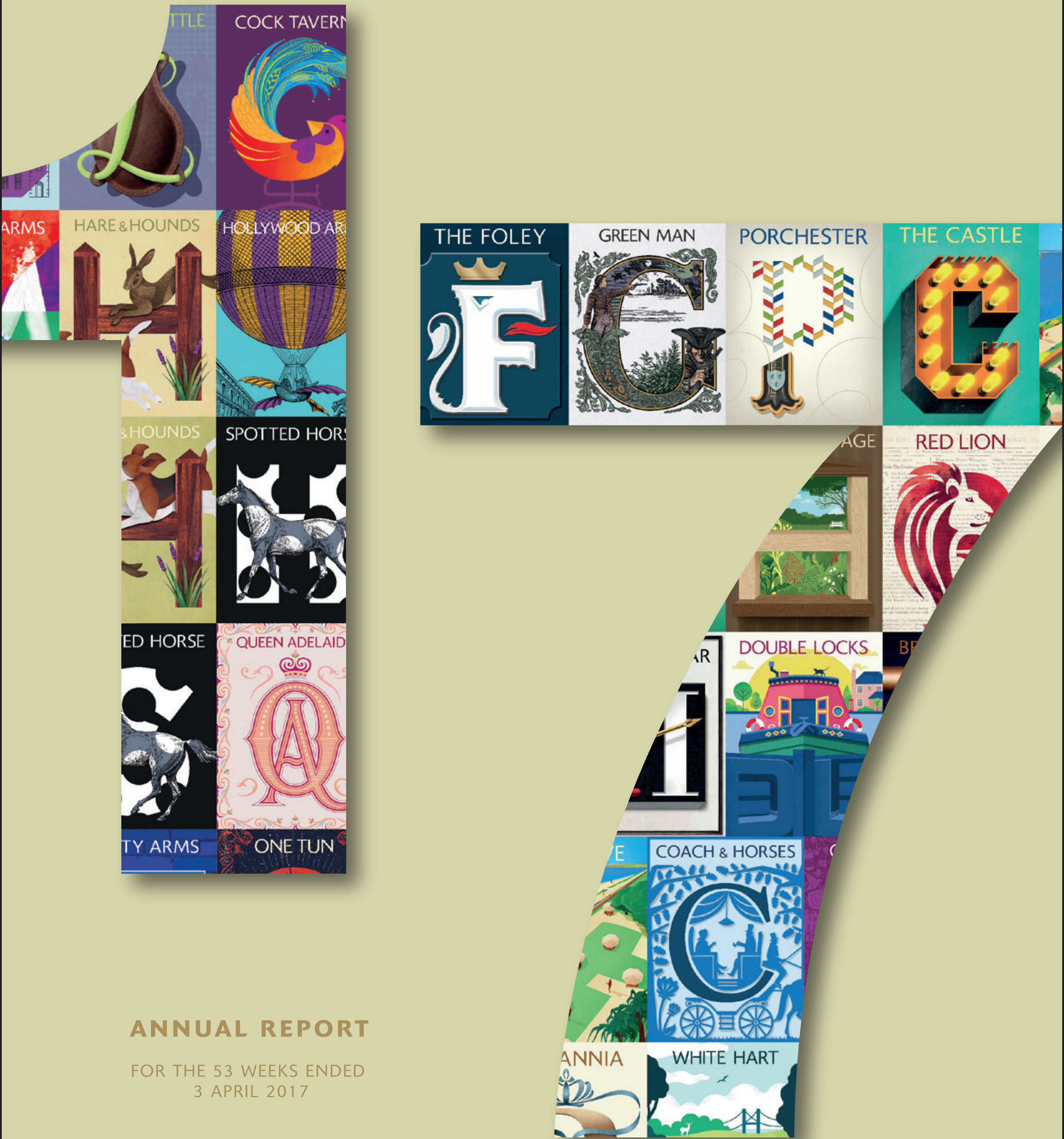

ANNUAL REPORT

FOR THE 53 WEEKS ENDED
3 APRIL 2017

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18?? Young & Bainbridge buy the Ram Brewery

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The answers to the above are from the independent adjudicator's report and set out on page 69.

Financial highlights

	2017 53 weeks £m	2016 52 weeks £m	% CHANGE
Revenue	268.9	245.9	+9.4
Adjusted operating profit(1)(2)	46.1	41.2	+11.9
Operating profit(2)	42.7	38.4	+11.2
Adjusted profit before tax(1)(2)	40.4	35.6	+13.5
Profit before tax(2)	37.0	32.8	+12.8
Net cash generated from operations	63.5	60.4	+5.1
Adjusted basic earnings per share(1)(2)	66.43p	58.44p	+13.7
Basic earnings per share(2)	61.51p	54.73p	+12.4
Dividend per share (interim and recommended final)	18.50p	17.45p	+6.0
Net assets per share(3)	£10.10	£9.30	+8.6

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) The prior period comparatives have been restated for a non-cash adjustment in respect of the treatment of short leasehold premiums (see note 1).

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

Charly – local at Hand in Hand (Wimbledon)

"The people, sense of community, great company and superb food are why I have been coming to the Hand in Hand for the last 6 years."

Chairman's statement

Stephen Goodyear
Chairman

+9.4%
Revenue

+13.5%
Adjusted profit before tax

20th
consecutive increase of dividend

I am very proud to have been offered the chance to continue my long association with Young's, and to serve as its Non-executive Chairman.

Nick Bryan was a great asset to our business over the past 11 years, six of those as Chairman, and I am just one of many that are grateful for his stewardship and the rich health in which he left the Young's business. I'm sure that all shareholders will join me in raising a glass to Nick and wishing him well. He will be a tough act to follow but, with the support of my fellow board members, I look forward to approaching the Chairman role with the same passion and enthusiasm that I have had for Young's over the past 22 years.

It has been a period of both success and succession within Young's this year. We have cemented ourselves as a leader in our sector while seamlessly making the planned board changes to continue our winning formula.

The success of our business is driven by our core beliefs and unwavering commitment to deliver on our strategy to operate premium, individual and differentiated pubs that are well-invested in every aspect: people, décor, product and technology.

Total revenue was up 9.4%, with Young's, Geronimo and the Ram Pub Company all in high single digit growth, and this year managed house like-for-like sales were up 4.7%. Underlying adjusted profit before tax was up 13.5% to £40.4 million; once exceptional items are included, profit before tax was up 12.8% to £37.0 million. This year was a 53 week year (2016: 52 weeks); on a comparable 52 week basis, total revenue was up 7.0% and adjusted profit before tax was up 10.7%.

Young's is a well-established business and the board changes over the past year have been carefully planned to ensure that we continue our upward march. Patrick Dardis will have completed his first year as Chief Executive in July; his progression from Retail Director has been very smooth given his vast experience in our industry and the operational aspects of Young's.

Last summer we announced that Peter Whitehead had decided to step down in September as Finance Director after 19 highly successful years in the role, Steve Robinson, who had over 7 years' experience in the Young's finance function, stepped up to the board as Chief Financial Officer. At the same time, we announced the promotion of Tracy Read to the board as People Director. People are at the heart of our business and with Tracy's experience I'm confident that our ability to attract, retain and develop talent will improve further. The final change to the make-up of our board was the recruitment of Nick Miller who joined as a Non-executive Director on 4 April 2017. Nick is highly respected in the industry having been the Managing Director of Miller Brands, the UK arm of SABMiller, and most recently CEO of Meantime Brewing Company. His experience and fresh perspectives will complement our board.

Although our leadership has changed this year, our strategy and delivery of strong shareholder returns has not. Basic earnings per share increased by 12.4%; once adjusted for exceptional items and the associated tax on those items, they increased by 13.7% to 66.43 pence. The board is therefore delighted to recommend our 20th consecutive final dividend increase, this time by 6.1% to 9.62 pence. If approved by shareholders, this will result in a total dividend for the year of 18.50 pence (2016: 17.45 pence). The final dividend is expected to be paid on 13 July 2017 to shareholders on the register at the close of business on 9 June 2017.

I am confident that we have the expertise and energy throughout our organisation to continue our outperformance of the sector. On behalf of the board, I am truly grateful to everyone in our pubs and at head office that helps make Young's the success story that it is today.

Stephen Goodyear

Stephen Goodyear
Chairman
24 May 2017

Ian – local at Richard 1st (Greenwich)

"I've been coming here for over 40 years to meet with friends and to make new ones. I think this is the best the pub has ever been thanks to its recent refurbishment and the excellent staff."

Chief executive's review

Patrick Dardis
Chief Executive

135
(2016: 131)

38
(2016: 40)

79
(2016: 80)

My first aim as incoming Chief Executive was to continue the good work of my predecessors and build on the success we have created to date. I am therefore delighted to announce that the 53 weeks ended 3 April 2017 has seen another strong performance.

Revenue was up 9.4% to £268.9 million and within managed houses, which make-up 94.8% of our total sales, like-for-like sales were up 4.7%. Operating cash generation is at an all-time high at £63.5 million (2016: £60.4 million) which has allowed us to continue our investment plans, both through internal developments and acquisitions, while also reducing our net debt. At the year-end, our net debt to adjusted EBITDA ratio was 1.9 times (2016: 2.2).

Our profitability is also improving, with basic earnings per share increasing by 12.4% to 61.51 pence (2016: 54.73 pence) and adjusted basic earnings per share by 13.7% to 66.43 pence.

Creating an experience is key

The pub is now the most popular destination for eating out in the evening, with 37% of Britons visiting pubs more regularly than restaurants and fast food outlets. Furthermore, spend in pubs is growing, outstripping the increase in overall national consumer spending.

We operate in the premium pub sector and the resilience of this segment's more affluent customer base has, so far, been particularly encouraging. Consumers, when they do go out, are looking for an experience, and going to a Young's pub is seen as an affordable lifestyle choice – a treat but not an extravagance.

Our well-invested, well-positioned pub estate is geared up to deliver those experiences through our highly motivated and talented staff and our premium and evolving product range.

The estate now stands at 252 pubs; we acquired four pubs during the period, sold one and two leases expired. Its value has increased again, now to £689.1 million (2016: £649.8 million), and this firm foundation allows us to look for further opportunities to expand, whether that be on an individual pub purchase basis or groups.

Proven track record, ready for challenges ahead

Our performance in recent times has been highly consistent; the outperformance of our managed estate has been the reward for our consistent strategy of running differentiated, individual pubs at the heart of the communities in which they reside.

However, we live in interesting times with both economic uncertainty and the political environment becoming unpredictable as a result of the snap UK General Election.

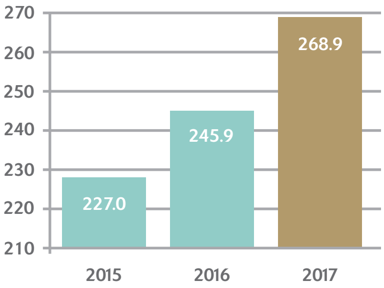
Looking forward, there will be some impact to our margins due to the significant hike in business rates, the next instalment of the National Living Wage and the introduction of the Apprenticeship Levy, as well as by a predicted period of cost inflation. Business rates have been a contentious subject for the retail sector and it is with cautious optimism that we greeted the Government's acknowledgement of the issue and the Chancellor's announcement that it would commit to reform. We believe that there must be a better method to calculating business rates to level the playing field between physical and online based companies and would welcome and support any initiative to achieve this.

How we performed

We measure the development, performance and position of our business against a number of key indicators. The reference to an "adjusted" item means that item has been adjusted to exclude exceptional items. These alternative performance measures have been provided to help investors with additional measures of the group's underlying performance.

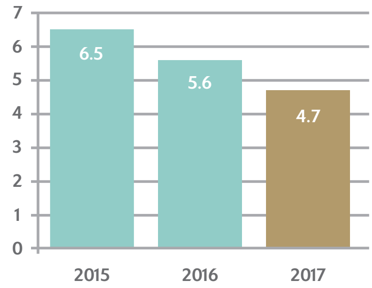
Revenue £m

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



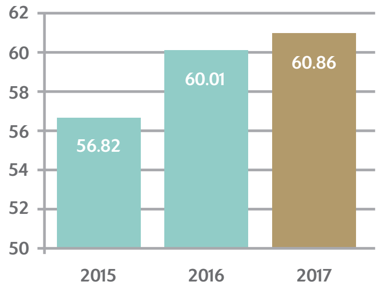
Like for like revenue %

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



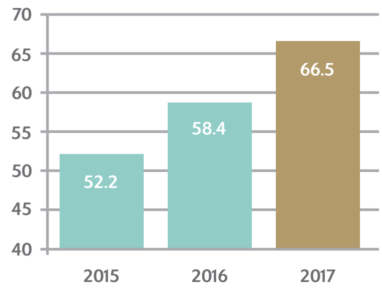
RevPAR £

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



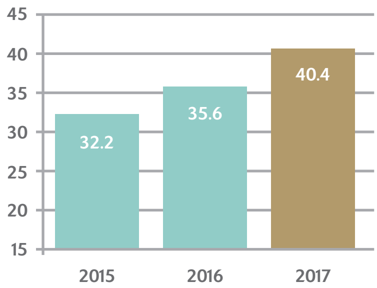
Adjusted EBITDA £m

This is our adjusted earnings before interest, taxes, depreciation and amortisation. (See notes 9 and 10).



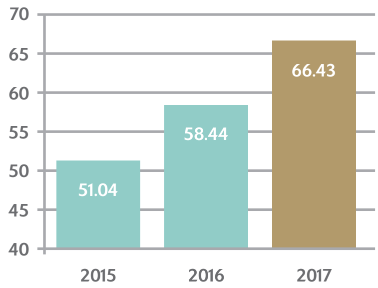
Adjusted profit before tax £m

This is our profit before tax on continuing operations only, adjusted to exclude any exceptional items for the group. (See notes 9 and 10).



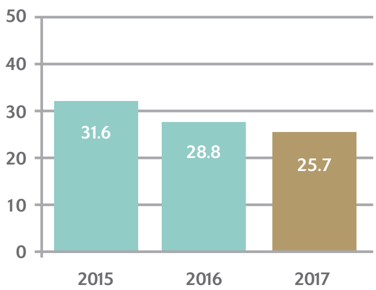
Adjusted earnings per share (pence)

This is our adjusted profit before tax, but after tax has been deducted, divided by the weighted average number of ordinary shares in issue. (See notes 9 and 15).



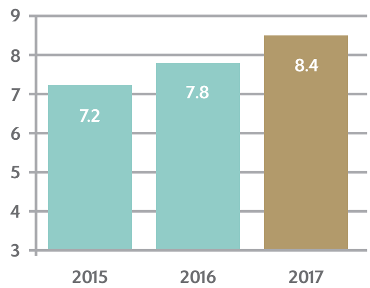
Gearing %

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



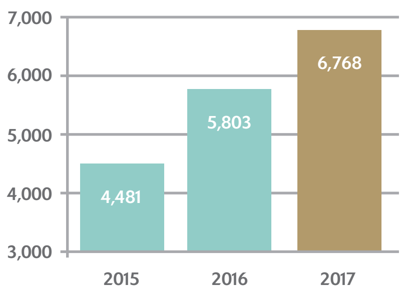
Interest cover (times)

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.



Terry and Jayne – locals at Lock Keeper (Keynsham)

"The Lock Keeper has been an extension of our home for the last 10 years – whenever we eat here it feels like sitting down for a meal with one big family."

Additionally, the Government's surprising recent increase in alcohol excise duty by almost 4% has not helped an industry that invested over £2bn and contributed over £23bn overall to the British economy in 2016, and currently employs over 900,000 people.

Despite that backdrop, we remain positive and will channel our efforts into our proposition and continue to deliver great customer service. Superior productivity, aided by our investment and innovation in technology, will mitigate some cost pressures. We are also mindful that pubs are people businesses and are enjoyable places to work; therefore maintaining the morale and motivation of our staff is paramount.

We have a strong track record; a very clear and consistent strategy; the financial muscle to continue to grow and an engaged team of people that are our main competitive advantage. Despite the headwinds, we look forward to continuing to surprise and delight our customers, and will work hard to continue to grow our estate through carefully selected acquisitions and development opportunities, all key ingredients in delivering superior returns for our shareholders.

Patrick Dardis
Chief Executive
24 May 2017

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 23, starting on page 49.

	RISK/UNCERTAINTY	POTENTIAL IMPACT	MITIGATION
CONSUMER-RELATED	Our revenue is largely dependent on consumer spending within our managed estate. A consumer's decision to spend their money can be affected by a broad range of matters (including confidence in the economy, the weather, fears of terrorist activity and improved awareness of the potential adverse health consequences associated with alcohol), 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 profits.	Our pubs and hotels are spread throughout southern England, albeit the majority are within the M25. Through them, we are able to provide a 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 of which 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.
FINANCIAL	Various factors may result in the amount we pay for our key supplies (including food, drink, gas and electricity) and labour being increased. Following on from the Government's introduction of the National Living Wage, the hourly rate will increase to £7.50 with effect from April 2017, with annual stepped increases to follow. Increased costs could potentially make our offer less attractive to consumers if they are passed on.	A reduction in revenue and/ or increased costs will have an impact on our margins and result in lower profits.	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. Increased wages may result in consumers having greater capacity to absorb increased prices but any shortfall will need to be mitigated through greater labour and other efficiency gains.
	The pub industry is subject to a variety of taxes, including business taxes, duty on alcoholic drinks and business rates. New rateable values for all of our properties came into effect in April 2017 following the 2017 Rating Revaluation undertaken by the Government. The new rating assessments have resulted in materially higher business rates payable by the group as a whole.	The introduction of new taxes and/or increases in the rates of existing taxes will result in lower profits.	We retain the services of specialist rating consultants who review each and every rating assessment. Appeals are lodged on our behalf where the new assessments are deemed excessive.
	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. To further limit the potential exposure, future service benefits accruing to remaining active members were reduced from April 2016, with member contributions being increased in tandem.
	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 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). Information systems can be at risk of failure due to technical issues or the growing threat of cyber attack.	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 conduct 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 any major incident occurs at Riverside House 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, at all of our pubs and hotels and also at Riverside House. It is too early to have a clear view on the impact of Brexit on our business, but its potential to have an impact is fully acknowledged.	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 desired skillset.	We look to recruit and retain the best talent. 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 based on acquiring and/or developing additional pubs and hotels/rooms.	If we do not acquire the right opportunities when planned, or at all, our desired future growth rate 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 compliance, regulatory and health and safety obligations in the operation of our business.	A failure to comply with these obligations could result in an accident or incident occurring involving injury, illness or even loss of life. This could damage our reputation and lead to fines, 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.	We carefully monitor legislative developments, and our training programmes, policies, processes and audits are designed to promote and achieve compliance with our obligations. Health and safety audits are undertaken by a third party who also work 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 Neighbourhood Planning Bill is currently passing through Parliament. This may make changes to the planning use classification of pubs generally and the physical changes that can be made to them without the need to obtain planning permission.	The introduction of any additional requirement to obtain planning permission will increase costs and will also have an impact on the timescale of development projects within our estate.	Through our membership of the British Beer and Pub Association, we seek to ensure that the Government is made aware of the impact of changes of this nature on our business.

