary share			
Basic	15	**55.17**	45.78
Diluted	15	**55.09**	45.72

All of the results above are from continuing operations.

The notes on pages 30 to 59 form part of these financial statements.
The independent auditor's report is set out on page 23.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 30 MARCH 2015

		Group		Company	
	Notes	**2015 £m**	2014 £m	**2015 £m**	2014 £m
Profit for the period		**26.7**	22.1	**22.9**	17.3
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Unrealised gain on revaluation of property	17	**19.6**	21.9	**17.6**	18.3
Remeasurement of retirement benefit schemes	24	**(9.1)**	3.0	**(9.1)**	3.0
Tax on above components of other comprehensive income		**(0.7)**	0.9	**(0.4)**	1.3
Items that will be reclassified subsequently to profit or loss:					
Fair value movement of interest rate swaps	22	**(3.6)**	5.6	**(3.6)**	5.6
Tax on fair value movement of interest rate swaps		**0.7**	(1.6)	**0.7**	(1.6)
		6.9	29.8	**5.2**	26.6
Total comprehensive income for shareholders of the parent company		**33.6**	51.9	**28.1**	43.9

The prior period unrealised gain on revaluation of property and associated tax charge has been repositioned from items that will be reclassified subsequently to profit or loss to items that will not be reclassified subsequently to profit or loss.

All of the results above are from continuing operations.

The notes on pages 30 to 59 form part of these financial statements.
The independent auditor's report is set out on page 23.

BALANCE SHEETS

AT 30 MARCH 2015

		Group		Company	
	Notes	**2015 £m**	2014 £m	**2015 £m**	2014 £m
Non-current assets					
Goodwill	16	**20.9**	20.4	**–**	–
Property and equipment	17	**617.3**	559.2	**546.3**	501.7
Investment in subsidiaries	18	**–**	–	**31.3**	24.3
Deferred tax assets	23	**7.7**	4.8	**7.6**	4.8
		645.9	584.4	**585.2**	530.8
Current assets					
Inventories	19	**2.7**	2.6	**2.0**	2.0
Trade and other receivables	20	**5.5**	5.9	**27.6**	26.7
Cash		**0.2**	2.4	**0.2**	1.3
		8.4	10.9	**29.8**	30.0
Total assets		**654.3**	595.3	**615.0**	560.8
Current liabilities					
Borrowings	22	**(5.0)**	–	**(6.0)**	–
Trade and other payables	21	**(29.2)**	(29.2)	**(27.9)**	(27.9)
Income tax payable		**(4.0)**	(3.2)	**(3.7)**	(2.0)
		(38.2)	(32.4)	**(37.6)**	(29.9)
Non-current liabilities					
Borrowings	22	**(124.2)**	(114.4)	**(124.2)**	(114.4)
Derivative financial instruments	22	**(12.0)**	(8.4)	**(12.0)**	(8.4)
Deferred tax liabilities	23	**(59.8)**	(54.4)	**(52.6)**	(48.4)
Retirement benefit schemes	24	**(13.1)**	(6.0)	**(13.1)**	(6.0)
		(209.1)	(183.2)	**(201.9)**	(177.2)
Total liabilities		**(247.3)**	(215.6)	**(239.5)**	(207.1)
Net assets		**407.0**	379.7	**375.5**	353.7
Capital and reserves					
Share capital	25	**6.1**	6.0	**6.1**	6.0
Share premium		**2.7**	1.7	**2.7**	1.7
Capital redemption reserve		**1.8**	1.8	**1.8**	1.8
Hedging reserve		**(9.6)**	(6.7)	**(9.6)**	(6.7)
Revaluation reserve		**209.6**	193.1	**201.7**	186.9
Retained earnings		**196.4**	183.8	**172.8**	164.0
Total equity		**407.0**	379.7	**375.5**	353.7

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

Nicholas Bryan Chairman
Peter Whitehead Finance Director
20 May 2015

The notes on pages 30 to 59 form part of these financial statements.
The independent auditor's report is set out on page 23.

STATEMENTS OF CASH FLOW

FOR THE 52 WEEKS ENDED 30 MARCH 2015

		Group		Company	
	Notes	**2015 £m**	2014 £m	**2015 £m**	2014 £m
Operating activities					
Net cash generated from operations	27	**50.6**	47.3	**40.0**	43.1
Interest received		**–**	–	**1.0**	1.0
Tax paid		**(7.1)**	(6.1)	**(4.7)**	(5.7)
Net cash flow from operating activities		**43.5**	41.2	**36.3**	38.4
Investing activities					
Sale of property and equipment		**3.3**	–	**3.3**	–
Sale of discontinued operations		**–**	5.0	**–**	5.0
Purchases of property and equipment	17	**(32.4)**	(22.8)	**(30.1)**	(20.0)
Business combinations, net of cash acquired	13	**(18.5)**	(10.8)	**(6.6)**	(10.8)
Acquisition of subsidiaries, net of cash acquired	18	**–**	–	**(7.0)**	–
Net cash used in investing activities		**(47.6)**	(28.6)	**(40.4)**	(25.8)
Financing activities					
Interest paid		**(4.9)**	(5.5)	**(4.8)**	(5.5)
Equity dividends paid	14	**(7.7)**	(7.3)	**(7.7)**	(7.3)
Increase/(decrease) in borrowings		**9.5**	(3.5)	**9.5**	(3.5)
Increase in short term borrowings		**5.0**	–	**6.0**	–
Net cash flow used in financing activities		**1.9**	(16.3)	**3.0**	(16.3)
Decrease in cash		**(2.2)**	(3.7)	**(1.1)**	(3.7)
Cash at the beginning of the period		**2.4**	6.1	**1.3**	5.0
Cash at the end of the period		**0.2**	2.4	**0.2**	1.3

The notes on pages 30 to 59 form part of these financial statements.
The independent auditor's report is set out on page 23.

GROUP STATEMENT OF CHANGES IN EQUITY

AT 30 MARCH 2015

	Notes	Share capital [1] £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2013		**7.3**	**1.8**	**(10.7)**	**168.9**	**167.2**	**334.5**
Total comprehensive income							
Profit for the period		–	–	–	–	22.1	22.1
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	21.9	–	21.9
Remeasurement of retirement benefit schemes	24	–	–	–	–	3.0	3.0
Fair value movement of interest rate swaps	22	–	–	5.6	–	–	5.6
Tax on above components of other comprehensive income	12	–	–	(1.6)	2.3	(1.4)	(0.7)
		–	–	4.0	24.2	1.6	29.8
Total comprehensive income		–	–	4.0	24.2	23.7	51.9
Transactions with owners recorded directly in equity							
Share capital issued		0.4	–	–	–	–	0.4
Dividends paid on equity shares	14	–	–	–	–	(7.3)	(7.3)
Share based payments	26	–	–	–	–	0.1	0.1
Tax on share based payments	23	–	–	–	–	0.1	0.1
		0.4	–	–	–	(7.1)	(6.7)
At 31 March 2014		**7.7**	**1.8**	**(6.7)**	**193.1**	**183.8**	**379.7**
Total comprehensive income							
Profit for the period		–	–	–	–	26.7	26.7
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	19.6	–	19.6
Remeasurement of retirement benefit schemes	24	–	–	–	–	(9.1)	(9.1)
Fair value movement of interest rate swaps	22	–	–	(3.6)	–	–	(3.6)
Tax on above components of other comprehensive income	12	–	–	0.7	(2.5)	1.8	–
		–	–	(2.9)	17.1	(7.3)	6.9
Total comprehensive income		–	–	(2.9)	17.1	19.4	33.6
Transactions with owners recorded directly in equity							
Share capital issued		1.1	–	–	–	–	1.1
Dividends paid on equity shares	14	–	–	–	–	(7.7)	(7.7)
Revaluation reserve realised on disposal of properties		–	–	–	(0.6)	0.6	–
Share based payments	26	–	–	–	–	0.2	0.2
Tax on share based payments	23	–	–	–	–	0.1	0.1
		1.1	–	–	(0.6)	(6.8)	(6.3)
At 30 March 2015		**8.8**	**1.8**	**(9.6)**	**209.6**	**196.4**	**407.0**

[1] Total share capital comprises the share capital issued and fully paid of £6.1 million (2014: £6.0 million) and the share premium account of £2.7 million (2014: £1.7 million). Share capital issued in the period comprises the nominal value of £0.1 million (2014: £0.0 million) and share premium of £1.0 million (2014: £0.4 million).

The notes on pages 30 to 59 form part of these financial statements.
The independent auditor's report is set out on page 23.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

AT 30 MARCH 2015

	Notes	Share capital [1] £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2013		**7.3**	**1.8**	**(10.7)**	**165.9**	**152.2**	**316.5**
Total comprehensive income							
Profit for the period		–	–	–	–	17.3	17.3
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	18.3	–	18.3
Remeasurement of retirement benefit schemes	24	–	–	–	–	3.0	3.0
Fair value movement of interest rate swaps	22	–	–	5.6	–	–	5.6
Tax on above components of other comprehensive income	23	–	–	(1.6)	2.7	(1.4)	(0.3)
		–	–	4.0	21.0	1.6	26.6
Total comprehensive income		–	–	4.0	21.0	18.9	43.9
Transactions with owners recorded directly in equity							
Share capital issued		0.4	–	–	–	–	0.4
Dividends paid on equity shares	14	–	–	–	–	(7.3)	(7.3)
Share based payments	26	–	–	–	–	0.1	0.1
Tax on share based payments	23	–	–	–	–	0.1	0.1
		0.4	–	–	–	(7.1)	(6.7)
At 31 March 2014		**7.7**	**1.8**	**(6.7)**	**186.9**	**164.0**	**353.7**
Total comprehensive income							
Profit for the period		–	–	–	–	22.9	22.9
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	17.6	–	17.6
Remeasurement of retirement benefit schemes	24	–	–	–	–	(9.1)	(9.1)
Fair value movement of interest rate swaps	22	–	–	(3.6)	–	–	(3.6)
Tax on above components of other comprehensive income	23	–	–	0.7	(2.2)	1.8	0.3
		–	–	(2.9)	15.4	(7.3)	5.2
Total comprehensive income		–	–	(2.9)	15.4	15.6	28.1
Transactions with owners recorded directly in equity							
Share capital issued		1.1	–	–	–	–	1.1
Dividends paid on equity shares	14	–	–	–	–	(7.7)	(7.7)
Revaluation reserve realised on disposal of properties		–	–	–	(0.6)	0.6	–
Share based payments	26	–	–	–	–	0.2	0.2
Tax on share based payments	23	–	–	–	–	0.1	0.1
		1.1	–	–	(0.6)	(6.8)	(6.3)
At 30 March 2015		**8.8**	**1.8**	**(9.6)**	**201.7**	**172.8**	**375.5**

[1] Total share capital comprises the share capital issued and fully paid of £6.1 million (2014: £6.0 million) and the share premium account of £2.7 million (2014: £1.7 million). Share capital issued in the period comprises the nominal value of £0.1 million (2014: £0.0 million) and share premium of £1.0 million (2014: £0.4 million).

