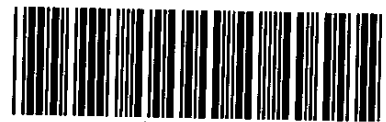


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MONDAY



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A12

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#189

COMPANIES HOUSE

Logo removed

Annual Report
for the 53 weeks ended 3 April 2023

Highlights

for the 53-week period ending 3 April 2023¹

Revenue
(£m)

£368.9

2022: £309.0

Adjusted operating profit
(£m)²

£52.4

2022: £51.4

Image removed

Operating profit
(£m)

£43.4

2022: £51.7

Adjusted profit before tax
(£m)²

£45.2

2022: £41.8

Find out how we are investing for the future in our pubs.

Pages 08-09 and 18-19

Profit before tax
(£m)

£36.2

2022: £42.1

Adjusted EBITDA
(£m)²

£85.5

2022: £82.5

Image removed

Net cash generated from operations (£m)

£83.8

2022: £107.0

Adjusted basic earnings per share²

64.29p

2022: 56.26p

Find out how we are evolving our premium drinks offer.

Page 17

Basic earnings per share

50.78p

2022: 58.83p

Dividend per share

20.52p

2022: 18.81p

Image removed

Find out how we nurture and develop our people.

Pages 26-29

Net assets per share³

£12.38

2022: £11.97

Net debt (£m)

£165.2

2022: £173.8

Image removed

Find out how we are supporting local producers and suppliers.

Pages 33-35

Net debt to adjusted EBITDA

1.9x

2022: 2.1x

All of the results above are from continuing operations.

¹ The prior financial year was a 52-week period

² Reference to an 'adjusted' item means that item has been adjusted to exclude non-underlying costs (see notes 11 and 12)

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

Welcome to Young's

Young's pubs are at the heart of our local communities in London and the south of England. With more than 220 establishments, our award-winning design means excellence in ambience as well as service and location. From poetic pubs steeped in history to secret underground cocktail bars, the character and individuality of each of our premises gives them a unique feel. Our pubs are distinctly different, and the people who work in them have pride in our culture and passion for the work they do.

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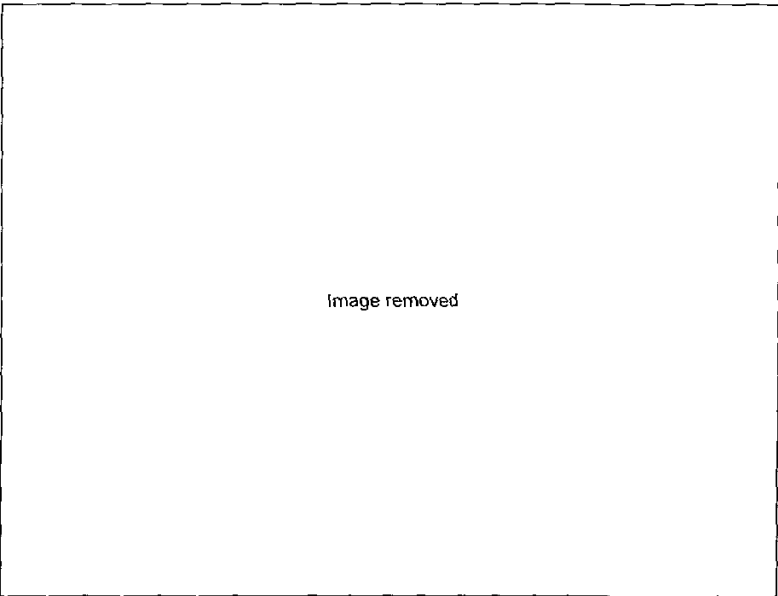
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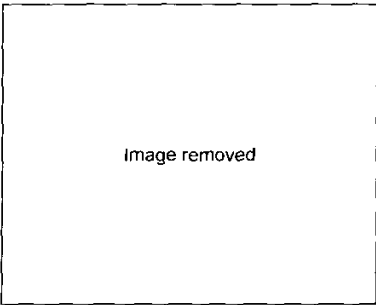
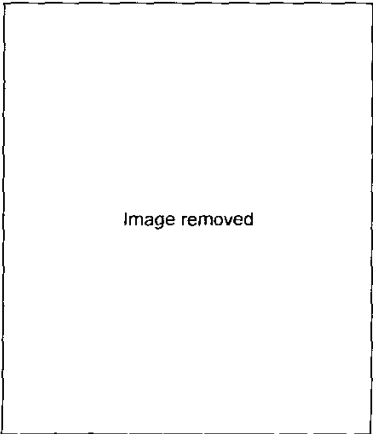
Year in review

We take great pride in surprising and delighting our customers. Here are some fine examples from the last twelve months, celebrating everything that makes Young’s such a great place to work.



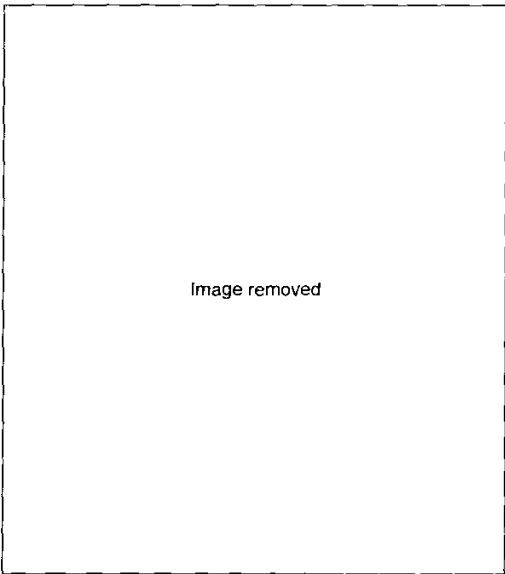
Annual Winter Warmer breakfast (below)

Epitomising everything that is great about the Great British pub, the launch of Young’s seasonal cask ale, Winter Warmer, is held every year at the White Cross in Richmond. The Young’s dray horses are accompanied by the buzzing sound of Morris dancers. A guaranteed sell-out, the event has gained legendary status since 1991.



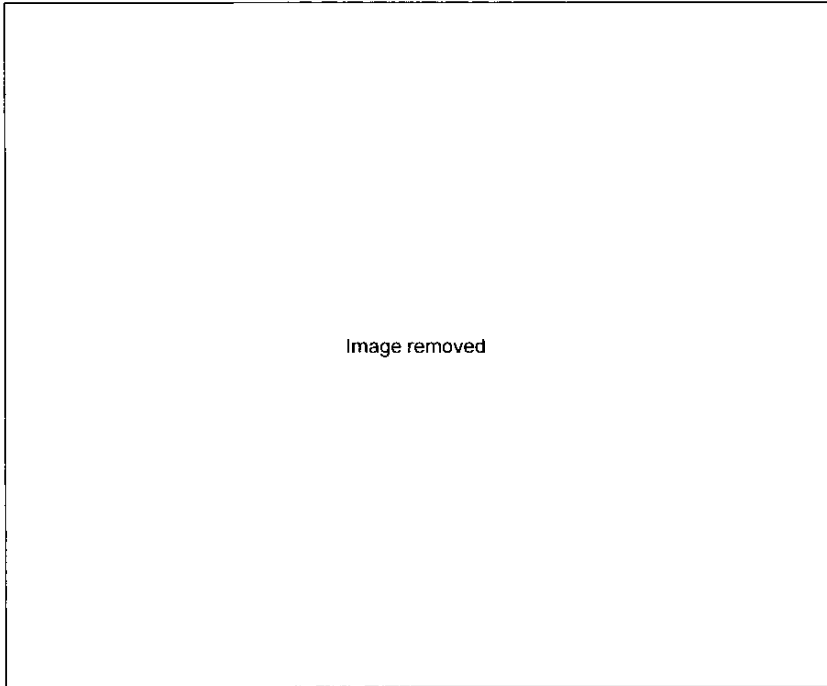
Award winning team (above and right)

Our group executive chef, Matt Sullivan, finished second in the annual Scotch Egg competition hosted at the Guinea Grill, Mayfair. His dry-aged salt marsh lamb and anchovy Scotch egg has even made its way onto our menus. The Oyster Shed, Bank, and head chef Natalie Coleman, received an AA Rosette for culinary excellence. She also picked up the prize for ‘best pub chef’ at the Great British Pub Awards.



Jubilee celebrations (above)

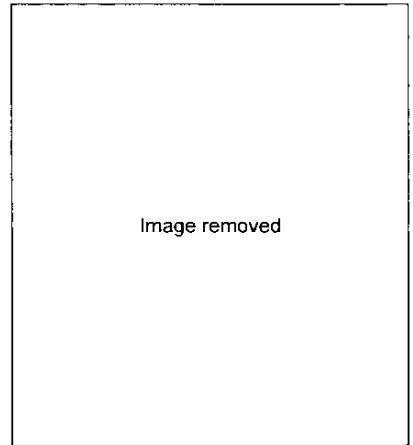
In June, we all joined together to celebrate the Queen’s Jubilee and commemorate Her Majesty Queen Elizabeth’s 70 years on the throne. Sadly, only a few months later, the country entered a period of mourning following her passing.



Summer Infusion cocktails

(below)

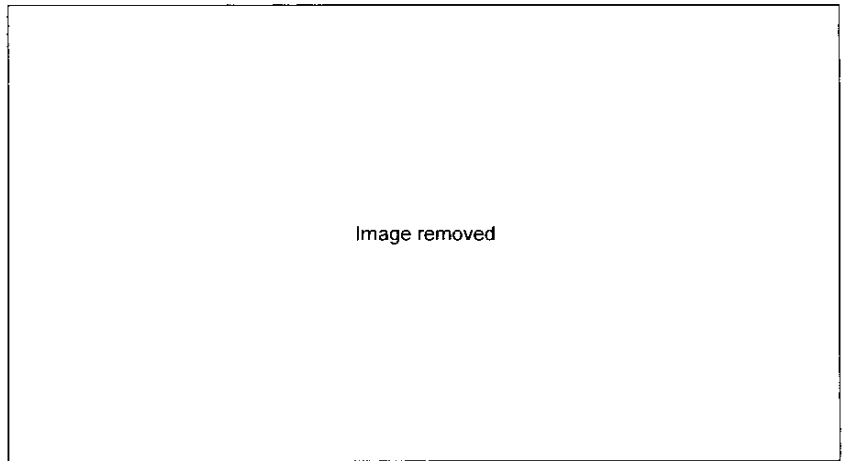
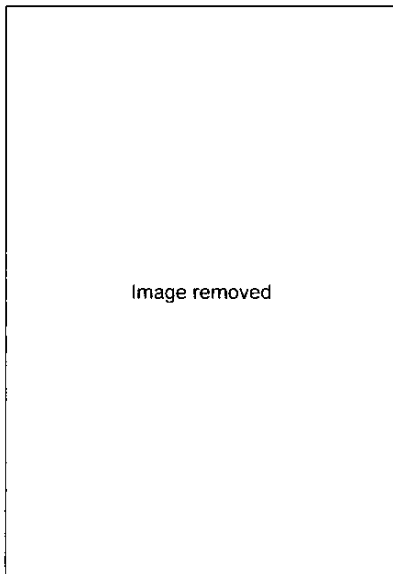
Building on the success of last year, our Summer Infusion menu featured exciting new drinks focusing on vibrant colours and flavours. Drinks such as the Amalfi Spritz, Watermelon & Basil Spritz and the popular Paloma were perfect for our fabulous gardens.



Launched our new draught range

(above)

From April, we started pouring our new draught beer range with a number of exciting new products such as Pravha and Beavertown Young Sun, alongside the returning Aspath cider and other big hitters – Peroni, Guinness, Estrella and Young's Original, of course.



Refreshed our Burger Shack menu

(left)

Ahead of this summer we launched the latest Burger Shack menu. Focusing on bold flavours, new additions include the buttermilk fried chicken 'Hot Chick' and the Louisiana 'Hot Beef' burgers, joined by exciting new sides and our first sweet treat, delicious mini cinnamon doughnuts.

Save While You Sleep

(above)

We launched our 'Save While You Sleep' initiative in partnership with Zero Carbon Services, aimed at ensuring our teams are adhering to best practice when it comes to switching on and off equipment at the right time. This will play an important role in our pledge to respect the planet and reduce energy consumption.

Chairman's statement

£368.9m

Revenue
(2022: £309.0m)

£85.5m

Adjusted EBITDA
(2022: £82.5m)

Our aim continues to
be premium, individual
and differentiated.

Image removed

"Despite the economic challenges of the past year, Young's has continued to thrive through our great pubs and wonderful people."

Stephen Goodyear
Chairman

In such a volatile economic environment this has been a highly successful year for Young's, and these results demonstrate the strength from our long-standing strategy of operating a premium, differentiated and well-invested managed estate. Total revenue was up 19.4% on last year, underpinned by our strong managed house like-for-like sales growth of 12.9% on a comparable 52 week basis. Despite the huge pressure of increased costs that have had such a negative impact over the past year, we still achieved adjusted EBITDA of £85.5 million (2022: £82.5 million), an increase of 3.6%.

A fundamental characteristic of Young's ongoing success has been the consistent investment for future growth through a combination of acquisitions and investment in our estate, made possible by our strong cash generation. During the year we invested a total of £58.4 million, this included the acquisition of six new pubs, adding a total of 40 new bedrooms and opening up new locations for Young's. Alongside these acquisitions we continued to invest significantly in our existing estate, notably at the Hare & Hounds (East Sheen), Crown (Bow), Marquess of Anglesey (Covent Garden) and Hort's Townhouse (Bristol) where we transformed the pub by creating a further 19 boutique bedrooms and completely redesigning the bar area. Despite the ongoing investment, the business remains conservatively financed, with net debt of £165.2 million and 1.9 times our adjusted EBITDA.

On the back of another successful year, the board is very pleased to recommend a final dividend of 10.26 pence. If approved by shareholders, this will result in a total dividend of 20.52 pence (2022: 18.81 pence), a 9.1% increase. It is expected to be paid on 13 July 2023 to shareholders on the register at close of business on 9 June 2023.

The Young's board continued to evolve during the year. As previously announced, Simon Dodd was appointed chief executive on 5 July 2022, succeeding Patrick Dardis who stepped down from this role at last year's AGM and from the board on 30 September 2022. Simon was recruited just under four years ago with succession planning in mind and his excellent leadership skills, vision and operational experience are already proving to be great assets to Young's. Once again, on behalf of the board, I would like to thank Patrick for his huge contribution to the company over the last 20 years.

In addition, Mark Loughborough joined the board as retail director on 30 September 2022. He is an experienced operator, having spent 11 years with Young's in a number of senior roles, most recently as senior director of operations. We have assembled a very talented executive team who will take Young's to the next chapter.

We were also pleased to welcome Sarah Sergeant as an independent non-executive director on 1 March 2023. She has a wealth of experience in the leisure, hospitality and property sectors, we are very much looking forward to working with her.

As a board we are passionate about building a sustainable company and we are committed to driving a positive environmental, social, and governance agenda. During the year, taking advice from our partners at Savills Earth, we have grouped our properties based on age, condition, servicing and heritage status, which will guide our net zero implementation plans. In May, we launched the 'Save While You Sleep' initiative to guide and encourage energy saving opportunities through operational best practice.

The Ram Agency, our own internal recruitment platform which caters for the desire to work flexibly, continues to grow and our digital career pathway, which was launched in May, has increased employee engagement and enabled management to identify key talent for succession planning. The board and leadership team fully support our evolving sustainability strategy and we will continue to find ways to reduce our carbon footprint and improve the wellbeing of both our teams and our customers.

I would like to extend my thanks to our executive directors for their hard work, leadership and dedication throughout an extremely demanding year, to the non-executive directors for their continued wisdom, guidance and encouragement, and finally to our shareholders for their continued support during such a demanding period.

Stephen Goodyear
Chairman

24 May 2023

Young’s at a glance

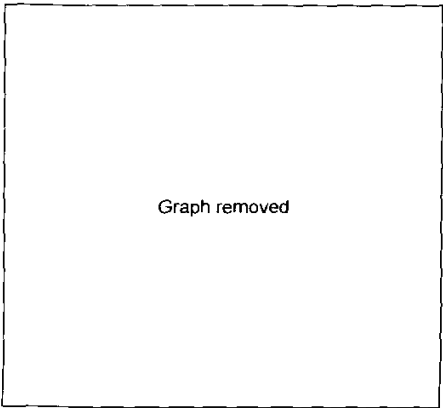
From stunning riverside terraces to flower-filled garden huts, our collection of pubs have some of the best gardens in London and the south of England. Inside, our pubs have style and character, and the people who work with us have pride in our culture and passion for the work they do.

1831

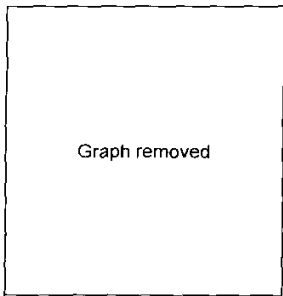
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227

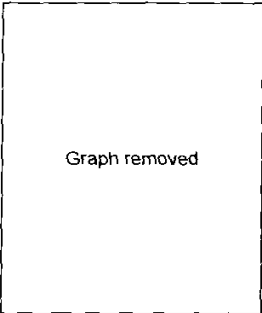
Pubs



£842.5m



5,654



793

Bedrooms

41

Burger Shacks

2.1m

Pints sold

473k

Young’s On Tap app users

Our locations

30

South West

33

South East

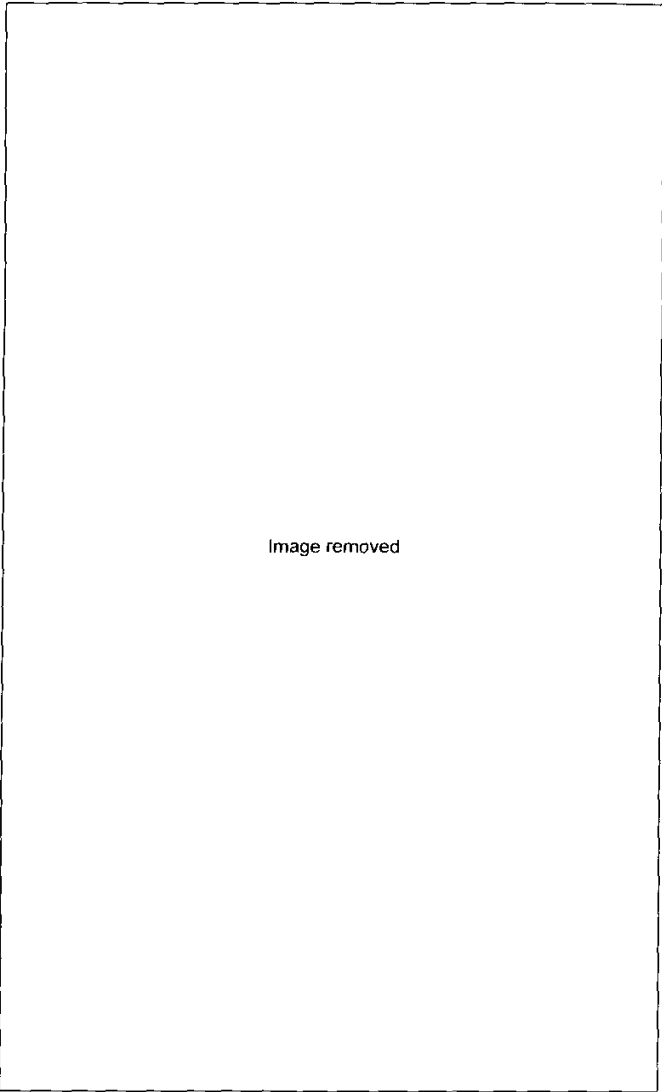
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164 Greater London

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Investing in our estate

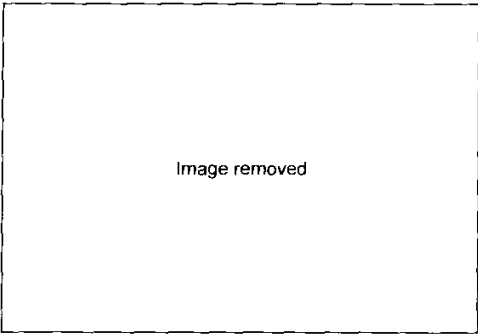
Our pubs and bedrooms are as individual as the customers we serve.