Business and financial review

2017 financial figures are on a 53 week basis unless specified (2016: 52 weeks).

Managed houses

Our managed houses delivered another strong performance in 2017. After five highly successful years, the comparable figures were always going to be tough. However, we relish a challenge at Young's and see the delivery of results that consistently outperform the industry average as the reward for the work ethic that runs throughout our organisation and for the consistent execution of our clearly defined strategy. Ultimately, it is our people and our proposition that underpin our achievements.

The vast majority of our managed estate (160 out of 173 pubs) is on a like-for-like basis. Our run of managed house like-for-like sales performance is a beacon of consistency at 6.0%, 4.6%, 6.7%, 6.5% and 5.6%, averaging 5.7%. This year's 4.7% was especially satisfying as last year's results included the Rugby World Cup which was played out within our heartland and where we maximised revenue opportunities both in the lead-up to and throughout the tournament.

Revenue and profits

Our two managed house brands, Young's and Geronimo, have both delivered strong performances. Total managed sales were up 7.0% on a 52 week basis. This year, Young's managed houses delivered like-for-like sales growth of 5.0% and we are confident that we can continue to outperform the sector with more opportunities to drive further growth.

The turnaround in our Geronimo performance has been equally pleasing. From a decline of 1.0% in sales on a like-for-like basis last year, the business has bounced back to deliver 3.8% like-for-like sales growth this year. This achievement has been realised by focussing on the individuality of each pub, restoring the menu to the Best of British and re-energising the service teams.

Although food sales have been gaining product share from drink over the past few years, drink sales remain almost two thirds (65.6%) of our managed house sales mix. With our strong London weighting (86% of our pubs are within the M25), the proximity of our pubs to public transport and our premium, ever-evolving drinks range, we expect this ratio to remain at around the current level. At Young's, we believe in "best in class" and are proud of the diversity we are able to offer our customers. We have great partnerships with our suppliers which allow us to be flexible with both global and local brands to ensure we represent current trends and tastes. Thankfully, Young's Bitter is a wonderful beer and more than holds its own in the ever-competitive world of craft ales.

We are pleased to welcome back Guinness, after a three year absence, in a partnership which will strengthen our rugby association, especially in our backyard of South West London. This draught stalwart has been joined by exciting new brands such as Beavertown Neck Oil, Twickenham Grandstand and Founders All Day IPA.

This year-end marks the first anniversary of our partnership with Berkmann Wine Cellars. This relationship has borne fruit in the past year and we hope will only get better with age. Through the introduction of a refreshed wine menu design, wine pairing events and better informed staff through our jointly run "Grape Masters" programme, we have seen a shift away from traditional "house wines" to New World wines. The bubble has yet to burst on our customers' thirst for sparkling wine, with volume up 11.4% in the last year alone and up 121% over a three-year period.

Spirit sales are also in strong growth, with volumes up 3.7%. Gin's remarkable resurgence continues and we are well placed to further expand into this market. Through the creation of the Young's "Cocktail Collective", we have refreshed and reinvigorated our training and support to allow our pubs to offer a range of on-trend cocktails to our discerning customers. Drink sales were up 7.1% in total and up 4.8% on a like-for-like basis.

Food sales were up 7.4% in total and up 4.9% on a like-for-like basis. The standout success story within our food offering has been our Ultimate Sunday Lunch; our customers are welcome to grab a comfy corner, read the papers, play a board game and enjoy a roast with all the trimmings. Even our Mayfair institution, the Guinea Grill, which has been serving ales since 1423, is opening on Sundays again to meet this growing demand. The Guinea Grill is a founding member of the Scotch Beef Club and the pub and its team won the award for Best Steaks and Grills in Harden's London Restaurant Awards 2016.

Having increased the roll-out of our innovative and successful BurgerShack concept, including its little sister, 'Shack-in-a-Box', which can pop up to maximise sunny days in smaller gardens, we now have 25 'shacks', an increase of 13 over the year. BurgerShacks allow us to offer a fast, convenient service to our customers, taking pressure off our kitchens during busy times, while delivering an indulgent treat to satiate our nation's growing hunger for better burgers.

We completed a number of projects within our hotel division this year. We started the year by putting the finishing touches to our new 12-bedroom boutique hotel at the Hand and Spear (Weybridge) which increased our total room stock to 486 rooms. During late spring and early summer 2016, we transformed the trading space and kitchen at the Brook Green (Hammersmith) and the 21 rooms at the Greyhound (Carshalton) into stylish retreats of calm and relaxation. Finally, throughout the final quarter of the financial year, we temporarily closed the City Gate (Exeter) to completely overhaul the pub and its 14 bedrooms to boutique standard. 53% (255) of our room stock is now of boutique standard with an average room rate of £97.02 compared with £64.50 for our classic rooms. Despite the disruption caused by these investments and tough comparatives as a result of the excellent work we did to maximise returns during the Rugby World Cup in September and October 2015, accommodation revenue was up 2.8% driven by occupancy rate, up 2.0% to 74.9%. As a result, RevPAR was £60.86 (2016: £60.01).

The combination of the impact of the new wine deal, tight control over labour costs and the fixed nature of some other costs has resulted in a 0.8% point improvement in our managed house adjusted operating profit margin to 24.6%. Coupled with the rising sales performance, managed house adjusted operating profit grew by 9.8% to £58.4 million on a 52 week basis. Full year profits were £59.7 million.

Investment

We run a well-invested managed pub estate and have a clear and consistent investment plan that underpins our growth. This year we have invested £35.7 million, spread over acquisitions, transformational developments and day-to-day maintenance to preserve the quality to which our customers have grown accustomed.

We acquired three freehold properties and opened one leasehold during the year, spending £12.0 million in the process. The Blue Boar at the gateway to the Cotswolds in Chipping Norton reopened after a major refurbishment in October. The Woolpack (Bermondsey) transferred from the Ram Pub Company in October, having spent six months trading under the previous tenant following its purchase at the start of the financial year. The Riverstation, anchored on Bristol's beautiful and historic harbourside, landed in November. Finally, the Station Tavern (Cambridge) signalled our broadening appetite for destination market towns.

Within the existing estate, we invested £23.7 million (2016: £25.6 million) on refurbishing the Brook Green (Hammersmith), Bear (Oxshott), Coach and Horses (Barnes), County Arms (Wandsworth), Devonshire (Balham), Eagle (Shepherd's Bush), Fentiman Arms (Vauxhall), Fox and Anchor (Smithfield Market), Greyhound (Carshalton), Hammersmith Ram, Hand and Spear (Weybridge), Hare and Hounds (Sheen), Old Brewery (Greenwich), Trinity Arms (Brixton) and the Victoria (Surbiton). The White Bear (Kennington) was this year's largest investment and is a stunning example of traditional pub meets modern design, with an eclectic collection of artwork and bric-a-brac overlooking the original wooden bar. On the total internal investments we made in the prior year we have delivered a 25.0% return on capital in the current year.

Customer engagement

The hospitality sector as a whole has seen a recent renaissance of people considering it to be a career instead of a stepping stone to something else. At Young's, we understand the importance of nurturing talent within our organisation and we are proud to have seen the number of Pub Manager vacancies filled through internal appointments grow to 61%. The vast majority of these promoted Deputy Managers have completed our internally run Management Academy, which is now in its third rotation. We ensure the programme is demanding enough to set participants up for success, living the Young's values and culture and they then, themselves, start succession planning to identify and develop the next generation of talent for the Academy.

Just before Christmas, we launched our own white label mobile app – Young's On Tap – which is available to download for free on iPhone and Android from the App Store. The Young's App seeks to facilitate our customers' digital journey by enabling them to find a pub, book a table, pay or split the bill, or just change the music in their local; all of these things are aimed at growing engagement, driving loyalty and enhancing customers' experiences.

From dray horses to digital pioneers, Young's On Tap represents the next generation in our technological journey. By the year-end we already had over 30,000 downloads and all our staff have embraced Young's On Tap by becoming "Appbassadors". The app is just one of the ever-growing social media tools we have at our disposal to interact with our customers.

The Ram Pub Company

It has been a strong year for our tenanted estate, further underlining the decisions made in previous years to focus on the long-term opportunities that a smaller and better supported operation can deliver. We want to build and maintain healthy working relationships with our tenants so that both parties can prosper. The Ram Pub Company tenants benefit from the same contemporary and diverse product range as our managed pubs, in addition to "local heroes" specific to their communities. Together with the business advice, training and sales expertise our in-house team provide, we believe we have the right ingredients to attract and retain entrepreneurs who can operate a flourishing business.

Revenue and profits

In total, on a 53 week basis, revenue was up 8.7%. On a comparable 52 week basis, revenue was up 7.1% in total and up 3.2% on a like-for-like basis. The first six months of the year benefitted from the Woolpack (Bermondsey) before it was transferred from the Ram Pub Company to our Young's managed estate. Our like-for-like business has benefitted from the capital investments made in the previous year and the new wine deal that refreshed the range available to our tenant partners and their customers. This better buying has led to operating efficiencies which have generated enhanced margins. The combination of increasing sales and improving margins has resulted in the division's adjusted, both for the 53rd week and exceptional items, operating profit rising to £5.0 million, up 11.1% and up 4.5% on a like-for-like basis.

Young's graduation evening – Class of 2016

Anj & family – locals at Windmill (Clapham Common)

"The Windmill offers a great variety of food and drink, but the biggest reason we love the Windmill is because it is such a pet friendly pub where our dogs have been enjoying their treats for the last 2 years".

At year end, the Ram Pub Company's estate stood at 79 pubs and generated 5.1% of our group revenue (2016: 5.2%). Although a small part of our overall business, the Ram Pub Company is important to us; it is cash generative and offers us a different route to market both as a day-to-day business and through acquisitions that may already have tenants in situ.

Investment

The investment in our tenanted estate has continued throughout the financial year. Major developments have been completed at the Grand Junction Arms (Harlesden), Malt Shovel (Dartford), O'Connors (Chelmsford), Pig and Whistle (Wandsworth), Robin Hood (Sutton) and the Ship (East Grinstead).

In May 2016, we sold the Lord Napier, a small tenancy in Thornton Heath. Just after the current year end we sold the King's Arms (Epsom) and the Bell Inn (Illminster). All three sites were at the lower end of the estate and failed to meet our internal returns criteria.

Tenant engagement

The rebadging of the Ram Pub Company is well underway, offering our pubs and tenants a refreshed identity that will serve us well for many years to come. The new-look signage captures the essence of the tenanted business, with the strapline "Everyone's local".

The Ram Pub Company offers tenants the chance to run their own highly successful individual businesses while having the financial, operational and marketing support that being part of an established group presents. The tenanted model has challenges for both pubcos and tenants, but we believe in operating these as sustainable businesses that fairly reward the risk that both partners face.

Property, treasury, retirement benefits, exceptional items and tax

Property

Our property estate remains the foundation for our growth and healthy operating cash generation. In total, we have 252 pubs, with the vast majority in prime locations and 82% inside the M25. Being based in Wandsworth, South West London remains our stronghold, but in recent years we have been expanding our reach by acquiring pubs in similarly affluent areas. We have the desire and scope to increase our expansion rate, but we will not make acquisitions for the sake of it and all new opportunities must meet our returns criteria and complement our existing estate.

We have a predominantly freehold backed estate (194) with a number of long leaseholds with peppercorn rents (16). In accordance with International Financial Reporting Standards ("IFRS"), these properties are revalued each year to reflect their current market values. This exercise is undertaken using a combination of an independent and leading commercial property adviser, Savills, who revalue 20% of the estate annually, and an internal review of the remainder led by Andrew Cox, MRICS, our Director of Property and Tenancies. The valuation method uses a number of inputs of which deriving the sustainable trade of each pub is key.

The review has resulted in a net upward movement of £22.6 million, driven by our improving trade and continued strong demand for pubs in prime London and South East locations. In gross terms and in accordance with IFRS, individual movements in value, totalling £23.1 million (2016: £20.0 million), are reflected in the revaluation reserve in the balance sheet, while £0.5 million of downward movement (2016: £1.2 million) has been charged to the income statement under exceptional items. All these adjustments are non-cash items.

As highlighted at the half year, we have changed our approach to recording our short leasehold properties (17% of our total number of pubs). In the prior period, this resulted in a non-cash decrease in the carrying value of our property and equipment and an increase in lease premiums, split between non-current and current assets (see note 1).

The total estate, at the period end, is now valued at £689.1 million.

Treasury

Our business model is highly cash generative. Increasing sales, strong improving operating margins and our high proportion of freehold pubs provide increasing operating cash flow, this year £63.5 million (2016: £60.4 million). After paying interest, taxation and other costs, we are left with three options for our cash: invest it, repay our debt or return it to our shareholders. This year we have done all three. The vast majority, £38.2 million, was re-invested to continue our strong success in future years. Our net debt has decreased by £3.6 million to £126.6 million, with gearing falling to 25.7% (2016: 28.8%) and our net debt to EBITDA ratio dropping to 1.9 times (2016: 2.2 times). Our proposed final dividend per share of 9.62p, as recommended to our shareholders, represents an increase of 6.1% and the 20th consecutive annual increase.

Going concern

Just after the year-end we extended £20 million of our £175 million long-term debt facility to 2024. Our facility is now held across three banks – Royal Bank of Scotland, Barclays and HSBC – and is repayable between 2019 and 2024. £100 million of our £126.6 million net debt is on fixed interest rates through a combination of different interest rate swaps which provide some protection from possible adverse interest rate movements in future years. Given these committed facilities, our freehold-backed balance sheet, significant free cash flow and the conservative financial ratios above, we have prepared these financial statements on a going concern basis.

Retirement benefits

Like many UK companies with defined benefit pension schemes, we have seen the balance sheet value of our pension deficit move significantly throughout the year. The volatility in the economic climate, both in the short-term and long-term, has caused corporate bond yields to decrease dramatically during the first six months of the year and then to increase slightly in the second half of the year. We use these corporate bond yields as a basis to discount our future pension liabilities to present values which can cause large non-cash movements in net pension deficit. At the end of last year, our pension deficit was £6.3 million, by the half year it had increased to £23.4 million and at the current year-end date it had fallen back to £12.8 million. We have a strong relationship with the pension trustees and continue to work with them to ensure the pension fund is adequately funded.

Exceptional Items

In the current year, we purchased the Woolpack (Bermondsey) in a two-stage process. On the first day of the financial year, we purchased the freehold interest. The pub had, at the time, a tenant in situ with an unexpired agreement for a number of years. In October, both parties decided to terminate the agreement early, allowing us to bring the pub into our managed house estate. Although included in our internal investment decision from the outset, the compensation paid to the former tenants, under IFRS, has been expensed and is included within exceptional items.

This year's exceptional items also include a £0.7 million loss flowing from the expiry of our own leases with Heathrow for the Three Bells and Five Tuns, with the majority reflecting the write-off of goodwill recognised on the initial acquisition of Geronimo in December 2010.

The remaining exceptional items relate to the estate management of our properties which, as mentioned previously, includes the £0.5 million (2016: £1.2 million) downward movement in the property valuation and £0.2 million (2016: £0.4 million) of acquisition costs associated with business combinations.

Tax

The corporation tax charge for the year was £7.0 million, with our effective corporation tax rate for the year, adjusted for exceptional items, at 19.8% (2016: 20.5%). Next year we expect our effective rate to decrease as the UK's headline corporation tax rate falls from 20% to 19%.

Mick and Sarah Dore – Alexandra (Wimbledon)

Corporate and social responsibility

Our pubs aim to be at the centre of their communities; to us, a socially responsible business is one that enriches the area in which it operates. Our pubs offer jobs and training to local people, build partnerships with local suppliers and provide the perfect venues for people to be neighbourly. There has been no finer example of our approach this year than the Alexandra (Wimbledon). The pub and its managers, Mick and Sarah Dore, became internet sensations over the festive period when they offered a full turkey dinner and a beer to anyone alone on Christmas Day. The pub has opened its arms to those on their own at Christmas for a number of years but this past year, a few tweets led to the story trending on social media and hitting the national press. Mick explained "It's not just about a free plate of food but making a fuss of them and introducing them to each other so they can chat and hopefully make some new friends."

We also work hard to improve the environment in which we operate. In the current year, we have raised our recycling efforts by more than 16% to 6,768 tonnes (2016: 5,803 tonnes) and reduced the waste going to landfill to 1.0% (2016: 1.4%). We sent enough litres of used cooking oil to be recycled into biofuel to power a London taxi ride to the moon and back twice over. Both our Young's and Geronimo operations have been awarded two stars by the Sustainable Restaurant Association.