The notes on pages 30 to 59 form part of these financial statements.
The independent auditor's report is set out on page 23.

1. GENERAL INFORMATION

The group and parent company financial statements of Young & Co.'s Brewery, P.L.C. for the period ended 30 March 2015 were authorised for issue by the board of directors on 20 May 2015. 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 1 to 15.

The current period and prior period relate to the 52 weeks ended 30 March 2015 and 31 March 2014 respectively.

The financial statements are presented in pounds sterling and all values are rounded to the nearest hundred thousand (£0.1 million) 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 £22.9 million (2014: £17.3 million).

New Accounting Standards, Amendments and Interpretations

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

IFRS 10, IFRS 12 and IAS 27: Investment Entities (Amendments): was effective for the full period ended 30 March 2015 and applies to companies that meet the definitions of an investment entity under IFRS 10: Consolidated Financial Statements. None of the group's entities meet the definition of an investment entity so the amendment has no impact.

IAS 32: Offsetting Financial Assets and Financial Liabilities (Amendment): effective 1 January 2014 and clarifies the meaning of "currently has a legally enforceable right to set-off". The group has no such offsetting arrangements so the amendment has no impact.

IAS 36: Recoverable Amount Disclosures for Non-Financial Assets (Amendment): removes some of the disclosure requirements in respect of fair value less costs of disposal. The amendment was effective for the full period ended 31 March 2014 but has had no impact on the group.

IAS 39: Novation of Derivatives and Continuation of Hedge Accounting (Amendment): was effective for the full period ended 30 March 2015 and provides relief from discontinuing hedge accounting when an entity novates its derivatives if certain criteria are met. The group has not novated any of its derivatives during the current or prior periods, so the amendment has had no impact.

IFRIC 21: Levies: effective 1 January 2014 and clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by legislation, happens. It also clarifies that no liability should be recognised for levies that are triggered on reaching a minimum threshold until that threshold is reached. The adoption of IFRIC 21 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
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments)	1 July 2014
IFRS 10, IFRS 12 and IAS 27	Investment Entities (Amendments)	1 January 2016
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	1 January 2016
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendment)	1 January 2016
IAS 1	Disclosure Initiative (Amendment)	1 January 2016
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments)	1 January 2016
IAS 16 and IAS 41	Agriculture: Bearer Plants (Amendments)	1 January 2016
IAS 19	Employee Benefits	1 January 2016
IAS 27	Equity Method in Separate Financial Statements (Amendment)	1 January 2016
IAS 34	Interim Financial Reporting	1 January 2016
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations	1 January 2016
IFRS 7	Financial Instruments: Disclosures	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2017
IFRS 9	Financial Instruments	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. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The special purpose entity is Ram Brewery Trust II, 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. 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. The group does not depreciate freehold land and the residual value of its freehold and long leasehold buildings.

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 or groups of assets. 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, 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 defined contribution pension scheme and a post retirement health care scheme.

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

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.

Remeasurements of defined benefit pension and post retirement health care 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 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. Remeasurements of health care benefits 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 estimates and 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 presented 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. See note 17.

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

The group has three operating segments: Young's managed houses, Geronimo managed houses and the Ram Pub Company. Both Young's and Geronimo managed houses operate pubs. Revenue is derived from sales of drink, food and the provision of accommodation. Due to common economic characteristics, similar product offerings and customers, the Young's managed houses and Geronimo managed houses operating segments have been reported below as a single reportable segment, managed houses. The Ram Pub Company 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.

Total segment revenue is derived externally with no intersegment revenues between the segments in either period. The group's revenue is derived entirely from the UK.

Income statement

2015	**Managed houses £m**	**Ram Pub Company £m**	**Segments total £m**	**Unallocated £m**	**Total £m**
Total segment revenue	**214.2**	**12.5**	**226.7**	**0.3**	**227.0**
Operating profit/(loss) before exceptional items	**50.1**	**4.3**	**54.4**	**(17.0)**	**37.4**
Operating exceptional items	**3.4**	**0.7**	**4.1**	**–**	**4.1**
Operating profit/(loss)	**53.5**	**5.0**	**58.5**	**(17.0)**	**41.5**
2014					
Total segment revenue	199.0	11.4	210.4	0.4	210.8
Operating profit/(loss) before exceptional items	45.0	3.8	48.8	(15.6)	33.2
Operating exceptional items	–	(0.3)	(0.3)	(0.3)	(0.6)
Operating profit/(loss)	45.0	3.5	48.5	(15.9)	32.6

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

	2015 £m	2014 £m
Operating profit	**41.5**	32.6
Finance costs	**(5.2)**	(5.9)
Finance revenue	**–**	0.3
Other finance charges	**(0.2)**	(0.4)
Profit before tax	**36.1**	26.6

Balance sheet

2015	**Managed houses £m**	**Ram Pub Company £m**	**Segments total £m**	**Unallocated £m**	**Total £m**
Segment assets	**581.3**	**57.7**	**639.0**	**7.4**	**646.4**
Deferred tax assets	**–**	**–**	**–**	**7.7**	**7.7**
Cash	**–**	**–**	**–**	**0.2**	**0.2**
Total assets	**581.3**	**57.7**	**639.0**	**15.3**	**654.3**
Other segmental information					
Depreciation	**(13.3)**	**(1.2)**	**(14.5)**	**(0.3)**	**(14.8)**
Additions to non-current assets	**48.5**	**2.1**	**50.6**	**0.3**	**50.9**
Net upward movements in property valuation (note 17)	**3.5**	**0.7**	**4.2**	**–**	**4.2**
2014					
Segment assets	526.7	52.3	579.0	9.1	588.1
Deferred tax assets	–	–	–	4.8	4.8
Cash	–	–	–	2.4	2.4
Total assets	526.7	52.3	579.0	16.3	595.3
Other segmental information					
Depreciation	(11.1)	(1.1)	(12.2)	(0.3)	(12.5)
Additions to non-current assets	25.8	7.7	33.5	0.1	33.6
Net upward movements in property valuation (note 17)	0.3	–	0.3	–	0.3

6. REVENUE

	2015 £m	2014 £m
Sales of goods	**214.0**	199.6
Rental income	**13.0**	11.2
Revenue	**227.0**	210.8
Finance revenue	**–**	0.3
	227.0	211.1

Revenue shown above is from continuing operations.

7. OPERATING COSTS BEFORE EXCEPTIONAL ITEMS

	2015 £m	2014 £m
Changes in inventories of finished goods and raw materials	**(0.1)**	(0.1)
Raw materials, consumables and finished goods used	**58.7**	55.0
Employment costs (note 8(a))	**71.3**	66.4
Depreciation (note 17)	**14.8**	12.5
Other operating costs	**44.9**	43.8
	189.6	177.6

Other operating costs include:

		2015 £m	2014 £m
Operating lease rentals:	minimum lease payments	**5.5**	5.9
	sublease payments	**0.6**	0.6
		6.1	6.5
Auditor's remuneration to main group auditor:	audit of the group financial statements	**0.2**	0.2
	audit of subsidiaries' accounts	**–**	–
	audit related assurance services	**–**	–
	taxation advisory services	**–**	–
	all other services	**–**	–
		0.2	0.2

8. EMPLOYMENT

(a) Costs and employee numbers

	2015 £m	2014 £m
Wages and salaries	**65.1**	60.5
Social security	**5.1**	4.7
Pension and health care schemes	**1.1**	1.2
Employment costs before exceptional items	**71.3**	66.4
Employment costs in exceptional items: capital gains tax on ESOP Trust allocated shares	**0.2**	0.3
	71.5	66.7

The average monthly number of employees was 3,496 (2014: 3,357).

(b) Directors' emoluments

	Basic salary and fees £	Benefits £	Bonus £	Total excluding pension costs 2015 £	Total excluding pension costs 2014 £
Nicholas Bryan	**85,300**	–	–	**85,300**	83,220
Stephen Goodyear	**318,139**	**17,799**	**287,316**	**623,254**	640,066
Torquil Sligo-Young	**127,880**	**26,356**	**114,917**	**269,153**	271,900
Peter Whitehead	**230,533**	**7,949**	**192,568**	**431,050**	447,371
Patrick Dardis	**234,032**	**1,650**	**192,568**	**428,250**	439,146
Edward Turner	**183,509**	**10,261**	**121,975**	**315,745**	360,468
Roger Lambert	**39,253**	–	–	**39,253**	38,110
David Page	**39,253**	–	–	**39,253**	38,110
Rupert Clevely	**38,110**	**10,253**	–	**48,363**	48,210
Trish Corzine	**8,764**	–	–	**8,764**	–
Total 2015	**1,304,773**	**74,268**	**909,344**	**2,288,385**	
Total 2014	1,258,155	88,196	1,020,250		2,366,601

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 Ed Turner 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 2018 exceeds the same measure for the financial period ended 31 March 2014. 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 2015). 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 £143,658 (2014: £155,899), to Torquil Sligo-Young is £57,459 (2014: £60,479), to Peter Whitehead is £96,284 (2014: £104,374) and to Ed Turner is £60,988 (2014: £nil).