All of our pubs are refurbished to the highest standard, celebrating their unique heritage and individual character.

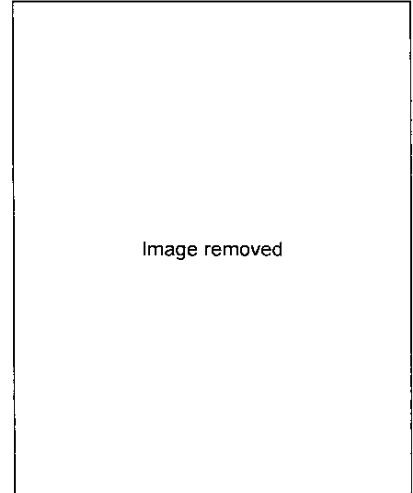
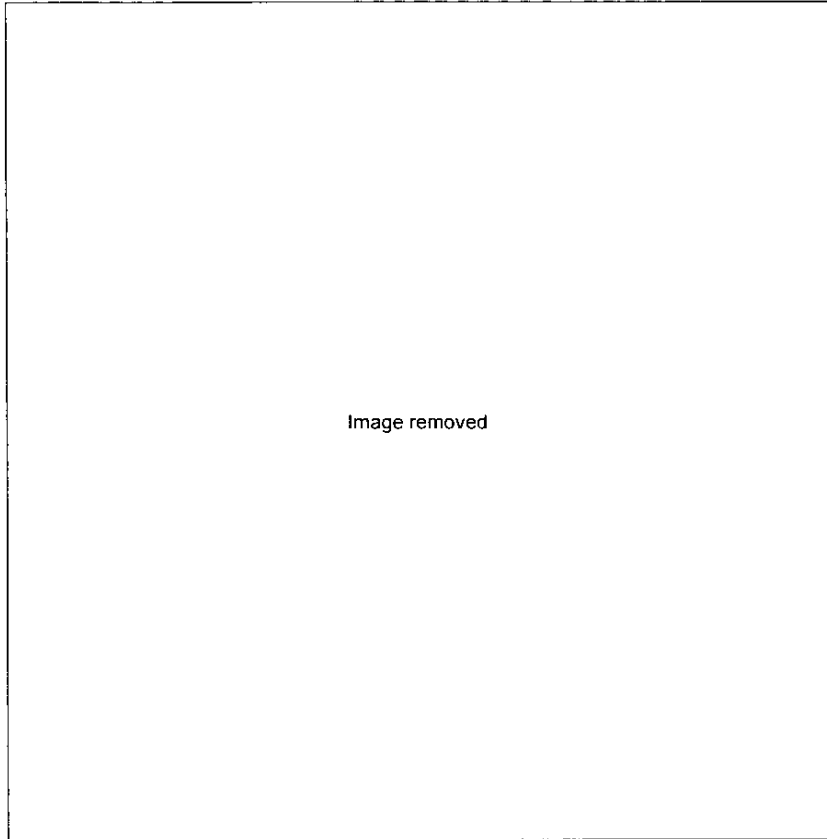
Coborn, Mile End
(below)

Located in London's East End, close to Victoria Park, this charming and characterful pub has been restored to create a wonderful warm and inviting space. Internal reconfigurations have created a new snug area and the redecorated bar now features quirky personal touches recognising local regulars, such as 'Terry and Dave's corner'.



Brook Green, Hammersmith
(left)

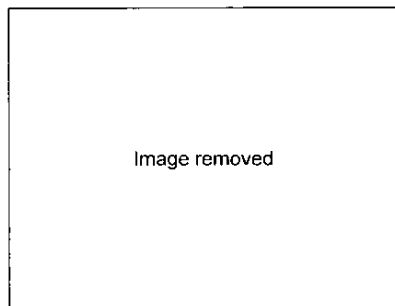
Elegantly renovated, this pub sits proudly on the corner of the historic Brook Green in Hammersmith. Upstairs you will find 17 boutique bedrooms, while downstairs the pub has its own cocktail bar, Smiths.



Hort's Townhouse, Bristol

(above and left)

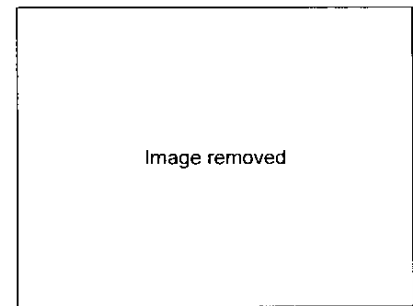
Beautifully restored, this Grade-II listed building has been transformed into Hort's Townhouse. Featuring 19 stunning boutique bedrooms, all individually designed and fabulously furnished, like none other you will find in the city. Our latest pub with rooms development is just a stone's throw from Bristol's city centre.



Elgin, Notting Hill

(right)

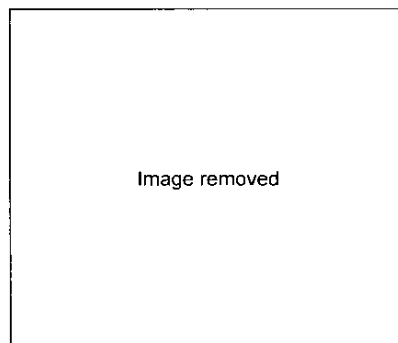
A cornerstone of Ladbrooke Grove, with a rich and vibrant history, in this iconic location on the edge of Notting Hill. The pub has been lovingly restored to its former glory to create a traditional British pub.



Hare & Hounds, East Sheen

(above)

The heart of the East Sheen community, the investment here has brought one of the best pub gardens in London to life. With more than 200 covers, customers can relax in a selection of huts and pergolas as they feast on food and drink served from the outside bar and kitchen.



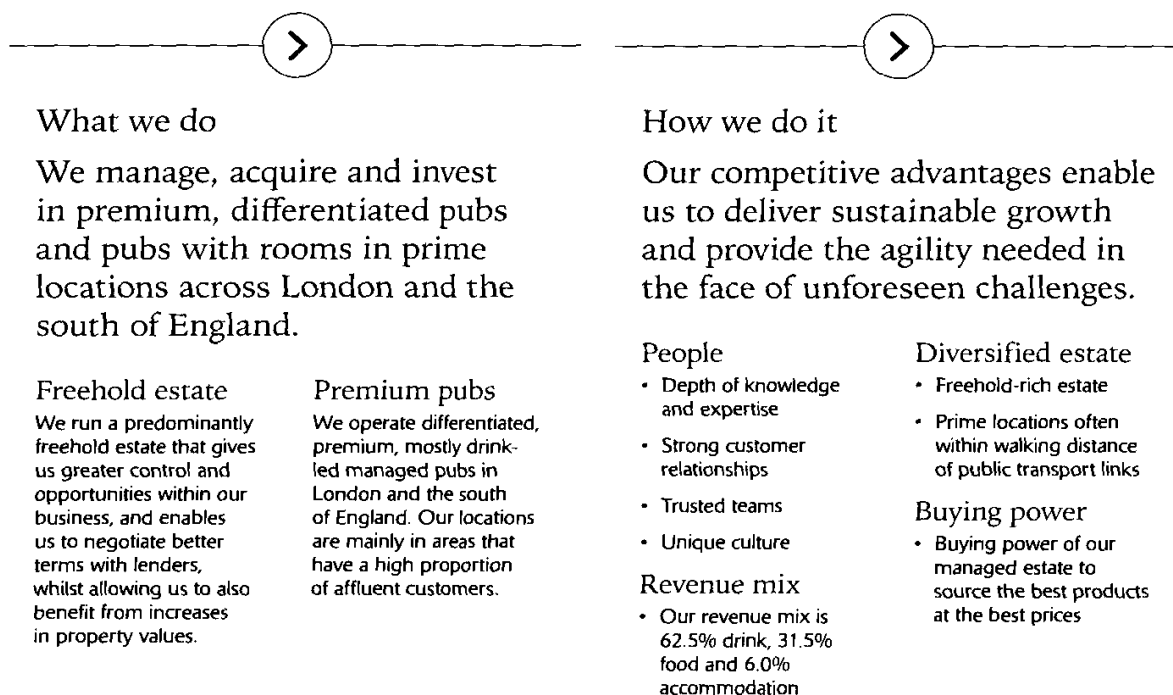
Bishop, Kingston

(left)

Nestled on the banks of the River Thames, the Bishop has the most beautiful view of Kingston bridge. Its riverside terrace is the perfect place to watch the world go by with a pint of Young's Original.

Our business model

Our business model captures how we are a resilient business that delivers value for all of our stakeholders in a sustainable, long-term way.



Our Values

Authentic

We've been around since 1831 and see our heritage as the foundation of our success. We're proud of where we've come from but have our sights set firmly on the future.

Assured

We're not humble but we are also not show-offs. We do things well, with an understanding that in life, you get what you pay for.



The value we deliver

Our business creates value for our stakeholders and economic value in the regions where we operate.

People

- Creating rewarding careers for our people

Investors

- Sustainable financial returns for our shareholders

Customers

- High quality service across our pubs and pubs with rooms

Suppliers

- Building long-standing relationships with our suppliers

Society

- Contributing to our local communities



Sustainable growth

We create long-term sustainable growth through strategic investments in our estate, our people and our communities, delivering value for all of our stakeholders. At Young's, we go beyond thinking about profit – we are making investments that not only build up the bottom line, but also improve society.

Community

We are the centre of the community, essential and well-loved by our customers, as essential and well-loved as they are by us. We believe in local community celebration.

Convivial

Premium yet personal hospitality. Friendly, lively good humour.

Individual

From the late-night city bolt holes to the sprawling neighbourhood centrepieces, from ancient, oak-beamed village inns to underground cocktail bars, our pubs are as individual as the customers who frequent them every day.

Chief executive's review

£52.4m

Adjusted operating profit
(2022: £51.4m)

£83.8m

Net cash generated from operations
(2022: £107.0)

A strong year
of trading gives us
reason for optimism.

Image removed

*“Our success as a
business is dependent
on having outstanding
pubs with the best
people to operate them.”*

Simon Dodd
Chief Executive

I am very pleased to announce such a positive set of results. We have built on the momentum of the resumption of normal trading and the strong start we made in the first half of this financial year. The past few years have been tough for our industry as a whole and these results are a testament to the quality and dedication of our people, and the value added by recent and consistent investment. It demonstrates that our strategy of running premium, individual and differentiated pubs continues to deliver.

Despite the ongoing challenges and prior year comparatives supported by reduced VAT rates, total revenue was up by 19.4% to £368.9 million (2022: £309.0 million) for the 53-week period, underpinned by our managed pub like-for-like performance, up by 12.9% on a 52-week basis, alongside the continued investment in our existing estate and strategically selected acquisitions.

We have not been immune to the increasing cost of food, consumables, and the rise in the National Living Wage, however, our foresight to fix utility rates until March 2024 has minimised the full impact of higher energy prices. Despite these headwinds, our adjusted operating profit was £52.4 million (2022: £51.4 million), with adjusted profit before tax up by 8.1% to £45.2 million (2022: £41.8 million). Total profit before tax was £36.2 million (2022: £42.1 million) down largely due to a movement in our property revaluation. Our adjusted operating margin remained resilient at 14.2%, down as expected from the prior period margin of 16.6%, which was heavily bolstered by government covid support through business rate reductions, lower VAT rates and grants. Our business remains highly profitable and over the coming months, as inflation is predicted to soften, we are confident that margins will improve.

Our strong financial position, driven by healthy operating free cashflow has enabled us to continue to invest significantly, with total investment of £58.4 million in the period (2022: £73.7 million), whilst still reducing our net debt position. At the period end, we remain conservatively financed, with net debt (including lease liabilities) of £165.2 million, being 1.9 times our adjusted EBITDA.

It has been another active year on the acquisition front as we added six new pubs: the Bedford Arms (Chenies), Carpenter's Arms (Tonbridge), Half Moon (Windlesham), Merlin's Cave (Chalfont St Giles), Wild Duck (near Cirencester) and the award-winning Griffin Inn (Fletching) in East Sussex. Across our existing estate, we invested £34.4 million with notable projects at the Bull (Streatham), Hare & Hounds (East Sheen), Crown (Bow) and the Elgin (Notting Hill). We continue to explore opportunities to maximise our trading areas through underutilised space, with two beautiful examples at Hort's Townhouse, where we added 19 boutique bedrooms in central Bristol, and the new roof terrace at the Marquess of Anglesey (Covent Garden), which is due to open next month.

We continue to have one eye on the future, ensuring we have a steady pipeline of new openings. In the second half of the year, we transferred two of the remaining tenancies back into our managed estate, Bishop's Vaults (Bishopsgate) and the Clapham North (Clapham). The latter was completed just days before the period end, closing immediately for an investment and will reopen later this summer. Elsewhere, exciting projects are due to get underway at the Constitution (Camden), Wild Duck purchased earlier this year, and the old bank site in Farnham, Surrey, acquired back in 2018.

Our success as a business is dependent on having great pubs with the best people to operate them. I continue to be impressed by the quality of the teams we have in place. We focus on providing high-quality training programmes and development opportunities to give our people the chance to flourish and further their careers within Young's. Across our pubs, 73% of general manager appointments have been internal promotions. In September, I was pleased to welcome Mark Loughborough to the board following his promotion to retail director, having been a valued member of the Young's team for 11 years in a number of senior roles. I look forward to seeing many more of our valued team throughout the business progressing their careers in the months and years to come.

As a group, we are committed to building a business which nurtures and develops our people, makes a lasting and positive contribution to the communities we operate in, and respects the environment. Not only is this vital to our future success, but it will also enable us to deliver long-term value for all our stakeholders. This is covered in more detail within our annual report on pages 24–43, as we continue to embrace a more structured approach to sustainability.

Recent trading and outlook

Since the period end, trading has been positive with managed like-for-like sales up by 4.8% despite the unseasonably cooler and wetter start to spring, as we were able to capitalise on the well-timed Easter and bank holiday sunshine. While the additional bank holiday for the Coronation gave us minimal upside, it was fantastic to see our customers and pubs celebrating with local events, highlighting the important role our pubs play in their communities.

Last month we completed on the freehold purchase of the Stag (Belsize Park), located close to Hampstead Heath in North London, adding further to our presence in the capital.

We find ourselves living in challenging times, including headwinds from high inflation and the resumption of train strikes, but there is plenty for us to be excited about. This autumn, the Rugby World Cup provides a fantastic opportunity given our rugby heritage and we are hopeful that further rail strike disruption will be limited. The investments and acquisitions made in the last two years, alongside our future pipeline provide tremendous growth potential. The business is completely aligned to take Young's forward, and we are confident in our ability to deliver superior returns for our shareholders.

Simon Dodd
Chief Executive

24 May 2023

Our service excellence

Our highly trained and enthusiastic pub teams work hard to consistently surprise and delight our customers. We design our pubs focusing on the needs of the customer. The high service standards we provide alongside the quality food, drink and rooms on offer creates the best possible experience for our customers.

We offer both back and front of house apprenticeships, along with robust training and development

for all of our people. The teams are provided with valuable tools to enable them to deliver excellent service.

Service excellence filters down into everything we do at Young's, from the recruitment and training in our pubs, to our people at Copper House.

Our aim as publicans is to provide the best experience possible.

Image removed

Surprising and delighting our customers in every visit.

Image
removed

“Our friendly, lively and exceptional customer service is convivial hospitality at its best.”

Mark Loughborough
Retail Director

Image removed

Our strategy

Delivering growth through our three strategic priorities

Investing in our estate

We look to grow through a combination of investing in our existing pub estate and opportunity-led acquisitions. Each year, on average, we reinvest about two-thirds of the cash we generate.

Our progress in 2023

- Transformational projects at Hort's Townhouse and the Hare & Hounds. Alongside smaller schemes to ensure our pubs remain premium.
- Long-term strategy to maximise the potential from our remaining tenancies through transfers to managed pubs, success at the Clapham North and Bishop's Vaults.

Our priorities for 2024

- Our project at the Marquess of Anglesey remains onsite and is due to complete in June.
- We remain committed to identifying opportunities to maximise the potential within our existing estate whilst ensuring that we maintain our premium standard in all pubs.

£34.4m

Invested in our estate

11 12

Hand-picked acquisitions

We invest in hand-picked acquisitions, based in locations where we feel our style of operation will thrive, as well as benefitting the surrounding area. All acquisitions have to pass our strict internal investment criteria.

Our progress in 2023

- The acquisition and investment of two pubs, Merlin's Cave and the Half Moon. Our purchase of the Wild Duck will remain closed while extensive renovations are carried out.
- We acquired a further three premium pubs with rooms, the Bedford Arms, Carpenter's Arms and the Griffin Inn, adding 40 bedrooms to the estate.

Our priorities for 2024

- Strategically selected acquisitions that meet our internal investment criteria and possess potential. We are in a strong position to capitalise on opportunities that present themselves.
- In April, we completed the purchase of the Stag, a freehold pub in Belsize Park, London.

£24.0m

Acquisition investment¹

11 12

Investing in our people

We believe in investing in our people and nurturing our own talent, so they are able to continue to grow our pubs by surprising and delighting our customers.

Our progress in 2023

- Successfully reached our target of 300 team members registered with the Ram Agency with people in a range of roles, from general manager, to chef and back of house.
- Fulfilled our strategy to recruit from within the business, successfully filling 73% of general manager positions with internal candidates.

Our priorities for 2024

- Our aim is to have over 500 team members registered with the Ram Agency.
- We now have nine different apprenticeship programmes across the business, our aim is to have 200 apprentices.

48

Current apprentices

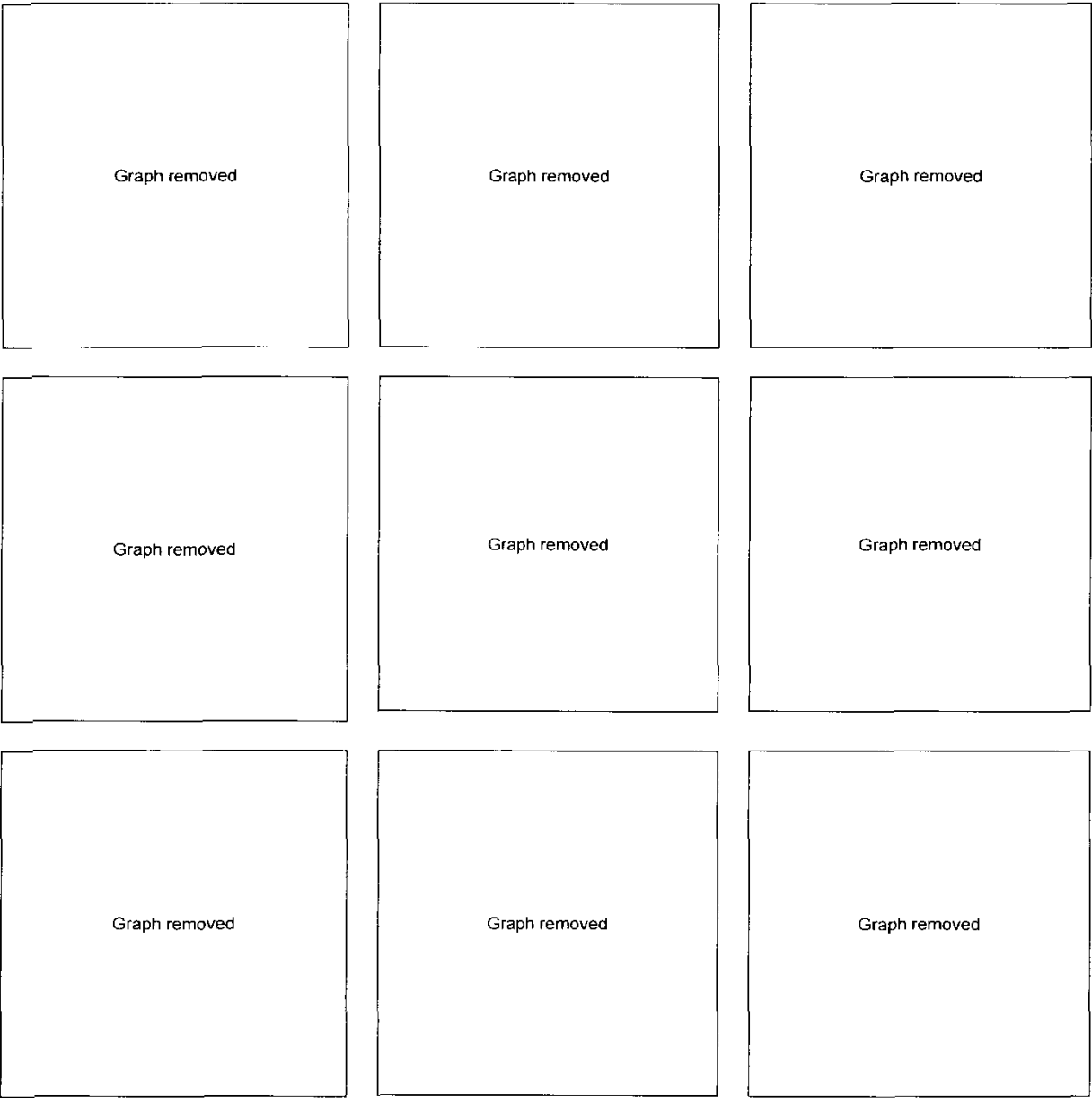
10 12

The circled numbers refer to *Principal risks and uncertainties* on pages 44 to 47.