Our pubs work with many local charities in their communities, but as a company we decided to support the children's charity of rugby, Wooden Spoon, for a second year. Wooden Spoon funds around 70 projects each year that support disadvantaged and disabled children. One of these projects is the Oasis Children's venture based on our doorstep in Stockwell, London. Oasis has a simple aim of improving the lives of children, young people and the local community. Many of our staff have spent volunteer days with Oasis, helping maintain the freshness and fun side of the nature garden, adventure playground and karting track.

Shareholder returns

As a business, we focus on long-term sustainable growth, each year investing in our estate through a structured refurbishment/redevelopment plan that harnesses opportunities on a consistent basis. Our estate, as a result, remains well-invested which is reflected in our strong balance sheet; our major investments in the previous year have fuelled a return of 25.0% in the current year. The combination of revenue growth of 9.4% and improved operating profit margins has increased our adjusted profit before tax by 13.5% and our adjusted earnings per share by 13.7% to 66.43 pence. Unadjusted earnings per share rose by 12.4% to 61.51 pence.

We are very proud of our dividend record and are pleased to be recommending raising the final dividend for the 20th consecutive year, a feat that few companies can claim. This year, the recommended increase is 6.1% to 9.62 pence, which will result, if approved by shareholders, in a total dividend for the year of 18.50 pence (2016: 17.45 pence). The dividend is covered 3.6 times by our adjusted earnings per share and 3.3 times by our unadjusted earnings per share.

Outlook

Managed house revenue in the first seven weeks of the new financial year was up 6.1% in total and up 4.7% on a like-for-like basis. The mild and dry weather during April and the increase in "staycations" during the Easter holidays drove footfall, however this was dampened by a comparatively wet May.

This year, we will benefit from a full year's trade at the Station Tavern in Cambridge which opened in March, and from the two high turnover pubs added to our managed house estate in October last year: the Woolpack (Bermondsey) and the Riverstation (Bristol). All are stunning examples of our acquisition strategy which will enhance our portfolio. Just after the year end, we exchanged contracts of the Bull (Bracknell) and transferred three pubs from our Ram Pub Company to managed houses; namely the King's Arms (Wandsworth), the Hope and Anchor (Brixton) and the Grove (Camberwell). We also sold the King's Arms (Epsom) and the Bell Inn (Illminster) both from our Ram Pub Company.

Scott and Lewis – locals at the Castle (Tooting)

"We have been visiting the Castle regularly for the last 3 years. What makes it special to us is the wonderful atmosphere and the friendliness of the staff".

In the short-term, the impact on consumer confidence from the prospect of Brexit has not been as harsh as some expected, being softened by a combination of falling sterling, low interest rates and the resilience of the British consumer. In the longer-term, we remain busy, while the broader economic environment remains uncertain, to ensure we are best placed for whatever is around the corner.

As previously announced in the interim results, the new business rates are expected to increase our cost base by roughly £1.8 million in the 2018 financial year. Together with the next instalment in the National Living Wage and the introduction of the Apprenticeship Levy, there are challenges ahead.

We remain confident in our strategy and our ability to meet and exceed our customers' expectations. The team we have has the wherewithal to deliver on a 'best in class' proposition, both in our current footprint and in new locations, and we expect this combination to provide our shareholders with superior returns.

On behalf of the board

Patrick Dardis
Chief Executive
24 May 2017

Welcome to our board of directors. Apart from Steven Robinson and Tracy Read (who both joined the board on 6 September 2016) and Nick Miller (who joined on 4 April 2017), all served throughout the period. No other person was a director during the period other than Nicholas Bryan and Peter Whitehead who stepped down from the board at the end of the period and on 6 September 2016 respectively.

Stephen Goodyear
NON-EXECUTIVE CHAIRMAN

Joined in 1995 as sales director. Appointed to the board in 1996 as sales and marketing director. Became chief executive in 2003. Stepped down as chief executive and became a non-executive director in 2016. Appointed as chairman in 2017. Member of the company's audit committee. Previously worked for Courage Ltd (1974-95) in a number of senior roles. In 2013, was the Master of the Brewers' Company, one of the oldest Livery Companies in the City of London. Aged 61.

Patrick Dardis
CHIEF EXECUTIVE

Joined in 2002 and appointed to the board in 2003. Became chief executive in 2016. 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 58.

Steven Robinson, FCA
CHIEF FINANCIAL OFFICER

Joined the company in 2009 and appointed to the board in 2016. Qualified as a chartered accountant with Deloitte in 2004, becoming a fellow of the Institute of Chartered Accountants in August 2015. Immediately before joining the company, held a number of finance roles at The Walt Disney Company (2004-09). Aged 37.

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 57.

Tracy Read
PEOPLE

Joined the company in 2015 and appointed to the board in 2016. Has overall responsibility for people matters, including personnel and training and development. Immediately before joining the company was at The Orchid Group (2006-14), most recently as head of people. Aged 47.

Roger Lambert, M.A.
NON-EXECUTIVE AND SENIOR INDEPENDENT

Appointed to the board in 2008 and as senior independent director in 2011. Chairman of the company's audit committee, as well as a member of the company's remuneration committee. Since 2017, a Partner at Peel Hunt LLP. Previously was Chairman of Corporate Broking, Canaccord Genuity (2010–16) and for the 26 years before that was 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. Having acted for more than 25 companies in the sector, has a wealth of relevant expertise in brewing, drinks and hospitality. Aged 58.

Trish Corzine
NON-EXECUTIVE

Appointed to the board in 2015. Member of the company's audit and remuneration committees. Has wide-ranging knowledge of the hospitality and leisure sector, having spent the majority of her career in the restaurant industry. Before retiring from the board of The Restaurant Group plc in 2013, she spent 20 years with the company, nine as an executive director responsible for their concessions business. Aged 60.

Nick Miller
NON-EXECUTIVE

Appointed to the board in 2017. Chairman of the company's remuneration committee, as well as a member of the company's audit committee. Has a wealth of experience in the hospitality, leisure and brewing sectors. Most recently was CEO of Meantime Brewing Company (2011-16). Was previously managing director of Miller Brands, the UK arm of SAB Miller, the multinational brewing and beverage company. Aged 52.

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 the group's long-term objectives, commercial strategy, major acquisitions and disposals and the group's annual operating and capital expenditure budgets;
- ensuring maintenance of sound management and internal control systems; 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: Stephen Goodyear;
- four executive directors: Patrick Dardis, Steven Robinson, Torquil Sligo-Young and Tracy Read; and
- three further non-executive directors: Roger Lambert, Trish Corzine and Nick Miller.

Their roles and brief biographical details appear opposite.

How the board works

The board governs through its executive management and via committees. It has a formal written schedule of matters reserved for its review and approval; this includes those matters described above as well as other strategic, financial and governance issues.

The board meets every two months, with additional meetings arranged as required; it met seven 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 principal and permanent committees: executive, remuneration, audit 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: Patrick Dardis

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: Nick Miller

Members: Roger Lambert
Trish Corzine

Its primary function is to determine, on behalf of the board, the remuneration packages of the executive directors (see the 'Remuneration: executive directors' box on page 19).

Audit committee

Chairman: Roger Lambert

Members: Stephen Goodyear
Trish Corzine
Nick Miller

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 chief financial officer 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 internal audit/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. 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; it also assesses whether the auditor continues to show the required level of independence. At both the May and November meetings, audit findings are reviewed, which includes considering the appropriateness of accounting policies, estimates and judgements and the auditors views on the control environment, including fraud and risk management. At each of its meetings there is a report from the group's internal audit/business risk assurance manager.

Disclosure committee

Chairman: Steven Robinson

Members: Executive directors

Its primary function is to assist the company in making timely and accurate disclosure of any information required to be disclosed in order to meet legal and regulatory obligations.

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. He is a partner in the corporate department at Peel Hunt LLP. Prior to this, he was Chairman of Corporate Broking at Canaccord Genuity for 7 years after spending 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, including brewing, drinks and hospitality. With this background, he is able to provide 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 Steven Robinson, Tracy Read and Nick Miller at this year's AGM. They are then subject to a further re-appointment vote every third AGM after that – this does not apply to any director at this year's AGM.

The directors mentioned above are seeking re-appointment and their brief biographical details are on page 16.

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/hers appointment. In return, Torquil Sligo-Young has to give not less than six months' notice if he wishes to leave, and Patrick Dardis, Steven Robinson and Tracy Read 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: Stephen Goodyear (3 April 2020 and six months), Roger Lambert (31 July 2020 and six months), Trish Corzine (11 January 2018 and six months) and Nick Miller (3 April 2020 and six months).

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.

Liability insurance cover for directors and officers

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 has decided that total remuneration levels for the executive directors should be in line with the market for the performance achieved, with the variable element included in the total remuneration varying according to achievement of key performance measures.

This variable element is currently delivered via deferred annual bonus awards which are dependent on certain performance targets being achieved. See note 28 for details of how the deferred annual bonus scheme operates.

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. None of them are involved in deciding their own remuneration.

Remuneration: non-executives

Initially the remuneration of the non-executives is determined by the board but any fee increase 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. However, as a result of his former employment within the group as an executive director, Stephen Goodyear is a participant in various bonus schemes (see note 28) and has outstanding share options (see note 28); he is also a pensioner member of the group's defined benefit pension scheme. 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.

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 system, 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; the controls in this lengthy and detailed document seek 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 internal audit/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 internal audit/business risk assurance manager, carries out internal reviews of financial areas according to a programme set by the audit committee following input from the chief financial officer and the group's external auditor. The internal audit/business risk assurance manager reports to both the company secretary and the chief financial officer and he 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 ultimately reports to the chief financial officer.

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 Riverside House in Wandsworth.

The group has 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 internal audit/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 that website. Written or e-mailed enquiries are handled by the company secretary.

The company has an on-going 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 chief financial officer 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 in the share capital of the company are shown in the table below – these include, as at 28 March 2016, the interests of their families (as defined in the AIM Rules) and, as at 3 April 2017, the interests of persons closely associated with them (as defined in the Market Abuse Regulation). These interests are in addition to those shown in note 8(d) and 8(e) on page 39.

		As at	A shares	Non-voting shares
Nicholas Bryan	Beneficial	**3 April 2017**	**8,505**	**–**
		28 March 2016	8,505	–
Stephen Goodyear (i), (ii)	Beneficial	**3 April 2017**	**240,930**	**–**
		28 March 2016	231,796	–
Patrick Dardis (i), (ii)	Beneficial	**3 April 2017**	**79,195**	**–**
		28 March 2016	49,257	–
Steven Robinson (i), (iii)	Beneficial	**3 April 2017**	**20,620**	**–**
		28 March 2016	–	–
Torquil Sligo-Young (i), (ii), (iv)	Beneficial	**3 April 2017**	**305,016**	**–**
		28 March 2016	268,462	–
	Trustee	**3 April 2017**	**4,154,340**	**649,914**
		28 March 2016	4,154,340	649,914
Tracy Read (i), (iii)	Beneficial	**3 April 2017**	**–**	**–**
		28 March 2016	–	–
Roger Lambert	Beneficial	**3 April 2017**	**5,250**	**5,000**
		28 March 2016	5,250	5,000
Trish Corzine	Beneficial	**3 April 2017**	**1,000**	**5,000**
		28 March 2016	1,000	5,000

(i) Also interested in 66,991 (2016: 554,077) A shares held in trust by RBT II Trustees Limited – see note 29 on page 57.
(ii) Also interested in 337,067 (2016: 337,067) A shares held in trust by Young's Pension Trustees Limited – see note 29 on page 57.
(iii) No comparative number is shown for Steven Robinson and Tracy Read as they became directors during the period.
(iv) Torquil Sligo-Young and various members of his immediate family are discretionary beneficiaries under trusts holding 836,368 (2016: 836,368) of the A shares and 553,866 (2016: 553,866) of the non-voting shares in respect of which Torquil Sligo-Young is shown as trustee in the above table.

Qualifying indemnity provisions

The company's articles of association contains an indemnity provision for the benefit of the directors; this provision, which is a qualifying third party indemnity provision, is in force at the date of this report and applied throughout the period for the benefit of those who were then directors of the company. An additional qualifying third party indemnity provision, which came into effect on 20 May 2016, is also in force at the date of this report; this provision benefits the executive directors (and those that were executive directors during the period) and relates to certain losses and liabilities which they may incur in connection with certain property-related matters.

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 £30.0 million. The directors recommend a final dividend for the period of 9.62 pence per share. Subject to approval at the AGM, this is expected to be paid on 13 July 2017 to shareholders on the register at the close of business on 9 June 2017. When added to the interim dividend of 8.88 pence per share, this will produce a total dividend for the period of 18.50 pence per share.

Donations

No political donations were made.

AGM

Notice convening the AGM and an explanation of the resolutions being proposed are set out on pages 61 to 65.

Important events since the end of the period and likely future developments

As permitted under 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 23, 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.

Directors' report

Continued

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 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 Riverside House 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 29 March 2014 to join the group's savings-related share option scheme for 2016. 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 964 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.

Notifications of major holdings of voting rights

As at 3 April 2017 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%	Lindsell Train Limited	5.28%
James Young	13.81%	BlackRock Investment Management (UK) Ltd	<5.00%
Caroline Chelton	11.70%	Helena Young	3.12%
Octopus Investments Nominees Ltd	6.04%		

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 4 April 2017 and 24 May 2017, 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 (made up of a strategic report and a directors' report) and a set of financial statements. The latter must be prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and applicable law, and must present fairly the financial position of the group and the financial performance and cash flows of the group for the relevant period. As regards the company's financial statements (as opposed to the ones for the group), the directors have chosen to prepare them under IFRS too. In preparing the financial statements the directors have to make judgments and accounting estimates that are reasonable and prudent, select suitable accounting policies and then apply them consistently, and information, including accounting policies, must be presented in a manner that provides relevant, reliable and comparable information. There also has to be included a note that the group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements. Under the Companies Act 2006, 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 are such to enable them to ensure that the financial statements comply with that Act. 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 person who was a director at the time when this report was approved has confirmed that (a) so far as he or she was aware, there was no information needed by the company's auditor in connection with preparing its report of which the company's auditor was unaware; and (b) he or she had taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any such information and to establish that the company's auditor was aware of it. This paragraph is to be interpreted in accordance with section 418 of the Companies Act 2006.

Preparation and disclaimer

This annual report, together with the strategic report (on pages 1 to 15) and the financial statements for the period ended 3 April 2017 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
24 May 2017

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 53 week period ended 3 April 2017 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 33. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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 3 April 2017 and of the group's profit for the 53 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 based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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
24 May 2017

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 53 weeks ended 3 April 2017

	Notes	2017 53 weeks £m	Restated[1] 2016 52 weeks £m
Revenue	6	**268.9**	245.9
Operating costs before exceptional items	7	**(222.8)**	(204.7)
Operating profit before exceptional items		**46.1**	41.2
Operating exceptional items	9	**(3.4)**	(2.8)
Operating profit		**42.7**	38.4
Finance costs	11	**(5.5)**	(5.3)
Other finance charges	25	**(0.2)**	(0.3)
Profit before tax		**37.0**	32.8
Taxation	12	**(7.0)**	(6.2)
Profit for the period attributable to shareholders of the parent company		**30.0**	26.6

		Pence	Pence
Earnings per 12.5p ordinary share			
Basic	15	**61.51**	54.73
Diluted	15	**61.47**	54.70

All of the results above are from continuing operations.

[1] The prior period comparatives have been restated for a non-cash adjustment in respect of the treatment of short leasehold premiums (see note 1).

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 53 weeks ended 3 April 2017

		Group		Company	
			Restated[(1)]		Restated[(1)]
		2017	2016	**2017**	2016
		53 weeks	52 weeks	**53 weeks**	52 weeks
	Notes	**£m**	£m	**£m**	£m
Profit for the period		**30.0**	26.6	**23.2**	24.1
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Unrealised gain on revaluation of property	17	**23.1**	20.0	**22.6**	19.4
Remeasurement of retirement benefit schemes	25	**(7.7)**	4.2	**(7.7)**	4.2
Tax on above components of other comprehensive income		**1.2**	0.5	**1.1**	0.2
Items that will be reclassified subsequently to profit or loss:					
Fair value movement of interest rate swaps	23	**1.3**	–	**1.3**	–
Tax on fair value movement of interest rate swaps		**(0.3)**	(0.2)	**(0.3)**	(0.2)
		17.6	24.5	**17.0**	23.6
Total comprehensive income for shareholders of the parent company		**47.6**	51.1	**40.2**	47.7

All of the results above are from continuing operations.

[(1)] The prior period comparatives have been restated for a non-cash adjustment in respect of the treatment of short leasehold premiums (see note 1).