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 active members 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 30 March 2015 only one director, Patrick Dardis, was accruing benefits under the defined benefit pension scheme in respect of qualifying service. His pension entitlement (being that which would be paid annually on retirement under the terms of his service agreement based on service to 30 March 2015) is £39,741 (2014: £36,262) and his normal retirement date will be reached when he is 60. Net of member contributions, the value of the increase in his accrued pension during the year to 30 March 2015 was £42,710 (2014: £55,450) – this value was calculated using appropriate methodology prescribed under relevant legislation: for example, this included 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.

The company accounts for retirement benefits in accordance with IAS 19 and detailed disclosures covering this are set out in note 24.

Stephen Goodyear and Torquil Sligo-Young have begun to draw their pensions; they therefore have no further defined benefit accrual. Peter Whitehead has opted for 2014 Fixed Protection and has therefore also ceased future pension accrual (2014 pension entitlement: £60,872; 2014 value increase net of member contributions: £64,116).

Defined contribution pension scheme

The company also operates a defined contribution pension scheme.

As at 30 March 2015 three directors, Ed Turner, David Page and Rupert Clevely, were in such a scheme. For the year ended 30 March 2015 the company paid contributions of £7,290 (2014: £8,550), £335 (2014: £nil) and £323 (2014: £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 on 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 2014	Granted during the period	**At 30 March 2015**	Exercise price (pence)	Exercisable from	Exercisable to
Stephen Goodyear	1,844	–	**1,844**	488	01.09.15	28.02.16
	–	1,071	**1,071**	840	01.09.17	28.02.18
Torquil Sligo-Young	1,844	–	**1,844**	488	01.09.15	28.02.16
	–	1,071	**1,071**	840	01.09.17	28.02.18
Peter Whitehead	1,844	–	**1,844**	488	01.09.15	28.02.16
	–	1,071	**1,071**	840	01.09.17	28.02.18
Patrick Dardis	1,844	–	**1,844**	488	01.09.15	28.02.16
	–	1,071	**1,071**	840	01.09.17	28.02.18
Edward Turner	1,844	–	**1,844**	488	01.09.15	28.02.16
	–	1,071	**1,071**	840	01.09.17	28.02.18

The exercise prices of 488 pence per share and 840 pence per share represent a 20% discount to the then market price of 610 pence per share and 1,050 pence per share respectively.

9. EXCEPTIONAL ITEMS

	2015 £m	2014 £m
Amounts included in operating profit:		
Upward movement on the revaluation of properties (note 17)	**6.4**	3.8
Downward movement on the revaluation of properties (note 17)	**(2.2)**	(3.5)
Acquisition costs	**(1.0)**	(0.6)
Capital gains tax on ESOP Trust allocated shares	**(0.2)**	(0.3)
Net profit on sale of properties	**0.9**	–
Pension settlement gain	**0.2**	–
	4.1	(0.6)
Exceptional tax:		
Tax attributable to above adjustments	**(1.9)**	(0.5)
Change in corporation tax rate	**–**	2.5
	(1.9)	2.0
Total exceptional items after tax	**2.2**	1.4

The movement on the revaluation of properties relates to the revaluation exercise that was completed during the period. The revaluation was conducted at an individual pub level and identified a net upward movement of £4.2 million (2014: £0.3 million net upward) which has been taken to the income statement. The upward movement for the period ended 30 March 2015 was split between land and buildings (£4.5 million upward) and fixtures and fittings (£0.3 million downward). In the previous period the upward movement was all within land and buildings. See note 5 for segmental information.

The acquisition costs relate to the freehold purchases of the Bull & Gate (Kentish Town), Fox & Anchor (Smithfield Market) and the White Bear (Kennington); and the corporate acquisitions of 580 Limited and The Bell at Stow Limited (see note 13). They include legal and professional fees and stamp duty.

The prior period acquisition costs related to the purchase of the Clapham North, New Inn (Ealing), Royal Oak (Bethnal Green), Weyside (Guildford) and the King's Head (Islington).

The profit on sale of properties relates to the difference between the cash, less selling costs, received from the sale or lease termination of the Elephant (City of London), Tin Goose (Heathrow Airport), Tamworth Arms (Croydon) and the Bunch of Grapes (Bradford upon Avon) and the carrying value of the assets on the date of sale. There were no sales of properties in the prior period.

The pension settlement gain relates to members who have left the scheme.

The capital gains tax on ESOP Trust allocated shares relates to 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.

10. OTHER FINANCIAL MEASURES

The table below shows how adjusted group EBITDA, operating profit and profit before tax have been arrived at. These alternative performance measures have been provided as the Board believes that they give useful additional measures of the group's underlying performance. Details of the exceptional items can be seen in note 9. All the results below are from continuing operations.

	2015			2014		
	Unadjusted £m	**Exceptional items £m**	**Adjusted £m**	Unadjusted £m	Exceptional items £m	Adjusted £m
EBITDA	**52.1**	**0.1**	**52.2**	44.8	0.9	45.7
Depreciation and net movement on the revaluation of properties	**(10.6)**	**(4.2)**	**(14.8)**	(12.2)	(0.3)	(12.5)
Operating profit	**41.5**	**(4.1)**	**37.4**	32.6	0.6	33.2
Net finance costs	**(5.2)**	**–**	**(5.2)**	(5.6)	–	(5.6)
Other finance charges	**(0.2)**	**–**	**(0.2)**	(0.4)	–	(0.4)
Profit before tax	**36.1**	**(4.1)**	**32.0**	26.6	0.6	27.2

11. FINANCE COSTS AND REVENUE

	2015 £m	2014 £m
Bank loans and overdrafts	**5.1**	5.8
Finance lease interest	**0.1**	0.1
Finance costs	**5.2**	5.9
Interest receivable and unwinding of discounted deferred consideration	**–**	(0.3)
	5.2	5.6

12. TAXATION

Tax charged in the group income statement	2015 £m	2014 £m
Current tax		
Current tax expense	**7.6**	6.9
Adjustment in respect of current tax of prior periods	**0.3**	(0.1)
	7.9	6.8
Deferred tax		
Origination and reversal of temporary differences	**1.6**	0.2
Change in corporation tax rate	**–**	(2.6)
Adjustment in respect of deferred tax of prior periods	**(0.1)**	0.1
	1.5	(2.3)
Tax expense	**9.4**	4.5

Deferred tax in the group income statement		
Property revaluation and disposals	**1.8**	(0.8)
Fair value gains on acquisition of subsidiaries	**–**	(1.0)
Capital allowances	**(0.3)**	0.1
Retirement benefit schemes	**0.2**	(0.6)
Other tax provisions	**–**	0.1
Share based payments	**(0.2)**	(0.1)
Tax expense/(credit)	**1.5**	(2.3)

Deferred tax in the group statement of comprehensive income		
Property revaluation and disposals	**2.5**	3.6
Retirement benefit schemes	**(1.8)**	0.7
Interest rate swaps	**(0.7)**	1.3
Change in corporation tax rate	**–**	(4.9)
Tax expense	**–**	0.7

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 30 March 2015 and 31 March 2014 respectively is as follows:

	2015 £m	2014 £m
Profit before tax	**36.1**	26.6
Total profit before tax at corporation tax rate of 21% (2014: 23%)	**7.6**	6.1
Tax effects of:		
Expenses not deductible for tax purposes	**0.7**	0.7
Recognition of property revaluation, rollover claim and other property movements	**1.8**	0.4
Non-assessable income	**(0.9)**	(0.1)
Remeasurement of deferred tax – change in corporation tax rate	**–**	(2.6)
Prior period adjustment – current tax	**0.3**	(0.1)
Prior period adjustment – deferred tax	**(0.1)**	0.1
Total tax expense	**9.4**	4.5

The change in the UK corporation tax rate from 21% to 20%, which was effective from 1 April 2015, was substantively enacted in the prior year. Accordingly, the deferred tax balances have been measured at 20%.

13. BUSINESS COMBINATIONS

580 Group

On 16 October 2014 the group acquired the entire issued share capital of 580 Limited for consideration of £10.4 million on a debt and working capital free basis. 580 Limited, through its four subsidiaries, owns and operates four pubs in prime London locations: the Defector's Weld (Shepherds Bush), John Salt (Islington), Owl & Pussycat (Shoreditch) and the Fellow (King's Cross). The transaction sees the continuation of our strategy of adding carefully selected high-quality managed houses to our Young's and Geronimo estates.

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

	Fair value £m
Assets and liabilities acquired:	
Property and equipment	**10.4**
Inventories	**0.1**
Cash	**0.8**
Trade and other receivables	**0.1**
Overdrafts and loans	**(3.6)**
Trade and other payables	**(0.8)**
Deferred taxation on fair value adjustments	**(0.9)**
Net assets	**6.1**
Goodwill arising on acquisition (note 16)	**0.9**
Total consideration for share capital	**7.0**
Cash flow on acquisition:	
Cash acquired	**0.8**
Overdrafts and loans acquired and repaid	**(3.6)**
Net working capital acquired and repaid	**(0.6)**
Cash paid for share capital	**(7.0)**
Net cash outflow	**(10.4)**

In addition, the group incurred £0.5 million of costs associated with the acquisition, paid in cash, which have been recorded as an operating exceptional item.

13. BUSINESS COMBINATIONS (CONTINUED)

The Bell at Stow Limited

On 7 January 2015 the group acquired the entire issued share capital of The Bell at Stow Limited for consideration of £1.5 million on a debt and working capital free basis. The Bell at Stow owns and operates a pub and hotel in the Cotswolds which, together with the newly acquired and adjacent Stuart House (see below), added a further 13 high quality boutique hotel rooms to the Young's estate.

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

	Fair value £m
Assets and liabilities acquired:	
Property and equipment	**1.5**
Trade and other receivables	**0.1**
Overdrafts and loans	**(0.4)**
Trade and other payables	**(0.3)**
Deferred taxation on fair value adjustments	**(0.2)**
Net assets	**0.7**
Goodwill arising on acquisition (note 16)	**0.2**
Total consideration for share capital	**0.9**

Cash flow on acquisition:	
Cash acquired	**–**
Overdrafts and loans acquired and repaid	**(0.4)**
Net working capital acquired and repaid	**(0.2)**
Cash paid for share capital	**(0.9)**
Net cash outflow	**(1.5)**

In addition, the group incurred £0.1 million of costs associated with the acquisition, paid in cash, which have been recorded as an exceptional operating item.