¹ Includes post-acquisition investment.

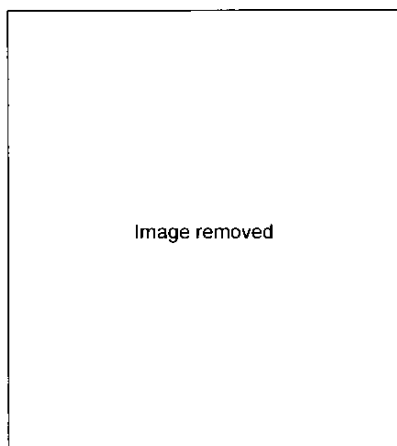
Key Performance Indicators

We measure the development, performance and position of our business against a number of key performance indicators. The reference to an ‘adjusted’ item means that the item has been adjusted to exclude non-underlying items. These alternative performance measures have been provided to help investors assess the group’s underlying performance.



* Results for 2022 are for continuing operations. 2021 comparatives have been restated.

Our premium drinks offer



This year, we introduced a number of new beers and ciders to our bar: Pravha, Brooklyn Pilsner, Beavertown Young Sun, and Aspell.

We have elevated our range of alcohol-free drinks to offer customers the choice, either with or without alcohol. Quality alcohol-free serves for all occasions include our first draught alcohol-free lager, Estrella Free Damm, as well as a selection of non-alcoholic cocktails.

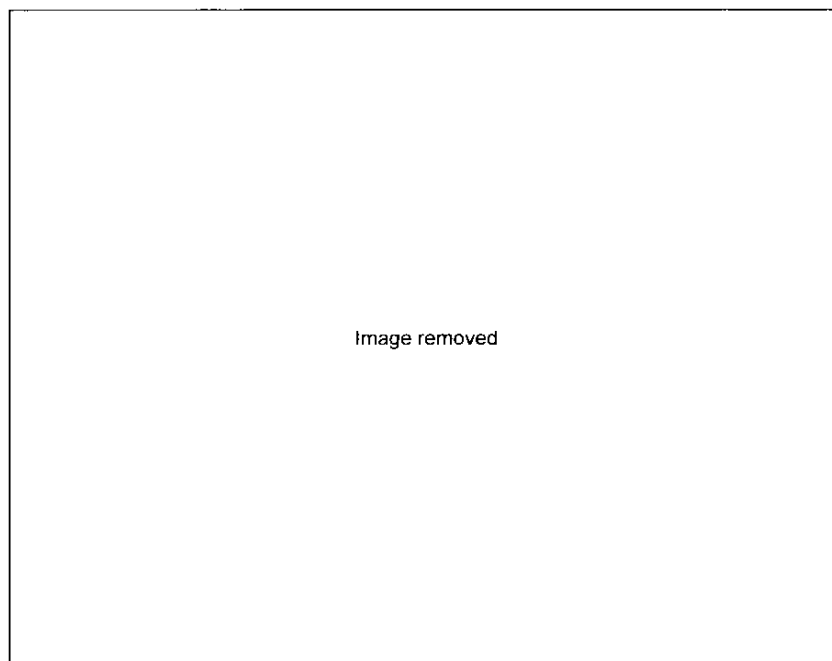
And as our customers continue to favour locally produced products, we introduced Nyetimber, the world-renowned English sparkling wine, to our pubs to great acclaim.

Exciting, often colourful and always innovative.



*“We live in an
experience economy
where our customers
are always looking
for something a
little special.”*

Gillian McLaren
Director of Marketing



Our latest acquisitions

The Bedford Arms, Chenies

(below and right)

This 18th century pub with 18 charming bedrooms is nestled in the heart of the Chilterns between Buckinghamshire and Hertfordshire.

Escape the hustle and bustle of city life with the peaceful surroundings of the Bedford Arms, the perfect place to enjoy a glass or two of your favourite tipple.

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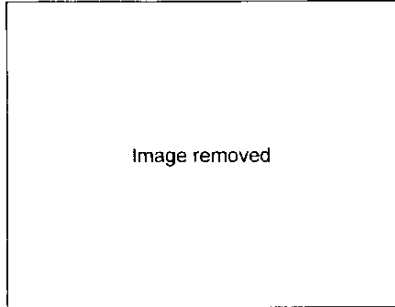
We seek out new pubs with character and heritage.

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“We have a great team who continue to seek acquisitions that meet our strategy to have premium and well-invested freehold pubs across London and the south of England. We can bring Young’s unique operating experience to great trading pub assets.”

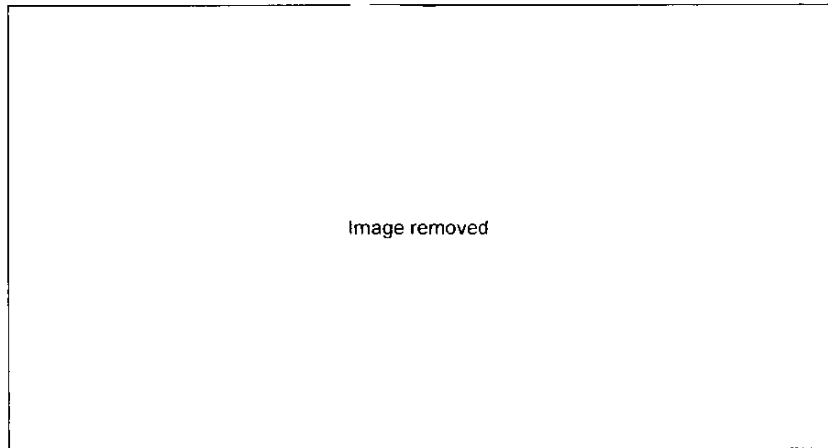
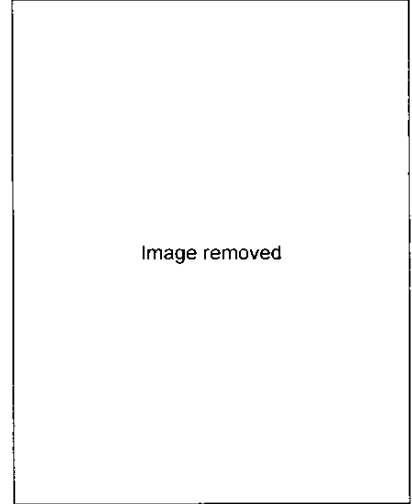
Stuart Gallyot
Director of Property



Merlin's Cave, Chalfont St Giles

(left)

Located opposite the village green and nestled beside the River Misbourne. The pub includes a bustling bar area, filled with home comforts, and a gorgeous garden, perfect for a warm summer's day.



Half Moon, Windlesham

(above)

The Half Moon is a country pub located in the heart of the village, and plays an important role in the local community.

Recently refurbished throughout, the pub features a traditional bar area, an oak-beamed dining room and a wonderful garden.

Carpenter's Arms, Tonbridge

(above)

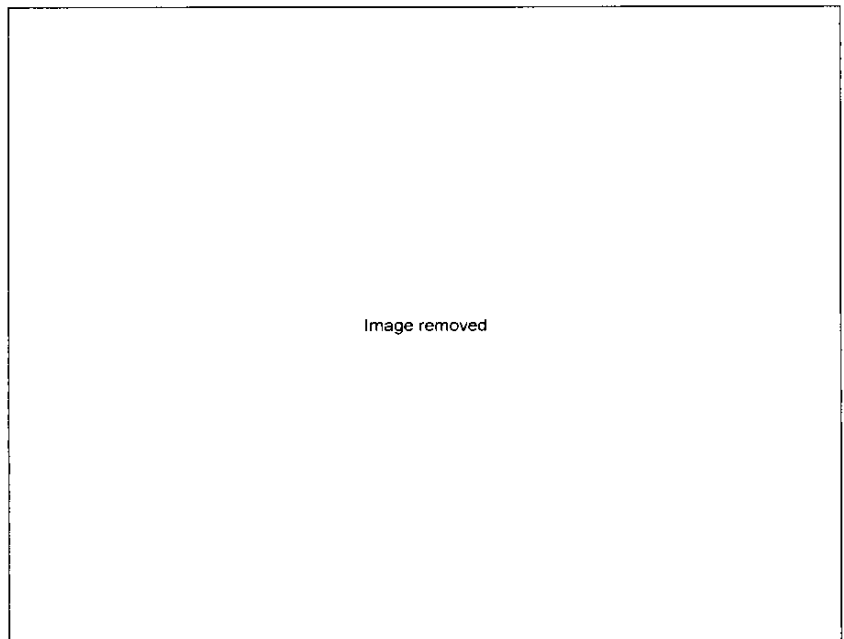
In keeping with the geography of recent acquisitions, the Carpenter's Arms is located in the Kent countryside, on the outskirts of Tonbridge.

The pub includes nine recently refurbished bedrooms and features a seated terrace to the front, with a hidden garden to the rear, offering customers the opportunity to dine or drink in one of the unique rotunda huts.

Griffin Inn, Fletching

(right)

The award-winning pub comprises a charming 16th century freehold coaching house, with 13 bedrooms, nestled in the heart of the East Sussex countryside. Its expansive, two tiered garden has such magnificent views that it is known locally as the 'Sussex Serengeti'.



How we have engaged with our stakeholders

We believe that considering our stakeholders in key business decisions is not only the right thing to do but is fundamental to our ability to drive value over the longer term. Board directors are bound by their duties under the Companies Act 2006 (the 'Act') to promote the success of the company for the benefit of our members as a whole. In doing so, however, they must have regard to the interests of all our stakeholders, to ensure the long-term sustainability of the company.

The board is therefore responsible for ensuring that it fulfils its obligations to those impacted by our business, in its stakeholder consideration and engagement. The following pages comprise our section 172(1) statement and describe how the directors have had regard to the matters set out in section 172(1) (a) to (f) of the Act when acting in the way they considered, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In line with guidance issued by the Financial Reporting Council, this statement concentrates on matters that are of strategic importance to the company. Where appropriate and to avoid duplication, the statement cross-refers to other sections within the annual report.

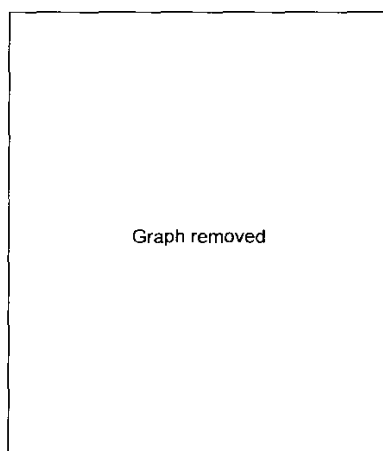
Section 172(1) statement

Principal stakeholder groups

The directors regard those listed below as the company's principal stakeholder groups.

Set out in relation to each group is:

- Why the directors believed it was important to engage with that group (the Why?)
- The main methods used by the directors to engage with that group and to understand the issues that concerned that group (the How?)
- Information on the effect on the company's decisions and strategies during the period as a result of issues raised by that group (the Outcomes and actions)



Graph removed

Customers

Why?

The company's source of revenue is from customers in the group's managed houses, with drink sales being 62.5% of managed house revenue, food being 31.5%, and the provision of accommodation being 6.0%. Lower revenue could lead to lower profits. A customer's decision to spend their money can be affected by a broad range of matters, all set against a background of consumer choice of where to go and what to do. See also principal risks and uncertainties 3 on page 44.

How?

See the *Engagement with suppliers, customers and others in a business relationship with the company* section within the directors' report, starting on page 84.

Outcomes and actions

See the *Engagement with suppliers, customers and others in a business relationship with the company* section within the directors' report, starting on page 84.

Our people

Why?

The commitment, skills and experience of the people employed throughout the organisation (whether they are in the company's pubs or at Copper House) are integral to the company's long-term success; amongst other things, all of them have a part to play in helping to continue to grow, and/or support, the company's business and in demonstrating the company's values on a daily basis. They are our most prized asset and staff retention is therefore crucial. Consequently, it is important that the company is an 'employer of choice', provides an environment in which people are happy to work, supports the physical and mental wellbeing of its staff, and gives individuals the opportunity to develop. See also principal risks and uncertainties 10 on page 47.

How?

See the *Employee engagement* section within the directors' report, starting on page 83.

Outcomes and actions

See the *Employee engagement* section within the directors' report, starting on page 83 and *Our people* section of the sustainability report starting on page 24.

Suppliers	Investors	Lenders
<p>Why?</p> <p>The business relies, in the main, on a small number of suppliers to provide the company's pubs with food and drink. The range, availability and quality of the products sourced is fundamental to the company's reputation. To remain as a provider of a market-leading, competitive premium offering that new and existing customers would want to enjoy, it is important that the company partners with the right suppliers, and has good, strong and mutually beneficial business relationships with them. 82% of the company's spend is with 5% of its suppliers. See also principal risks and uncertainties 4 and 8 on pages 45 and 46.</p>	<p>Why?</p> <p>Continued access to capital is of vital importance to the long-term success of the company's business. Via its engagement activities, the company strives to obtain investor buy-in to the company's strategy of how to grow the business and the company's business model, setting out how value is created. The aim is to promote an investor base interested in a long-term holding in the company. See also principal risks and uncertainties 7 on page 46.</p>	<p>Why?</p> <p>Lenders are an additional important source of capital. As it does with its investors, the company looks to get buy-in from its lenders to the company's strategy and business model. The intention is to develop supportive, long-term relationships. See also principal risks and uncertainties 7 on page 46.</p>
<p>How?</p> <p>See the <i>Engagement with suppliers, customers and others in a business relationship with the company</i> section within the directors' report, starting on page 84.</p>	<p>How?</p> <p>See the <i>Shareholder relations</i> section within the corporate governance report, starting on page 70, for information on the company's main methods of engagement with investors.</p>	<p>How?</p> <p>The chief financial officer regularly spoke with the company's banks and noteholders. Further, as required under the terms of the company's loan facilities, they received quarterly covenant compliance certificates.</p>
<p>Outcomes and actions</p> <p>See the <i>Engagement with suppliers, customers and others in a business relationship with the company</i> section within the directors' report, starting on page 84.</p>	<p>Outcomes and actions</p> <p>The company's investors remained supportive of the company's strategy and business model.</p>	<p>Outcomes and actions</p> <p>The company's lenders remained supportive of the company's strategy and business model. Following the return to normal trading conditions, discussions between them and the company returned to focusing on the company's material activities (including acquisitions and disposals) and any appetite to increase borrowings. Further discussion took place on the general trading environment. Particular discussions took place with NatWest concerning the £30.0 million term loan which was due to mature at the end of March 2023, and was subsequently repaid during March 2023 (see the following page).</p>

How we have engaged with our stakeholders continued Section 172(1) statement continued

Trustees of the final salary pension scheme

Why?

The company operates a defined benefit pension scheme covering benefits payable to various current and former employees; the scheme was closed to new entrants in February 2003. The scheme is a key company financial commitment as it needs to be funded to meet agreed benefit payments and regulatory pension funding requirements. The scheme's trustee is Young's Pension Trustees Limited, a corporate trustee. The company recognises that the trustee and the company each has a vital role to play in the proper running of the scheme and that regular, clear and open communication and, where necessary, consultation is important in helping maintain a good working relationship between the company and the trustee. The company is party to all scheme deeds, undertaking responsibilities under the scheme's trust deed and rules together with pension legislation and regulation, as required. See also principal risks and uncertainties 6 on page 45.

How?

During the period, the chief financial officer worked closely with the trustee. The chief financial officer attended meetings with the trustee and delivered presentations on the company's business, thus keeping the trustee informed of the company's financial position and of any plans that would change or impact upon the employer covenant supporting the scheme. In addition, the chief financial officer was invited to join scheme investment discussions. The chair of the trustee is a director of the company and gave presentations to the company's board on various aspects of the scheme.

Outcomes and actions

Discussions primarily focussed on funding, investment and employer covenant considerations, ensuring an integrated approach to risk management. Strategic scheme initiatives, such as the approach to liability management and minimising volatility, were discussed; these saw the trustee continuing with a carefully designed strategy to manage liabilities and underlying scheme risk, all against the background of the scheme's continuing maturity. The company reviewed a comprehensive update on the performance of the scheme's liability-driven investment strategy, which had performed in line with expectations, and it was regularly updated on scheme funding, membership changes and other key details. Other legislative developments, such as the action to be taken as a result of the need for GMP equalisation and the new regulatory funding code consultation were noted. The company's views were sought on the approach to the schemes maturity and potential timeline for reaching buyout. The trustees' requested a discretionary increase for the year starting 1 April 2023. Overall, because of the company's engagement and the proactive appropriate stewardship of the trustee, stable contributions continued to be paid to the scheme (as has been the case for many years) and the company benefited from funding savings resulting from liability management initiatives.

Principal decisions

For the purposes of this statement, the directors regard their principal decisions as not only those that are material to the group, but also those that are significant to any of the company's principal stakeholder groups. Set out below are the principal decisions made by the directors during the period; implicit in making these was the desirability to maintain a reputation for high standards of business conduct and the need to act fairly as between members of the company.

Approval of capital and revenue budget for FY24

The capital and revenue budget for FY24 was approved by the board in March 2023. Despite ongoing cost challenges, the board believes that the company's premium offering would remain attractive to existing customers and act as a draw to new ones. The company's business model and budget would allow the company to continue to invest in its people and pay them appropriately, and capital would continue to be available to enable selected hand-picked complementary acquisitions to be made. The company's plans, underpinning the budget, are demanding but will position the company well against its longer-term value creation vision whilst honouring its commitments to its stakeholders.

Liquidity position: repayment of the £30.0 million loan facility with NatWest, which was due to mature in March 2023

During the period, the board considered the company's liquidity position and ability to generate cash, in the context of its strategy for the business, and took the decision not to renew its £30.0 million loan facility with NatWest. This was subsequently repaid during March 2023. In taking the decision to repay the loan facility, the board remains comfortable that the company has sufficient financial resources to develop its existing business and exploit opportunities as they arise.

Board changes during the period

Simon Dodd was appointed chief executive on 5 July 2022, succeeding Patrick Dardis who stepped down as chief executive at last year's AGM and from the board on 30 September 2022. In addition, Mark Loughborough joined the board as retail director on 30 September 2022. On 1 March 2023 Sarah Sergeant joined the board as an independent non-executive director. Stephen Goodyear and Nick Miller were invited to stay for a third three-year term, through to 3 April 2026. Further, inherent in all of these decisions was the balance between executive and non-executive directors, the importance of having an appropriate level of independence and female representation on the board, and the board having an appropriate number of members (with the right experience, knowledge, standards, skills, personal qualities and capabilities) for the company, its reputation and long-term strategy.