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 sheet

At 3 April 2017

		Group			Company		
			Restated[1]	Restated[1]		Restated[1]	Restated[1]
		2017	2016	2015	**2017**	2016	2015
	Notes	**£m**	£m	£m	**£m**	£m	£m
Non-current assets							
Goodwill	16	**19.9**	20.6	20.9	**1.1**	–	–
Property and equipment	17	**689.1**	649.8	607.7	**620.1**	582.3	540.3
Investment in subsidiaries	18	**–**	–	–	**30.2**	31.3	31.3
Deferred tax assets	24	**7.4**	6.2	7.7	**7.3**	6.1	7.6
Lease premiums		**7.6**	8.2	6.1	**3.5**	3.8	1.6
		724.0	684.8	642.4	**662.2**	623.5	580.8
Current assets							
Inventories	19	**2.8**	2.6	2.7	**2.1**	1.9	2.0
Trade and other receivables	20	**7.2**	6.4	5.5	**22.7**	28.8	27.6
Lease premiums		**0.6**	0.5	0.5	**0.2**	0.1	0.1
Cash		**6.6**	13.2	0.2	**5.3**	11.8	0.2
		17.2	22.7	8.9	**30.3**	42.6	29.9
Assets held for sale	21	**1.3**	–	–	**1.3**	–	–
Total assets		**742.5**	707.5	651.3	**693.8**	666.1	610.7
Current liabilities							
Borrowings	23	**(28.5)**	–	(5.0)	**(28.5)**	–	(6.0)
Derivative financial instruments	23	**(2.9)**	(3.1)	(2.5)	**(2.9)**	(3.1)	(2.5)
Trade and other payables	22	**(35.3)**	(35.5)	(29.2)	**(38.5)**	(38.2)	(27.9)
Income tax payable		**(4.7)**	(3.2)	(4.0)	**(2.6)**	(2.2)	(3.7)
		(71.4)	(41.8)	(40.7)	**(72.5)**	(43.5)	(40.1)
Non-current liabilities							
Borrowings	23	**(104.7)**	(143.4)	(124.2)	**(104.7)**	(143.4)	(124.2)
Derivative financial instruments	23	**(7.9)**	(9.0)	(9.5)	**(7.9)**	(9.0)	(9.5)
Deferred tax liabilities	24	**(51.6)**	(53.5)	(56.2)	**(47.3)**	(48.5)	(50.9)
Retirement benefit schemes	25	**(12.8)**	(6.3)	(13.1)	**(12.8)**	(6.3)	(13.1)
Provisions	26	**(1.1)**	(1.0)	–	**(1.1)**	(1.0)	–
		(178.1)	(213.2)	(203.0)	**(173.8)**	(208.2)	(197.7)
Total liabilities		**(249.5)**	(255.0)	(243.7)	**(246.3)**	(251.7)	(237.8)
Net assets		**493.0**	452.5	407.6	**447.5**	414.4	372.9
Capital and reserves							
Share capital	27	**6.1**	6.1	6.1	**6.1**	6.1	6.1
Share premium		**5.2**	4.1	2.7	**5.2**	4.1	2.7
Capital redemption reserve		**1.8**	1.8	1.8	**1.8**	1.8	1.8
Hedging reserve		**(8.8)**	(9.8)	(9.6)	**(8.8)**	(9.8)	(9.6)
Revaluation reserve		**247.7**	224.6	203.2	**238.8**	216.2	195.7
Retained earnings		**241.0**	225.7	203.4	**204.4**	196.0	176.2
Total equity		**493.0**	452.5	407.6	**447.5**	414.4	372.9

The company's profit after tax for the period was £23.2 million (2016: restated £24.1 million).

[1] The prior period comparatives have been restated for a non-cash adjustment in respect of the treatment of short leasehold premiums (see note 1).

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

Patrick Dardis Chief Executive
Steven Robinson Chief Financial Officer
24 May 2017

The notes on pages 30 to 59 form part of these financial statements.
Young & Co.'s Brewery, P.L.C. registered in England Number 32762.

Statements of cash flow

For the 53 weeks ended 3 April 2017

		Group		Company	
	Notes	**2017 53 weeks £m**	2016 52 weeks £m	**2017 53 weeks £m**	2016 52 weeks £m
Operating activities					
Net cash generated from operations	30	**63.5**	60.4	**59.2**	55.4
Interest received		**–**	–	**0.4**	0.5
Tax paid		**(7.6)**	(7.8)	**(7.6)**	(6.4)
Net cash flow from operating activities		**55.9**	52.6	**52.0**	49.5
Investing activities					
Sale of property and equipment		**0.4**	3.6	**0.4**	3.5
Purchases of property, equipment and lease premiums	17	**(34.5)**	(41.6)	**(30.4)**	(38.8)
Business combinations, net of cash acquired	13	**(3.8)**	(3.5)	**(3.8)**	(3.5)
Net cash used in investing activities		**(37.9)**	(41.5)	**(33.8)**	(38.8)
Financing activities					
Interest paid		**(5.7)**	(4.4)	**(5.8)**	(4.4)
Issued equity		**0.2**	0.5	**0.2**	0.5
Equity dividends paid	14	**(8.7)**	(8.2)	**(8.7)**	(8.2)
(Decrease)/increase in borrowings		**(10.4)**	14.0	**(10.4)**	13.0
Net cash flow used in financing activities		**(24.6)**	1.9	**(24.7)**	0.9
(Decrease)/increase in cash		**(6.6)**	13.0	**(6.5)**	11.6
Cash at the beginning of the period		**13.2**	0.2	**11.8**	0.2
Cash at the end of the period		**6.6**	13.2	**5.3**	11.8

The notes on pages 30 to 59 form part of these financial statements.

Group statement of changes in equity

At 3 April 2017

	Notes	Share capital [(1)] £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 31 March 2015		**8.8**	**1.8**	**(9.6)**	**209.6**	**196.4**	**407.0**
Prior period adjustments[(2)]		–	–	–	(6.4)	7.0	0.6
At 31 March 2015 restated[(2)]		**8.8**	**1.8**	**(9.6)**	**203.2**	**203.4**	**407.6**
Total comprehensive income							
Profit for the period – 52 weeks[(2)]		–	–	–	–	26.6	26.6
Other comprehensive income							
Unrealised gain on revaluation of property[(2)]	17	–	–	–	20.0	–	20.0
Remeasurement of retirement benefit schemes	25	–	–	–	–	4.2	4.2
Fair value movement of interest rate swaps	23	–	–	–	–	–	–
Tax on above components of other comprehensive income[(2)]	12	–	–	(0.2)	1.9	(1.4)	0.3
		–	–	(0.2)	21.9	2.8	24.5
Total comprehensive income restated[(2)]		–	–	(0.2)	21.9	29.4	51.1
Transactions with owners recorded directly in equity							
Share capital issued		1.4	–	–	–	–	1.4
Dividends paid on equity shares	14	–	–	–	–	(8.2)	(8.2)
Revaluation reserve realised on disposal of properties		–	–	–	(0.5)	0.5	–
Share based payments	28	–	–	–	–	0.5	0.5
Tax on share based payments	24	–	–	–	–	0.1	0.1
		1.4	–	–	(0.5)	(7.1)	(6.2)
At 28 March 2016 restated[(2)]		**10.2**	**1.8**	**(9.8)**	**224.6**	**225.7**	**452.5**
Total comprehensive income							
Profit for the period – 53 weeks		–	–	–	–	30.0	30.0
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	23.1	–	23.1
Remeasurement of retirement benefit schemes	25	–	–	–	–	(7.7)	(7.7)
Fair value movement of interest rate swaps	23	–	–	1.3	–	–	1.3
Tax on above components of other comprehensive income	12	–	–	(0.3)	0.1	1.1	0.9
		–	–	1.0	23.2	(6.6)	17.6
Total comprehensive income		–	–	1.0	23.2	23.4	47.6
Transactions with owners recorded directly in equity							
Share capital issued		1.1	–	–	–	–	1.1
Dividends paid on equity shares	14	–	–	–	–	(8.7)	(8.7)
Revaluation reserve realised on disposal of properties		–	–	–	(0.1)	0.1	–
Share based payments	28	–	–	–	–	0.4	0.4
Tax on share based payments	24	–	–	–	–	0.1	0.1
		1.1	–	–	(0.1)	(8.1)	(7.1)
At 3 April 2017		**11.3**	**1.8**	**(8.8)**	**247.7**	**241.0**	**493.0**

(1) Total share capital comprises the nominal value of the share capital issued and fully paid of £6.1 million (2016: £6.1 million) and the share premium account of £5.2 million (2016: £4.1 million). Share capital issued in the period comprises the nominal value of £nil (2016: £nil) and share premium of £1.1 million (2016: £1.4 million).

(2) The prior period comparatives have been restated for a non-cash adjustment in respect of the treatment of short leasehold premiums (see note 1).

The notes on pages 30 to 59 form part of these financial statements.

Parent company statement of changes in equity

At 3 April 2017

	Notes	Share capital [1] £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 31 March 2015		**8.8**	**1.8**	**(9.6)**	**201.7**	**172.8**	**375.5**
Prior period adjustments[2]		–	–	–	(6.0)	3.4	(2.6)
At 31 March 2015 restated[2]		**8.8**	**1.8**	**(9.6)**	**195.7**	**176.2**	**372.9**
Total comprehensive income							
Profit for the period – 52 weeks[2]		–	–	–	–	24.1	24.1
Other comprehensive income							
Unrealised gain on revaluation of property[2]	17	–	–	–	19.4	–	19.4
Remeasurement of retirement benefit schemes	25	–	–	–	–	4.2	4.2
Fair value movement of interest rate swaps	23	–	–	–	–	–	–
Tax on above components of other comprehensive income[2]	24	–	–	(0.2)	1.6	(1.4)	–
		–	–	(0.2)	21.0	2.8	23.6
Total comprehensive income restated[2]		–	–	(0.2)	21.0	26.9	47.7
Transactions with owners recorded directly in equity							
Share capital issued		1.4	–	–	–	–	1.4
Dividends paid on equity shares	14	–	–	–	–	(8.2)	(8.2)
Revaluation reserve realised on disposal of properties		–	–	–	(0.5)	0.5	–
Share based payments	28	–	–	–	–	0.5	0.5
Tax on share based payments	24	–	–	–	–	0.1	0.1
		1.4	–	–	(0.5)	(7.1)	(6.2)
At 28 March 2016 restated[2]		**10.2**	**1.8**	**(9.8)**	**216.2**	**196.0**	**414.4**
Total comprehensive income							
Profit for the period – 53 weeks		–	–	–	–	23.2	23.2
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	22.6	–	22.6
Remeasurement of retirement benefit schemes	25	–	–	–	–	(7.7)	(7.7)
Fair value movement of interest rate swaps	23	–	–	1.3	–	–	1.3
Tax on above components of other comprehensive income	24	–	–	(0.3)	0.1	1.0	0.8
		–	–	1.0	22.7	(6.7)	17.0
Total comprehensive income		–	–	1.0	22.7	16.5	40.2
Transactions with owners recorded directly in equity							
Share capital issued		1.1	–	–	–	–	1.1
Dividends paid on equity shares	14	–	–	–	–	(8.7)	(8.7)
Revaluation reserve realised on disposal of properties		–	–	–	(0.1)	0.1	–
Share based payments	28	–	–	–	–	0.4	0.4
Tax on share based payments	24	–	–	–	–	0.1	0.1
		1.1	–	–	(0.1)	(8.1)	(7.1)
At 3 April 2017		**11.3**	**1.8**	**(8.8)**	**238.8**	**204.4**	**447.5**

[1] Total share capital comprises the nominal value of the share capital issued and fully paid of £6.1 million (2016: £6.1 million) and the share premium account of £5.2 million (2016: £4.1 million). Share capital issued in the period comprises the nominal value of £nil (2016: £nil) and share premium of £1.1 million (2016: £1.4 million).

[2] The prior period comparatives have been restated for a non-cash adjustment in respect of the treatment of short leasehold premiums (see note 1).

The notes on pages 30 to 59 form part of these financial statements.

1. General information

The group and parent company financial statements of Young & Co.'s Brewery, P.L.C. for the period ended 3 April 2017 were authorised for issue by the board of directors on 24 May 2017. 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 53 weeks ended 3 April 2017 and the 52 weeks ended 28 March 2016 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.

Going concern

The group's business activities, together with the factors likely to affect its future development and performance, financial position and its cash flows are set out within the strategic report on pages 1 to 15. The group's capital management and financial instruments including its objectives and exposures to interest risk, credit risk and liquidity and cash flow risk are set out in note 23. A £10 million bank overdraft facility is used for day to day cash management.

The group's budgets and forecasts in trading performance, including sensitivity analysis, show that the group has sufficient financial resources to meet its liabilities as they fall due. As a consequence the board has a reasonable expectation that the group is able to manage its business risks and to continue in operational existence for the twelve months from the date of signing the financial statements. Accordingly, the board continues to adopt the going concern basis in preparing the consolidated financial statements.

Prior period adjustment

The comparative figures for the 52 weeks ended 28 March 2016 have been restated for a non-cash prior period adjustment in respect of the treatment of premiums paid for short leasehold pubs which are held as operating leases. The premiums were previously revalued which was not in accordance with IAS 17: Leases. The revaluation has been reversed and the premiums have been reclassified from property and equipment to lease premiums which are held on the balance sheet as current (the portion relating to the next financial period) and non-current assets. The premiums are amortised on a straight-line basis over the length of the leases.

The restatement has had the following impact on the prior period comparatives ended 28 March 2016 and opening 31 March 2015.
The restatement had no effect on the group's cash flow:

	Group			Group		
	Previously reported 28 March 2016 £m	Prior period adjustments 2016 £m	Restated 28 March 2016 £m	Previously reported 31 March 2015 £m	Prior period adjustments 2015 £m	Restated 31 March 2015 £m
Property and equipment	665.8	(16.0)	649.8	617.3	(9.6)	607.7
Lease premiums – non-current	–	8.2	8.2	–	6.1	6.1
Lease premiums – current	–	0.5	0.5	–	0.5	0.5
Deferred tax liabilities	(57.4)	3.9	(53.5)	(59.8)	3.6	(56.2)
Revaluation reserve	(234.5)	9.9	(224.6)	(209.6)	6.4	(203.2)
Retained earnings	(219.2)	(6.5)	(225.7)	(196.4)	(7.0)	(203.4)

	Previously reported 52 weeks 2016 £m	Prior period adjustments 2016 £m	Restated 52 weeks 2016 £m	Previously reported 52 weeks 2015 £m	Prior period adjustments 2015 £m	Restated 52 weeks 2015 £m
Income statement	27.1	(0.5)	26.6	26.7	(0.5)	26.2
Statement of comprehensive income	55.1	(4.0)	51.1	33.6	(0.2)	33.4

	Company			Company		
	Previously reported 28 March 2016 £m	Prior period adjustments 2016 £m	Restated 28 March 2016 £m	Previously reported 31 March 2015 £m	Prior period adjustments 2015 £m	Restated 31 March 2015 £m
Property and equipment	594.4	(12.1)	582.3	546.3	(6.0)	540.3
Lease premiums – non-current	–	3.8	3.8	–	1.6	1.6
Lease premiums – current	–	0.1	0.1	–	0.1	0.1
Deferred tax liabilities	(50.5)	2.0	(48.5)	(52.6)	1.7	(50.9)
Revaluation reserve	(225.6)	9.4	(216.2)	(201.7)	6.0	(195.7)
Retained earnings	(192.8)	(3.2)	(196.0)	(172.8)	(3.4)	(176.2)

	Previously reported 52 weeks 2016 £m	Prior period adjustments 2016 £m	Restated 52 weeks 2016 £m	Previously reported 52 weeks 2015 £m	Prior period adjustments 2015 £m	Restated 52 weeks 2015 £m
Income statement	24.3	(0.2)	24.1	22.9	(0.2)	22.7
Statement of comprehensive income	51.3	(3.6)	47.7	28.1	–	28.1

The impact on both the group's basic and diluted earnings per share for the 52 weeks ended 28 March 2016 was a decrease of 1.03 pence.

2. Basis of preparation

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by 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.

New Accounting Standards, Amendments and Interpretations

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

IFRS 16: Leases: replaces IAS 17 and requires lessees to recognise a lease liability reflecting future lease payments and a right-of-use-asset in respect of virtually all leases currently classified as operating leases. The balance sheet will effectively be 'grossed up', but with no impact to net assets, at the inception of each lease. The income statement impact will be a new interest charge and a decrease in the amount charged to operating costs. Early adoption is permitted. The group is currently assessing the quantitative impact on both the income statement and net assets. Adoption is anticipated to have a material impact on both assets and liabilities, and is also expected to have a material impact on a small number of isolated components within the income statement.

		Effective date
IAS 7	Disclosure Initiative (Amendment)	1 January 2017
IFRS 12	Disclosure of Interest in Other Entities	1 January 2017
IFRS 15*	Revenue from Contracts with Customers	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
IFRS 16	Leases	1 January 2019

*IFRS 15: Revenue from contracts with customers. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The group's revenue streams are discussed in note 3(c) and are not based on a number of performance obligations within a contract but at a point of sale, or rent over a lease term or accrued interest using the effective interest method. It does not enter into common arrangements and although disclosure requirements are more extensive the adoption of IFRS 15 is not expected to have a material impact on the group's financial performance.

3. Summary of significant accounting policies

The significant accounting policies adopted are set out below and 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 the Ram Brewery Trust II; the trust holds assets for the benefit of employees and former employees, is an ESOP trust and is consolidated only in the group accounts.

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. Investments are therefore held at cost less provision for impairment. 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).

(d) Exceptional items

Exceptional items are items which due to their material or 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 the 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

Freehold and long leasehold 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, assets are immediately revalued and are transferred to non-current assets held for sale. These requirements include that the assets have been identified for disposal. The highest and best use for a market participant may reflect an alternative use for the asset held for sale.

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.

At the date of revaluation, any accumulated depreciation is eliminated to the extent of the difference between the revalued amount and the carrying value of the asset immediately before valuation.

Short leasehold improvements and fixtures, fittings and equipment within those sites are measured at cost on recognition, and are stated as such less any accumulated depreciation.

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 or the residual value of its freehold and long leasehold buildings.

Useful lives:

Freehold and long leasehold buildings	50 years
Short leasehold improvements	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. Property, plant and equipment are treated as disposals in the period of their write down.

(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 or 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 within property and equipment and/or lease premiums, as appropriate, and are 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) Assets held for sale

Assets whose carrying amounts will be recovered principally through a 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 fair value less costs of disposal.

(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;

3. Summary of significant accounting policies (continued)

- 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 notionally 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 under trade and other payables.

(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. 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 immediately expensed. If the related transaction is not expected to occur, the amount held in equity is immediately expensed.

(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 the 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 relate.

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 initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. 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.

(s) Share based payments

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

Under the DBS, directors and senior management are encouraged to receive bonus payments in the form of shares instead of cash. They are encouraged to do this by being offered 'matching' shares (see note 28). The 'matching' shares constitute shares with non-market performance based vesting conditions over three years. The group has used the "grant date model" as its valuation model for recording the fair value of these equity instruments at the date when they were originally granted. The fair value of equity represents the market value of the shares at grant date, less the nominal value which the employees will pay.