The goodwill arising on the acquisitions of 580 Limited and The Bell at Stow Limited includes deferred taxation of £0.9 million and £0.2 million respectively, which arises on the fair value adjustment of property and equipment. None of the goodwill is expected to be deductible for income tax purposes.

The 580 Group and The Bell at Stow Limited contributed £3.2 million of revenue and £0.7 million of operating profit for the periods between the dates of acquisition and the period end date.

If the acquisitions of the 580 Group and The Bell at Stow Limited had been completed on the first day of the financial period, group revenues for the period would have increased by £4.2 million and the group operating profit would have increased by £0.7 million.

Other business combinations

The group and company acquired the Fox & Anchor (Smithfield Market), White Bear (Kennington) and Stuart House (Stow on the Wold) as business combinations in the current period for considerations totalling £6.6 million. The aggregated fair value of the identifiable assets and liabilities of the acquired businesses was property and equipment of £6.6 million and inventories of £nil. The group incurred £0.4 million of costs associated with the acquisitions, which have been recorded as operating exceptional items.

In the prior period, the group and company acquired the Clapham North, New Inn (Ealing), Royal Oak (Bethnal Green), Weyside (Guildford) and the King's Head (Islington). The aggregated fair value of the identifiable assets and liabilities of the acquired businesses was property and equipment of £10.8 million and inventories of £nil. The group incurred £0.6 million of costs associated with the acquisitions, which were recorded as operating exceptional items.

Cash flow from business combinations

	2015 £m	2014 £m
580 Group	**(10.4)**	–
The Bell at Stow Limited	**(1.5)**	–
Other business combinations	**(6.6)**	(10.8)
Total net cash outflow	**(18.5)**	(10.8)

14. DIVIDENDS ON EQUITY SHARES

	2015 Pence	2014 Pence	**2015 £m**	2014 £m
Final dividend (previous period)	**8.07**	7.61	**3.9**	3.7
Interim dividend (current period)	**7.90**	7.45	**3.8**	3.6
	15.97	15.06	**7.7**	7.3

In addition, the Board is proposing a final dividend in respect of the period ended 30 March 2015 of 8.56 pence per share at a cost of £4.1 million. If approved, it is expected to be paid on 9 July 2015 to shareholders who are on the register of members at the close of business on 12 June 2015.

15. EARNINGS PER ORDINARY SHARE

(a) Earnings

	2015 £m	2014 £m
Profit attributable to equity shareholders of the parent	**26.7**	22.1
Operating exceptional items	**(4.1)**	0.6
Tax attributable to above adjustments	**1.9**	0.5
Change in corporation tax rate	**–**	(2.5)
Adjusted earnings after tax	**24.5**	20.7

	Number	Number
Basic weighted average number of ordinary shares in issue	**48,397,275**	48,275,784
Dilutive potential ordinary shares from outstanding employee share options	**69,303**	60,685
Diluted weighted average number of shares	**48,466,578**	48,336,469

(b) Basic earnings per share

	Pence	Pence
Basic	**55.17**	45.78
Effect of exceptional items and other adjustments	**(4.55)**	(2.90)
Adjusted basic	**50.62**	42.88

(c) Diluted earnings per share

	Pence	Pence
Diluted	**55.09**	45.72
Effect of exceptional items and other adjustments	**(4.54)**	(2.90)
Adjusted diluted	**50.55**	42.82

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 69,303 (2014: 60,685) dilutive potential shares under the SAYE scheme (see notes 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			
2015	**At 31 March 2014 £m**	**Acquisitions £m**	**Disposal £m**	**At 30 March 2015 £m**
Geronimo	**20.4**	**–**	**(0.6)**	**19.8**
The Bell at Stow Limited	**–**	**0.2**	**–**	**0.2**
580 Limited	**–**	**0.9**	**–**	**0.9**
	20.4	**1.1**	**(0.6)**	**20.9**

2014	At 1 April 2013 £m	Acquisitions £m	Disposal £m	At 31 March 2014 £m
Geronimo	20.4	–	–	20.4
	20.4	–	–	20.4

Goodwill arising on the acquisitions of 580 Limited and The Bell at Stow Limited relates to the deferred taxation which arises on the fair value adjustment of property and equipment. The goodwill has been allocated for impairment purposes to the individual pubs within the 580 Group and The Bell at Stow Limited; these are the cash generating units and fall within the managed houses segment.

The opening 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.

During the current period the lease of the Tin Goose, one of the pubs trading within the Geronimo managed houses format, was terminated as a result of Heathrow Terminal 1 closing. The relative value of the goodwill associated with the Tin Goose, £0.6 million, had been included in the carrying amount of the operation when determining the gain or loss on disposal.

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

There will be an impairment if the recoverable amount is lower than carrying value. Recoverable amount is value in use. 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 (2014: 2.0%) which is below the industry long term average growth rate. The pre tax discount rate applied to cash flow projections is 9.1% (2014: 9.2%). 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 Board 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 30 March 2015 and is therefore comfortable that presently no reasonably possible change in key assumptions would give rise to an impairment.

17. PROPERTY AND EQUIPMENT

	Group			Company		
	Land & buildings £m	Fixtures, fittings & equipment £m	Total £m	Land & buildings £m	Fixtures, fittings & equipment £m	Total £m
Cost or valuation						
At 1 April 2013	523.5	85.9	609.4	468.7	77.9	546.6
Additions	7.5	15.3	22.8	6.7	13.3	20.0
Business combinations	9.7	1.1	10.8	9.7	1.1	10.8
Fully depreciated assets	–	(8.9)	(8.9)	–	(8.9)	(8.9)
Revaluation[1]						
– effect of upward movement in property valuation	27.8	–	27.8	24.1	–	24.1
– effect of downward movement in property valuation	(5.9)	–	(5.9)	(5.8)	–	(5.8)
At 31 March 2014	562.6	93.4	656.0	503.4	83.4	586.8
Additions	10.7	21.7	32.4	11.7	18.4	30.1
Business combinations	17.0	1.5	18.5	5.4	1.2	6.6
Disposals	(2.0)	(0.1)	(2.1)	(2.0)	(0.1)	(2.1)
Fully depreciated assets	(0.8)	(9.7)	(10.5)	–	(9.2)	(9.2)
Revaluation[1]						
– effect of upward movement in property valuation	24.9	–	24.9	22.7	–	22.7
– effect of downward movement in property valuation	(5.3)	–	(5.3)	(5.1)	–	(5.1)
At 30 March 2015	**607.1**	**106.8**	**713.9**	**536.1**	**93.7**	**629.8**
Depreciation and impairment						
At 1 April 2013	45.0	48.5	93.5	39.1	45.2	84.3
Depreciation charge	2.1	10.4	12.5	1.3	8.7	10.0
Fully depreciated assets	–	(8.9)	(8.9)	–	(8.9)	(8.9)
Revaluation[1]						
– effect of downward movement in property valuation	3.5	–	3.5	3.2	–	3.2
– effect of upward movement in property valuation	(3.8)	–	(3.8)	(3.5)	–	(3.5)
At 31 March 2014	46.8	50.0	96.8	40.1	45.0	85.1
Depreciation charge	2.3	12.5	14.8	1.3	10.9	12.2
Disposals	(0.2)	(0.1)	(0.3)	(0.2)	(0.1)	(0.3)
Fully depreciated assets	(0.8)	(9.7)	(10.5)	–	(9.2)	(9.2)
Revaluation[1]						
– effect of downward movement in property valuation	1.9	0.3	2.2	1.3	–	1.3
– effect of upward movement in property valuation	(6.4)	–	(6.4)	(5.6)	–	(5.6)
At 30 March 2015	**43.6**	**53.0**	**96.6**	**36.9**	**46.6**	**83.5**
Net book value						
At 1 April 2013	478.5	37.4	515.9	429.6	32.7	462.3
At 31 March 2014	515.8	43.4	559.2	463.3	38.4	501.7
At 30 March 2015	**563.5**	**53.8**	**617.3**	**499.2**	**47.1**	**546.3**

17. PROPERTY AND EQUIPMENT (CONTINUED)

[1] The group's net book value uplift due to revaluation of £23.8 million (2014: £22.2 million) comprises an upward movement of £19.6 million (2014: £21.9 million) shown in the statements of comprehensive income plus a reversal of previous downward revaluations of £4.2 million (2014: £0.3 million) in the income statement. The company's net book value uplift due to revaluation of £21.9 million (2014: £18.6 million) comprises an upward movement of £17.6 million (2014: £18.3 million) shown in the statements of comprehensive income plus a reversal of previous downward revaluations of 4.3 million (2014: £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 30 March 2015 and 31 March 2014, 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 auditor. The highest and best use of the group's properties do not differ materially from their current use.

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 2015	Tenure	EBITDA multiple range Low	 High	Number of pubs	Value of pubs £m
Managed houses	Freehold	6.0	12.0	139	531.3
Managed houses	Leasehold	1.5	3.5	28	22.1
Managed houses	Concession	Spot	Spot	3	0.3
Ram Pub Company	Freehold	6.0	9.5	69	55.8
Ram Pub Company	Leasehold	2.0	3.0	11	0.2
Segment total				**250**	**609.7**
Unallocated				–	7.6
Total net book value at 30 March 2015				**250**	**617.3**

The number of pubs above includes four pubs currently under development that are planned to open in the coming period.

2014					
Managed houses	Freehold	7.0	12.5	134	478.6
Managed houses	Leasehold	2.0	4.0	26	18.5
Managed houses	Concession	Spot	Spot	3	0.4
Ram Pub Company	Freehold	6.0	10.5	68	51.7
Ram Pub Company	Leasehold	Spot	Spot	11	0.3
Segment total				242	549.5
Unallocated				–	9.7
Total net book value at 31 March 2014				242	559.2

If, at 30 March 2015, the property estate had been carried at historic cost less accumulated depreciation and impairment losses, its carrying amount would have been approximately £393.7 million (2014: £357.8 million).