Payment of a final dividend in respect of FY22 and payment of an interim dividend and final dividend in respect of FY23

Following a board recommendation and shareholder approval of the same at the company's 2022 AGM, a final dividend of 10.26 pence per share was paid to shareholders in July 2022 (at a total cost of £6.0 million), this was followed, in December 2022, by payment of an interim dividend of 10.26 pence per share (at a further total cost of £6.0 million). These payments were anticipated in the revenue and capital budget for FY23 approved by the board in March 2022. Funds to pay these dividends were from the group's free cash flow. The company will recommend the payment of a final dividend to shareholders for the financial year ended 3 April 2023 at the company's 2023 AGM.

Acquisitions of new managed houses

During the period, the company acquired the following freehold pubs as part of the group's managed house estate: the Bedford Arms (Chenies), Merlin's Cave (Chalfont St Giles), Half Moon (Windlesham), Carpenter's Arms (Tonbridge), Griffin Inn (Fletching) and the Wild Duck (near Cirencester). Details of the consideration paid, and the associated costs are set out in note 15 starting on page 119. The acquisitions were made to support the company's value creation acquisition strategy: right opportunities in existing or exciting new locations where the board believes the company's premium offering will flourish. The purchases were financed from the company's cash reserves.

Property disposal

During the period, the company agreed to sell the Bridge Hotel (Greenford). The team transferred to the new owners under the TUPE regulation on existing terms. The challenges facing this property meant that its sustainability was in question; as such, a sale was considered the appropriate approach and consistent with the company's strategy. Details of the consideration received and associated costs are set out in note 11 starting on page 117.

Sustainability report

We are passionate about building a sustainable company.

Our sustainability programme focuses on three core areas:

Our people

- We focus on the wellbeing of our colleagues with comprehensive financial and mental health support.
- We engage and empower our teams with regular communication and commitment to their career pathway.
- We foster diversity and inclusion through our approach to appointments and training.

Our environment

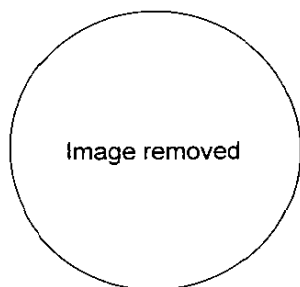
- We aim to reduce, reuse and recycle our waste in the most sustainable way possible.
- We implement new emission-saving technologies across our estate.
- We work closely throughout our supply chain to improve the environmental impact of our produce, from farm to fork.

Our communities

- We play a positive role in our communities and give back where possible.
- We celebrate the best of British and champion local suppliers throughout our menus.
- We do our utmost to support our suppliers and be fair commercial partners.

Image removed

Our approach



“We have a responsibility to do the right thing and a long tradition of supporting our people, our communities and adopting carbon saving initiatives. As a board, we know there is still much to do, but we believe that we can deliver a meaningful contribution for all our stakeholders.”

Simon Dodd
Chief Executive

Our approach to sustainability

Young’s is a company with a long heritage, and we are committed to building a business which nurtures and develops our people, makes a lasting and positive contribution to the communities we operate in, and respects the environment.

As a company, we have invested in sustainable and responsible business practices for a number of years, but we recognised last year that a more structured approach to sustainability was needed going forward. We have adopted a clear governance framework, which is explained below, and we are focused on defining our Environmental, Social and Governance (ESG) strategy and identifying our priorities. We have engaged our teams to raise the profile of sustainability and during the period initiatives have been implemented which encourage behavioural change. We have worked with external advisors to gain a clear understanding of the steps we need to take to reduce our Scope 1 and 2 emissions.

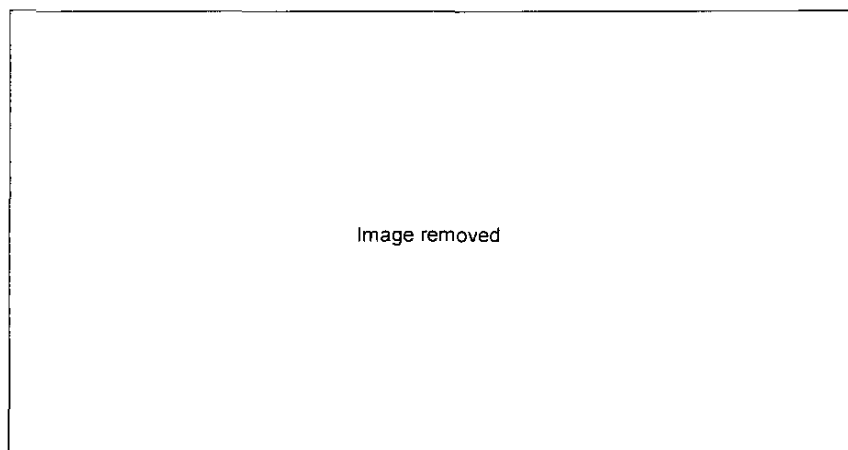
Our ESG governance framework

A clear ESG governance framework has been adopted in which the board has oversight of our strategy, and the executive committee considers and implements operational initiatives and monitors their progress. Our first sustainability manager joined the company in May 2022 and their role is to

provide leadership and ensure that we are taking a coordinated approach to sustainability throughout the business. The management board, which is composed of our executive and leadership teams, receives regular ESG updates from the sustainability manager. The senior leaders on the management board are empowered to engage with their internal and external stakeholders to deliver the part of our ESG strategy which is most relevant to their individual areas of expertise. Aisling Meany is the board’s non-executive director for ESG and works with the company secretary to develop our governance model.

Our net zero approach

The company is a founding member of the Zero Carbon Forum, a collective of hospitality businesses which has created a ‘Roadmap for Hospitality to Net Zero’ ahead of the UK Government’s commitment of 2050. The company has aligned itself with the industry’s roadmap which requires that, as a collective, we are aiming to achieve net zero for our Scope 1 and Scope 2 emissions (our direct company emissions) by 2030. The roadmap is being driven by the Zero Carbon Forum and is designed to provide the hospitality sector with guidance on the steps we can take to decarbonise our business and implement a net zero strategy. We have engaged Savills Earth to advise and support us as we develop our implementation plans and further information is available in the *Our environment* section of this report.



Maximising energy efficiency

Hort’s Townhouse

Hort’s Townhouse was our largest investment during the period. It has been redeveloped to BREEAM standards, with the aim of ensuring that the new development has maximised the potential for improvement in energy efficiency within the building structure.

Our people

Image removed

73%

of our general managers
were internal appointments

Offering our team members a career,
rather than a job, means we are able
to retain and develop our people and
promote from within.

We develop and nurture our people.

Image
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*“Diversity and inclusivity
underpin our policies and
culture at all levels
throughout Young’s.
We are fully aware that
everything we achieve as
a business, we achieve
through the dedication
and efforts of our teams.”*

Gail Khan
Director of HR

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Training and development

The company's 'career pathway' is used to engage, inspire, and develop our teams. Beginning at team member level, the career pathway offers a broad range of development opportunities for our front of house teams, through to general manager level and then on to operations manager. We also have a comprehensive programme for our kitchen teams, and we are proud that our kitchen assistants have the opportunity to develop into our head chefs of the future.

A comprehensive project to streamline our training was undertaken during the previous period and the company launched its digital career pathway in May 2022. The career pathway is delivered digitally via The Ram app or a desktop version which can be accessed through an internet browser. It is available to all team members throughout the business and is fully interactive and flexible across job roles. It also means that we are completely paperless, which is a huge cost saving to the business and follows our sustainability strategy.

Realising and developing potential Junior Lindie, General Manager at the Halfway House (Earlsfield)

Junior started working for Young's in 2014 as a glass collector at the Castle, Tooting. Since then, he has progressed through the company's career pathway and was appointed deputy manager in 2019. In 2022 Junior started the company's general manager designate programme and he is now the general manager at the Halfway House.

Image removed

The company offers a comprehensive programme of training and development courses which are run by our in-house trainers and are available to all our pub teams. The company has offered Commis Chef Level 2 and Hospitality Supervisor Level 3 apprenticeships for a number of years. During the period the company's apprenticeship programme was expanded to include a broad range of new apprenticeships, such as hospitality manager, operations management, coaching, and learning and development. There are also options available for our Copper House employees within their areas of expertise. Our aim is to have 200 apprentices by the end of 2024.

The company's first graduate programme will be launched in September and the two successful applicants will work within Copper House and with our operations teams over a two-year rotation.

Our service masters continue to be a key part of our teams in each business, responsible for inducting and training new team members and imparting their knowledge of service and standards, ensuring every team member has the knowledge and confidence to delight our customers.

Internal succession

We aim to promote internal succession above external recruitment and support our teams in achieving this objective. Starting with our career pathway, internal succession within Young's remains one of our key strengths. Offering our team members a career, not just a job, means we are able to retain talent within the business, many of whom go on to run our pubs and kitchens. In the last year 73% of our general managers were internal appointments. Around half of those appointments are deputy managers who have graduated from our internal general manager designate programme, and gone on to run their first pub. The other half are general managers who have moved to a more challenging and complex pub.

As a result of our career pathway, the company has many examples of staff who have progressed through our programmes and are now in leadership roles within the business and we have included some case studies in this report.

Developing our team members

Lucy Barrett and Marco Bagni, Finance Team, Copper House

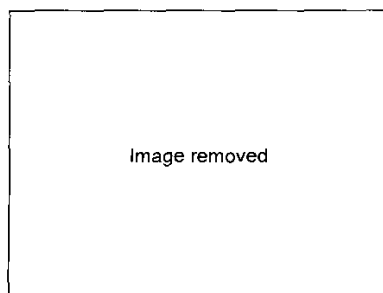
Lucy and Marco joined the company in 2014 and 2007, respectively, as front of house team members. Both progressed through the company's career pathway to take on management positions. In 2017, Marco joined the finance team as an operations support manager, and he was appointed as a head office accountant in 2022. In 2019, Lucy began exploring opportunities within the finance team and joined as a cashier in 2019, before moving to the purchase ledger team last year. In 2022, the company sponsored Lucy and Marco to train for the AAT qualification, as part of the company's apprenticeship programme. They have both successfully negotiated level three and they start level four later in the year.

Image removed

Our people continued

Supporting employees to realise their career goals Chris Saunders, General Manager at the Crown & Anchor (Chichester)

Chris started his career with Young's as a part-time team member in 2014 at the Crown & Anchor. Soon after he became a full-time team member and he rose through the ranks to become deputy manager and participate in the company's management academy. In 2018 he was appointed general manager at the Leather Bottle, Earlsfield. His dream was always to return to the Crown & Anchor and in 2023 his dream came true when he was appointed general manager.



Employee involvement

The importance of good communication with our teams is fundamental to the continued success of the company. We take great care to ensure that all employees are kept well informed of developments within the business throughout the year.

Employees are encouraged to use The Ram app, delivered by the company's e-learning platform, to access the 'How are You?' and 'Keeping in Touch' pages, which include a range of information and resources to keep employees up to date, and enhance and maintain their mental, physical, and financial wellbeing. Using The Ram app to communicate with employees ensures that the company can communicate directly with every team member across the company, regardless of their location or working pattern which means that employees working flexibly are not excluded from communications.

Employees have full flexibility to read and participate in discussions at work, while travelling or at home.

The company's digital monthly magazine 'The Ram Pages' is distributed to all employees. It features team contributions and updates, details of new acquisitions and pub re-developments, recipe inspirations, company benefits, wellbeing, internal vacancies, competitions and much, much more.

We also engage with our employees and their representatives through the company's information and consultation committee. This committee works to enhance communications within the company, supplying information and giving opportunity for feedback and consultation. It improves employee awareness and involvement and supports ongoing improvements within the business. Please see page 83 of the directors' report for further details of the workings of the information and consultation committee.

As part of ongoing efforts to improve direct access to the executive directors' and management board members, a 'Dinner with Directors' initiative was introduced during the period. Each month, an executive director, with a management board member, hosts a dinner with invited general managers, head chefs and head office-based employees, where in a relaxed and informal environment employees can meet and speak with senior company representatives.

Employee health and wellbeing

The health and wellbeing of our employees is vitally important to us. We aim to create safe and healthy working environments where employees can thrive and continue working with us. Our well-established wellness projects cover mental, physical, and financial wellbeing.

The cost of living crisis has led to an even greater focus on mental health and wellbeing. We continue to work hard to build an in-house team of mental health first aiders and mental health first aid champions who support their colleagues across the business. The 'How are You?' page on The Ram app provides a variety of content to help with mental and

physical health as well as fun activities for employees to do outside of their working day.

We also work with The Burnt Chef Project, which was set up with the sole intention of eradicating mental health stigma within the hospitality industry. We offer a range of their resources via the 'How are You?' page on The Ram app, such as the Going Home Checklist, Wellness Action Plan and The Burnt Chef Journal Podcast. These resources help raise the profile of mental health within the company and provide tools to enable employees to monitor their mental state and help managers improve their employee conversations.

We offer counselling for those in need of someone to talk to. This includes fully funded, confidential, one-to-one counselling sessions with a qualified professional, provided via a 24/7 free confidential telephone counselling service.

The company continues to partner with Salary Finance to offer free support and advice to employees to help them live healthier, happier lives through the current and future financial decisions they make. Working with Salary Finance, we run a financial support programme aimed at helping our staff get out of any financial difficulties they may find themselves in, by offering affordable loans which give staff access to their salary as it is earned. During the period, over 250 employees sought their help and advice, and several employees took advantage of the loan and debt support they provide.

We continue to provide information about a range of topics, including the support available to employees from the Licensed Trade Charity, who provided financial grants to a number of our team members during the period. Please see page 83 of the directors' report for further details of the company's employee health and wellbeing programme.

Flexible working – Ram Agency

There is a growing desire for flexible working and achieving a healthy work-life balance. To cater for this, we launched our own internal recruitment platform in August 2021, which aims to give registered employees the power to pick their own working hours. They can view shifts online and build their own rota to suit their lifestyles. Shifts are available daily across our estate of 223 trading managed pubs and prospective staff can apply online. The platform has given us access to a new pool of people: students, actors, travellers, parents and many more who would find it difficult to commit to traditional working patterns. We have received some excellent feedback, a snapshot is captured below:

“The Ram Agency has been incredible for us this year. Given the seasonal nature of the Canonbury, being able to find an extra few pairs of hands at short notice, has been key to maintaining great service while not overspending on our wage budget. The standard of team members available through the agency has always been of high quality, they are fully trained and know our systems which has really helped us.”

Tom Richards

General Manager, Canonbury, Islington

“The main reason I joined the Ram Agency was the flexibility around working evenings and weekends. Being a single father, having that flexibility is extremely important. With the agency, I can still work a full-time week without having to commit to a lot of evening and weekend work. It’s perfect for me at this moment in my life.”

Jake Martin

Head Chef, Ram Agency

Image removed

We are proud of the agency’s success. At the date of this report, over 350 employees were registered with the agency, covering front of house, kitchen, and restaurant roles, and over 17,200 agency hours were worked across more than 1,400 shifts in December 2022. Our aim is to have over 500 employees registered with the agency by the end of FY24.

Diversity and inclusion

It remains our commitment to ensure that every team member is treated with fairness, dignity and respect and has access to the same rewards and opportunities. This supports and underpins our sustainability commitment to our teams. Diversity and inclusivity influence our policies and culture at all levels throughout Young’s; we are fully aware that everything we achieve as a business we achieve through the dedication and efforts of our teams.

We are focused on the recruitment and development of the best talent, and we do not discriminate based on gender, race, ethnic origin, disability, sexual orientation, religion or belief, marital status or age. We employ the best person for the job, developing our talent internally to promote from within and retain valuable employees within our company.

The importance of diversity is acknowledged in making any appointment as well as employees’ subsequent training, career development and promotion. The board believes that all appointments should be merit-based against the selection criteria created for each role.

Gender pay gap

The company’s mean gender pay gap is 10.3% and median gender pay gap is 6.2%, which remains substantially better than the national average median gender pay gap of 14.9% (National Office of Statistics’ Annual Survey of Hours and Earnings 2022). The group’s full gender pay gap report is available on our website.

Gender diversity

The advancement of women in the workplace remains vital to Young’s ongoing success and we want to ensure that women have access to every opportunity in order to progress to top roles.

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5,654

Employees
(2022: 5,275)

6.2%

Median Gender Pay Gap
(National Average: 14.9%)

Our community

We proudly support a number of charity and community activities.

Our pubs are at the heart of their communities, and we take great pride fulfilling our role as key hubs, whether it is in combating loneliness through 'Meet up Mondays' at the Alexandra in Wimbledon, organising weddings or enjoying the rugby. Pubs are an integral part of British life, and we have the power to unite people and communities and make memories.

We are delighted that our charitable initiatives have raised over

£100,000

during the period under review.

We are a keen supporter of local and national charities and during October our head office and pub teams staged a range of events as part of 'Giving in October'. A selection are featured overleaf along with an introduction to our new charity partner – Wooden Spoon.

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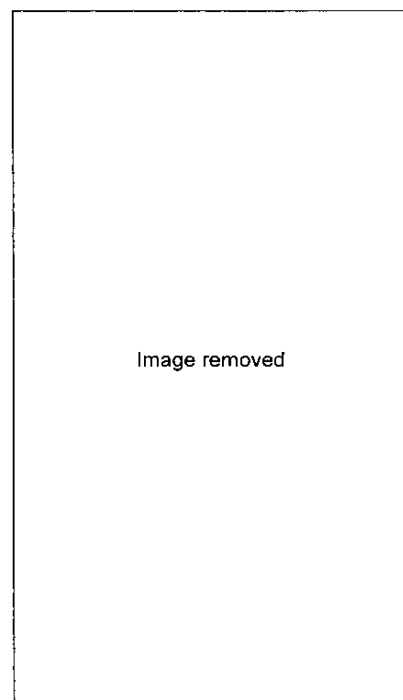
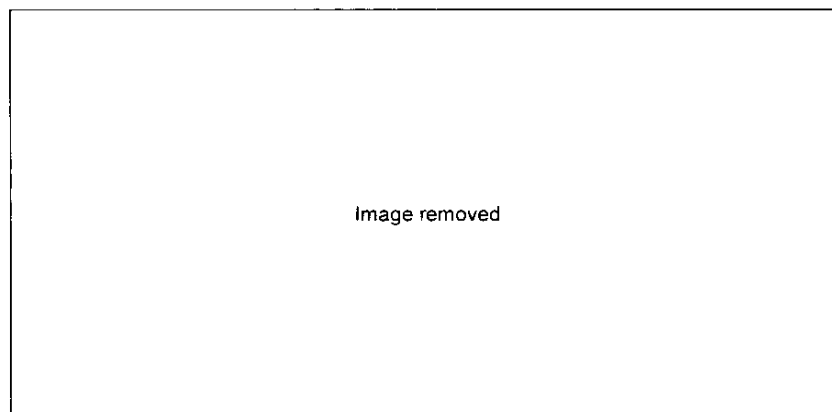
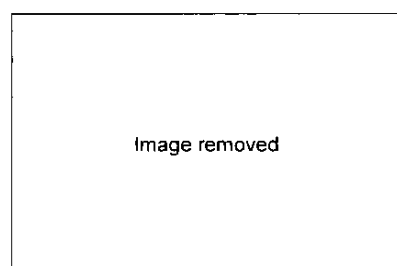
Cherry Trees – child first, disability second (below)

As part of the company's self-development program ('SDP'), which is open to our general managers, head chefs and Copper House team members, the FY23 participants were tasked with developing a fundraising initiative. One of the teams chose to support the Cherry Trees charity, who provide fundamental short-break respite visits for children and young adults with a range of complex disabilities. The SDP team invited several children from the charity to visit the company's

Food Development Learning Centre, in Wandsworth, to create their own special dessert. The winning dessert was an Eton Mess and several of our Surrey based pubs then created their own unique style of Eton Mess puddings for their summer menus, with a £1 donation from each pudding sold going to the Cherry Trees charity. This was an opportunity to raise money for the charity as well as a fantastic experience for the children and great development for the SDP participants.