Under the SAYE scheme, eligible employees are encouraged to save over a set period and then, if they choose, purchase shares at the price set before the start of that period (see note 28). The group uses the "Black-Scholes model" as its valuation model for valuing awards at fair value.

The fair value cost of both schemes is expensed to the income statement with a corresponding credit in equity on a straight line basis over the vesting period. The cumulative expense also takes account of the group's estimate of the number of shares that will ultimately vest.

(t) 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.

(u) Supplier income

The group earns supplier income through purchase volume-related discounts and stocking incentives. Most of the supplier income received relates to volume discounts and are driven by the number of units purchased from suppliers. They relate to adjustments to a gross purchase price, and as such are recognised on an accrual basis at the point of purchase. Stocking incentives are earned through a fixed payment in return for fulfilling certain stocking obligations including number of stockists. Supplier income is recognised when the group has met all obligations conditional for earning the income, they are recognised as a credit within cost of sales.

Outstanding amounts due from suppliers for earned income at period end is recognised within trade receivables, except in cases where the group has right of set-off and intends to offset these against trade payables to suppliers.

(v) Short leasehold premiums

Premiums paid on acquiring new short (less than 50 years) leaseholds are amortised on a straight-line basis over the lease term, which range from 6 to 38 years. Such premiums are classified in the balance sheet as current or non-current prepayments, with the current portion being the element which relates to the following financial period.

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) Carrying value 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 for 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, 16 and 17.

(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 and health care scheme obligations

Measurement of defined benefit pension and health care scheme 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 25.

(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 recovered. 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 24.

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

2017 – 53 weeks	**Managed houses £m**	**Ram Pub Company £m**	**Segments total £m**	**Unallocated £m**	**Total £m**
Total segment revenue	**254.8**	**13.8**	**268.6**	**0.3**	**268.9**
Operating profit/(loss) before exceptional items	**59.7**	**5.1**	**64.8**	**(18.7)**	**46.1**
Operating exceptional items	**(4.7)**	**1.3**	**(3.4)**	**–**	**(3.4)**
Operating profit/(loss)	**55.0**	**6.4**	**61.4**	**(18.7)**	**42.7**
2016 – 52 weeks					
Total segment revenue	232.9	12.7	245.6	0.3	245.9
Operating profit/(loss) before exceptional items restated	53.5	4.5	58.0	(16.8)	41.2
Operating exceptional items restated	(0.6)	(1.2)	(1.8)	(1.0)	(2.8)
Operating profit/(loss) restated	52.9	3.3	56.2	(17.8)	38.4

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

	2017 53 weeks £m	Restated 2016 52 weeks £m
Operating profit	**42.7**	38.4
Finance costs	**(5.5)**	(5.3)
Other finance charges	**(0.2)**	(0.3)
Profit before tax	**37.0**	32.8

Balance sheet

2017	**Managed houses £m**	**Ram Pub Company £m**	**Segments total £m**	**Unallocated £m**	**Total £m**
Segment assets	**654.4**	**62.8**	**717.2**	**11.3**	**728.5**
Deferred tax assets	**–**	**–**	**–**	**7.4**	**7.4**
Cash	**–**	**–**	**–**	**6.6**	**6.6**
Total assets	**654.4**	**62.8**	**717.2**	**25.3**	**742.5**
Other segmental information					
Depreciation and amortised lease premiums	**(18.4)**	**(1.5)**	**(19.9)**	**(0.5)**	**(20.4)**
Additions to non-current assets (note 17)	**35.6**	**2.0**	**37.6**	**0.6**	**38.2**
Net (downwards)/upwards movements in property valuation through income statement (note 17)	**(1.4)**	**0.9**	**(0.5)**	**–**	**(0.5)**
2016					
Segment assets restated	618.6	62.2	680.8	7.3	688.1
Deferred tax assets	–	–	–	6.2	6.2
Cash	–	–	–	13.2	13.2
Total assets restated	618.6	62.2	680.8	26.7	707.5
Other segmental information					
Depreciation and amortised lease premiums restated	(15.4)	(1.5)	(16.9)	(0.3)	(17.2)
Additions to non-current assets (note 17)	39.3	2.6	41.9	0.6	42.5
Net downward movements in property valuation through income statement (note 17) restated	(0.2)	(1.0)	(1.2)	–	(1.2)

6. Revenue

	2017 53 weeks £m	2016 52 weeks £m
Sales of goods	**253.7**	231.6
Rental income	**15.2**	14.3
Revenue	**268.9**	245.9

Revenue shown above is from continuing operations.

7. Operating costs before exceptional items

	2017 53 weeks £m	Restated 2016 52 weeks £m
Changes in inventories of finished goods and raw materials	**(0.2)**	0.1
Raw materials, consumables and finished goods used	**64.1**	61.8
Employment costs (note 8(a))	**84.1**	76.1
Depreciation (note 17)	**19.8**	16.7
Amortisation of lease premiums	**0.6**	0.5
Other operating costs	**54.4**	49.5
	222.8	204.7

Other operating costs include:

Operating lease rentals:	minimum lease payments	**6.5**	5.8
	sublease payments	**0.7**	0.6
		7.2	6.4
Auditor's remuneration:	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

	Group		Company	
	2017 53 weeks £m	2016 52 weeks £m	**2017 53 weeks £m**	2016 52 weeks £m
Wages and salaries	**77.3**	69.8	**61.6**	55.9
Social security	**5.8**	5.0	**4.6**	4.0
Pension and health care schemes	**1.0**	1.3	**0.9**	1.2
Employment costs	**84.1**	76.1	**67.1**	61.1

The group's average monthly number of employees was 3,924 (2016: 3,735). The number of employees at the period end was 3,854 (2016: 3,819).

The company's average monthly number of employees was 3,079 (2016: 2,912). The number of employees at the period end was 3,030 (2016: 2,966).

8. Employment (continued)

(b) Directors' emoluments

	Basic salary and fees 2017 £000	Basic salary and fees 2016 £000	Benefits (i) 2017 £000	Benefits (i) 2016 £000	Bonus (ii) 2017 £000	Bonus (ii) 2016 £000	Total excluding pension costs 2017 £000	Total excluding pension costs 2016 £000
Nicholas Bryan	89	87	–	–	–	–	89	87
Patrick Dardis	321	245	2	2	235	227	558	474
Steven Robinson (iii)	141	–	–	–	97	–	238	–
Torquil Sligo-Young	144	129	30	28	94	126	268	283
Tracy Read (iii)	119	–	–	–	69	–	188	–
Roger Lambert	41	40	–	–	–	–	41	40
Trish Corzine	39	39	–	–	–	–	39	39
Steven Goodyear	116	321	5	19	–	268	121	608
Peter Whitehead (iv) (v)	99	235	7	6	–	179	106	420
Edward Turner	–	57	–	3	–	–	–	60
David Page	–	11	–	–	–	–	–	11
Rupert Clevely	–	3	–	1	–	–	–	4
Total	1,109	1,167	44	59	495	800	1,648	2,026

(i) These relate primarily to the provision of private medical insurance and car-related benefits.

(ii) The amounts shown in the 'Bonus' columns reflect the cash value of bonuses receivable by the executive directors pursuant to the deferred bonus scheme referred to in note 28, but excluding the cash value of any 'matching' shares (as explained in that note). If the company decides to provide the current period bonuses in shares, the cash value of the 'matching' shares to be awarded to Patrick Dardis is £117,689 (2016: £93,360), to Steven Robinson is £48,299 (2016: £nil) and to Torquil Sligo-Young is £46,924 (2016: £62,833).

(iii) The amounts shown for Steven Robinson and Tracy Read exclude the cash value of any bonus received by them in respect of the achievement of their personal objectives set prior to their appointment as directors.

(iv) Note 8(e) on page 39 sets out the gains made on the exercise of share options.

(v) Peter Whitehead also received £364,247 by way of compensation for loss of office. Of this, £6,000 was paid to the providers of outplacement services and £3,000 was paid to the law firm that advised him in connection with the cessation of his directorship and employment.

(c) Retirement benefits

Defined benefit pension scheme

The company operates a defined benefit pension scheme: the Young & Co.'s Brewery, P.L.C. Pension Scheme. All active members contribute to it. During the period, those contributions were on average at a rate between 6% and 7% of pensionable earnings dependent on each member's accrual rate. The scheme invests largely in managed funds. The company accounts for retirement benefits in accordance with IAS 19; detailed disclosures covering this are set out in note 25. As at 3 April 2017, no director was accruing any defined benefit and, during the year ended 3 April 2017, no director accrued any defined benefit under the scheme. Patrick Dardis, Torquil Sligo-Young, Stephen Goodyear and Peter Whitehead are all members of the defined benefit pension scheme.

Patrick Dardis' pension entitlement (being that which would be paid annually on retirement under the terms of his service agreement based on service to 3 April 2017) is £43,582 (2016: £43,582) 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 3 April 2017 was £nil (2016: £59,809) - 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.

Defined contribution pension scheme

The company operates a defined contribution pension scheme. As at 3 April 2017, Steven Robinson and Tracy Read were members. For the year ended 3 April 2017, the company paid contributions of £4,306 into the scheme for each of them in respect of qualifying service.

Post retirement health care

In addition, the company bears the cost of post retirement health care premiums for certain employees and ex-employees (see note 25).

(d) Profit sharing schemes

This scheme, which involved an annual profit share allocation, was closed a number of years ago. As a result, it has effectively been in 'run-off', with periodic releases of accrued entitlements, represented by A shares, happening as and when a member reaches his or her normal retirement date. During the period, it was agreed with HM Revenue & Customs that the company could release all accrued entitlements free of tax, even where an individual had not reached his or her retirement date. During the period, the company released 493,820 A shares, which included the following accrued entitlements of those individuals who served as directors during the period: Stephen Goodyear (22,680), Patrick Dardis (6,696), Torquil Sligo-Young (31,412) and Peter Whitehead (20,816). As at the end of the period, 57,176 A shares, notionally allocated to 22 former employees, are still in 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 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 28 March 2016	Granted	Exercised	Lapsed	**At 3 April 2017**	Exercise price (pence per share) (i)	Exercisable from	Exercisable to	Gains made on exercise of share options (£) (ii)
Stephen Goodyear	1,071	–	–	–	**1,071**	840	01.09.17	28.02.18	–
	888	–	–	–	**888**	1,013	01.09.18	28.02.19	–
Patrick Dardis	1,071	–	–	–	**1,071**	840	01.09.17	28.02.18	–
	888	–	–	–	**888**	1,013	01.09.18	28.02.19	–
Steven Robinson	1,071	–	–	–	**1,071**	840	01.09.17	28.02.18	–
	888	–	–	–	**888**	1,013	01.09.18	28.02.19	–
Torquil Sligo-Young	1,071	–	–	–	**1,071**	840	01.09.17	28.02.18	–
	–	933	–	–	**933**	964	01.09.19	28.02.20	–
Peter Whitehead (iii)	1,071	–	(922)	(149)	**–**	840	01.09.17	28.02.18	4,642
	–	933	(181)	(752)	**–**	964	01.09.19	28.02.20	687

Notes:

(i) The exercise prices of 840p per share, 1,013p per share and 964p per share represent a discount of not more than 20% to the market price of an A share at the time the relevant invitations to join the scheme were issued, being 1,050p per share, 1,265.5p per share and 1,205p per share respectively.

(ii) The figures appearing in the 'Gains made on exercise of share options' column are calculated by taking the difference between the exercise price and the market price of an A share on the day the option was exercised, and then multiplying that by the number of A shares in respect of which the option was exercised.

(iii) Peter Whitehead continued to save privately under the scheme after leaving the company. He then bought a reduced number of shares within six months of leaving. This was allowed per the scheme's early leaver provisions.

9. Exceptional items

	2017 53 weeks £m	2016 52 weeks £m
Amounts included in operating profit:		
Upward movement on the revaluation of properties[1] (note 17) restated	**3.0**	1.6
Downward movement on the revaluation of properties[1] (note 17) restated	**(3.5)**	(2.8)
Tenant compensation[2]	**(2.0)**	–
Acquisition costs[3]	**(0.2)**	(0.4)
Goodwill disposal[4]	**(0.7)**	(0.3)
Net profit on sale of properties[5]	**–**	0.1
Restructuring costs[6]	**–**	(1.0)
	(3.4)	(2.8)
Exceptional tax:		
Tax attributable to above adjustments restated	**0.1**	(0.7)
Change in corporation tax rate	**0.9**	1.7
	1.0	1.0
Total exceptional items after tax	**(2.4)**	(1.8)

[1] The movement on the revaluation of properties is a non-cash item that relates to the revaluation exercise that was completed based on the period end date. The revaluation was conducted at an individual pub level and identified an upward movement of £3.0 million (2016: restated £1.6 million), representing reversals of previous impairments recognised in the income statement, and a downward movement of £3.5 million (2016: restated £2.8 million), representing downward movements in excess of amounts recognised in equity. These resulted in a net downward movement of £0.5 million (2016: restated £1.2 million net downward) which has been taken to the income statement. The downward movement for the period ended 3 April 2017 was split between land and buildings of £0.5 million downwards (2016: restated £0.9 million downward) and fixtures and fittings of £nil (2016: restated £0.3 million downward). See note 5 for segmental information.

[2] During the current period, the company paid £2.0 million to the previous tenants of the Woolpack (Bermondsey) to terminate their lease agreement early.

[3] The acquisition costs relate to the purchases of the Blue Boar (Chipping Norton) and the Riverstation (Bristol). They include legal and professional fees and stamp duty. The prior period acquisition costs related to the purchase of the Canonbury (Islington) and the Old Brewery (Greenwich).

[4] The goodwill disposal is a non-cash item and relates to the Three Bells (Heathrow Airport) and the Five Tuns (Heathrow Airport) whose leases expired during the period. The Three Bells and Five Tuns formed part of the Geronimo group of cash generating units (which are pubs under the Geronimo concept) and fall within the Geronimo managed houses segment.

[5] The profit on sale of properties relates to the difference between the cash, less selling costs, and the carrying value of the assets on the date of sale. In the current period there was no profit or loss from the sale of Lord Napier (Thornton Heath). In the prior period, sales of properties included the Seven Stars (Brighton), New Town (Sutton) and the Sekforde Arms (Clerkenwell).

[6] In the prior period, restructuring costs relate to a reorganisation of the group's head office functions. These are largely made up of severance costs and consultancy fees.

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.

	2017 – 53 weeks			2016 restated – 52 weeks		
	Unadjusted £m	**Exceptional items £m**	**Adjusted £m**	Unadjusted £m	Exceptional items £m	Adjusted £m
EBITDA	**63.6**	**2.9**	**66.5**	56.8	1.6	58.4
Depreciation and net movement on the revaluation of properties	**(20.3)**	**0.5**	**(19.8)**	(17.9)	1.2	(16.7)
Amortisation of lease premiums	**(0.6)**	**–**	**(0.6)**	(0.5)	–	(0.5)
Operating profit	**42.7**	**3.4**	**46.1**	38.4	2.8	41.2
Net finance costs	**(5.5)**	**–**	**(5.5)**	(5.3)	–	(5.3)
Other finance charges	**(0.2)**	**–**	**(0.2)**	(0.3)	–	(0.3)
Profit before tax	**37.0**	**3.4**	**40.4**	32.8	2.8	35.6

11. Finance costs

	2017 53 weeks £m	2016 52 weeks £m
Bank loans and overdrafts	**5.4**	5.2
Finance lease interest	**0.1**	0.1
	5.5	5.3

12. Taxation

Tax charged in the group income statement	2017 53 weeks £m	Restated 2016 52 weeks £m
Current tax		
Current tax expense	**8.9**	7.1
Adjustment in respect of current tax of prior periods	**0.2**	(0.1)
	9.1	7.0
Deferred tax		
Origination and reversal of temporary differences	**(0.7)**	1.6
Change in corporation tax rate	**(0.9)**	(1.7)
Adjustment in respect of deferred tax of prior periods	**(0.5)**	(0.7)
	(2.1)	(0.8)
Tax expense	**7.0**	6.2
Deferred tax in the group income statement		
Property revaluation and disposals	**(1.4)**	(0.5)
Fair value gains on acquisition of subsidiaries	**–**	(0.1)
Capital allowances	**(0.7)**	(0.1)
Retirement benefit schemes	**0.1**	0.2
Share based payments	**(0.1)**	(0.3)
Tax credit	**(2.1)**	(0.8)
Deferred tax in the group statement of comprehensive income		
Property revaluation and disposals	**2.0**	2.0
Retirement benefit schemes	**(1.4)**	0.9
Interest rate swaps	**0.2**	–
Change in corporation tax rate	**(1.7)**	(3.2)
Tax credit	**(0.9)**	(0.3)

12. Taxation (continued)

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 3 April 2017 and 28 March 2016 respectively is as follows:

	2017 53 weeks £m	Restated 2016 52 weeks £m
Profit before tax	**37.0**	32.8
Total profit before tax at corporation tax rate of 20% (2016: 20%)	**7.4**	6.6
Tax effects of:		
Expenses not deductible for tax purposes[1]	**1.0**	0.5
Recognition of property revaluation, rollover claim and other property movements	**(0.2)**	1.5
Non-assessable income	**–**	0.1
Remeasurement of deferred tax – change in corporation tax rate	**(0.9)**	(1.7)
Prior period adjustment – current tax	**0.2**	(0.1)
Prior period adjustment – deferred tax	**(0.5)**	(0.7)
Total tax expense	**7.0**	6.2

[1] Expenses not deductible for tax purposes includes property acquisition costs, depreciation on assets ineligible for capital allowances and share based payments.

Changes to the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and then to 17% (effective from 1 April 2020), were substantively enacted into law on 6 September 2016. Deferred tax balances that will be realised or settled between 1 April 2017 and 1 April 2020 have been measured at 19%, with the remainder re-measured at 17%.