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

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 £50.0 million (2014: £47.1 million). Increasing the EBITDA used in the revaluation by 10% would increase the valuation by £50.0 million (2014: £47.1 million).

(b) Assets held under finance leases

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

	2015 £m	2014 £m
Land and buildings held under finance leases	**9.9**	10.1

(c) Capital commitments

Capital commitments not provided for in these financial statements and for which contracts have been placed amounted to:	**10.6**	5.4

18. INVESTMENTS IN SUBSIDIARIES

	Company
Cost and net book value	**£m**
At 1 April 2013 and 31 March 2014	24.3
Additions	7.0
At 30 March 2015	**31.3**

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
580 Limited	England	England	100
587 Limited	England	England	100
588 Limited	England	England	100
591 Limited	England	England	100
592 Limited	England	England	100
The Bell at Stow Limited	England	England	100

19. INVENTORIES

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Finished goods and raw materials	**2.7**	2.6	**2.0**	2.0

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	**2015**	2014
	£m	£m	**£m**	£m
Trade receivables	**1.8**	2.0	**1.7**	1.8
Other receivables	**0.5**	0.3	**0.3**	0.3
Prepayments and accrued income	**3.2**	3.6	**2.5**	3.0
Amounts due from subsidiaries	**–**	–	**23.1**	21.6
	5.5	5.9	**27.6**	26.7

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 30 March 2015, trade receivables with a nominal value of £0.7 million (2014: £0.7 million) were impaired and fully provided for.

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

	2015	2014
	£m	£m
Opening balance	**0.7**	0.6
Charge for period	**0.2**	0.2
Amounts written off	**(0.2)**	(0.1)
	0.7	0.7

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

The analysis of trade receivables at 30 March 2015 is as follows:

	Total	**Neither past due nor impaired**	**<31 days**	**31-60 days**	**61-90 days**	**91+ days**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
2015	**1.8**	**0.6**	**0.4**	**0.6**	**0.1**	**0.1**
2014	2.0	0.7	0.8	0.2	0.1	0.2

Of the trade receivables that are neither past due nor impaired by value, 7.8% (2014: 19.2%) reflects new customers with no previous history of default, 51.0% (2014: 71.5%) represents existing customers with no history of default and 41.2% (2014: 9.3%) represents existing customers with some history of default.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	**2015**	2014
	£m	£m	**£m**	£m
Trade payables	**12.1**	11.6	**11.7**	11.5
Other related parties: Ram Brewery Trust II	**–**	0.3	**0.2**	0.3
Other tax and social security	**6.2**	5.8	**6.0**	5.8
Other creditors	**6.7**	7.0	**6.2**	6.3
Accruals and deferred income	**4.2**	4.5	**3.8**	4.0
	29.2	29.2	**27.9**	27.9

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 Board monitors its capital using gearing ratios, such as 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, liquidity and cash flow. Other risks that the group faces are referred to in the principal risks and uncertainty section starting on page 8. The Board seeks to manage the financial risks 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 £m
2015	**+1.0**	**(0.490)**
	–0.5	**0.245**
2014	+1.0	(0.250)
	–0.5	0.125

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.

(a) Derivative financial instruments: interest rate swaps

	Group and company	
	2015 £m	2014 £m
Financial liability – interest rate swaps	**(12.0)**	(8.4)
Fair value movement of interest rate swaps taken to equity	**(3.6)**	5.6

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.

22. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

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

2015	Group and company: Term or expiry date	Effective interest rate	Period rate fixed	**Fair value 2015 £m**	**Book value 2015 £m**
Secured					
£20 million loan swapped into fixed rate	March 2018	4.58%	3 years	**21.6**	**20.0**
£30 million loan swapped into fixed rate	March 2021	3.76% to 4.34%	6 years	**32.3**	**29.8**
£20 million loan	March 2021	Variable	None	**19.9**	**19.8**
£30 million loan swapped into fixed rate	March 2023	5.97%	8 years	**37.8**	**30.0**
£75 million revolving credit facility	March 2019	Variable	None	**23.9**	**23.9**
				135.5	**123.5**
Unsecured					
Finance leases					**0.7**
Non-current financial liabilities					**124.2**

	Group **2015 £m**	Company **2015 £m**
Current borrowings	**5.0**	**6.0**
Non-current financial liabilities	**124.2**	**124.2**
Financial liabilities	**129.2**	**130.2**

2014	Group and company: Term or expiry date	Effective interest rate	Period rate fixed	Fair value 2014 £m	Book value 2014 £m
Secured					
£20 million loan swapped into fixed rate	March 2018	4.58%	4 years	21.5	19.9
£40 million loan swapped into fixed rate	March 2021	4.01% to 4.59%	1 to 7 years	40.7	39.6
£10 million loan	March 2021	Variable	None	9.9	9.9
£30 million loan swapped into fixed rate	March 2023	5.97%	9 years	35.7	30.0
£75 million revolving credit facility	March 2019	Variable	None	14.3	14.3
				122.1	113.7
Unsecured					
Finance leases					0.7
Non-current financial liabilities					114.4

	Group 2014 £m	Company 2014 £m
Current borrowings	–	–
Non-current financial liabilities	114.4	114.4
Financial liabilities	114.4	114.4

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

The fair values of borrowings and interest rate 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. £5.0 million was drawn at the period end.

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 these bank loans which result 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 £24.5 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 loan renewal date.

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

	Maturity of financial liabilities				
2015	**Within one year £m**	**Between one and two years £m**	**Between two and five years £m**	**After five years £m**	**Total £m**
Borrowings	**6.0**	**1.3**	**48.0**	**82.6**	**137.9**
Trade and other payables	**18.3**	**–**	**–**	**–**	**18.3**
Derivative financial instruments	**2.9**	**3.1**	**8.2**	**5.0**	**19.2**
	27.2	**4.4**	**56.2**	**87.6**	**175.4**

2014	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	Total £m
Borrowings	0.6	1.1	39.0	83.6	124.3
Trade and other payables	16.6	–	–	–	16.6
Derivative financial instruments	3.1	3.0	8.5	7.7	22.3
	20.3	4.1	47.5	91.3	163.2

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 2015 £m	**Level 1 2015 £m**	**Level 2 2015 £m**	**Level 3 2015 £m**
Financial liabilities at fair value				
Interest rate swaps	**12.0**	**–**	**12.0**	**–**
	12.0	**–**	**12.0**	**–**

	Fair value 2014 £m	Level 1 2014 £m	Level 2 2014 £m	Level 3 2014 £m
Financial liabilities at fair value				
Interest rate swaps	8.4	–	8.4	–
	8.4	–	8.4	–

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

Deferred tax relates to the following:

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Deferred tax assets				
Interest rate swaps	**2.4**	1.7	**2.4**	1.7
Retirement benefit schemes	**2.8**	1.2	**2.8**	1.2
Decelerated capital allowances	**1.1**	0.8	**1.0**	0.8
Capital losses	**0.9**	0.9	**0.9**	0.9
Share based payments	**0.5**	0.2	**0.5**	0.2
	7.7	4.8	**7.6**	4.8
Deferred tax liabilities				
Rolled over gains and property revaluations	**(53.6)**	(49.1)	**(52.6)**	(48.4)
Fair value gains on acquisition of subsidiaries	**(6.2)**	(5.3)	**–**	–
	(59.8)	(54.4)	**(52.6)**	(48.4)
Net deferred tax liabilities	**(52.1)**	(49.6)	**(45.0)**	(43.6)

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Opening balance	**(49.6)**	(51.3)	**(43.6)**	(44.7)
Tax (expense)/credit in the income statement	**(1.5)**	2.3	**(1.6)**	1.3
Tax (expense)/credit in the statement of comprehensive income	**–**	(0.7)	**0.3**	(0.3)
Tax credit recognised directly in equity	**0.1**	0.1	**0.1**	0.1
Deferred tax acquired in business combinations	**(1.1)**	–	**(0.2)**	–
Closing balance	**(52.1)**	(49.6)	**(45.0)**	(43.6)

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 £6.1 million (2014: £5.6 million), which are available indefinitely to offset against future capital gains. A deferred tax asset has not been recognised in respect of £1.6 million (2014: £1.3 million) of these losses because at present it is unclear whether suitable gains will arise in the foreseeable future to utilise them. The company has realised capital losses of £4.5 million (2014: £4.3 million). A deferred tax asset has been recognised in respect of these losses in both the current and prior period.

In addition, the group has unrealised capital losses of £15.2 million (2014: £15.3 million). No deferred tax asset has been recognised in respect of these losses (2014: £nil) because it is uncertain whether they will be utilised. The company has unrealised capital losses of £12.8 million (2014: £13.0 million). No deferred tax asset has been recognised in respect of these losses (2014: £0.1 million 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 defined contribution pension scheme and a post retirement health care scheme.

The aggregate contribution to the defined contribution scheme was £0.5 million (2014: £0.3 million).

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 with 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 30 March 2015 was £2.4 million (2014: £0.7 million) plus premiums of £0.2 million (2014: £0.2 million) to the post retirement health care scheme. The current arrangement as regards contribution rates is described in the relevant Schedule of Contributions.

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 2016 financial period are expected to be £2.8 million which includes a special contribution of £2.5 million. The total contributions to the post retirement health care scheme in the 2016 financial period are expected to be £0.2 million.

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

A settlement gain of £0.2 million was recorded during the current period within the pension scheme in relation to members who have left the scheme.

Financial assumptions

	Pension		Health care	
	2015 %	2014 %	**2015 %**	2014 %
Rate of increase in salaries	**3.20**	3.50	**N/A**	N/A
Discretionary pension increases	**3.20**	3.50	**N/A**	N/A
Rate of revaluation of deferred pensions	**2.20**	2.50	**N/A**	N/A
Discount rate	**3.30**	4.60	**3.30**	4.60
Inflation	**3.20**	3.50	**3.20**	3.50
General medical expenses inflation	**N/A**	N/A	**9.00**	9.00

Mortality assumptions

The life expectancies underlying the valuation are as follows:

	2015 Years	2014 Years
Current pensioners (at age 65) – males	**22.7**	22.8
Current pensioners (at age 65) – females	**24.8**	25.2
Future pensioners (at age 65) – males	**24.8**	24.7
Future pensioners (at age 65) – females	**27.1**	27.1

At the period end date the average age of current pensioners was 71 years (2014: 70 years) and for future pensioners was 53 years (2014: 52 years).