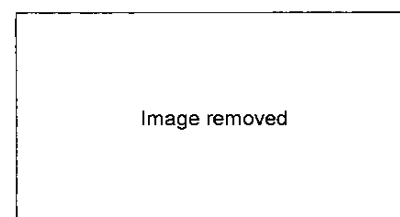
Wooden Spoon - our new charity partner (above)

As a company we are thrilled to be partnering with Wooden Spoon, the children's charity of rugby. During the year the company will fundraise for initiatives such as: assistance dogs for the blind, purchasing wheelchairs for local clubs to make rugby more accessible, Maddy's Mark (positive mental health for women through rugby), School of Hard Knocks (getting people back on their feet through the sport) and Pass the Plate (a food bank initiative). We will take advantage of the opportunities supplied by Wooden Spoon to host events with key players and commentators and get our teams involved in volunteering opportunities. We have pledged to raise over £150,000 for the charity during FY24.



Ambitious About Autism (left)

Our east London pubs dressed as Dolly Parton and cycled '9 to 5' on an exercise bike for the Ambitious About Autism charity. The team covered over 160 kilometres and raised over £4,200 for the charity.



The Royal Marsden (above)

The Greyhound, Carshalton has a long history of raising money for The Royal Marsden, a charity dedicated to the study of the treatment of cancer based in Sutton and Chelsea. During October they got together with several local Young's pubs to organise a range of events and raised over £14,500.

Battersea Dogs & Cats Home

(above)

Our pubs within the Battersea area chose Battersea Dogs & Cats Home as their charity. In theme with the charity, they hosted a number of dog related events. This included a 12-mile dog walk around the 14 participating pubs, with a visit to the charity. All in all, they raised £3,477.

Our community continued

Looking after our customers is central to everything we do. Our pubs are highly valued and are integral to the communities in which they operate.

Customers

We provide a relaxed and safe environment where friends and families can spend time together. Our focus on responsibly sourced, seasonal and local British produce lends itself to nutrient dense food that tastes delicious. As customer tastes and eating habits and styles have evolved, we have enthusiastically adopted more plant-based options on our menus, throughout our estate. This is embodied by our new Burger Shack menu which offers popular plant based alternatives. Every pub must include one vegan and one vegetarian dish on their menus and many offer a number of vegan and vegetarian dishes. Our Food Development Learning Centre at Copper House provides the right environment for our chefs to experiment and innovate using seasonal ingredients to create new dishes for evolving customer tastes.

All of our pubs use the Reputation platform which generates an aggregate score for each pub based on a range of factors, such as Google ratings and review platforms. The platform helps our pubs to understand their local customer preferences and concerns and provides actionable insights. It also allows our management teams to identify any problem areas. The Reputation platform is a key tool for us, and all our pubs have been tasked with improving their score.

City to Sea – Refill app

During the period we relaunched the 'Refill' app across our pubs. With the lifecycle of a plastic bottle taking 450 years to decompose the 'Refill' app helps people to find places to refill their water bottle, which is why we're using their app to offer free water refills to anyone who needs it, thereby helping to reduce the consumption of plastic water bottles.

Image removed

Making a difference 'Food for Thought' dinner series

We are passionate about seasonal, premium, and sustainable British produce. During the Autumn we ran our 'Food for Thought' dinner series in a selection of our pubs, in partnership with Plymouth Gin. The seven-course menu was based around invasive, underutilised, and abundant foodstuffs found in the UK. It was designed to encourage diners to be mindful about their food choices and included ingredients such as goat, seaweed, Dorset snails and wood pigeon.

Image removed

Mick and Sarah Dore, General Managers, the Alexandra (Wimbledon)

Mick and Sarah introduced 'Meet up Mondays' in 2018 as a way of overcoming loneliness, by providing an opportunity for local residents to visit the pub every Monday for free tea, coffee and a selection of sandwiches. The initiative provides companionship and community support, and the event now has a large Facebook community. Mick and Sarah truly are an inspiration, they open the Alexandra's doors on Christmas day for their 'Don't be on your own at Christmas' campaign providing a free Christmas dinner to anyone who would otherwise be spending Christmas alone. They even go as far as having a selection of volunteers delivering Christmas dinners to local residents who are housebound. Mick was awarded the British Empire Medal at the late Queen's Platinum Jubilee last year, deserved recognition for the amazing contribution they make to their local community.

At Young's we pride ourselves on procuring the finest British landed day boat caught fish, ethical and assured meat, game and poultry, artisanal cheese along with the best in class, naturally grown in abundance fruits and vegetables.

We partner with local producers and suppliers.

Image
removed

"By buying locally from our community of local producers we ensure the freshest and best ingredients, reduce our carbon footprint and operate a sustainable supply chain."

Chris Knights
Director of Food

Image removed

Image removed

Our community continued

Despite our proud origins in the London Borough of Wandsworth, our geographical reach has grown, and with it our enthusiasm for local food and drink suppliers that celebrate the best of British wherever our pubs reside.

Where appropriate, we fully encourage our pubs to explore their individuality and support local businesses. We are proud to have always done our best to ensure suppliers received payments in a timely manner for the wonderful produce they provide.

Some of the British suppliers we work with are detailed below and on the next page:

Our pork – Dingley Dell

A third-generation family of farmers rear our free range, RSPCA assured pork on the East coast of Suffolk. With a deep love and respect for the countryside and agriculture, Mark and Paul Hayward are committed to farming in harmony with nature, improving the number and variety of species living within the farm.

The animals are reared to RSPCA and free range assured standards, ensuring the animals have an enriched life and living conditions.

We're proud to serve the variety of cuts on our menus and treat our produce with the utmost respect. Sourcing fantastic quality produce, simply prepared, seasoned, and cooked to perfection, we are letting it be the star of the show.

Image removed

Our crockery – Surrey Ceramics

We are delighted to partner with Surrey Ceramics who produce premium products for many of our pubs. With every piece hand-checked with a remarkable eye for detail, their ceramics truly showcase the very best of British craftsmanship and they have a key focus on sustainability. From eliminating all waste in their initial clay making process to reducing their energy usage by installing invertors on the motors used to run their kilns. They have fitted solar panels on their roof to produce clean renewable energy and they are now exploring further green initiatives including heat recovery opportunities from the excess heat used in their kilns.

The company is run as an employee benefit trust, and all their employees have a direct interest in the success of the business. As we have found from meeting their team members, the company has a significant focus on the wellbeing of their past, present and future employees.

Image removed

Cured fish – Severn & Wye

Master smokers, Severn & Wye have been curing fish for more than 30 years, after founder Richard Cook discovered a passion for seafood aged just 19. At the Severn & Wye smokery, a traditional smoking process is preferred, and most of the grading, cutting, filleting, and curing is done by hand. Severn & Wye chip all their own oak wood, giving their smoked salmon a totally unique taste that you won't find elsewhere.

Beginning as a family business, the family feel is still an integral part of the culture of Severn & Wye, with several team members having worked there for over a decade. With an incredibly impressive array of sustainability credentials, Severn & Wye are working towards having a zero-carbon footprint and absolutely no fish waste. Over the past 20 years, they have only felled five oak trees to craft their state-of-the-art smoker, and these have been replaced by 350 British deciduous trees.

We will continue to work with our suppliers to develop joint initiatives and provide positive social and environmental messages to share with our customers and wider stakeholders.

These initiatives range from commitments to use electric and/or hydrogen vehicles in urban operating areas, reducing packaging waste and implementing paperless deliveries.

Today more than ever, our customers expect an interesting soft drink range when visiting our pubs. We have put a lot of thought and care into our premium soft drink offering and our range includes a selection of delicious low sugar, non-alcoholic drinks, to suit all needs. A number of which are must stock items in our pubs under our 'soft drink/ no and low stocking policy'. Our low

90%

Of our ingredients are sourced from the UK

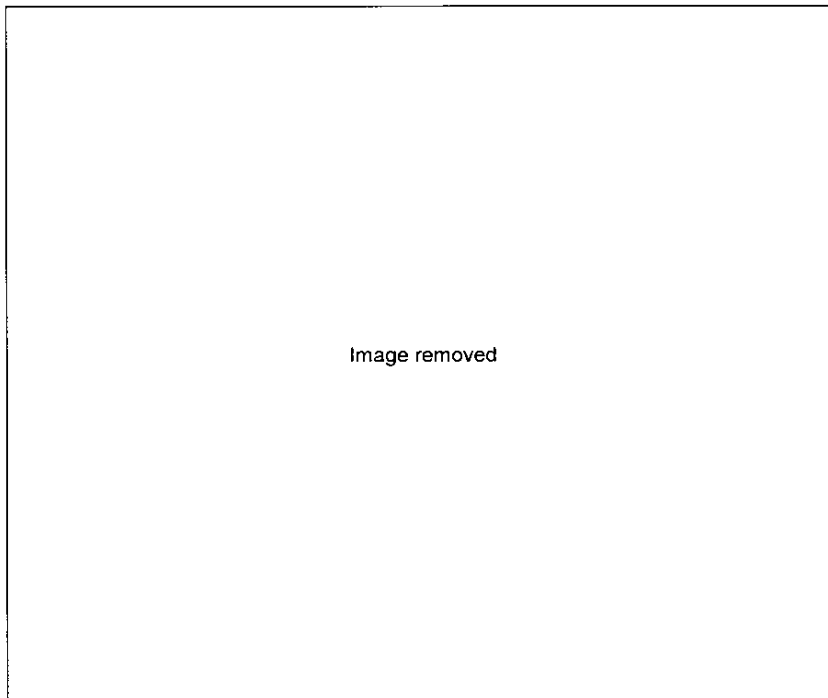


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alcohol drinks range is also expanding as our suppliers adapt to the change in customer preferences. During the period the company launched its first draught alcohol-free lager, Estrella Free Damm, which is now listed in 60 of our pubs.

Allergy notices are included on all our menus inviting customers to discuss their needs with us, and calorie labelling was included on menus from April 2022.

Seasonal celebrations

The Christmas period is always the company's busiest time of year and as we all know Christmas is a time for giving, which is why we celebrated the season by working in partnership with several remarkable organisations supporting both people and the planet.

Trees for trees

In partnership with Absolut, the company pledged to deliver a more sustainable Christmas in association with More Trees, planting an actual tree for every 'cocktail tree' sold in our pubs. This initiative with Pernod Ricard UK is estimated to remove up to 36 tonnes of CO₂ from the atmosphere throughout the trees' growth life.

Charity crackers

This year we sourced Christmas crackers made from FSC certified recycled board, containing either a cardboard or wooden Christmas tree decoration and an environmental quiz question.

Our supplier has donated 10% of their sales to the Teenage Cancer Trust, our share of those sales raised £4,770 for the charity.

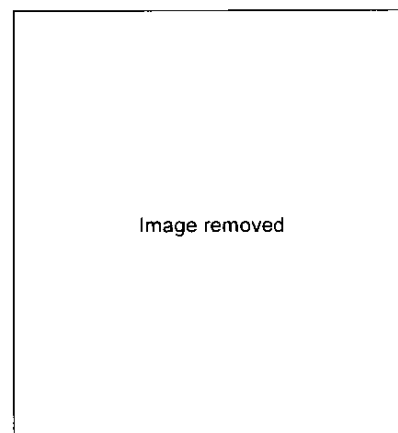
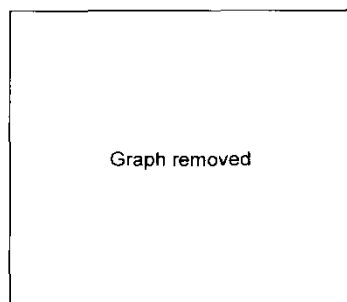


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Our environment

Our focus during the period has been on looking at ways to reduce our Scope 1 and 2 carbon emissions. With the knowledge that we cannot manage what we don't measure, we have reviewed our processes, assessed our data and identified the gaps.

We are now in the process of taking appropriate steps to enable the business to make informed decisions going forward. This will involve building the infrastructure to enable us to measure and report on our progress.



This year, as part of our sustainable journey, we now source 100% of our power renewably from our group energy contract. Green electricity is dual reported in line with SECR requirements. We have also established FY2020 as a base year.

Net zero carbon pathway

The development of a net zero carbon pathway is a significant task and we want to do it properly. We have realised that before we set targets, we need to know more about our properties so that we can identify the actions that need to be taken, plan our approach and phase our investments. As a result, we engaged Savills Earth last year to advise and support us on this journey and we agreed the following phased approach:

Phase one:

To review our baseline carbon assessment and benchmark carbon emissions for each property to sense check results.

Phase two:

'Our Net Zero Carbon Pathway Development': this involves grouping our properties into categories based on building age, condition, servicing and heritage status. From that, we will develop net zero implementation plans for each category and set out a timeline of interventions. This will enable us to establish an overall pathway to net zero for our properties.

Phase three:

The final phase is the setting up of ongoing monitoring and reporting. We appreciate that net zero reporting and frameworks require regular verification and disclosure so that the company can demonstrate progress against its carbon reduction targets.

We are currently working through phase two of the project. Savills Earth have reviewed our estate and grouped our pubs into seven key categories, classifying the potential opportunities and restrictions we face within each category. This will allow the business to take informed decisions when deciding which interventions to prioritise.

The interventions are currently being reviewed and we will then develop our investment timeline and establish our short, medium and long-term targets. We expect to complete phase two by the end of FY24.

The challenges we face:

The cost

The required investment will need to be phased and we are conscious that some technology is not yet fit for commercial use. We will continue to work with suppliers, collaborate with our peers and monitor the development of the relevant technologies. We will run trials where appropriate and adopt technologies in line with our investment cycle, as the costs reduce, and the stability of the technology improves.

Statutory building restrictions

Listed building status and conservation areas represent a significant challenge, bearing in mind that 40% of our pubs have listed status. We will work with Savills, our suppliers and statutory authorities to identify potential solutions to these challenges.

Availability of energy resources

We continue to work with energy suppliers to identify infrastructure improvements which will help us move to sustainable forms of energy, this includes new on-site electrical substations where the site layout allows for this addition.

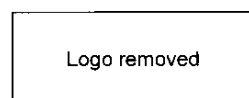
Remote pub locations

They can provide significant challenges for carbon reduction. We are working with energy suppliers to try and upgrade the infrastructure into these properties where the supply is capable of being moved to a carbon efficient model.

Our sustainability partners

We partner with environmental leaders in order to increase our knowledge and help us approach our environmental challenges in the right way.

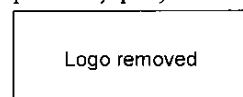
Zero Carbon Forum



As one of the founding members of the Zero Carbon Forum we will continue to actively engage and participate, helping to shape the hospitality industry's approach to sustainability.

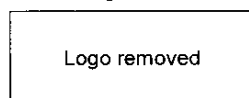
We work closely with the Zero Carbon Forum, a non-profit organisation which represents a large share of the hospitality industry, which provides a platform where members can join forces to share best practice and their experiences, which enables members to make more informed sustainability decisions.

Net zero carbon pathway project



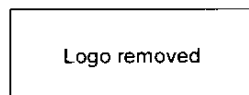
Savills UK are our property agents and they know our pub estate very well. It made sense for us to partner with their sustainability specialists Savills Earth on our net zero pathway project. Information has been shared by their teams, which has saved us time and money. We want to make sure that we do this properly, and they have the knowledge and experience to guide us through the project.

Our Scope 3 carbon emissions



As a company we know that most of our carbon emissions lie within Scope 3 (activities from assets not owned or controlled by the company, but by those that we are indirectly responsible for, up and down our value chain). Due to the complexity of calculating our footprint, we have taken the pragmatic approach to partner with Zero Carbon Services in order to help calculate our footprint, identify major emission sources, and help us target reduction opportunities across 10 key categories. See page 42 for our Scope 3 baseline.

Save While You Sleep



We are working with Zero Carbon Services in order to reduce our overnight energy wastage at a site level. This has allowed us to detect clear energy saving opportunities, simply by turning key pieces of equipment off during the night when it's not in use.

Decarbonising our company car fleet

Following on from our 2020 policy to only allow replacement orders to hybrid and electric cars, we now have only one petrol car remaining in our 39 car fleet. This is due to be replaced in September 2024 resulting in 100% removal of petrol and diesel cars from the business.

38 of 39 (97%)

cars in our fleet are electric and hybrid
(up from 82% 2022)

Our approach to the Task Force for Climate-Related Financial Disclosures ('TCFD')

We welcome the introduction of TCFD and the impetus this will provide for companies and stakeholders to understand relevant climate-related risks and to ensure that appropriate management processes are in place to mitigate them. We recognise that in our FY24 annual report the company will be reporting against TCFD for the first time. In order to prepare for the disclosure we have set up an internal TCFD working group, and we are in the process of selecting external advisors to support and assist us in preparing a roadmap to compliance.

Our environment continued Developing the sustainable Young's pub

The illustration below provides an overview of the key features that have been incorporated or are being rolled out to our existing estate and represent the 2023 edition of the sustainable Young's pub.

Image removed

We have identified four pubs that we will develop during FY24 to trial the latest technology, ideas and initiatives which can then be adopted throughout our whole estate. We will update you on our progress each year in this report as our sustainable pub evolves and the company embraces new ways of working, new technology and the latest thinking.

① Buildings energy management system ('BEMS')

We continue to trial Forest Rock's 'MyBuildings.Live' platform. By testing energy control methods across various sites, we can measure the impact and potential savings, enabling us to reduce our energy consumption.

② Renewable energy

From 1 April 2021, 100% of our electrical supply began to flow from renewable sources from our group energy contract, powered entirely by hydro and wind energy. Our supply is backed by renewable electricity guarantees of origin and independently verified by EcoAct, a Carbon Disclosure Project accredited provider. In August 2022 the company entered into a five-year corporate power purchase agreement with SSE. This agreement will start in April 2023 and will enable the company to source its electricity supply from a specific windfarm.

③ Recycling and waste

We have implemented comprehensive recycling arrangements throughout our estate with the aim of diverting as much waste from landfill as we possibly can. We work closely with Suez, our waste management partner, to improve our recycling rates.

Glass is controlled and sorted by colour before being crushed, melted, and moulded into new products. Mixed recycling is sorted in a materials recycling facility before being sent for reprocessing. The food waste collected from our pubs is sent to anaerobic digestion plants where it is used to produce biogas for combined heat and power units providing renewable power and heat. What's leftover in this process is used as a biofertilizer by farmers. Our non-recyclable waste is sent to refuse-derived fuel plants where it is sorted, shredded and turned into fuel pellets for use as a fossil fuel substitute in kilns, steel furnaces and cement and lime plants.

For many years we have been partnering with Olleco on a successful initiative to recycle used cooking oil to produce biodiesel. In total 281,647 litres were collected during FY23.

④ LED lighting

Since 2018 the company has been committed to installing LED lamps throughout its pub estate and new developments. Year-on-year we continue to update and install new and replacement LED lighting where required.

⑤ Cellar management

We continue to invest and upgrade our cellars. The company's cellar energy management programme incorporates the installation of 'Eco Flo' to beer dispense units which enables us to control cellar cooling. The reduced energy consumption is estimated to save around £194 per year, per cooler and there are typically two or three coolers per site.

⑥ Waterless urinals

We will continue to invest in waterless urinals which we incorporate into all major capital expenditure investments. There are currently 398 waterless urinals across 97 sites. It is estimated that this programme already provides water savings of over 60.0 million litres per annum.

⑦ EV chargers

Following on from our initial EV trial at two of our pubs last year, we are now in the process of installing 28 EV chargers across a further ten sites.

⑧ Solar panels

We have identified a number of our sites which could benefit from the installation of solar panels, and we are currently in the process of scoping a project to install them in a small number of our sites, so that we can evaluate the success of the technology before making any further investments.

⑨ Gas conversion project

Reducing our consumption of gas is a key part of our carbon reduction plans. An electric kitchen suite is due to be installed in our Food Development Learning Centre at Copper House in June and further installations are planned for FY24.