13. Business combinations

The group and the company acquired the Blue Boar (Chipping Norton) on 9 June 2016 and Riverstation (Bristol) on 15 November 2016 as business combinations in the current period for considerations totalling £3.8 million. The aggregated fair value of the identifiable assets and liabilities of the acquired businesses was property and equipment of £3.8 million and inventories of £nil. The group incurred £0.2 million of costs associated with the acquisitions, which have been recorded within operating exceptional items.

In the prior period, the group and the company acquired the Canonbury (Islington) and the Old Brewery (Greenwich) as business combinations for considerations totalling £3.5 million. The aggregated fair value of the identifiable assets and liabilities of the acquired businesses was property and equipment of £3.5 million and inventories of £nil. The group incurred £0.4 million of costs associated with the acquisitions, which have been recorded within operating exceptional items.

Cash flow from business combinations

	2017 £m	2016 £m
Business combinations	**(3.8)**	(3.5)
Total net cash outflow	**(3.8)**	(3.5)

14. Dividends on equity shares

	2017 53 weeks Pence	2016 52 weeks Pence	2017 53 weeks £m	2016 52 weeks £m
Final dividend (previous period)	**9.07**	8.56	**4.4**	4.1
Interim dividend (current period)	**8.88**	8.38	**4.3**	4.1
	17.95	16.94	**8.7**	8.2

In addition, the board is proposing a final dividend in respect of the period ended 3 April 2017 of 9.62 pence per share at a cost of £4.7 million. If approved, it is expected to be paid on 13 July 2017 to shareholders who are on the register of members at the close of business on 9 June 2017.

15. Earnings per ordinary share

(a) Earnings

	2017 53 weeks £m	Restated 2016 52 weeks £m
Profit attributable to equity shareholders of the parent	**30.0**	26.6
Operating exceptional items	**3.4**	2.8
Tax attributable to above adjustments	**(0.1)**	0.7
Change in corporation tax rate	**(0.9)**	(1.7)
Adjusted earnings after tax	**32.4**	28.4

	Number	Number
Basic weighted average number of ordinary shares in issue	**48,774,457**	48,598,203
Dilutive potential ordinary shares from outstanding employee share options	**26,331**	26,324
Diluted weighted average number of shares	**48,800,788**	48,624,527

(b) Basic earnings per share

	Pence	Pence
Basic	**61.51**	54.73
Effect of exceptional items and other adjustments	**4.92**	3.71
Adjusted basic	**66.43**	58.44

(c) Diluted earnings per share

	Pence	Pence
Diluted	**61.47**	54.70
Effect of exceptional items and other adjustments	**4.92**	3.71
Adjusted diluted	**66.39**	58.41

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 26,331 (2016: 26,324) dilutive potential shares under the SAYE scheme (see notes 8(e) and 28).

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

2017	Group At 28 March 2016 £m	Acquisitions £m	Disposal £m	At 3 April 2017 £m
Geronimo	**19.5**	**–**	**(0.7)**	**18.8**
Bell at Stow	**0.2**	**–**	**–**	**0.2**
580 Limited	**0.9**	**–**	**–**	**0.9**
	20.6	**–**	**(0.7)**	**19.9**

2016	At 30 March 2015 £m	Acquisitions £m	Disposal £m	At 28 March 2016 £m
Geronimo	19.8	–	(0.3)	19.5
Bell at Stow	0.2	–	–	0.2
580 Limited	0.9	–	–	0.9
	20.9	–	(0.3)	20.6

2017	Company At 28 March 2016 £m	Acquisitions £m	Disposal £m	At 3 April 2017 £m
Bell at Stow	**–**	**0.2**	**–**	**0.2**
580 Limited	**–**	**0.9**	**–**	**0.9**
	–	**1.1**	**–**	**1.1**

The opening goodwill of £20.6 million arose on the acquisition of Geronimo Group Limited, 580 Limited and the Bell at Stow. The goodwill was allocated for impairment testing purposes to the Geronimo group, the individual pubs within the 580 Group and the Bell at Stow respectively; these are the cash generating units. The Geronimo group of cash generating units is the pubs trading under the Geronimo concept. All three cash generating units fall within the managed houses segment.

During the current period, the Three Bells and Five Tuns (both at Heathrow) leases expired and no longer formed part of the Geronimo group and the managed houses segment. The relative value of the goodwill associated with the Three Bells and Five Tuns, £0.7 million, has been expensed and classified within exceptional items.

During the prior period the Lord Palmerston (Tufnell Park) was transferred out of the Geronimo group and the managed houses segment and into our Ram Pub Company segment. The relative value of the goodwill associated with the Lord Palmerston, £0.3 million, was expensed and classified within exceptional items in the prior period.

During the current period the company recognised £1.1 million of goodwill being £0.2 million for the Bell at Stow and £0.9 million for 580 Limited due to an intragroup restructure. There was no goodwill recognised in the company in prior years.

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 (2016: 2.0%) which is below the industry long-term average growth rate. The pre-tax discount rate applied to cash flow projections is 7.8% (2016: 8.7%). 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 3 April 2017 and the board 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 31 March 2015	**607.1**	**106.8**	**713.9**	**536.1**	**93.7**	**629.8**
Prior period adjustment	(15.4)	–	(15.4)	(8.6)	–	(8.6)
At 31 March 2015 restated	**591.7**	**106.8**	**698.5**	**527.5**	**93.7**	**621.2**
Additions restated	14.0	25.0	39.0	15.7	20.8	36.5
Business combinations	2.3	1.2	3.5	2.3	1.2	3.5
Disposals	(4.2)	(1.5)	(5.7)	(4.1)	(1.1)	(5.2)
Fully depreciated assets	–	(12.7)	(12.7)	–	(10.1)	(10.1)
Revaluation[(1)] restated						
– effect of upward movement in property valuation	25.5	–	25.5	23.8	–	23.8
– effect of downward movement in property valuation	(5.5)	–	(5.5)	(4.4)	–	(4.4)
At 28 March 2016 restated	**623.8**	**118.8**	**742.6**	**560.8**	**104.5**	**665.3**
Additions	9.4	25.0	34.4	8.4	22.0	30.4
Business combinations	3.0	0.8	3.8	3.0	0.8	3.8
Disposals	(0.3)	(0.2)	(0.5)	(0.3)	(0.1)	(0.4)
Transfer out to assets held for sale	(1.6)	(0.3)	(1.9)	(1.6)	(0.3)	(1.9)
Fully depreciated assets	(6.5)	(22.8)	(29.3)	(7.1)	(20.9)	(28.0)
Revaluation[(1)]						
– effect of upward movement in property valuation	27.0	–	27.0	26.5	–	26.5
– effect of downward movement in property valuation	(7.5)	–	(7.5)	(6.7)	–	(6.7)
At 3 April 2017	**647.3**	**121.3**	**768.6**	**583.0**	**106.0**	**689.0**
Depreciation and impairment						
At 31 March 2015	**43.6**	**53.0**	**96.6**	**36.9**	**46.6**	**83.5**
Prior period adjustment	(5.3)	(0.5)	(5.8)	(2.4)	(0.2)	(2.6)
At 31 March 2015 restated	**38.3**	**52.5**	**90.8**	**34.5**	**46.4**	**80.9**
Depreciation charge restated	1.6	15.1	16.7	0.9	13.2	14.1
Disposals	(0.9)	(1.3)	(2.2)	(0.8)	(1.0)	(1.8)
Fully depreciated assets	–	(12.7)	(12.7)	–	(10.1)	(10.1)
Transfers	(1.0)	–	(1.0)	(1.0)	–	(1.0)
Revaluation[(1)] restated						
– effect of downward movement in property valuation	2.5	0.3	2.8	2.4	0.1	2.5
– effect of upward movement in property valuation	(1.6)	–	(1.6)	(1.6)	–	(1.6)
At 28 March 2016 restated	**38.9**	**53.9**	**92.8**	**34.4**	**48.6**	**83.0**
Depreciation charge	1.6	18.2	19.8	0.8	16.2	17.0
Disposals	–	(0.1)	(0.1)	–	(0.1)	(0.1)
Transfer out to assets held for sale	(0.4)	(0.2)	(0.6)	(0.4)	(0.2)	(0.6)
Fully depreciated assets	(6.5)	(22.8)	(29.3)	(7.1)	(20.9)	(28.0)
Revaluation[(1)]						
– effect of downward movement in property valuation	3.6	–	3.6	3.4	–	3.4
– effect of upward movement in property valuation	(6.7)	–	(6.7)	(5.8)	–	(5.8)
At 3 April 2017	**30.5**	**49.0**	**79.5**	**25.3**	**43.6**	**68.9**
Net book value						
At 31 March 2015 restated	553.4	54.3	607.7	493.0	47.3	540.3
At 28 March 2016 restated	584.9	64.9	649.8	526.4	55.9	582.3
At 3 April 2017	**616.8**	**72.3**	**689.1**	**557.7**	**62.4**	**620.1**

17. Property and equipment (continued)

[1] The group's net book value uplift during the period was £22.6 million (2016: £18.8 million restated). This uplift was recognised either in the revaluation reserve or the income statement, as appropriate. The impact of the revaluations was as follows:

	Group		Company	
	2017 £m	Restated 2016 £m	**2017 £m**	Restated 2016 £m
Income Statement				
Revaluation loss charged as impairment	**(3.5)**	(2.8)	**(3.3)**	(2.5)
Reversal of past impairment	**3.0**	1.6	**2.9**	1.6
	(0.5)	(1.2)	**(0.4)**	(0.9)
Revaluation Reserve				
Unrealised revaluation surplus	**30.7**	25.5	**29.4**	23.8
Reversal of past surplus	**(7.6)**	(5.5)	**(6.8)**	(4.4)
	23.1	20.0	**22.6**	19.4
Net increase in property, plant and equipment	**22.6**	18.8	**22.2**	18.5

(a) Revaluation of property and equipment

On an annual basis, a portion of the group's property estate is valued externally by Savills, independent Chartered Surveyors, in accordance with the provisions of the RICS Valuation – Professional Standards January 2014 (Revised April 2015) ('the Red Book'), which takes account of the properties' highest and best value. The remaining portion of the estate is valued internally, based upon the information supplied by the group's external valuers and by Andrew Cox MRICS, the group's director of property and tenancies and a Chartered Surveyor.

The valuation is based on information, such as current and historic levels of turnover, gross profit, wages and overheads and resultant EBITDA. The 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 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.

The external valuations made are consistent and in support with the values derived by Andrew Cox. These valuations and the assumptions used are reviewed by 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 (2016: Level 3) in the fair value hierarchy.

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

Segment 2017	**Tenure**	**EBITDA multiple range Low**	**High**	**Number of pubs**	**Value of pubs £m**
Managed houses	Freehold and long leasehold	6.0	12.0	**122**	**545.8**
Ram Pub Company	Freehold and long leasehold	3.0	12.0	**53**	**42.8**
Managed houses	Freehold and long leasehold	Spot	Spot	**18**	**59.8**
Ram Pub Company	Freehold and long leasehold	Spot	Spot	**19**	**16.2**
Segment total				**212**	**664.6**
Short leaseholds				**40**	**16.3**
Unallocated				**–**	**8.2**
Total net book value at 3 April 2017				**252**	**689.1**
2016					
Managed houses	Freehold and long leasehold	6.0	12.0	114	476.8
Ram Pub Company	Freehold and long leasehold	3.0	10.0	43	29.7
Managed houses	Freehold and long leasehold	Spot	Spot	23	90.0
Ram Pub Company	Freehold and long leasehold	Spot	Spot	28	30.5
Segment total				208	627.0
Short leaseholds				43	14.7
Unallocated				–	8.1
Total net book value at 28 March 2016 restated				251	649.8

If, at 3 April 2017, the property estate had been carried at historic cost less accumulated depreciation and impairment losses, its carrying amount would have been approximately £425.7 million (2016: £419.5 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 £54.2 million (2016 restated: £50.6 million). Increasing the EBITDA used in the revaluation by 10% would increase the valuation by £54.2 million (2016 restated: £50.6 million).

(b) Assets held under finance leases

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

	2017 £m	2016 £m
Land and buildings held under finance leases	**30.9**	29.9

(c) Capital commitments

Capital commitments not provided for in these financial statements and for which contracts have been placed amounted to:	**2.5**	9.5

18. Investments in subsidiaries

	Company
Cost and net book value	**£m**
At 31 March 2015	31.3
Additions	–
At 28 March 2016	31.3
Disposals	(1.1)
At 3 April 2017	**30.2**

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
Bermondsey Woolpack Limited	England	England	100

All group subsidiaries' registered offices are at Riverside House, 26 Osiers Road, Wandsworth, London, SW18 1NH.

During the prior period, the following companies were struck off and dissolved at their own request: 587 Limited, 588 Limited, 591 Limited, 592 Limited and The Bell at Stow Limited. Prior to that, these entities were wholly-owned subsidiaries of the company.

19. Inventories

	Group		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Finished goods and raw materials	**2.8**	2.6	**2.1**	1.9

20. Trade and other receivables

	Group		Company	
	2017	2016	**2017**	2016
	£m	£m	**£m**	£m
Trade receivables	**2.9**	2.6	**3.0**	2.1
Other receivables	**0.8**	0.5	**0.8**	0.4
Prepayments and accrued income	**3.5**	3.3	**2.6**	2.5
Amounts due from subsidiaries	**–**	–	**16.3**	23.8
	7.2	6.4	**22.7**	28.8

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 3 April 2017, trade receivables with a nominal value of £0.6 million (2016: £0.8 million) were impaired and fully provided for.

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

	2017	2016
	£m	£m
Opening balance	**0.8**	0.7
Charge for period	**0.1**	0.2
Amounts written off	**(0.3)**	(0.1)
	0.6	0.8

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

The analysis of trade receivables at 3 April 2017 is as follows:

	Total £m	**Neither past due nor impaired £m**	**<31 days £m**	**31-60 days £m**	**61-90 days £m**	**91+ days £m**
2017	**2.9**	**2.2**	**0.2**	**0.1**	**0.1**	**0.3**
2016	2.6	1.6	0.5	0.4	0.1	–

Of the trade receivables that are neither past due nor impaired by value, 29.0% (2016: 10.3%) reflects new customers with no previous history of default, 36.8% (2016: 45.3%) represents existing customers with no history of default and 34.2% (2016: 44.4%) represents existing customers with some history of default.

21. Assets held for sale

	Group		Company	
	2017	2016	**2017**	2016
	£m	£m	**£m**	£m
Properties held for sale	**1.3**	–	**1.3**	–

At 3 April 2017, two properties were classified as held for sale (2016: none). Both properties have been sold subsequent to the period end. The value of the property and equipment held for sale represents the expected net disposal proceeds at the period end. This includes a net upwards revaluation of £0.4 million which is included within the income statement as an exceptional item. Both properties are in the Ram Pub Company segment.

22. Trade and other payables

	Group		Company	
	2017	2016	**2017**	2016
	£m	£m	**£m**	£m
Trade payables	**14.2**	14.7	**14.1**	14.6
Other tax and social security	**9.1**	7.9	**8.8**	7.5
Other creditors	**7.2**	7.3	**6.6**	6.6
Accruals and deferred income	**4.8**	5.6	**4.3**	5.0
Amounts due to subsidiaries	**–**	–	**4.7**	4.5
	35.3	35.5	**38.5**	38.2

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

Other creditors mainly consist of employee and property related creditors.

23. 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 27) and debt (note 30).

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
2017	**+1.0**	**(0.260)**
	–0.5	**0.130**
2016	+1.0	(0.300)
	–0.5	0.150

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 group's maximum credit risk is considered to be limited to its trade receivables (note 20). 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	
	2017 £m	2016 £m
Current liabilities	**(2.9)**	(3.1)
Non-current liabilities	**(7.9)**	(9.0)
Total financial liability	**(10.8)**	(12.1)
Fair value movement of interest rate swaps	**1.3**	–

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.

23. Capital management and financial instruments (continued)

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

2017	Term or expiry date	Effective interest rate	Period rate fixed	Fair value 2017 £m	Book value 2017 £m
	Group and company				
Secured					
£20 million loan swapped into fixed rate	March 2018	4.58%	1 year	**20.6**	**20.0**
£30 million loan swapped into fixed rate	March 2021	4.34%	4 years	**32.7**	**29.8**
£20 million loan swapped into fixed rate	March 2021	2.23%	4 years	**19.8**	**19.9**
£30 million loan swapped into fixed rate	March 2023	5.97%	6 years	**37.3**	**30.0**
£75 million revolving credit facility	March 2019	Variable	None	**24.4**	**24.4**
				134.8	**124.1**
Unsecured					
Current borrowings					**8.5**
Finance leases					**0.6**
Financial liabilities					**133.2**

	Group 2017 £m	Company 2017 £m
Current borrowings	**28.5**	**28.5**
Non-current financial liabilities	**104.7**	**104.7**
Financial liabilities	**133.2**	**133.2**

2016	Term or expiry date	Effective interest rate	Period rate fixed	Fair value 2016 £m	Book value 2016 £m
	Group and company				
Secured					
£20 million loan swapped into fixed rate	March 2018	4.58%	2 years	21.3	20.0
£30 million loan swapped into fixed rate	March 2021	4.34%	5 years	32.7	29.8
£20 million loan swapped into fixed rate	March 2021	2.23%	5 years	19.8	19.9
£30 million loan swapped into fixed rate	March 2023	5.97%	7 years	38.0	30.0
£75 million revolving credit facility	March 2019	Variable	None	43.1	43.1
				154.9	142.8
Unsecured					
Finance leases					0.6
Financial liabilities					143.4

	Group 2016 £m	Company 2016 £m
Current borrowings	–	–
Non-current financial liabilities	143.4	143.4
Financial liabilities	143.4	143.4

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 Bank of England base rate.