The weighted average duration of liabilities for the current period was 18.7 years (2014: 17.5 years).

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

	Increase £m	**Decrease £m**
Effect on the aggregate service cost and interest cost	–	–
Effect on defined benefit obligation	0.5	(0.4)

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 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 9.2%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 8.0%
Life expectations	Increase by 1 year	Increase by 4.3%

24. RETIREMENT BENEFIT SCHEMES (CONTINUED)

Pension scheme and health care scheme assets and liabilities

	Group and company Assets and liabilities 2015 £m	2014 £m
Equities	**29.8**	27.8
Diversified growth fund	**10.4**	9.4
Absolute return	**12.0**	11.0
Corporate bonds	**53.3**	46.4
Insured pensions	**11.2**	12.3
Other	**(1.0)**	(1.6)
Total fair value of assets	**115.7**	105.3
Present value of retirement benefit liabilities	**(128.8)**	(111.3)
Scheme deficit	**(13.1)**	(6.0)

The pension scheme assets includes some of the company's A shares with a fair value of £3.8 million (2014: £4.4 million). There are no property assets of the scheme occupied by the company.

Of the above assets, £105.5 million are quoted securities.

Movement in scheme deficits in the period

	Group and company 2015 Pension scheme £m	2015 Health care scheme £m	2015 Total £m	2014 Pension scheme £m	2014 Health care scheme £m	2014 Total £m
(a) Changes in the present value of the schemes are as follows:						
Opening deficit	**(1.5)**	**(4.5)**	**(6.0)**	(4.2)	(4.6)	(8.8)
Current service cost	**(0.6)**	**–**	**(0.6)**	(0.7)	–	(0.7)
Settlement gain	**0.2**	**–**	**0.2**	–	–	–
Contributions	**2.4**	**0.2**	**2.6**	0.7	0.2	0.9
Other finance charges	**–**	**(0.2)**	**(0.2)**	(0.2)	(0.2)	(0.4)
Remeasurement through other comprehensive income	**(9.1)**	**–**	**(9.1)**	2.9	0.1	3.0
Closing deficit	**(8.6)**	**(4.5)**	**(13.1)**	(1.5)	(4.5)	(6.0)
(b) Recognised in the income statement						
Current service cost included in operating costs	**(0.6)**	**–**	**(0.6)**	0.7	–	0.7
Settlement gain	**0.2**	**–**	**0.2**	–	–	–
	(0.4)	**–**	**(0.4)**	0.7	–	0.7
Net interest expense	**–**	**(0.2)**	**(0.2)**	(0.2)	(0.2)	(0.4)
(c) Recognised in the statement of comprehensive income						
Experience gains arising on the scheme liabilities	**0.9**	**0.3**	**1.2**	2.8	0.1	2.9
(Loss)/gain from change in demographic assumptions	**–**	**–**	**–**	–	–	–
Gain/(loss) from change in financial assumptions	**(17.0)**	**(0.3)**	**(17.3)**	0.2	–	0.2
Remeasurement of obligations	**(16.1)**	**–**	**(16.1)**	3.0	0.1	3.1
Return on scheme assets (less amounts included in the net interest expense)	**7.0**	**–**	**7.0**	(0.1)	–	(0.1)
Net remeasurement recognised	**(9.1)**	**–**	**(9.1)**	2.9	0.1	3.0

	Group and company					
	2015			2014		
	Pension scheme £m	**Health care scheme £m**	**Total £m**	Pension scheme £m	Health care scheme £m	Total £m
(d) Movements in the present value of scheme obligations during the period						
Opening defined benefit obligations	**(106.8)**	**(4.5)**	**(111.3)**	(108.0)	(4.6)	(112.6)
Current service cost	**(0.4)**	**–**	**(0.4)**	(0.7)	–	(0.7)
Interest on obligations	**(4.8)**	**(0.2)**	**(5.0)**	(4.8)	(0.2)	(5.0)
Contributions by scheme members	**(0.1)**	**–**	**(0.1)**	(0.1)	–	(0.1)
Remeasurement of obligations	**(16.1)**	**–**	**(16.1)**	3.0	0.1	3.1
Benefits paid	**3.9**	**0.2**	**4.1**	3.8	0.2	4.0
Present value of scheme liabilities	**(124.3)**	**(4.5)**	**(128.8)**	(106.8)	(4.5)	(111.3)
(e) Change in fair value of scheme assets						
Opening fair value of scheme assets	**105.3**	**–**	**105.3**	103.8	–	103.8
Interest on scheme assets	**4.8**	**–**	**4.8**	4.6	–	4.6
Return on scheme assets (less amounts included in the net interest expense)	**7.0**	**–**	**7.0**	(0.1)	–	(0.1)
Contributions by employer	**2.4**	**0.2**	**2.6**	0.7	0.2	0.9
Contributions by scheme members	**0.1**	**–**	**0.1**	0.1	–	0.1
Benefits paid	**(3.9)**	**(0.2)**	**(4.1)**	(3.8)	(0.2)	(4.0)
Fair value of scheme assets	**115.7**	**–**	**115.7**	105.3	–	105.3

25. SHARE CAPITAL AND RESERVES

	2015 Shares	**2015 £000**	2014 Shares	2014 £000
Issued and fully paid shares – 12.5p each				
Opening balance	**48,290,292**	**6,036**	48,224,000	6,028
Issued under employee share schemes	**163,307**	**21**	66,292	8
Closing balance	**48,453,599**	**6,057**	48,290,292	6,036

Of the opening balance of 48,290,292 shares, 29,130,292 are A shares and 19,160,000 are non-voting shares (2014: 29,064,000 A shares, 19,160,000 non-voting shares). Of the closing balance of 48,453,599 shares, 29,293,599 are A shares and 19,160,000 are non-voting shares (2014: 29,130,292 A shares, 19,160,000 non-voting shares).

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

The group operates two types of share based payment arrangements: a senior management deferred bonus scheme ("DBS") and a Save-As-You-Earn ("SAYE") scheme.

(a) DBS

This scheme is designed to incentivise directors and certain other senior management to deliver long-term superior shareholder returns. For the directors, half of any bonus is to be settled in shares, with the other half being paid in cash except to the extent that the director elects to receive all or part of it in shares instead. For the senior management, there is no requirement for them to take any of their bonus in shares, but they may elect to take up to half in this way. For every share taken in place of cash, the individual is allowed to subscribe at nominal value for one 'matching' share. None of the individuals 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. During the restricted period the individuals are entitled to retain any dividends paid on their shares. 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 a particular period exceeds the same measure for an earlier financial period. Any of the shares acquired, whether 'matching' or otherwise, are liable to forfeiture in certain circumstances. The number of shares to be issued to an individual in order to fulfil his entitlement is 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.

The following table summarises the shares issued under the DBS. These shares are registered in the relevant individual's name and, save as explained above, are fully vested.

	Date of award	Matching shares (Y/N)	At 1 April 2014	Awarded during the period	**At 30 March 2015**	Issue price (pence)	Performance period
Stephen Goodyear	June 2013	N	18,487	–	**18,487**	827.5	
	June 2013	Y	9,243	–	**9,243**	12.5	Apr-13 to Mar-16
	June 2014	N	–	32,478	**32,478**	960.0	
	June 2014	Y	–	16,239	**16,239**	12.5	Apr-14 to Mar-17
Torquil Sligo-Young	June 2013	N	5,284	–	**5,284**	827.5	
	June 2014	N	–	12,599	**12,599**	960.0	
	June 2014	Y	–	6,299	**6,299**	12.5	Apr-14 to Mar-17
Peter Whitehead	June 2013	N	12,365	–	**12,365**	827.5	
	June 2013	Y	6,182	–	**6,182**	12.5	Apr-13 to Mar-16
	June 2014	N	–	21,744	**21,744**	960.0	
	June 2014	Y	–	10,872	**10,872**	12.5	Apr-14 to Mar-17
Patrick Dardis	June 2013	N	6,801	–	**6,801**	827.5	
	June 2014	N	–	21,744	**21,744**	960.0	
	June 2014	Y	–	10,872	**10,872**	12.5	Apr-14 to Mar-17
Edward Turner	June 2014	N	–	8,854	**8,854**	960.0	
Rupert Clevely	June 2013	N	3,081	–	**3,081**	827.5	
Senior management employees	June 2013	N	2,416	–	**2,416**	827.5	
	June 2013	Y	1,208	–	**1,208**	12.5	Apr-13 to Mar-16
	June 2014	N	–	10,547	**10,547**	960.0	
	June 2014	Y	–	10,547	**10,547**	12.5	Apr-14 to Mar-17
			65,067	162,795	**227,862**		

The group's adjusted earnings per share performance conditions set a range for the adjusted earnings per share for the period end March 2016 and March 2017 are not disclosed due to commercial sensitivity. Based on the recent performance of the group and assuming this performance continues, it is anticipated that the maximum target for the adjusted earnings per share performance condition will be met.

A charge of £0.1 million (2014: £nil), was made to the group and company income statements in respect of the 71,462 'matching' shares outstanding at 30 March 2015.

(b) SAYE

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 with the proceeds of a related SAYE savings contract then being used to acquire shares at a later date if the option holders choose to do so. 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, options over 43,023 A shares (2014: 27,542 A shares) were granted under the SAYE scheme on 17 July 2014 at an exercise price of 840.0p per share (2014: 662.0p per share). Subject to the participants remaining in the employment of the group and making 36 monthly contributions, these options will be exercisable between 1 September 2017 and 28 February 2018.

Options over 137,104 A shares were outstanding at the beginning of the period. During the period, a total of 9,665 options lapsed. A further 512 options were exercised at 488.0p per share resulting in an increase in share capital of £64 and an increase in share premium of £2,435.

A charge of £0.1 million (2014: £0.1 million), valued using the Black-Scholes option pricing model, was made to the group and company income statements in respect of these options in the period. As at 30 March 2015 options over 169,950 A shares remain outstanding.