Our vision is to have an estate of sustainable pubs.

**281,647
litres**

Cooking oil recycled for biodiesel

(2022: 334,325 litres)

100%

Electricity from renewable sources through our group energy contract

(from 1 April 2021)

Our environment continued

What's next?

The net zero carbon pathway project remains at the forefront of our environmental programme. This year we aim to plan and phase our investments and define measurable short, medium and long-term targets that can be validated. FY24 is set to be a progressive year as we implement or progress a number of key initiatives, including:

Responsible refurbishments

Investing in our estate is a key pillar of the company's strategy. During the year we will be launching and embedding new development guidance which will incorporate a minimum level of sustainability interventions into every refurbishment. This will involve, amongst other things, a review of material sourcing, construction methods and the equipment and furnishing supply chain. This policy will evolve over time and the minimum level of sustainability interventions will rise as more and more sustainable practices are incorporated into the company's investments as we work to achieve our net zero targets.

The overnight initiative

Our 'Save While You Sleep' initiative will continue with a target of saving over 80 tonnes of carbon during FY24, which currently equates to approximately £100,000 worth of savings. This initiative aims to change the behaviour of operations teams by raising their awareness of energy savings opportunities, simply by switching off non-essential equipment, such as bar fridges, overnight. We estimate that over time this could save over 3% of our operational carbon emissions, as well as helping us to reduce our energy costs.

Both our operations managers and general managers will continue to receive weekly reports to reflect their overnight usage by site, so they can assess what pieces of equipment are creating their highest energy usage and as a result they can implement small changes to reduce their consumptions to not only reduce their carbon emissions, but also reduce their pub energy costs.

Sustainability champions

During FY23 we designated our general managers as the sustainability champion for their individual pubs. They are centrally supported to work with their teams to increase the profile of sustainability, generate and implement new ideas, and champion the company's sustainability initiatives. Throughout FY24 our operations team, assisted by the sustainability manager, will work to increase the level of engagement providing guidance and advice, implementing incentives, and of course creating some friendly competition amongst our teams. Sustainability is now fully incorporated into the company's general manager induction training and during FY24 sustainability will be fully integrated into the company's career pathway, ensuring that sustainability is an integral part of an employee's learning journey.

Recycling and waste

In collaboration with our waste management partners, we have identified specific areas across the business where we can improve our recycling rates. During FY24 we will be launching a recycling and waste project, which will

focus on the recycling of food waste, with the aim of driving behavioural change throughout our estate and significantly improving our food waste recycling rates.

Sustainable operations guidance tool

Ensuring that all our pubs have clear and consistent guidance is an essential part of driving our sustainability success. A sustainable operation guidance tool will be introduced during FY24 and will be available to all the company's pubs. The guidance will initially focus on energy usage and recycling. It will provide best practice guidance for everything from day-to-day standard practices, catering for seasonal changes and how to deal with ad-hoc events, thus ensuring that the most efficient sustainability measures are considered in every circumstance.

Motion sensors

We are currently scoping a project to install motion sensors in the back of house areas of our pubs, where they are not already installed. The rollout project is due to start during FY24.

Garden heaters

As far as reasonably practicable all new heaters installed in our gardens are electric, and incorporate timers or movement sensors. We have also implemented a programme to replace existing gas garden heaters, where the electrical load is available.

Our environmental targets

Short-term targets

Medium and long-term targets

2024

Petrol and diesel cars will be eliminated from the car fleet by the end of FY24.

2024

We are working towards eliminating unnecessary single-use plastics from our front of house operations by the end of FY24.

2030

The company has aligned itself with the Zero Carbon Forum's roadmap for the industry which requires that, as a collective, we are aiming to achieve net zero¹ for our Scope 1 and Scope 2 emissions (our direct company emissions) by 2030 and net zero¹ for our Scope 3² emissions (our supply chain emissions) by 2040.

2040

¹ For the company, net zero means the intention to reduce our Scope 1 and 2 emissions by up to 90% by 2030, and our Scope 3 emissions by between 50 – 70% by 2040.

² Please see our Scope 3 disclosure on page 42

Sustainable Restaurant Association 3 Star Food Made Good Rating

The Sustainable Restaurant Association's (the 'SRA's') purpose is to accelerate change towards an environmentally restorative and socially progressive hospitality sector. Their 'Food Made Good' rating standard is the most globally recognised industry standard for measuring sustainability across the hospitality sector. During the period the company's rating was reassessed by the

SRA, and we are delighted to report that we maintained our three-star rating, which is the highest rating that the SRA awards. The company proudly showcases the best of British produce, with most of our ingredients sourced within a 75-mile radius of London. Even though we have maintained our rating we are committed to continually improving our sustainability practices.

Logo removed

As a business we are evolving to reduce our footprint.

Image removed

Produce and supply chain transparency

We offer best-in-class seasonal British food and drink. Our menus are crafted using the finest ingredients, the majority of which are sourced in the UK. We are passionate about seasonal food and we change our menus quarterly so that they include the latest seasonal ingredients. Improving the transparency of our supply chain and the traceability of the products we buy is a key focus for the company. Throughout the next year we will be meeting with our key suppliers, as well as hosting our own supplier event to communicate our sustainability

vision and discuss how we can work together to reduce our supply chain emissions. We have also joined Sedex, a leading ethical trade organisation working towards improving supply chains, through supplier mapping and the analysis of business risk. We will be using the Sedex platform as a tool to assess our key suppliers ESG practices. We will continue to work in partnership with our suppliers in order to achieve our target of a carbon neutral food supply chain by 2040.

Our environment continued

Greenhouse gas emissions, energy consumption and energy efficiency action

	2023	2022	Base year
Revenue in £ million	368.9	309.0	311.6
No. of managed houses at the year-end	227	219	207
The annual quantity of emissions in tCO ₂ e resulting from activities for which the group was responsible involving (i) the combustion of gas or (ii) the consumption of fuel for the purposes of transport	9,163	8,430	8,247
The annual quantity of emissions in tCO ₂ e resulting from the purchase of electricity by the group for its own use, including for the purposes of transport	7,316	8,234	8,727
The annual quantity of energy consumed in kWh from activities for which the group was responsible involving (i) the combustion of gas or (ii) the consumption of fuel for the purposes of transport, together with the annual quantity of energy consumed in kWh resulting from the purchase of electricity by the group for its own use, including for the purposes of transport	78,800,459	80,403,035	78,613,804
Total Gross Emissions (tCO ₂ e)	16,479	16,664	16,974
The group's annual emissions: ratio of tCO ₂ e (gross) per £ million of revenue	44.67:1	53.93:1	54.47:1
Carbon offsets procured via Green Electricity Tariff	(6,525)	(7,946)	–
Total Net Emissions (tCO ₂ e)	9,954	8,718	16,974
The group's annual emissions: ratio of tCO ₂ e (net) per £ million of revenue	26.98:1	28.21:1	54.47:1

In line with requirements, we have elected FY20 as our base year for our Scope 1 and 2 reporting, being the earliest year we have complete data for.

We have seen a portfolio increase of 13.5% vs the base year, with the addition of 20 new sites since then. There are many steps being taken to mitigate our emissions such as the removal of all gas patio heaters from our gardens and where heaters are still required, installing electric ones. This has seen propane deliveries reduced to 0 across 43 sites. Scope 2 emissions have continued to decline, helped by the grid's decarbonisation overall. Additionally, we have rolled out energy savings initiatives, such as the 'Save While You Sleep' initiative, which has seen an overall emission saving of 8 tCO₂e throughout the year. Overall emissions have continued to decline year on year, which coupled with the increase in annual revenue has a 22.0% energy intensity reduction (ratio of tCO₂e per £ million of revenue).

The following methodologies were used to calculate the above quantities:

- the kWh consumption figures relevant to gas, electricity, district heating (i.e. a system for distributing heat generated in a centralised location through a system of insulated pipes

for residential and commercial heating requirements such as space heating and water heating) and district cooling (i.e. a system working on broadly similar principles to district heating but delivering chilled water to buildings needing cooling) were taken from invoices received by the group¹ – the kWh figures were then converted to tCO₂e figures using the then current conversion factors published by DEFRA;

- the consumption figures relevant to propane were taken from invoices received by the group¹ – these were either in kilograms or litres delivered and were then converted to kWh and tCO₂e using the then current conversion factors published by DEFRA; and
- the consumption figures relevant to transport were calculated using expensed mileage figures – to calculate tCO₂e for company cars, the group then used the car manufacturer's gCO₂/km data and increased this by 38% per guidelines issued by DEFRA – to calculate tCO₂e for mileage completed in other cars, the conversion was made using figures for an average car per guidance issued by DEFRA – in each case, the resulting tCO₂e figures were then converted to kWh using the then current fuel conversion

factors published by DEFRA – where the fuel type used was unknown, it was assumed to be diesel in line with guidance published by DEFRA.

Our Scope 3 emissions

The company has aligned itself with the Zero Carbon Forum's roadmap for the industry. We are aiming to achieve net zero for our Scope 3 emissions and we will work with external advisors to develop our Scope 3 project plan.

We commissioned Zero Carbon Services during the period to assist us in determining our Scope 3 emissions baseline as FY2022, which revealed that these emissions represent just over 80% of our total emissions. This equates to emissions of 72,206 tCO₂e, which sits slightly below the average for our sector based on the Zero Carbon Forum's roadmap. We estimate that 60% of our Scope 3 emissions come from food and beverage, which is the main revenue stream for the business, of which 41% is related directly to food.

A key focus of our sustainability strategy during FY24 will be to gain a better understanding of our supplier base, and for our key suppliers to gain a better understanding of our expectations, so that we can work together to reduce our emissions.

¹ Where data was missing, values were estimated using an extrapolation of available data

Sustainability report

UN Sustainable Development Goals

The 17 UN Sustainable Development Goals ('SDG's') are a call to action by countries across the globe to promote people's health and prosperity, while also protecting the planet. We are committed to ensuring that our responsible business strategy contributes towards the SDG's to tackle societal problems, along with the challenges that need to be met if the worst consequences of climate change are to be avoided.

We have aligned ourselves with five of the SDG's and have included some examples and how we support them below:

Our people	Our communities	Our environment
Logo removed	Logo removed	Logo removed
Our focus		
<ul style="list-style-type: none"> • We focus on the wellbeing of our colleagues with comprehensive financial and mental health support. • We engage and empower our teams with regular communication and commitment to their career pathway. • We foster diversity and inclusion through our approach to appointments and training. 	<ul style="list-style-type: none"> • We play a positive role in our communities and give back where possible. • We celebrate the best of British and champion local suppliers throughout our menus. • We do our utmost to support our suppliers and be fair commercial partners. 	<ul style="list-style-type: none"> • We aim to reduce, reuse and recycle our waste in the most sustainable way possible. • We implement new emissions saving technologies across our estate. • We work closely throughout our supply chain to improve the environmental impact of our produce, from farm to fork.
Our achievements and goals		
The Ram Agency was developed to support flexible working where workers can pick and choose their own shifts helping to support their work-life balance.	With the continued growth of the Young's estate we are increasingly growing our teams, employing a diverse and inclusive workforce.	Providing education and awareness on climate related issues and offering guidance on how employees can reduce their footprint both at work and at home.
Built an in-house team of mental health first aiders and mental health first aid champions who support their colleagues across the business.	Giving in October – supporting local charities through fundraising, volunteering and hosting various charity events. Buying locally from our community of local British producers to reduce our carbon footprint.	Increase our use of renewable energy sources by switching to a renewable energy contract for our electricity usage. Converting our gas kitchen equipment to electric as part of our gas conversion project.
Working in partnership with the Licensed Trade Charity to offer employees emotional support, specialist guidance and financial grants.	Partnering with the Wooden Spoon charity, supporting life changing projects and providing grants for children and young adults across the UK and Ireland.	Working in conjunction with the Zero Carbon Forum and its members to reduce our carbon footprint and meet our sustainability targets.

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 25 starting on page 129.

Major external event leading to widespread pub closures and/or a huge decline in demand

Risk 1.

Example:

The spread of a disease – recent experience has shown the potential for something like this to have far-reaching and unexpected consequences for our business. As the coronavirus pandemic has spread around the globe in the last two years, some of these consequences became apparent and resulted in a very material and unforeseeable impact on our business.

Potential impact

This will depend on the nature of the event, its impact and reach and the reaction to it by the government, consumers, business and others.

Mitigation

This will depend on the nature of the event, its impact and reach and the reaction to it by the government, consumers, business and others. Our strong balance sheet and excellent teams enable our strategy of operating a diverse, premium, well-invested pub estate and allow us to rise to challenges thrown our way. The recent covid pandemic has given us the experience to ensure we are better placed to combat any future major event resulting in widespread pub closures.

Climate change and sustainability

Risk 2.

Example:

Extreme weather, climate action failure and human-led environmental damage continue to top the list of the world's highest risks with regulations, government interventions and enhanced emissions reporting obligations expected to continue to increase. The group's customers, employees and investors are increasingly demanding reassurance that we are managing the climate change risk across our business activities.

Potential impact

The increased occurrence of extreme weather events, regulations, government interventions, reporting obligations and our inability to meet climate change targets could reduce revenues and profits. Failure to address these risks could impact trust and reputation amongst customers, employees, investors and other stakeholders.

Mitigation

We are developing a comprehensive sustainability strategy and have aligned ourselves with the Zero Carbon Forum's roadmap for the industry which requires that, as a collective, we are committed to achieving net zero by 2030 for Scope 1 and 2 emissions and by 2040 for Scope 3 emissions. Sustainability initiatives have been launched to reduce the group's energy usage and embed sustainable business practices throughout the business.

We are working with external ESG advisors to develop our pathway to net zero which will enable us to phase the required investment and identify short, medium and long-term measurable targets, so that our stakeholders can monitor progress. See our sustainability report on pages 24 to 43.

Consumer-related

Risk 3.

Example:

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 those set out in risk 1, confidence in the UK economy, the weather, fears of terrorist activity and greater awareness of the potential adverse health consequences associated with alcohol) set against a choice of where to go and what to do.

Potential impact

A reduction in our revenue could result in lower profits.

Mitigation

Our pubs are mainly spread throughout London and Southern England, with the majority inside the M25. Through them, we 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 (including vegan and vegetarian options) and market-leading drinks (including non-alcoholic options), all of which matter to the discerning consumer. By having a mix of excellent riverside, garden and city pubs, we seek to address the impact of seasonality and changes in consumers' spending habits.

Key to change in the risk/uncertainty level from the prior period

Decrease No change Increase

Financial

Risk 4.

Example:

Various factors, including legislation, conflict, pandemics and global demand, may result in the amount we pay for our key supplies (including food, drink, gas and electricity) and labour being increased. An example would be the National Living Wage, where the hourly rate was increased by 9.7% to £10.42 (from £9.50) with effect from 1 April 2023 (for those aged 23 and over). Increased costs could potentially make our offer less attractive to consumers if they are passed on.

Potential impact

A reduction in our revenue and/or an increase in our costs will have an impact on our margins and could result in lower profits.

Mitigation

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.

Risk 5.

Example:

The pub industry is subject to a variety of taxes, including business taxes, duty on alcoholic drinks and business rates.

Potential impact

The introduction of new taxes and/or increases in the rates of existing taxes could result in lower profits.

Mitigation

As regards rates, 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.

Risk 6.

Example:

We operate a defined benefit pension scheme that has to be funded to meet agreed benefit payments. The value of the scheme can be impacted by a variety of factors, including changes in life expectancy assumptions, lower than anticipated performances of the stock market and reduced bond yields. We also operate two defined contribution pension schemes that require minimum levels of contribution from the company set by the government.

Potential impact

Variations in the difference in value between the assets of the defined benefit 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. An increase in our contribution levels to the defined contribution schemes could result in lower profits.

Mitigation

The defined benefit scheme was closed to new entrants in 2003 and we make additional contributions over and above regular service contributions to help address any funding deficit. We also maintain a close dialogue with the scheme's trustee. To limit further the potential exposure, future service benefits accruing to remaining active members were reduced from April 2016, with member contributions being increased in tandem.

Principal risks and uncertainties continued

Financial continued

Risk 7.

Example:

Our financial structure involves bank borrowings and senior secured notes due 2039. The business therefore needs to generate sufficient cash to repay these debts with accrued interest. Interest rates are also subject to change. See also 12.

Potential impact

Our ability to trade as a going concern depends on us generating sufficient cash to meet these repayments.

Mitigation

The vast majority of 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 assist in managing this exposure.

Operations

Risk 8.

Example:

We rely on a number of key suppliers to provide our pubs with food and drink.

Potential impact

Supply disruption could affect customer satisfaction, leading to a reduction in our revenue which could result in lower profits and growth rates.

Mitigation

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. Our offering provides an attractive showcase for food and drink suppliers - we therefore anticipate that new suppliers would be ready and willing to come on board relatively quickly should there be limited disruption of our food and drink supply chain. We regularly review our choice of suppliers.

Risk 9.

Example:

We 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 and the threat of cyber-attack.

Potential impact

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.

Mitigation

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. There is a full business continuity plan in place, enabling full remote working should any major incident occur at Copper House. The IT needs of the business are regularly monitored and we invest in new technology and services as necessary.

Key to change in the risk/uncertainty level from the prior period

Decrease No change Increase

Operations continued

Risk 10.

Example:

We are dependent on having the right people throughout our organisation: at all our pubs and at Copper House.

Potential impact

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 skillsets.

Mitigation

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 so that our people have the right skills to perform their jobs successfully and achieve their full potential. We have established a close working relationship with Performance Learning Group an apprenticeship provider, who develop programmes that dovetail into our own career pathway.

Risk 11.

Example:

Part of our growth plan is based on acquiring and/or developing additional pubs/bedrooms.

Potential impact

If acquisitions do not take place and/or developments do not occur when planned, or at all, our desired future growth rate could be delayed or reduced.

Mitigation

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 profiles.

Regulation

Risk 12.

Example:

We are required to meet a range of ever-increasing compliance, regulatory and health and safety obligations in the operation of our business.

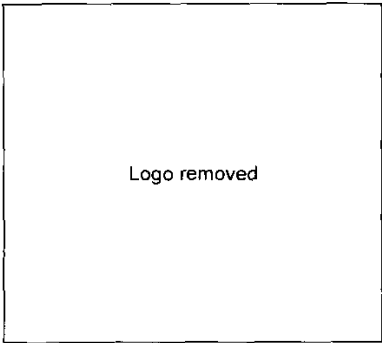
Potential impact

A failure to comply with these obligations could damage our reputation, see us being fined, and as regards health and safety, result in an accident or incident occurring involving injury, illness or even loss of life. All of these could possibly lead to a reduction in our revenue and lower growth rates. Increases in the cost of compliance could have an impact on our margins and result in lower profits.

Mitigation

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 works with us to ensure changes in health and safety practices and procedures are incorporated into our business and reviewed on a regular basis. Insurance cover to help with any financial compensation that may be payable because of an accident or incident has been taken out.

Young’s pubs with rooms

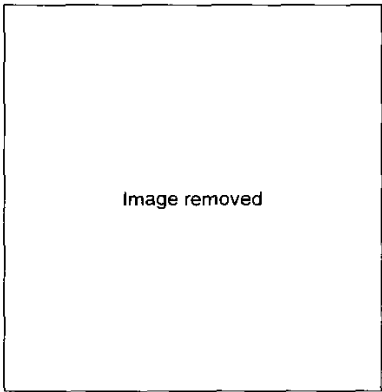


Our Young’s Rooms celebrate all there is to enjoy about the unique experience of staying in pubs.