Bank loan
The group has a bilateral £50 million term loan with the Royal Bank of Scotland and a £50 million syndicated facility with the Royal Bank of Scotland and Barclays. The bilateral loan is repayable as to £20 million on 28 March 2018 and as to £30 million on 28 March 2023. The syndicated loan is repayable on 17 March 2021. Interest rate swaps have been entered into in respect of 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				
2017	**Within one year £m**	**Between one and two years £m**	**Between two and five years £m**	**After five years £m**	**Total £m**
Borrowings	**29.0**	**24.6**	**52.6**	**30.0**	**136.2**
Trade and other payables	**26.2**	**–**	**–**	**–**	**26.2**
Derivative financial instruments	**3.2**	**2.5**	**6.5**	**1.5**	**13.7**
	58.4	**27.1**	**59.1**	**31.5**	**176.1**

2016	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	Total £m
Borrowings	1.0	21.0	96.2	30.0	148.2
Trade and other payables	22.6	–	–	–	22.6
Derivative financial instruments	3.7	3.2	7.5	3.0	17.4
	27.3	24.2	103.7	33.0	188.2

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

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

	Group and company			
	Fair value 2017 £m	**Level 1 2017 £m**	**Level 2 2017 £m**	**Level 3 2017 £m**
Financial liabilities at fair value				
Interest rate swaps	**10.8**	**–**	**10.8**	**–**
	10.8	**–**	**10.8**	**–**

	Fair value 2016 £m	Level 1 2016 £m	Level 2 2016 £m	Level 3 2016 £m
Financial liabilities at fair value				
Interest rate swaps	12.1	–	12.1	–
	12.1	–	12.1	–

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, calculated using a discounted cash flow method. Actual and estimated cash flows are discounted by applying discount factors derived from observable market data and by considering the credit risk.

Level 3

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

(e) Financial assets and other financial liabilities

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

24. Deferred tax

Deferred tax relates to the following:

	Group 2017 £m	Group Restated 2016 £m	Company 2017 £m	Company Restated 2016 £m
Deferred tax assets				
Interest rate swaps	**1.9**	2.2	**1.9**	2.2
Retirement benefit schemes	**2.2**	1.2	**2.2**	1.2
Decelerated capital allowances	**1.9**	1.1	**1.8**	1.0
Capital losses	**0.5**	0.9	**0.5**	0.9
Share based payments	**0.9**	0.8	**0.9**	0.8
	7.4	6.2	**7.3**	6.1
Deferred tax liabilities				
Rolled over gains and property revaluations	**(51.6)**	(53.5)	**(47.3)**	(48.5)
Net deferred tax liabilities	**(44.2)**	(47.3)	**(40.0)**	(42.4)

	Group 2017 £m	Group Restated 2016 £m	Company 2017 £m	Company Restated 2016 £m
Opening balance	**(47.3)**	(48.5)	**(42.4)**	(43.3)
Tax credit in the income statement	**2.1**	0.8	**1.9**	0.8
Tax credit in the statement of comprehensive income	**0.9**	0.3	**0.8**	–
Tax credit recognised directly in equity	**0.1**	0.1	**0.1**	0.1
Transfer of property to parent company	**–**	–	**(0.4)**	–
Closing balance	**(44.2)**	(47.3)	**(40.0)**	(42.4)

Movements in the deferred tax assets are shown below:

	Interest rate swap £m	Retirement benefit scheme £m	Decelerated capital allowances £m	Capital losses £m	Share based payments £m	Total £m
Deferred tax assets						
Balance as at 31 March 2015	2.4	2.8	1.1	0.9	0.5	7.7
(Charged)/credited to income statement	–	(0.2)	–	–	0.2	–
Charged to other comprehensive income	(0.2)	(1.4)	–	–	–	(1.6)
Credited directly to equity	–	–	–	–	0.1	0.1
Balance as at 28 March 2016	**2.2**	**1.2**	**1.1**	**0.9**	**0.8**	**6.2**
(Charged)/credited to income statement	–	(0.1)	0.8	(0.4)	–	0.3
(Charged)/credited to other comprehensive income	(0.3)	1.1	–	–	–	0.8
Credited directly to equity	–	–	–	–	0.1	0.1
Balance as at 3 April 2017	**1.9**	**2.2**	**1.9**	**0.5**	**0.9**	**7.4**

The deferred tax liability decreased by £1.9 million (2016: £2.7 million) in the period. Of this amount £1.8 million (2016: £0.8 million) was credited to the income statement and £0.1 million (2016: £1.9 million) was credited to other comprehensive income.

The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 19% for balances that will be realised or settled between 1 April 2017 and 1 April 2020 and 17% for the remainder.

The group has realised capital losses of £4.3 million (2016: £6.9 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 (2016: £1.6 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 £2.7 million (2016: £5.3 million). A deferred tax asset has been recognised in respect of these losses in both the current and the prior period.

In addition, the group has unrealised capital losses of £13.4 million (2016: £16.4 million). No deferred tax asset has been recognised in respect of these losses (2016: £nil) because it is uncertain whether they will be utilised. The company has unrealised capital losses of £11.7 million (2016: £14.1 million); no deferred tax asset has been recognised in respect of these losses (2016: £nil).

25. 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 £0.7 million (2016: £0.8 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. For details of the principal risks and uncertainties, see page 8.

The employer contribution to the defined benefit scheme for the period ended 3 April 2017 was £1.5 million (2016: £3.2 million) plus premiums of £0.2 million (2016: £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 between 7% and 9% of pensionable earnings. Future employer contribution rates are projected to be 18% of pensionable earnings. The total contributions to the defined benefit scheme in the 2018 financial period are expected to be £1.5 million which includes a special contribution of £1.2 million. The total contributions to the post retirement health care scheme in the 2018 financial period are expected to be £0.2 million.

The defined benefit scheme is closed to new entrants.

Financial assumptions

	Pension		Health care	
	2017 %	2016 %	**2017 %**	2016 %
Rate of increase in salaries	**2.50**	3.00	**N/A**	N/A
Discretionary pension increases	**3.40**	3.00	**N/A**	N/A
Rate of revaluation of deferred pensions	**2.40**	2.00	**N/A**	N/A
Discount rate	**2.70**	3.50	**2.70**	3.50
Inflation	**3.40**	3.00	**3.40**	3.00
General medical expenses inflation	**N/A**	N/A	**9.00**	9.00

Mortality assumptions

The life expectancies underlying the valuation are as follows:

	2017 Years	2016 Years
Current pensioners (at age 65) – males	**22.8**	22.8
Current pensioners (at age 65) – females	**24.1**	24.9
Future pensioners (at age 65) – males	**23.9**	25.0
Future pensioners (at age 65) – females	**25.9**	27.2

At the period end date the average age of current pensioners was 72 years (2016: 72 years) and for future pensioners was 54 years (2016: 53 years).

The weighted average duration of liabilities for the current period was 19.8 years (2016: 18.6 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	0.4	(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 9.0%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 8.0%
Life expectations	Increase by 1 year	Increase by 5.0%

25. Retirement benefit schemes (continued)

Pension scheme and health care scheme assets and liabilities

	Group and company	
	Assets and liabilities	
	2017 £m	2016 £m
Equities	**34.2**	28.6
Diversified growth fund	**10.8**	9.8
Absolute return	**12.1**	12.1
Corporate bonds	**56.2**	51.7
Insured pensions	**10.0**	10.6
Other	**0.2**	(1.0)
Total fair value of assets	**123.5**	111.8
Present value of retirement benefit liabilities	**(136.3)**	(118.1)
Scheme deficit	**(12.8)**	(6.3)

The pension scheme assets includes some of the company's A shares with a fair value of £4.6 million (2016: £3.9 million). There are no property assets of the scheme occupied by the company.

Of the above assets, £113.3 million are quoted securities.

Movement in scheme deficits in the period

	Group and company					
	2017			2016		
	Pension scheme £m	**Health care scheme £m**	**Total £m**	Pension scheme £m	Health care scheme £m	Total £m
(a) Changes in the present value of the schemes are as follows:						
Opening deficit	**(2.2)**	**(4.1)**	**(6.3)**	(8.6)	(4.5)	(13.1)
Current service cost	**(0.3)**	**–**	**(0.3)**	(0.5)	–	(0.5)
Contributions	**1.5**	**0.2**	**1.7**	3.1	0.3	3.4
Other finance charges	**(0.1)**	**(0.1)**	**(0.2)**	(0.2)	(0.1)	(0.3)
Remeasurement through other comprehensive income	**(7.7)**	**–**	**(7.7)**	4.0	0.2	4.2
Closing deficit	**(8.8)**	**(4.0)**	**(12.8)**	(2.2)	(4.1)	(6.3)
(b) Recognised in the income statement						
Current service cost included in operating costs	**(0.3)**	**–**	**(0.3)**	(0.5)	–	(0.5)
Net interest expense	**(0.1)**	**(0.1)**	**(0.2)**	(0.2)	(0.1)	(0.3)
(c) Recognised in the statement of comprehensive income						
Experience gains arising on the scheme liabilities	**1.8**	**–**	**1.8**	2.6	0.1	2.7
Changes in demographic assumptions underlying the plan liabilities	**6.0**	**–**	**6.0**	–	–	–
Changes in financial assumptions underlying the plan liabilities	**(25.9)**	**–**	**(25.9)**	8.0	0.1	8.1
Remeasurement of obligations	**(18.1)**	**–**	**(18.1)**	10.6	0.2	10.8
Return on scheme assets (less amounts included in the net interest expense)	**10.4**	**–**	**10.4**	(6.6)	–	(6.6)
Net remeasurement recognised	**(7.7)**	**–**	**(7.7)**	4.0	0.2	4.2

	Group and company					
	2017			2016		
	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 schemes obligations during the period						
Opening defined benefit obligations	**(114.0)**	**(4.1)**	**(118.1)**	(124.3)	(4.5)	(128.8)
Current service cost	**(0.3)**	**–**	**(0.3)**	(0.5)	–	(0.5)
Interest on obligations	**(3.9)**	**(0.1)**	**(4.0)**	(4.0)	(0.1)	(4.1)
Contributions by scheme members	**(0.1)**	**–**	**(0.1)**	(0.1)	–	(0.1)
Remeasurement of obligations	**(18.1)**	**–**	**(18.1)**	10.5	0.3	10.8
Benefits paid	**4.1**	**0.2**	**4.3**	4.4	0.2	4.6
Present value of scheme liabilities	**(132.3)**	**(4.0)**	**(136.3)**	(114.0)	(4.1)	(118.1)
(e) Change in fair value of scheme assets						
Opening fair value of scheme assets	**111.8**	**–**	**111.8**	115.7	–	115.7
Interest on scheme assets	**3.8**	**–**	**3.8**	3.8	–	3.8
Return on scheme assets (less amounts included in the net interest expense)	**10.4**	**–**	**10.4**	(6.6)	–	(6.6)
Contributions by employer	**1.5**	**0.2**	**1.7**	3.2	0.2	3.4
Contributions by scheme members	**0.1**	**–**	**0.1**	0.1	–	0.1
Benefits paid	**(4.1)**	**(0.2)**	**(4.3)**	(4.4)	(0.2)	(4.6)
Fair value of scheme assets	**123.5**	**–**	**123.5**	111.8	–	111.8

26. Provisions

	Group and company £m
At 30 March 2015	–
Created	1.0
At 28 March 2016	1.0
Provided	0.1
At 3 April 2017	**1.1**
Analysed as:	
Current liabilities	**–**
Non-current liabilities	**1.1**
At 3 April 2017	**1.1**

The provisions relate to four property leases where the expected operating income does not cover the rents payable. The rent payable commitments range from 3 to 47 years.

27. Share capital and reserves

	2017 Shares	**2017 £000**	2016 Shares	2016 £000
Issued and fully paid shares – 12.5p each				
Opening balance	**48,669,491**	**6,084**	48,453,599	6,057
Issued under employee share schemes	**140,027**	**18**	215,892	27
Closing balance	**48,809,518**	**6,102**	48,669,491	6,084

Of the opening balance of 48,669,491 shares, 29,509,491 are A shares and 19,160,000 are non-voting shares (2016: 29,293,599 A shares, 19,160,000 non-voting shares). Of the closing balance of 48,809,518 shares, 29,649,518 are A shares and 19,160,000 are non-voting shares (2016: 29,509,491 A shares, 19,160,000 non-voting shares).

For details of the A shares issued in the current period, see note 8(b) (Directors' emoluments) and note 28 (Share awards).

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.

28. Share awards

The group operates two types of share-based payment arrangements: a director / senior management employee 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 employees to deliver long-term superior shareholder returns. For the directors, it is expected that half of any bonus will 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. The values of these parts of the bonus awards are capped at 100% of the directors' basic annual salaries (but for these purposes and going forward the basic annual salary of one of the directors is adjusted). For the senior management employees, 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 by a director or senior management employee, the individual is allowed to subscribe at nominal value for one 'matching' share. The company retains the right to determine, at its sole and absolute discretion, the form in which any bonus is provided (i.e. by issue or transfer of shares and/or payment of cash); this is notwithstanding any election that a director or senior management employee may make. If the company so exercises its discretion to provide cash then no matching shares are receivable. 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 or her 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 a particular performance period exceeds the same measure for an earlier financial period. In certain circumstances, the shares acquired, whether 'matching' or otherwise, have to be transferred to the company or to an employee benefit trust designated by the company – this is at a pre-agreed price or, in the case of 'matching' shares, for no consideration. The number of shares to be issued to an individual in order to fulfil his entitlement is based on the market price of the company's A shares as shown in the Financial Times (online version) published on the date on which the issue is made.

The following table summarises the A shares issued under the DBS. These shares are registered in the relevant individual's name and, save as explained above, are fully vested. The weighted fair value of DBS share options granted in the period was 1,201 pence (2016: 1,266 pence).

	Date of award	Matching shares (Y/N)	At 28 March 2016	Awarded during the period	Ceased to apply during the period	Transferred during the period*	**At 3 April 2017**	Issue price (pence per share)
Stephen Goodyear	June 2013	N	18,487	–	(18,487)	–	**–**	827.5
	June 2013	Y	9,243	–	(9,243)	–	**–**	12.5
	September 2014	N	32,478	–	–	–	**32,478**	960.0
	September 2014	Y	16,239	–	–	–	**16,239**	12.5
	June 2015	N	22,446	–	–	–	**22,446**	1,280.0
	June 2015	Y	11,223	–	–	–	**11,223**	12.5
	June 2016	N	–	22,199	–	–	**22,199**	1,205.0
	June 2016	Y	–	11,099	–	–	**11,099**	12.5
Patrick Dardis	June 2013	N	6,801	–	(6,801)	–	**–**	827.5
	September 2014	N	21,744	–	–	–	**21,744**	960.0
	September 2014	Y	10,872	–	–	–	**10,872**	12.5
	June 2015	N	7,522	–	–	–	**7,522**	1,280.0
	June 2016	N	–	15,495	–	–	**15,495**	1,205.0
	June 2016	Y	–	7,747	–	–	**7,747**	12.5
Steven Robinson	September 2014	N	2,682	–	–	–	**2,682**	960.0
	September 2014	Y	2,682	–	–	–	**2,682**	12.5
	June 2015	N	2,343	–	–	–	**2,343**	1,280.0
	June 2015	Y	2,343	–	–	–	**2,343**	12.5
	June 2016	N	–	2,551	–	–	**2,551**	1,205.0
	June 2016	Y	–	2,551	–	–	**2,551**	12.5
Torquil Sligo-Young	June 2013	N	5,284	–	(5,284)	–	**–**	827.5
	September 2014	N	12,599	–	–	–	**12,599**	960.0
	September 2014	Y	6,299	–	–	–	**6,299**	12.5
	June 2015	N	8,977	–	–	–	**8,977**	1,280.0
	June 2015	Y	4,488	–	–	–	**4,488**	12.5
	June 2016	N	–	10,428	–	–	**10,428**	1,205.0
	June 2016	Y	–	5,214	–	–	**5,214**	12.5
Peter Whitehead**	June 2013	N	12,365	–	(12,365)	–	**–**	827.5
	June 2013	Y	6,182	–	(6,182)	–	**–**	12.5
	September 2014	N	21,744	–	(21,744)	–	**–**	960.0
	September 2014	Y	10,872	–	–	–	**10,872**	12.5
	June 2015	N	15,044	–	(15,044)	–	**–**	1,280.0
	June 2015	Y	7,522	–	–	–	**7,522**	12.5
	June 2016	N	–	14,885	(14,885)	–	**–**	1,205.0
	June 2016	Y	–	7,442	–	–	**7,442**	12.5
Senior management employees***	June 2013	N	2,416	–	(2,416)	–	**–**	827.5
	June 2013	Y	1,208	–	(1,208)	–	**–**	12.5
	September 2014	N	7,865	–	–	(1,364)	**6,501**	960.0
	September 2014	Y	7,865	–	–	(1,364)	**6,501**	12.5
	June 2015	N	8,760	–	–	(1,048)	**7,712**	1,280.0
	June 2015	Y	8,760	–	–	(1,048)	**7,712**	12.5
	June 2016	N	–	9,404	–	(955)	**8,449**	1,205.0
	June 2016	Y	–	9,404	–	(955)	**8,449**	12.5

*These shares were transferred to the Ram Brewery Trust II, an employee benefit trust designated by the company. The transfers were at the issue price per share shown in the far right-hand column (other than those with an issue price of 12.5 pence which were transferred for no consideration).

**Peter Whitehead stepped down from the board on 6 September 2016.

***Steven Robinson was among the group of senior management employees who received the awards dated September 2014, June 2015 and June 2016. The shares shown in the 'At 28 March 2016' column and the 'Awarded during the period' column have therefore been adjusted as his interest is now shown separately.

The performance periods for the awards dated September 2014, June 2015 and June 2016 are from April 2014 to March 2017, from April 2015 to March 2018 and from April 2016 to March 2019 respectively.