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

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Profit before tax on continuing operations	**36.1**	26.6	**30.9**	21.5
Net finance cost	**5.2**	5.6	**4.1**	4.7
Other finance charges	**0.2**	0.4	**0.2**	0.4
Operating profit on continuing operations	**41.5**	32.6	**35.2**	26.6
Depreciation	**14.8**	12.5	**12.2**	10.0
Movement on revaluation of properties	**(4.2)**	(0.3)	**(4.3)**	(0.3)
Net profit on sales of property and associated goodwill	**(0.9)**	–	**(1.5)**	–
Pension scheme settlement gain	**(0.2)**	–	**(0.2)**	–
Difference between pension service cost and cash contributions paid	**(2.0)**	(0.2)	**(2.0)**	(0.2)
Share based payments	**0.2**	0.1	**0.2**	0.1
Provision for capital gains tax on ESOP Trust allocated shares	**0.2**	0.3	**0.2**	0.3
Movements in working capital				
- Inventories	**(0.1)**	(0.1)	**–**	(0.1)
- Receivables	**0.4**	(1.7)	**(0.9)**	3.0
- Payables	**0.9**	4.1	**1.1**	3.7
Net cash generated from operations	**50.6**	47.3	**40.0**	43.1

Analysis of net debt

	Group		Company	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Cash	**0.2**	2.4	**0.2**	1.3
Loan capital and finance leases	**(129.2)**	(114.4)	**(130.2)**	(114.4)
Net debt	**(129.0)**	(112.0)	**(130.0)**	(113.1)

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 note 20. The transactions in the current period were £3.9 million (2014: £3.7 million) and mostly relate to the provision of payroll and administration recharges.

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 21 and in notes 8(d) and (e) and 26.

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 £10,253 (2014: £9,787) and is included in the Benefits column for Rupert Clevely in note 8b;
- 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 £55,010 (2014: £59,741). No amount was outstanding at 30 March 2015 (2014: £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 received £132,942 (2014: £149,991). £10,674 was outstanding at 30 March 2015 (2014: £36,463).

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

Former director

Roy Summers, a former non-executive director, advises on the quality of the company's own-brand beers brewed in Bedford by Charles Wells Brewery Limited, formerly known as Wells & Young's Brewing Company Limited, and also assists with quality monitoring. For these services (and inclusive of expenses) he received £12,745 (2014: £14,549). £1,584 was outstanding at 30 March 2015 (2014: £1,790).

Pension scheme and trusts

The Young & Co.'s Brewery, P.L.C. Pension Scheme 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 30 March 2015, the pension scheme held 387,541 A shares (2014: 477,769), being 1.32% of the class.

The trusts affecting the General Fund, formerly part of the Ram Brewery Trust, were terminated during the period ended 30 March 2015. As such, Ram Brewery Trustees Limited ("RBTL"), the former manager of the fund and a company that had no other activities, ceased to serve any useful purpose and it applied to have itself struck-off. This application was accepted by the registrar of companies and RBTL was dissolved in January 2015.

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 30 March 2015 the trust held 635,064 A shares (2014: 680,856), being 2.17% 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. In addition, the group made employers national insurance contributions of £0.2 million (2014: £0.2 million) and incurred a share based payment of £0.1 million (2014: £nil).

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	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Future minimum lease payments due:				
- Not later than one year	**0.1**	0.1	**0.1**	0.1
- Later than one year and not later than five years	**0.2**	0.2	**0.2**	0.2
- Later than five years	**2.5**	2.6	**2.5**	2.6
	2.8	2.9	**2.8**	2.9
Less: finance charges allocated to future years	**(2.1)**	(2.2)	**(2.1)**	(2.2)
	0.7	0.7	**0.7**	0.7
The present value of minimum lease payments is analysed as follows:				
- Not later than one year	**–**	–	**–**	–
- Later than one year and not later than five years	**–**	–	**–**	–
- Later than five years	**0.7**	0.7	**0.7**	0.7
	0.7	0.7	**0.7**	0.7

Future minimum rentals receivable from non-cancellable subleases on the above properties as at 30 March 2015 were £0.2 million (2014: £0.1 million).

(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	**6.2**	5.8	**3.0**	2.8
- Later than one year and not later than five years	**19.8**	18.5	**10.5**	10.4
- Later than five years	**35.1**	35.7	**19.9**	22.2
	61.1	60.0	**33.4**	35.4

Future minimum rentals receivable from non-cancellable subleases on the above properties as at 30 March 2015 were £1.2 million (2014: £0.9 million).

(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	**3.6**	3.4	**3.4**	3.4
- Later than one year and not later than five years	**5.9**	4.6	**5.9**	4.6
- Later than five years	**9.4**	7.3	**9.4**	7.3
	18.9	15.3	**18.7**	15.3

30. POST BALANCE SHEET EVENTS

There were no post balance sheet events apart from the acquisition of the Canonbury (Islington) and the disposal of the Seven Stars (Brighton). We have also exchanged contracts for the sale of the New Town (Sutton).

31. CONTINGENT LIABILITIES

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

FIVE YEAR REVIEW

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Revenue	**227.0**	210.8	193.7	179.0	142.6
Operating profit before exceptional items	**37.4**	33.2	28.9	26.1	21.8
Operating exceptional items	**4.1**	(0.6)	(1.8)	(28.8)	(4.9)
Net finance costs and other finance charges	**(5.4)**	(6.0)	(5.7)	(4.8)	(3.6)
Profit/(loss) before tax	**36.1**	26.6	21.4	(7.5)	13.3
Taxation (charge)/credit	**(9.4)**	(4.5)	(5.0)	2.1	2.6
Profit/(loss) from continuing operations	**26.7**	22.1	16.4	(5.4)	15.9
(Loss)/profit from discontinued operation	**–**	–	–	(1.1)	1.9
Profit/(loss) for the period	**26.7**	22.1	16.4	(6.5)	17.8
Adjusted profit before tax	**32.0**	27.2	23.2	21.3	18.2
Net assets employed					
Non-current assets	**645.9**	584.4	543.4	526.9	356.5
Current assets and assets held for sale	**8.4**	10.9	17.6	16.2	9.4
Current liabilities	**(38.2)**	(32.4)	(36.7)	(28.5)	(30.7)
Non-current liabilities	**(209.1)**	(183.2)	(189.8)	(196.9)	(153.7)
	407.0	379.7	334.5	317.7	181.5
Financed by					
Share capital	**6.1**	6.0	6.0	6.0	6.0
Reserves	**400.9**	373.7	328.5	311.7	175.5
	407.0	379.7	334.5	317.7	181.5
Purchase of fixed assets and business combinations	**50.9**	33.6	20.5	25.6	78.6
Net debt	**(129.0)**	(112.0)	(112.6)	(118.1)	(122.6)
	Pence	Pence	Pence	Pence	Pence
Per 12.5p ordinary share					
Adjusted basic earnings from continuing operations	**50.62**	42.88	36.34	33.41	28.36
Basic earnings/(loss) from continuing operations	**55.17**	45.72	33.78	(11.13)	32.89
Dividends – paid in period	**15.97**	15.06	14.27	13.58	13.12
Gearing	**31.7%**	29.5%	33.7%	37.2%	67.6%
Average number of employees	**3,496**	3,357	3,242	2,985	2,335

NOTICE OF MEETING

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

If you hold any A shares, you should have received a proxy form for use at the meeting. Guidance notes on how to complete it, and on other matters, are given on the form itself and in the notes to this notice. Whether or not you propose to attend the meeting, please complete and submit the proxy form. It must be received by Computershare Investor Services PLC by 11.30am on Sunday, 5 July 2015. 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 126th 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, 7 July 2015 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 30 March 2015, together with the strategic report, directors' report and the auditor's report on those accounts and reports.
2. To declare a final dividend of 8.56p per share for the financial year ended 30 March 2015.
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 Torquil Sligo-Young be, and is hereby, re-appointed as a director.
6. That Peter Whitehead be, and is hereby, re-appointed as a director.
7. That Roger Lambert be, and is hereby, re-appointed as a director.
8. That Patricia Corzine be, and is hereby, re-appointed as a director.
9. That the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be, and are hereby, authorised to:
   (a) make political donations to political parties, not exceeding £50,000 in total;
   (b) make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
   (c) incur political expenditure, not exceeding £50,000 in total;
   in each case at any time during the period starting with the date this resolution is passed and ending at the end of next year's annual general meeting (or, if earlier, at the close of business on 30 September 2016) but the aggregate amount of political donations and political expenditure that may be made and incurred by the Company and its subsidiaries pursuant to this authority must not exceed £50,000.

   Note: for the purposes of this resolution, "political donation" has the meaning given in section 364 of the Companies Act 2006, "political expenditure" has the meaning given in section 365 of the Companies Act 2006 and reference to a "political party" or to a "political organisation" is to a party or to an organisation to which Part 14 of the Companies Act 2006 applies.
10. That the directors be, and are hereby, authorised to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:
    (a) up to a nominal amount of £2,018,800 (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 £4,037,600 (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 2016) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for, or to convert securities into, shares to be granted after the authority ends and the directors may allot shares or grant rights to subscribe for, or to convert securities into, shares under any such offer or agreement as if the authority had not ended.

Special resolutions

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

11. That if resolution 10 is passed, the directors be, and are hereby, given power to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authorities given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:
    (a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 10, by way of a rights issue only):
        (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
        (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,
        and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
    (b) in the case of the authority granted under paragraph (a) of resolution 10 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £302,834,

    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 2016) but during this period the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

12. That the Company be, and is hereby, authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 12.5p each ("Ordinary Shares"), such authority to be limited:
    (a) to a maximum number of 4,845,359 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 2016) 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
20 May 2015

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, 6 July 2015 (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, 5 July 2015.

Who to appoint as a proxy

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

Multiple proxies

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

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

(a) The Company will give effect to your intentions and include votes wherever and to the fullest extent possible.