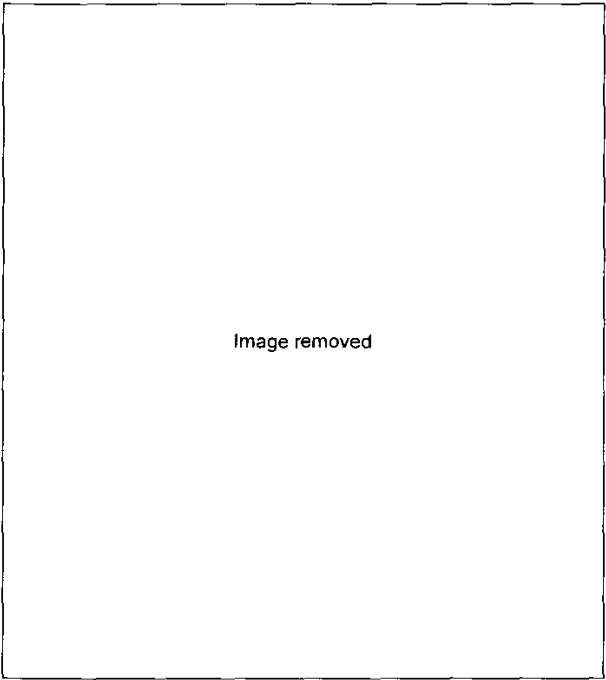
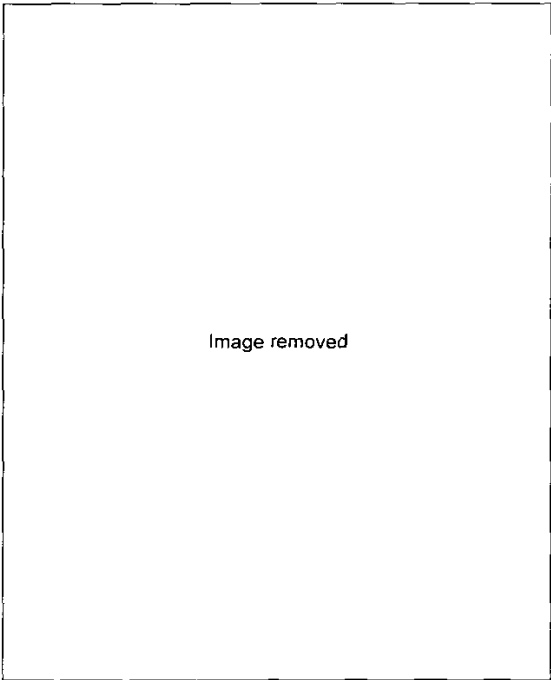
Full to the brim with character, a bar on hand and a great kitchen too. And just a few steps takes you to a super-comfy bed. Every room is a discovery, and every stay is extraordinary.

You feel the charm of the building and the buzz of the banter the moment you step in.

Our bedrooms are truly as exceptional as each of our wonderful pubs. It really is a joy to stay in a Young’s pub.



Bedrooms as
lovably unique
as our pubs.



Business and financial review

£368.0m

Managed revenue
(2022: £307.7m)

Managed houses

This year has been a historic one, with many notable events that have shaped our nation. Over two additional bank holidays, customers gathered in our pubs to raise a glass and celebrate the Queen's Jubilee. A few months later, they joined together to pay their respects on the day of the Queen's funeral. Our pubs play a pivotal role in their communities, providing a unique and welcoming environment, helping to bring people together in all kinds of circumstances.

Total managed house revenue was up 19.6% for the 53 weeks to £368.0 million (2022: 307.7 million), and up 12.9% on a like-for-like basis over 52 weeks (VAT adjusted like-for-like sales up 17.6% on 52-week basis). Trading initially peaked during the summer months as our exceptional gardens and outdoor spaces helped us capitalise on the prolonged periods of hot weather when temperatures reached record levels. Later in the year, the build-up to the festive period was supported by the first winter FIFA World Cup. This provided additional opportunities for external areas to boost revenues, as customers gathered to support the home nations. The negative effect from rail strikes in the Christmas period did not stand in our way of achieving record festive bookings, which were also significantly ahead of the same period in 2019. Unfortunately, the industrial action wasn't only focused on December, with the estimated £3.7 million impact on revenue felt throughout the past year.

Overall, the return to normal trading has been extremely positive for our business. Central London and City areas continue to bounce back as workers and tourists return to the capital. While working patterns have changed, with fewer people commuting into the office full-time, the condensed working week has resulted in increased sales for our pubs in the capital across Tuesday to Thursday.

£73.3m

Managed adjusted operating profit
(2022: £72.1m)

We continue to embrace some of the behavioural changes that were accelerated by the pandemic. Technology is an important part of this, as it helps to drive bookings and planned events. The Young's On Tap app still plays a key role in our pub gardens, and we see this as an important tool to help manage payroll costs and drive top-line growth. To constantly improve the quality of our database and connect better with our customers, we need to increase the number of channels through which we communicate with them. This will allow us to tailor and target our communications more effectively, using both traditional and social media channels.

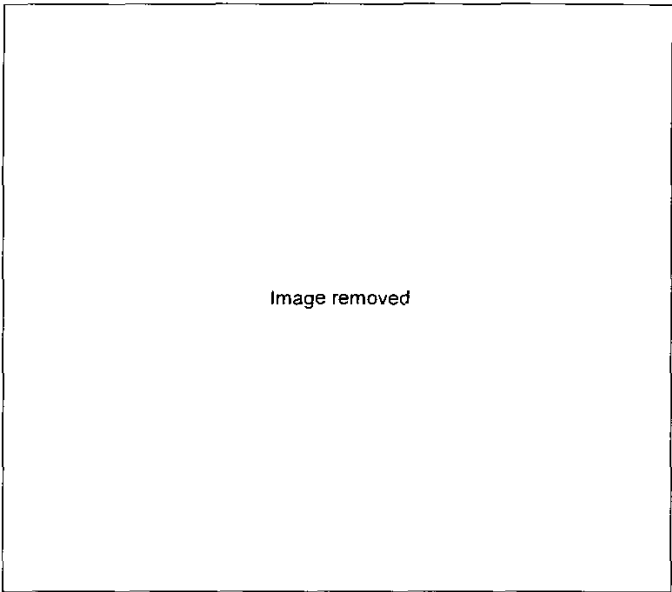
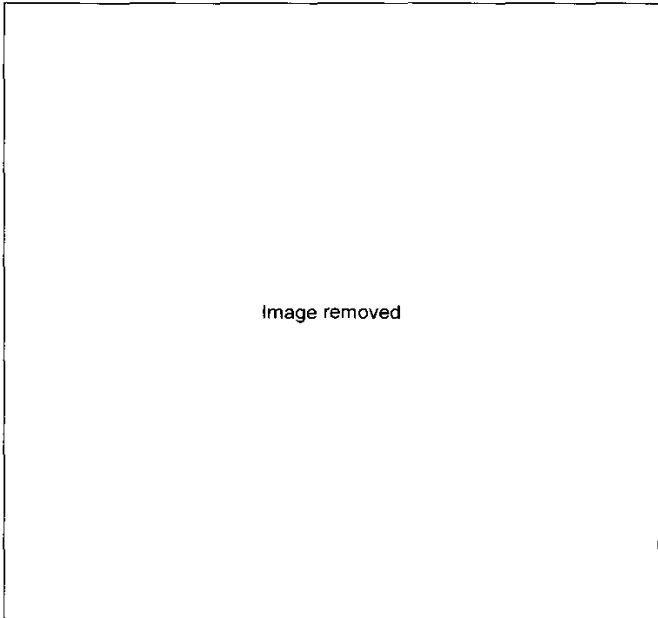
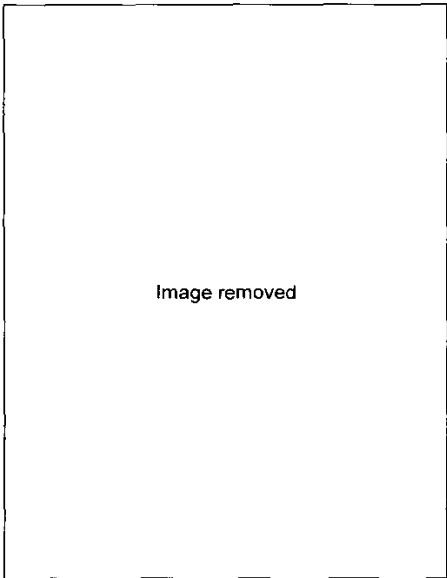
The return to a normal pub environment has also given us the opportunity to drive our core business, with drink sales ahead of last period by 21.5%, and up by 17.0% on a like-for-like basis over 52 weeks. In April we launched our new draught beer and cider range bringing fresh and exciting products to our bars through several strategic partnerships. We had huge success evolving the range with Pravha, our new entry level lager, as well as adding Beavertown Young Sun, Brooklyn Pilsner and most recently Asahi Super Dry, to ensure our bars remain relevant and offer choice to our customers while maintaining our drive for premiumisation. Meanwhile, popularity and success among our established brands continues to grow, with Guinness volume up 30.9%, now very much seen as a drink for all seasons, having risen into the list of our top three best sellers.

Our 'Summer Infusion' campaign generated great interest and delivered volume growth across our spirit and alcohol-free categories. Premium spirits were paired with high-quality mixers and elevated garnishes, giving our customers an alternative to a regular spirit serve. Ahead of Christmas, to capitalise on the continued growing market trend of cocktails, we relaunched our Cocktail Collective, an innovative new menu including the very popular 'Gingerbread Martini', winner of our cocktail competition.

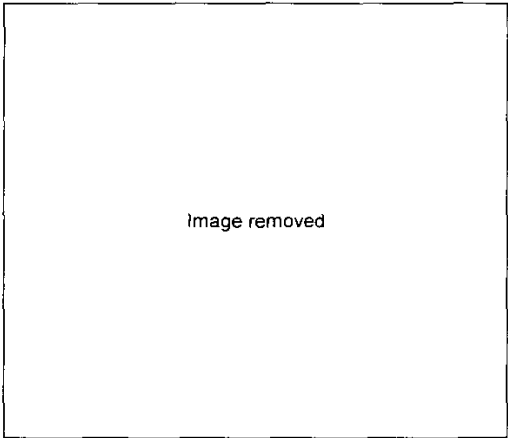
We continue to review our wine lists regularly, introducing new and interesting wines each year, offering greater premium options for those customers who wish to trade up. In April, we introduced Nyetimber, widely regarded as England's finest sparkling wine, replacing our grand marque Champagne, helping drive 9.0% growth in the premium sparkling category. Elsewhere we extended our range of rosé wine, giving customers increased choice and the premium option, capitalising on its 'gin-like' renaissance, with sales up this year by more than 20%.

Image removed

Business and financial review continued



During the year we hosted a collection of ‘Food for Thought’ dinners, showcasing the best of underutilised British produce such as unfamiliar species and foraged ingredients.



In recent years, there has been a growing trend of people abstaining from alcohol, not just in January. In fact, one in three visits to the pub now involves no alcohol. This trend is driven by several factors, including people wanting to moderate their alcohol intake. To help meet this trend we have been launching new and exciting drinks in our Lo/No category. Last year we launched our first alcohol-free draught lager, Estrella Free Damm. We also moved most of our mixers to low-sugar options and created several alcohol-free cocktails. While the category still represents a very small proportion of our sales, we are committed to meeting the needs of our customers who are looking for healthier and more mindful drinking options.

Food sales continue to be an important part of our business, and as a mix of sales have increased to 33% compared to pre-pandemic (2019: 30%), as the pub environment evolves into an all-round destination. Encouragingly, total food sales grew by 9.1% (53 weeks) against the tough prior year comparatives due to the lower VAT rate, and were up by 1.7% on a like-for-like 52-week basis (VAT adjusted like-for-like sales up 12.2% on 52-week basis).

One of the key successes to maintaining the high standards of our food offer has been ensuring that our classics remain classic. To help maintain that consistency we launched the 'Young's Digital Recipe Book', a tool to showcase premium quality and inspire our teams, highlighting the best-in-class produce available. Updated every quarter, it contains more than 150 recipes aimed at helping with the challenges posed by rising food inflation and seasonality to achieve stronger margins. The quarterly chef forums, held in our new training and development kitchen, located at

Copper House (Wandsworth), allow us to engage with all head chefs from across the business and provide an important opportunity to communicate our premium food vision.

At Young's we also take great pride in our food, offering distinctive dishes and unique food-led experiences that capture the customers' imagination. During the year we hosted a collection of 'Food for Thought' dinners, showcasing the best of underutilised British produce such as unfamiliar species and foraged ingredients. The Oyster Shed (Bank) was recognised with its first AA rosette for culinary excellence, and its head chef, Natalie Coleman, picked up the award for 'Pub chef of the year' at the Great British Pub Awards.

Total accommodation revenue was up 78.0% for the 53-week period, in part reflecting the slower opening up of the hotel market in the prior year, as well as the growth in our number of bedrooms through recent investment and acquisitions. On a like-for-like basis over 52 weeks, accommodation revenue was up by 46.1%, despite the prior period benefitting from reduced VAT rates. While our like-for-like occupancy increased to 72.0% (2022: 60.1%), the growth in average room rates to £105.95 (2022: £98.65) demonstrated a demand for our premium room offer and the positives of returning business travel, particularly in our London pubs with rooms. Resulting like-for-like RevPAR was £76.29 compared with £59.25 last year.

Like so many businesses, the high inflationary environment has negatively impacted operating margins this period, though we have worked hard to mitigate this. While our drink costs are largely fixed, based on contractual agreements, food prices fluctuate from month to

month and our executive chefs work tirelessly with their pubs to combat the sharpest rises in food costs. The central consolidation of food suppliers we undertook earlier this year, into a one-stop shop model, has helped alleviate cost increases and reduce our carbon footprint.

Recruitment remains a challenge for the whole industry, compounded by significant wage inflation driven by some of the highest increases to the National Living Wage since its introduction. Investment in our people has never been so important. Through training and development and access to the Young's career pathway, we are able to provide our teams with the necessary skills to help them reach their career goals. The Ram Agency, now with more than 350 active employees, plays an important role, firstly by giving team members added flexibility to choose shifts that suit their requirements, but also helping us manage our cost base, reducing the reliance on agency staff. The in-house agency brings together people with the necessary skills across a range of roles, from general managers to chefs, front and back of house team members, trained in the Young's way of working.

The energy crisis has affected almost all businesses and although we have fixed our utility rates until March 2024, the big rises in energy costs meant that we still spent an additional £5.5 million in the year, an increase of 82% on last year. The cost headwinds we faced this period have been compounded by government support in the prior year, where in addition to the lower VAT rate (£12.3 million), we benefitted from business rates relief, which resulted in an additional cost of £6.0 million this period. Despite these headwinds, total managed house adjusted operating profit was up 1.7% to £73.3 million (2022: £72.1 million).

£34.4m

Managed pub investment
(2022: £24.7m)

£71.40

RevPAR
(2022: £55.50)

Business and financial review continued

1.9 times

Net debt to adjusted EBITDA
(2022: 2.1 times)

£842.5m

Our estate value
(2022: £808.0m)

Investment

During the year, we spent £34.4 million on our existing estate to ensure that our pubs remain premium, individual and well-invested. The focus on restoring our pubs has seen us complete investments in a total of 34 pubs, with standout schemes at the Crown (Bow), Coborn (Mile End), Crown (Lee), Bull (Streatham), Brook Green and Hammersmith Ram (both in Hammersmith), Halfway House (Earlsfield) and the East Hill (Wandsworth).

The final quarter of the year was a key period of investment, we were onsite with six major projects, where exciting schemes looked to capitalise on previously underutilised space within pubs to provide fantastic growth potential for the upcoming years. In Bristol, having been closed for most of the year, the upper parts of Hort's Townhouse were transformed to create a stunning 19 bedroom 'pub with rooms'. At the Hare & Hounds (East Sheen), extensive work to the large garden has created more than 200 covers in the various huts and pergolas. Finally, in Central London, we are currently onsite at the Marquess of Anglesey (Covent Garden), where the full repositioning will include a stunning new roof terrace, allowing customers the opportunity to escape the densely populated streets below. This project is due to complete and reopen next month in time for peak summer trade.

On the acquisition front, we added six new pubs in the period. All our new additions are individual and unique businesses located in affluent commuter towns that present Young's with the opportunity to gain a foothold in a previously unrepresented geography. In total we added 40 bedrooms, with 18 bedrooms at the characterful Bedford Arms (Chenies), 9 bedrooms at the Carpenter's Arms (Tonbridge) and 13 bedrooms at the Griffin Inn (Fletching) in East Sussex. After acquiring both

the Merlin's Cave (Chalfont St Giles) and the Half Moon (Windlesham) we went onsite to complete investment schemes to take these pubs to the next level. Their locations in picturesque village settings make these businesses perfect Young's pubs and they will both play an important part in our future. Our acquisition of the Wild Duck (near Cirencester), adds further to the future growth pipeline. In recent years, this impressive site has been closed as part of a monumental back-to-brick renovation, and following our extensive investment, will reopen as another premium Young's pub with rooms in the heart of the Cotswolds.

During the period we transferred two of the remaining tenanted pubs to our managed estate. In the heart of the City, we invested and opened Bishop's Vaults (Bishopsgate) with a premium wine bar located in the vaults. In March, we took back the Clapham North (Clapham), which immediately closed and will reopen later this summer after a major investment.

Following the disposal of the Bridge Hotel (Greenford) in March 2023, we finished the period with a total of 227 pubs (2022: 222), including 39 pubs providing a total of 793 bedrooms.

Other key areas

Property

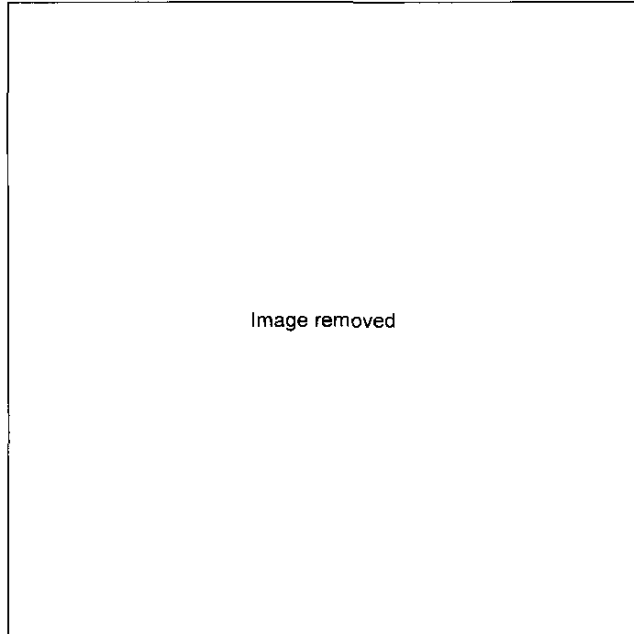
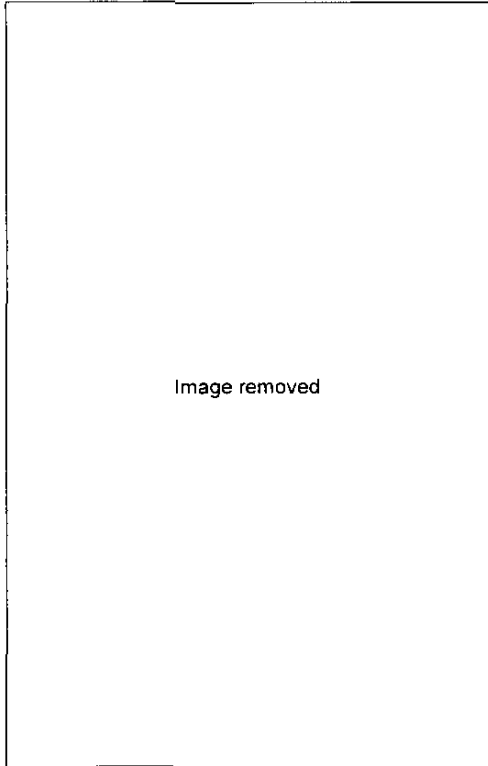
Our balance sheet strength is underpinned by our predominantly freehold estate in many highly desirable locations. 187 of our 227 pubs are freehold or are long leaseholds with peppercorn rents. Our total estate, including freehold and fixtures and fittings on leaseholds, is now valued at £842.5 million (2022: £808.0 million). The carrying value of property leases, including long leaseholds, is separately recognised as right-of-use assets in note 20. We have continued to add

value through major developments to improve our existing pubs and strategic acquisitions, primarily focussing on freehold assets.