The group's adjusted earnings per share performance conditions set a range for the adjusted earnings per share for the relevant period; they 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 conditions will be met.

A charge of £0.3 million (2016: £0.4 million) was made to the group and company income statements in respect of the outstanding 134,019 'matching' shares at 3 April 2017.

(b) SAYE

The scheme enables eligible directors and employees to acquire options over A shares of the company. The options are issued at a discount of up to 20% of the market price of an A share at the time invitations to join the scheme for the relevant year are issued, 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 scheme are not subject to performance conditions other than continued employment. These options are all equity-settled.

In the current period, options over 46,732 A shares (2016: 47,864 A shares) were granted under the scheme at an exercise price of 964 pence per share (2016: 1,013 pence per share). Subject to the participants remaining in the group's employment and making 36 monthly contributions, these options will be exercisable between 1 September 2019 and 28 February 2020.

Options over 102,498 A shares were outstanding at the beginning of the period. During the period, a total of 21,402 options lapsed, 20,338 options were exercised at 662 pence per share, 922 options were exercised at 840 pence per share, 167 options were exercised at 1,013 pence per share and 181 options were exercised at 964 pence per share. The options that were exercised resulted in an increase in share capital (of £2,701) and an increase in share premium (of £143,118).

A charge of £0.1 million (2016: £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 3 April 2017 options over 106,220 A shares remain outstanding.

Valuation assumptions

Assumptions used in the Black-Scholes model to determine the fair value of share options at grant date for the period ended 3 April 2017 and 28 March 2016 were as follows:

	Group and company			
	2016 plan	2015 plan	2014 plan	2013 plan
Share price at grant date (pence)	1,205.0	1,266.3	1,050.0	827.5
Exercise price (pence)	964.0	1,013.0	840.0	662.0
Expected volatility (%)	18.0	17.3	13.6	14.0
Option life (years)	3	3	3	3
Expected dividends (expressed as dividend yield %)	1.5	1.5	1.6	1.7
Risk-free interest rate (%)	0.9	1.0	0.8	1.0
Probability of forfeiture (%)	26.1	34.7	25.9	21.6

Volatility is based on the standard deviation of the A share of Young & Co.'s Brewery, P.L.C. over the three years prior to the grant date, adjusted for management's view of future volatility of share price. The assumed volatility may not necessarily be the actual outcome.

29. Related party transactions

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

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 3 April 2017, the pension scheme held 337,067 A shares (2016: 337,067), being 1.14% of the class.

The Ram Brewery Trust II holds assets for the benefit of employees and former employees. It is managed by a corporate trustee, RBT II Trustees Limited ("RBT II"). Two individuals, neither of whom is a director of the company, are the directors of RBT II. As at 3 April 2017, the trust held 66,991 A shares (2016: 554,077), being 0.23% 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 £0.4 million (2016: £0.2 million) and incurred a share based payment charge of £0.4 million (2016: £0.3 million).

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

	Group		Company	
	2017 53 weeks £m	Restated 2016 52 weeks £m	**2017 53 weeks £m**	Restated 2016 52 weeks £m
Profit before tax on continuing operations	**37.0**	32.8	**29.9**	28.2
Net finance cost	**5.5**	5.3	**5.1**	4.8
Other finance charges	**0.2**	0.3	**0.2**	0.3
Operating profit on continuing operations	**42.7**	38.4	**35.2**	33.3
Depreciation	**19.8**	16.7	**17.0**	14.1
Amortisation	**0.6**	0.5	**0.2**	0.1
Movement on revaluation of properties	**0.5**	1.2	**0.4**	0.9
Net profit on sales of property and associated goodwill	**–**	(0.1)	**(0.1)**	(0.1)
Goodwill impairment	**0.7**	0.3	**–**	–
Difference between pension service cost and cash contributions paid	**(1.4)**	(2.9)	**(1.4)**	(2.9)
Movement on onerous leases	**0.1**	–	**0.1**	–
Share based payments	**0.4**	0.5	**0.4**	0.5
Movements in working capital				
- Inventories	**(0.3)**	–	**(0.3)**	–
- Receivables	**(0.8)**	(0.9)	**6.1**	(1.2)
- Payables	**1.2**	6.7	**1.6**	10.7
Net cash generated from operations	**63.5**	60.4	**59.2**	55.4

Analysis of net debt

	Group		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Cash	**6.6**	13.2	**5.3**	11.8
Current borrowings and loan capital	**(28.5)**	–	**(28.5)**	–
Non-current borrowings – loan capital and finance lease	**(104.7)**	(143.4)	**(104.7)**	(143.4)
Net debt	**(126.6)**	(130.2)	**(127.9)**	(131.6)

31. 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.

Future minimum lease payments under finance leases are as follows:

	Group		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Future minimum lease payments due:				
- Not later than one year	**–**	–	**–**	–
- Later than one year and not later than five years	**0.2**	0.2	**0.2**	0.2
- Later than five years	**2.5**	2.5	**2.5**	2.5
	2.7	2.7	**2.7**	2.7
Less: finance charges allocated to future years	**(2.1)**	(2.1)	**(2.1)**	(2.1)
	0.6	0.6	**0.6**	0.6
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	**0.6**	0.6	**0.6**	0.6
	0.6	0.6	**0.6**	0.6

Future minimum rentals receivable from non-cancellable subleases on the above properties as at 3 April 2017 were £0.1 million (2016: £0.2 million).

(b) Operating lease agreements where the group is lessee

Operating leases for property are for terms ranging from one to 47 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 four years.

	Group		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Future minimum rentals payable under non-cancellable operating leases are as follows:				
- Not later than one year	**6.4**	6.7	**3.5**	3.1
- Later than one year and not later than five years	**22.5**	22.1	**11.5**	10.8
- Later than five years	**38.0**	38.5	**20.4**	21.1
	66.9	67.3	**35.4**	35.0

Future minimum rentals receivable from non-cancellable subleases on the above properties as at 3 April 2017 were £0.7 million (2016: £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 18 years.

Future minimum rentals receivable under non-cancellable operating leases are as follows:				
- Not later than one year	**3.5**	3.4	**3.4**	3.3
- Later than one year and not later than five years	**6.1**	5.8	**6.0**	5.8
- Later than five years	**6.2**	8.0	**6.2**	8.0
	15.8	17.2	**15.6**	17.1

32. Post balance sheet events

There were no post balance sheet events apart from the exchange of contracts on the Bull (Bracknell), the transfer of three pubs within the Ram Pub Company segment to the managed house segment and the disposal of the King's Arms (Epsom) and the Bell Inn (Illminster).

33. Contingent liabilities

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

Five year review

	2017 53 weeks £m	Restated 2016 52 weeks £m	Restated 2015 52 weeks £m	Restated 2014 52 weeks £m	Restated 2013 52 weeks £m
Revenue	**268.9**	245.9	227.0	210.8	193.6
Operating profit before exceptional items	**46.1**	41.2	37.6	33.2	28.7
Operating exceptional items	**(3.4)**	(2.8)	3.4	(0.5)	(3.8)
Net finance costs and other finance charges	**(5.7)**	(5.6)	(5.4)	(6.0)	(5.7)
Profit before tax	**37.0**	32.8	35.6	26.7	19.2
Taxation charge	**(7.0)**	(6.2)	(9.4)	(4.9)	(5.2)
Profit for the period from continuing operations	**30.0**	26.6	26.2	21.8	14.0
Adjusted profit before tax	**40.4**	35.6	32.2	27.2	23.0
Net assets employed					
Non-current assets	**724.0**	684.8	642.3	582.1	542.4
Current assets and assets held for sale	**18.5**	22.7	9.0	11.3	18.0
Current liabilities	**(71.4)**	(41.8)	(38.2)	(32.4)	(36.7)
Non-current liabilities	**(178.1)**	(213.2)	(205.5)	(180.1)	(186.3)
	493.0	452.5	407.6	380.9	337.4
Financed by					
Share capital	**6.1**	6.1	6.1	6.0	6.0
Reserves	**486.9**	446.4	401.5	374.9	331.4
	493.0	452.5	407.6	380.9	337.4
Purchase of fixed assets, lease premiums and business combinations	**38.3**	45.1	50.9	33.6	20.5
Net debt	**(126.6)**	(130.2)	(129.0)	(112.0)	(112.6)

	Pence	Pence	Pence	Pence	Pence
Per 12.5p ordinary share					
Adjusted basic earnings from continuing operations	**66.43**	58.44	51.04	42.70	35.66
Basic earnings from continuing operations	**61.51**	54.73	54.14	45.19	29.02
Dividends – paid in period	**17.95**	16.94	15.97	15.06	14.27
Gearing	**25.7%**	28.8%	31.6%	29.4%	33.4%
Average number of employees	**3,924**	3,735	3,496	3,357	3,242

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, 9 July 2017. 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 128th 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, 11 July 2017 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 3 April 2017, together with the strategic report, directors' report and the auditor's report on those accounts and reports.
2. To declare a final dividend of 9.62p per share for the financial year ended 3 April 2017.
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 Steven Robinson be, and is hereby, re-appointed as a director.
6. That Tracy Read be, and is hereby, re-appointed as a director.
7. That Nick Miller be, and is hereby, re-appointed as a director.
8. 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 2018) 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.
9. That, for the purposes of article 52(A) of the Company's articles of association, a higher sum of £300,000 be, and is hereby, decided.
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 £2,033,526 (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 £4,067,052 (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 2018) 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, the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £305,059, 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 2018) 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 4,880,951 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 2018) 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
24 May 2017

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, 10 July 2017 (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, 9 July 2017.

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

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

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

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

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

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

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

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

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

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

(h) In relation to paragraph (g), if you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions 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 2017 annual report or any proxy form for the Company's 128th 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 128th annual general meeting of Young & Co.'s Brewery, P.L.C. (the "Company") to be held on Tuesday, 11 July 2017 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 8.88p per share was paid in December 2016. The directors are recommending a final dividend of 9.62p per share for the year ended 3 April 2017, bringing the total dividend for the year to 18.50p per share. Subject to approval being given, the final dividend is expected to be paid on 13 July 2017 to shareholders on the register at the close of business on 9 June 2017.

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 5-7: re-appointments of directors
Each of Steven Robinson, Tracy Read and Nick Miller will be retiring automatically from the office of director at the meeting; this is because they were appointed by the board since the last annual general meeting. All of these individuals are seeking re-appointment and their brief biographical details are on page 16.

Resolution 8: 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 9: increased limit on the amount payable in respect of directors' fees
Broadly, article 52(A) of the Company's articles of association provides that the total fees to be paid to all the directors must not exceed £250,000 a year or any higher sum decided on by an ordinary resolution at a general meeting - a fee payable to a director pursuant to this article is distinct from any salary, remuneration or other amount payable to him or her pursuant to any other provision of the articles. Currently, the total annual fees payable to directors amount to £210,124. However, to ensure that the £250,000 cap (which was set in 2007) is not inadvertently breached and to ensure that the Company is able to continue to recruit and retain suitable candidates, it is proposed that the higher sum authority for article 52(A) be increased to £300,000. The directors have no present intention of making any further board appointments that would cause the existing £250,000 cap to be exceeded, however the increased amount provides the board with the flexibility to allow it to do so should the need arise.

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 £2,033,526 - this amount represents approximately one-third of the Company's issued share capital as at 24 May 2017 (but would be reduced by the nominal amount of any shares allotted or rights granted under paragraph (b) of this resolution in excess of £2,033,526). 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 £4,067,052, 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 24 May 2017. Therefore the maximum nominal amount of shares and rights that may be allotted or granted under this resolution is £4,067,052. 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 2018). 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, similar to previous years, be 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 £305,059. This aggregate nominal amount represents approximately 5% of the Company's issued share capital as at 24 May 2017. 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 2018).

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 4,880,951 of its shares, being no more than 10% of its issued share capital as at 24 May 2017. 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 2018). 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 2017, there were options outstanding over 105,936 A shares, representing 0.22% 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 0.27% of the Company's issued share capital. No warrants to subscribe for shares are outstanding.

Pubs and hotels

London and the surrounding areas

Stow on the Wold
Bell at Stow H

Chipping Norton
Blue Boar

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

Ealing
Grange
New Inn T

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

Hammersmith
Brook Green Hotel H
Thatched House T
Hammersmith Ram
Old Ship

Notting Hill
Duke of Wellington
Elgin G

Paddington
Porchester

Bayswater
Mitre

Kensington
Britannia
Curtains Up G
Duke of Clarence G

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

Isleworth
Castle T
Coach & Horses

Twickenham
Alexander Pope H

Teddington
Abercorn Arms T

Kew
Coach & Horses H

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

Mortlake
Jolly Gardeners T

East Sheen
Hare & Hounds

Barnes
Bull's Head G
Coach & Horses
White Hart

Fulham
Cock Tavern
Duke on the Green
Waterside

Battersea
Duke of Cambridge
Nine Elms Tavern
Northcote G
Plough
Prince Albert G

Staines
Bells T

Kingston
Albert
Bishop
Grey Horse T
Spring Grove

Roehampton
Angel T
King's Head

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

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

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

Clapham
Clapham North T
Windmill H

Balham
Devonshire
Grove
Nightingale

Tooting
Castle
Trafalgar Arms G

Mitcham
King's Arms T

Carshalton
Greyhound H

Walton-on-Thames
Royal George T
Swan

Surbiton
Black Lion T
Victoria
Waggon & Horses T

Chertsey
Crown Hotel H

Esher
Bear Inn H

Weybridge
Hand & Spear H

Claygate
Foley H

Bracknell
Bull

Oxshott
Bear

Epsom
Rising Sun T

Walton-on-the-Hill
Chequers

Earlsfield
Halfway House
Leather Bottle

Sutton
Lord Nelson T
Robin Hood T

Southern England

Sherston
Rattlebone T

Littleton-on-Severn
White Hart

Bristol
Bristol Ram T
Highbury Vaults
Horts
Rope Walk T
Riverstation

Burnham-on-Sea
Dunstan House Inn H

Congresbury
Old Inn T

Wrington
Plough Inn T

Somerton
Unicorn T

Keynsham
Lock Keeper

Castle Cary
Horse Pond T

Exeter
City Gate H
Double Locks

Sidmouth
Swan T

Exmouth
Grove

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

Covent Garden
Marquess of Anglesey

Shoreditch
Owl & Pussycat G

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

Cambridge
Station Tavern

Chelmsford
O'Connor's T
Riverside Inn T

Clapton
Princess of Wales G

Bethnal Green
Royal Oak T

Stratford
Cow (Westfield) G

Bow
Coborn
Crown G

Stepney
Queen's Head T

Aldgate
Leman Street Tavern G

Vauxhall
Fentiman Arms G
Riverside

Stockwell
Surprise T

Brixton
Trinity Arms
Hope & Anchor

Streatham
Bull

Wallington
Duke's Head H

Kennington
White Bear

Camberwell
Grove

Thornton Heath
Railway Telegraph T

Croydon
Dog & Bull T

Beddington
Plough

Southwark
Founder's Arms
Mulberry Bush
Prince William Henry T

Peckham Rye
Clock House

Dulwich
Wood House

Norwood
Hope T
Railway Bell T

Borough Market
Bunch of Grapes
Wheatsheaf

Bermondsey
Woolpack

Rotherhithe
Ship T

Greenwich
Cutty Sark
Old Brewery
Richard the First

Catford
Black Cat T

Bromley
Two Doves T

Woolwich
Dial Arch
Guardhouse G

Lee
Crown

Chislehurst
Bull's Head Hotel H

Dartford
Court House T
Malt Shovel T

Key
Young's managed house unless marked

Tenanted	T
Geronimo	G
Hotel	H

Hindon
Lamb Inn H

Shaftesbury
Mitre

Southampton
Strand 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 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 T

Plumpton Green
Fountain Inn T

Senior personnel, committees and advisers

Directors

Stephen Goodyear
Non-executive Chairman

Patrick Dardis
Chief Executive

Steven Robinson, F.C.A.
Chief Financial Officer

Torquil Sligo-Young
Information Resources

Tracy Read
People

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

Trish Corzine
Non-executive

Nick Miller
Non-executive

Company Secretary

Anthony Schroeder

Audit committee

Roger Lambert (Chairman)
Stephen Goodyear
Trish Corzine
Nick Miller

Remuneration committee

Nick Miller (Chairman)
Roger Lambert
Trish Corzine

Bankers

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

Barclays Bank plc
1 Churchill Place
London E14 5HP

HSBC Bank plc
8 Canada Square
London E14 5HQ

Auditor

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

Nominated adviser

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

Stockbrokers

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP

Panmure Gordon (UK) Ltd
One New Change
London EC4M 9AF

Solicitors

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Gowling WLG (UK) 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.

Computershare's contact address is:

The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Their telephone no. is 0370 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 2017

8 June 2017
Ex-dividend date for final dividend

9 June 2017
Record date for final dividend

11 July 2017
Annual general meeting

13 July 2017
Payment of final dividend

16 November 2017
Interim results announcement

23 November 2017
Ex-dividend date for interim dividend

24 November 2017
Record date for interim dividend

8 December 2017
Payment of interim dividend

How did you do?

1831 Young & Bainbridge buy the Ram Brewery

1890 Young & Co.'s is incorporated

1931 First pub with guest bedrooms is purchased

1939 First woman to work for Young & Co.'s is employed

1974 '35 years of service' club is introduced

1981 Queen Elizabeth II visits the Ram Brewery

2007 Young & Co.'s sells the Ram Brewery

2010 Young & Co.'s buys Geronimo Inns

2016 Young's On Tap is launched

In our opinion the above statements give a true and fair view of the group's history for the 185 year period then ended 3 April 2017.

Young & Co.'s Brewery, P.L.C.
Riverside House
26 Osiers Road, Wandsworth
London SW18 1NH
Telephone: 020 8875 7000 Fax: 020 8875 7100

www.youngs.co.uk

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