(b) Where a proxy does not state the number of A shares to which it applies (a "blank proxy") then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of A shares registered in your name ("your entire holding"). If there is a conflict between a blank proxy and a proxy which does state the number of A shares to which it applies (a "specific proxy"), the specific proxy will be counted first, regardless of the time it was sent or received (on the basis that as far as possible the conflicting forms of proxy should be judged to be in respect of different A shares) and remaining A shares will be apportioned to the blank proxy (pro rata if there is more than one).

(c) Where there is more than one proxy appointed and the total number of A shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different A shares, rather than that conflicting appointments have been made in relation to the same A shares; that is, there is only assumed to be a conflict where the aggregate number of A shares in respect of which proxies have been appointed exceeds your entire holding.

(d) When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time to minimise the number of conflicting proxies.

(e) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them will be treated as valid.

(f) Where the aggregate number of A shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the Company's registrars or the Company will take steps to try to clarify the situation with you should time permit. If this is not possible, none of your proxies will be treated as valid.

(g) If you appoint a proxy or proxies and then decide to attend the meeting in person and vote in person, then the vote in person will override any proxy vote. If the vote in person is on a poll and is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting on a poll in respect of less than your entire holding, then if you indicate on your poll card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.

NOTICE OF MEETING

CONTINUED

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

Changing proxy instructions

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

Termination of proxy appointments

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

Multiple corporate representatives

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

Name and address of the Company's registrars

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

Display documents

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

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

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

Communication

Any address or number used for the purpose of sending or receiving documents or information by electronic means that is referred to in the Company's 2015 annual report or any proxy form for the Company's 126th 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 126th annual general meeting of Young & Co.'s Brewery, P.L.C. (the "Company") to be held on Tuesday, 7 July 2015 is set out on pages 61 to 64. The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole; accordingly, the Company's board of directors will be voting in favour of them and unanimously recommends that all A shareholders do so as well.

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

Resolution 1: annual accounts and reports
The directors have to lay copies of the Company's annual accounts, the 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 7.90p per share was paid in December 2014. The directors are recommending a final dividend of 8.56p per share for the year ended 30 March 2015, bringing the total dividend for the year to 16.46p per share. Subject to approval being given, the final dividend is expected to be paid on 9 July 2015 to shareholders on the register at the close of business on 12 June 2015.

Resolution 3: re-appointment of auditor
An auditor is required to be appointed for each financial year of the Company. Ernst & Young LLP, the Company's current auditor, has agreed to serve for the current financial year and its re-appointment is therefore being proposed.

Resolution 4: auditor's remuneration
In accordance with normal practice, the directors are asking for your authority to determine the auditor's remuneration.

Resolutions 5-8: re-appointments of directors
Each of Torquil Sligo-Young, Peter Whitehead, Roger Lambert and David Page will be retiring automatically from the office of director at the meeting; this is because he held that position at the last two annual general meetings and did not retire at either of them. Patricia ('Trish') Corzine will also be retiring automatically from the office of director at the meeting; this is because she was appointed by the board since the last annual general meeting. All of these individuals (apart from David Page) are seeking re-appointment and their brief biographical details are on page 16. As a result of not seeking re-appointment, David Page will be retiring from the board at the end of the AGM.

Resolution 9: political donations etc.
This resolution seeks renewal of the existing authority for the Company and its subsidiaries to make or incur certain political donations and political expenditure. Although there is no intention to make or incur such donations or expenditure, the legislation is very broadly drafted and may catch activities such as funding seminars and other functions to which politicians are invited and supporting certain bodies involved in policy review and law reform. The authority given by this resolution will be capped at £50,000 in total.

Resolution 10: general 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 £2,018,800 – this amount represents approximately one-third of the Company's issued share capital as at 19 May 2015 (but would be reduced by the nominal amount of any shares allotted or rights granted under paragraph (b) of this resolution in excess of £2,018,800). In line with guidance issued by the Investment Association, 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 £4,037,600, 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 19 May 2015. Therefore the maximum nominal amount of shares and rights that may be allotted or granted under this resolution is £4,037,600. 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 2016). 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 11 and 12 are special resolutions; this means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

Resolution 11: general power to disapply
This resolution effectively seeks renewal of the directors' existing power to allot shares (or sell any shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings. This authority would be, similar to previous years, limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the directors otherwise consider necessary, or otherwise up to an aggregate nominal amount of £302,834. This aggregate nominal amount represents approximately 5% of the Company's issued share capital as at 19 May 2015. 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 2016).

Resolution 12: authority to undertake market purchases of own shares
This resolution effectively seeks renewal of the Company's existing authority to make market purchases of not more than 4,845,359 of its shares, being no more than 10% of its issued share capital as at 19 May 2015. 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 2016). 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 2015, there were options outstanding over 169,269 A shares, representing 0.35% 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 0.44% of the Company's issued share capital. No warrants to subscribe for shares are outstanding.

London and the surrounding areas

Stow on the Wold
Bell at Stow **H**

Oxford
Angel & Greyhound
King's Arms

Radlett
Red Lion Hotel **H**

Hendon
Beaufort
Greyhound **T**

Kilburn
Queen's Arms **T**

Harlesden
Grand Junction Arms **T**

Maida Vale
Prince Alfred

Greenford
Bridge Hotel **H**

Shepherd's Bush
Bull (Westfield) **G**
Eagle **G**
Defector's Weld

Ealing
Grange
New Inn **T**

Paddington
Porchester

Notting Hill
Duke of Wellington
Elgin **G**

Bayswater
Mitre

Heathrow Airport
Five Tuns **G**
Three Bells **G**

Hammersmith
Brook Green Hotel **H**
Butchers Hook **T**
Hammersmith Ram
Old Ship

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**

Mortlake
Jolly Gardeners **T**

Kew
Coach & Horses **H**

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' **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**

Weybridge
Hand & Spear

Claygate
Foley **H**

Oxshott
Bear

Tooting
Castle

Earlsfield
Halfway House
Leather Bottle

Epsom
King's Arms **T**
Rising Sun **T**

Mitcham
King's Arms **T**

Sutton
Lord Nelson **T**
Robin Hood **T**

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**

Exeter
City Gate **H**
Double Locks

Keynsham
Lock Keeper

Sidmouth
Swan **T**

Exmouth
Grove

Castle Cary
Horse Pond **T**

Barnet
Lord Nelson T

Hampstead
Flask
Roebuck

Primrose Hill
Queens

Marylebone
Lord Wargrave T

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

Pimlico
Fox & Hounds T
Rising Sun T

Winchmore Hill
Kings Head G

Tufnell Park
Lord Palmerston T

Kentish Town
Bull & Gate
Lion & Unicorn G

Camden
Spread Eagle

Euston
Square Tavern T

Fitzrovia
Adam & Eve G
One Tun

Mayfair
Guinea
Windmill

Islington
Canonbury
Castle G
Duchess of Kent G
John Salt
King's Head
Marquess Tavern T
Narrowboat

King's Cross & St Pancras Station
Betjeman Arms G
Curious Pig G
Fellow G

Bloomsbury
Calthorpe Arms T
Lamb

Clerkenwell
Sekforde Arms T

Covent Garden
Marquess of Anglesey

Shoreditch
Owl & Pussycat G

City of London
Albion
Boisdales T
Dirty Dick's
Finch's
Fox & Anchor H
Lamb Tavern
Oyster Shed G
Paternoster
Three Lords T
White Horse G

Clapton
Princess of Wales G

Bethnal Green
Royal Oak T

Stepney
Queen's Head T

Chelmsford
O'Connor's T
Riverside Inn T

Stratford
Cow (Westfield) G

Bow
Coborn
Crown G

Southwark
Founders' Arms
Mulberry Bush
Prince William Henry T

Borough Market
Bunch of Grapes
Wheatsheaf

Dartford
Court House T
Malt Shovel T

Vauxhall
Fentiman Arms G
Riverside

Stockwell
Surprise T

Brixton
Trinity Arms
Grand Union T

Streatham
Bull

Wallington
Duke's Head H

Kennington
White Bear

Camberwell
Grand Union T

Thornton Heath
Lord Napier T
Railway Telegraph T

Croydon
Dog & Bull T

Beddington
Plough

Peckham Rye
Clock House

Dulwich
Wood House

Norwood
Hope T
Railway Bell T

Greenwich
Cutty Sark
Richard the First

Rotherhithe
Ship T

Catford
Catford Ram T

Bromley
Two Doves T

Woolwich
Dial Arch

Lee
Crown

Chislehurst
Bull's Head Hotel H

Key
Young's managed house unless marked

Tenanted	T
Geronimo	G
Hotel	H

Hindon
Lamb Inn H

Shaftesbury
Mitre

Southampton
Mavericks T

Sherfield-on-Loddon
White Hart

Emsworth
Sussex Brewery T

Guildford
Weyside

Witley
White Hart T

Chichester
Crown & Anchor

Fetcham
Bell

Effingham
Plough T

Bognor Regis
Waverley

Leatherhead
Penny Black

Betchworth
Dolphin

Dorking
Falkland Arms T
Old House at Home T

Stonebridge
Royal Oak T

Redhill
Home Cottage
William IV T

Blindley Heath
Red Barn G

Lingfield
Greyhound T

East Grinstead
Ship T

Farnborough
Rose & Crown

Plumpton Green
Fountain Inn T

SENIOR PERSONNEL, COMMITTEES AND ADVISERS

Directors

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

Stephen Goodyear
Chief Executive

Torquil Sligo-Young
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

David Page
Non-executive

Patricia ('Trish') Corzine
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 Lawrence Graham & Co LLP
Two Snowhill
Birmingham
B4 6WR

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

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 2015

11 June 2015
Ex-dividend date for final dividend

12 June 2015
Record date for final dividend

7 July 2015
Annual general meeting

9 July 2015
Payment of final dividend

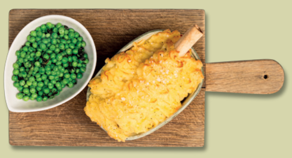
12 November 2015
Interim results announcement

26 November 2015
Ex-dividend date for interim dividend

27 November 2015
Record date for interim dividend

4 December 2015
Payment of interim dividend

CHEERS!



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Telephone: 020 8875 7000 Fax: 020 8875 7100 www.youngs.co.uk

Registered in England number 32762