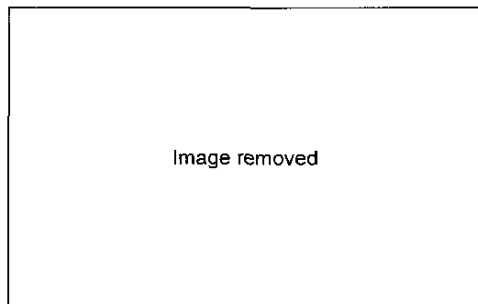
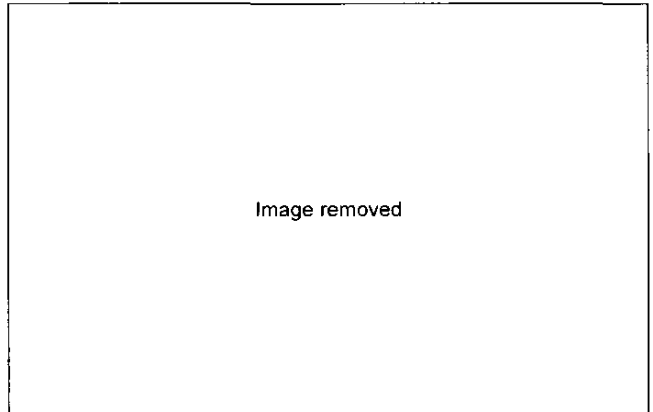
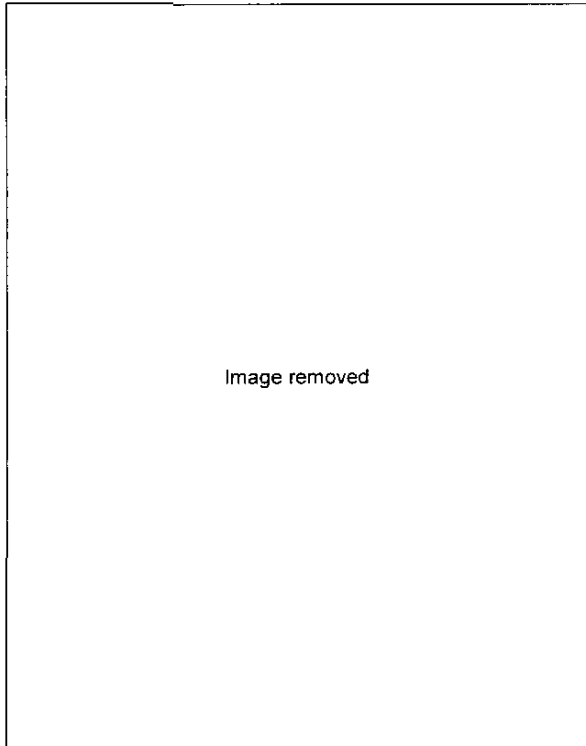
Each year we revalue our pub estate to reflect current market values. Savills, an independent and leading commercial property adviser, has revalued all our freehold properties. The valuation method used several inputs and the sustainable level of trade of each pub remained key.

In accordance with International Financial Reporting Standards, individual increases in value have been reflected in the revaluation reserve on the balance sheet (except to the extent that they had previously been revalued downwards) and individual falls in value below depreciated cost have been accounted for through the income statement. None of these adjustments have a cash impact.

Despite our return to profitable trade, the impact of the last few years has been considerable for individual pubs as they continue to build back to pre-pandemic levels. Pub property market sentiment has remained positive, reflected by the level of activity and property prices; as a result, we have seen a net upward revaluation movement of £8.2 million. This is comprised of an upward movement of £15.2 million (2022: £28.7 million upward movement) reflected in the revaluation reserve and a downward movement of £7.0 million (2022: £0.8 million upward movement) recognised as an adjusting item in the income statement.



During the year, we spent £34.4 million on our existing estate to ensure that our pubs remain premium, individual and well-invested.



Business and financial review continued

Treasury and going concern

At 3 April 2023, the group had cash in bank of £10.7 million and committed borrowing facilities of £205.0 million having elected not to renew the £30.0 million facility with NatWest in March 2023 given the current headroom. The £105.0 million of drawn facilities are all fully interest rate hedged, and in addition to these we maintain a £10.0 million overdraft with HSBC.

We are highly cash generative and despite another year of significant investment, our net debt including lease liabilities has fallen to £165.2 million (2022: £173.8 million), with net debt to adjusted EBITDA ratio conservative at 1.9 times (2022: 2.1 times).

Whilst our pubs continue to trade extremely well, it remains prudent to recognise a small degree of uncertainty ahead due to any potential slowdown in consumer spending influenced by the ongoing cost of living increases and to acknowledge the impact of the current cost inflation that could influence future profitability. As part of the directors' consideration of the appropriateness of adopting the going concern basis, the group has modelled several scenarios for the going concern period, ending 1 July 2024. The base case model assumes we continue to trade as now whilst reflecting the inflationary environment that currently exists, with trade continuing to build in line with Young's growth strategy. The general reduction in trade scenario looks at a decline of 20% in sales and 25% in profit across the period. This aims to capture the potential slowdown in consumer spending influenced by the ongoing cost of living crisis. The cost inflation scenario includes an average 8% increase in the food cost base and 10% increase in general pub operating costs for the period with no retail price increases. Utility pricing has been held at the base case rates given the group has forward bought utilities to March 2024. We have assumed capital expenditure levels will continue at historical levels and no structural changes to the business will be needed in any of the scenarios modelled. The reverse stress test indicated there would need to be a sales reduction of c.40% and profit reduction of c.60% between April 2023 and June 2024 compared to the base case before there

is a breach of financial covenants in the period. This was calculated before reflecting any reduced head office costs or bonuses, reduced capital expenditure or suspension of dividends. The Directors believe the scenario to be remote.

The impact of climate change on going concern has been considered and determined that there is no impact on the business during the going concern period. Aligned with the group's developing ESG strategy this will continue to feature in future assessments, as the group determines the potential wider impact on the asset base, capital expenditure and cost of compliance.

While the group expects to have available facilities of £205.0 million during the going concern period, the plan to renegotiate the £20.0 million term loan, due May 2024, falls within this period. However, given that those negotiations have yet to take place, for going concern purposes, the group has assumed that available facilities will be £185.0 million at the end of the going concern period. Further details are set out in note 1 of the attached financial statements.

Based on these forecasts and sensitivities, coupled with the current debt levels and the revised debt structure, the board is confident that the group is able to manage its business risks and to continue in operational existence. Accordingly, the board continues to adopt the going concern basis in preparing the consolidated financial statements. Further details are set out in note 1 of the attached financial statements.

Retirement benefits

We have a defined benefit pension scheme which has been closed to new entrants since 2003. During the year our pension scheme surplus has decreased by £8.5 million to £3.7 million, driven by a decrease in the return on the scheme's assets and an increase in the discount rate applied. We have continued our commitment with another year of special contributions, totalling £1.2 million, and remain fully committed to ensuring the pension scheme is adequately funded.

Adjusting items

Total adjusting items were £9.0 million in the period (2022: credit of £0.3 million), and as previously mentioned, the majority relates to the net downward movement in property revaluation for the period of £7.0 million. Purchase costs relating to the six acquisitions were £1.1 million and there was an additional £0.6 million of tenant compensation for Bishop's Vaults (Bishopsgate) and an unlicensed property (Ealing). The remaining £0.3 million relates to restructuring costs following a reorganisation at Copper House, our corporate head office.

Tax

A tax charge of £6.5 million (2022: £17.5 million charge) was recognised for the year. The effective tax rate was 18.0% (2022: 33.7%) compared to the statutory rate of 19.0% with the difference primarily driven by the re-measurement of deferred tax assets as a result of the increase in the future substantively enacted tax rates from 19.0% to 25.0%. Further detail can be found in note 14.

Shareholder returns

Having started life in 1831, Young's is a long-standing business, and we are determined to maintain our long-term, sustainable growth story.

Our top-line trading performance has flowed through to strong profit conversion and cash generation. Our adjusted earnings per share was at 64.29 pence (2022: 56.26 pence). On an unadjusted basis, the earnings per share was 50.78 pence (2022: 58.83 pence). As a result, we are pleased to recommend a final dividend of 10.26 pence and, if approved by shareholders, this will give a total dividend for the year of 20.52 pence (2022: 18.81 pence).

Simon Dodd
Chief Executive

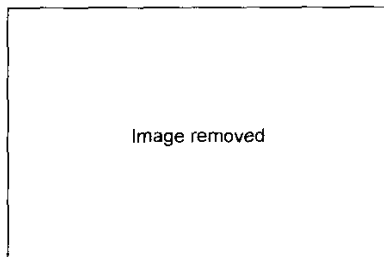
24 May 2023

Corporate Governance.

56	Chairman's corporate governance statement
58	Board of directors
61	Leadership team
63	Corporate governance report
71	Audit committee report
77	Remuneration committee report
82	Directors' report

Image removed

Chairman's corporate governance statement



“As a board we want to drive growth and deliver long-term sustainable value for all our stakeholders. In all our decision-making, we aim to do the right thing, in the right way, at the right time. This approach and culture are underpinned by our corporate governance model which seeks to ensure that good governance standards are welcomed and adopted throughout our business at all times.”

Stephen Goodyear
Chairman

On behalf of the board, it gives me great pleasure to introduce this year's corporate governance report.

As a board, we are stewards of the company. It is our responsibility to ensure that the company's strategy is aligned with the interests of our investors and takes account of the interests of all our stakeholders. As individuals, we believe that effective corporate governance is based on honesty, integrity and transparency, and can only be fully realised within an environment of open, robust, and effective debate. This is the board culture we foster at Young's, and it is my responsibility as chairman to ensure that we continue to live this culture and promote it within our business.

The company applied the Quoted Company Alliance Corporate Governance Code ('QCA Code') throughout the period. It provides the right governance framework for us: a flexible but rigorous outcome-oriented environment in which we can continue to develop, as needed, our governance model to support our business. I am pleased to report again that the ten broad principles around which the QCA Code has been constructed are effectively embedded in our governance model, our ways of working and our behaviours.

The board continues to evolve and there have been a number of changes during the year. In July, Patrick Dardis stepped down as chief executive, and he was succeeded by Simon Dodd, who was recruited in 2019 with succession in mind. Mark Loughborough joined the board as retail director in September 2022. Mark has spent 11 years with Young's in a number of senior roles, and it gave me great pleasure to recommend him as an internal candidate for promotion to the board as an executive director.

We conducted an external search for a further non-executive director during the year, and in March 2023 Sarah Sergeant joined the board as an independent non-executive director. Further information on the search process can be found

on page 67. This appointment further strengthened the independence and diversity of the board.

I can also report that in January this year, the board agreed to extend the terms of office for both me and Nick Miller through to April 2026. In deciding to do this, the board determined that we made an effective and valuable contribution to the board, demonstrated commitment to our roles (in my case, as non-executive chairman, and, in Nick's case, as senior independent non-executive director, chair of the remuneration committee and as a member of the audit committee), and were able to give sufficient time to Young's.

During the year, an external board evaluation was undertaken for the first time. The evaluation was facilitated by Lintstock Limited. The feedback from the evaluation confirmed that the board and each of its committees continue to operate effectively, and that each director continues to make an effective contribution and retains a strong commitment to their role. The development themes that arose from the evaluation are discussed on page 69.

The board's strategy and model to grow the business and drive shareholder value are set out on pages 10 and 15. It is usually against that background, and a mission statement of "delighting our customers with stylish pubs and hotels", that the board makes decisions and manages risk.

The board continued to set clear expectations concerning the group's culture and values. By way of example, each person starting at one of our pubs received a formal induction which not only covers the company's vision and values, but also explains how we go about caring for our customers, right from their decision to come to our pubs through to a goodbye at the end of their visits. This is so important if we are to develop our people to delight our customers. The learnings from the induction programme then become instinctive over a team member's time with us.

For information, an index setting out where to find each of the disclosures required to be published by the QCA Code appears at the end of the corporate governance information part of the 'Companies Act and AIM Rules compliance' page within the investors section of www.youngs.co.uk.

Clear statements of behaviour are also issued by the board. An anti-bribery statement is available on our corporate website and our team members are encouraged to refer contractors and suppliers to this. We also have an anti-bribery policy. Both the statement and policy confirm that we have a zero-tolerance stance on bribery, and they repeat the board's expectation that everyone behaves at all times honestly, professionally, fairly and with integrity. The policy is circulated to everyone at Copper House and to all pub managers; it is also contained in each pub employee's contract of employment. Our slavery and human trafficking statement, likewise, published on our corporate website, also explains to external stakeholders that we seek to conduct our business honestly and with integrity at all times and that we recognise that it is not acceptable to put profit above the welfare and wellbeing of our employees and those working on our behalf. Steps to combat modern slavery are taken seriously, and preventative measures are embedded across all departments throughout our organisation, to ensure we play our part in helping to stamp out slavery and human trafficking. A whistleblowing policy is also in place: this allows our employees to raise any concerns in confidence directly with the chair of the audit committee, the company secretary or the group's internal audit and risk manager. Experience to date suggests that this policy is effective and widely known.

We firmly believe that by encouraging the right way of thinking and behaving, across all our people, our corporate governance culture is reinforced. This enables us to conduct business sustainably and responsibly and it allows us to drive our premium, customer-focussed, people-led strategy and deliver value for our shareholders. Within this framework, those managing our pubs are encouraged to be entrepreneurial, while supported by policies, processes and an extensive training programme that assists in protecting the business from unnecessary risk.

We accept that simply setting expectations is insufficient and it is important for the board to lead by example: it was therefore regularly seen out and about engaging with our team members, customers, and others. The executive team communicated regularly with the teams in the pubs and at our head office, through meetings and messages and at events. Being seen isn't always good, sometimes just fading into the background whilst observing and listening can be really educational. Our relatively informal approach here was supported by more formal processes – we encouraged customer feedback (both directly to the pubs and via online booking review platforms) and there were also staff appraisals. Together, these provided invaluable insight into how we were seen to behave and led the board to believe that the group had a healthy corporate culture throughout the business.

Further details on our corporate governance arrangements (reflecting the broad principles in the QCA Code and their application) appear in the following pages and on our corporate website. Overall, I very much feel that the essence of the QCA Code is fully reflected and observed in our business, and a regular review by me with our company secretary will ensure that this remains the case in the years to come.

To finish, I remain ever aware of the importance of ensuring that we regularly engage with you, our shareholders. On page 70 we have set out what we do in this regard; the AGM is a key part of this, and I look forward to welcoming you to this year's AGM in Wandsworth on Thursday, 6 July 2023.

Stephen Goodyear
Chairman

24 May 2023

Key milestones during the period

19 May 2022

Full-year results

We released our full-year results

5 July 2022

AGM

Our shareholder AGM was held at Wandsworth Town Hall

Board changes

Patrick Dardis stepped down as chief executive and he was succeeded by Simon Dodd

7 July 2022

Final dividend

A final dividend of 10.26 pence per share was paid to shareholders

30 September 2022

Board changes

Mark Loughborough was appointed as retail director and Patrick Dardis stepped down from the board

2 December 2022

Interim dividend

An interim dividend of 10.26 pence per share was paid to shareholders

18 January 2023

Board evaluation

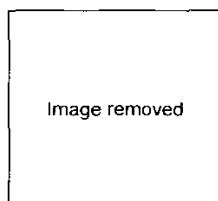
Lintstock presented its feedback from the company's first externally facilitated board evaluation

1 March 2023

Board changes

Sarah Sergeant was appointed as an independent non-executive director

Board of directors



Stephen Goodyear
Non-Executive Chairman

Commenced role
April 2017 (appointed to the board in February 1996)

Skills and experience
Stephen has considerable knowledge of, and passion for, Young's and the industry. He began his career with Courage Ltd in 1974 and joined Young's in 1995. In 2003, he became chief executive and oversaw the sale of the Ram Brewery, the creation of the tenanted Ram Pub Company and the transformation of Young's into a premium managed house business. The latter involved the acquisition of Geronimo Inns at the end of 2010 and the creation of a growing 'pubs with rooms' operation. In 2016, Stephen stepped down as chief executive and became a non-executive director. Stephen is approachable, measured, calm and influential, and provides invaluable support to the chief executive. As chairman, he is impartial and objective and encourages open and constructive debate.



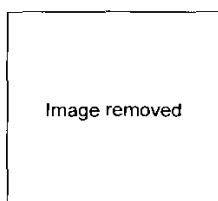
Simon Dodd
Chief Executive

Commenced role
July 2022 (appointment to the board in September 2019)

Skills and experience
Simon was appointed chief executive in July 2022. He joined the company as chief operating officer in September 2019 with responsibility for the group's managed house operations, including marketing. Having spent more than 20 years working in the pub and brewing sector, Simon has a wealth of experience. Before starting at Young's, Simon was an executive director at Fuller's and managing director of their beer company (2016-19) – previously, he was the operations director of their City pubs division (2015-16). Prior to joining Fuller's, Simon was chief operating officer at the Orchid Pub Company (2013-14) and commercial director (2006-13). With his experience, knowledge and retail marketing background, Simon makes a strong contribution to the well-established Young's business.

Other relevant external appointments
The Independent Family Brewers of Britain (member)
British Beer and Pub Association (member)
Liveryman for the Brewers' Company

(E) (D)



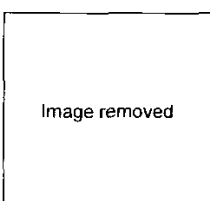
Mike Owen
Chief Financial Officer

Commenced role
September 2019

Skills and experience
Mike has overall stewardship of the group's finance functions (including strategy, forecasting, reporting, tax, treasury, and risk management) and, since 1 October 2020, is responsible for the group's technological needs. He has a strong passion for the industry having been group finance and IT director at Hall & Woodhouse Ltd (2016-19), head of European and then global deployment in the global business services division of SAB Miller PLC (2014-16) and finance and IT director at Miller Brands (UK&I) Ltd (2008-14). Due to his influence and involvement in the business, and his open and engaging personality and management style, the leadership he provides benefits not just his direct reports and team but a much wider section of the company's people. Mike is a qualified accountant.

Other relevant external appointments
Liveryman for the Brewers' Company

(E) (D)



Tracy Dodd
People Director

Commenced role
September 2016

Skills and experience
Tracy is responsible for all things people including HR, recruitment, development, health and safety and succession planning. She joined Young's in 2015; prior to this Tracy was at the Orchid Pub Company (2006-14) where she held several senior positions including head of learning and development. Tracy plays a pivotal role ensuring our rich, premium (slightly quirky) heritage lives throughout the business, whilst remaining cognisant of the important regulatory backdrop including equality, gender diversity and team wellbeing. As a previous operator, Tracy leads by example, has a strong team ethic, and communicates seamlessly across all levels of the business.

Other relevant external appointments
Hospitality Apprenticeship Board (member)

(E) (D)

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Mark Loughborough

Retail Director

Commenced role
September 2022

Skills and experience

Mark was appointed to the board as retail director in September 2022 and is responsible for the group's managed operations, including food development. Mark has a BSc in Business Economics and joined Young's as operation's manager in February 2011, being promoted to director of operations in 2017 and senior director of operations in 2021. He has over 25 years of experience in hospitality and has played an important role in shaping the operational direction of Young's over the last decade. Mark works with a positive disposition and is known for his drive for innovation and creative thinking.

Other relevant external appointments

The company's UK Hospitality representative

(E) (D)

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Nick Miller

Senior Independent Non-Executive Director

Commenced role
April 2017

Skills and experience

Nick has a wealth of experience in hospitality, leisure and brewing. He was the CEO of Meantime Brewing Company (2011-16) and before that he was the MD of Miller Brands, the UK arm of SAB Miller, the multinational brewing and beverage company. Nick has an excellent reputation in the industry. He is a particularly perceptive businessman, with significant experience and demonstrable career success at both Meantime and SAB Miller. With this background, he is able and prepared to challenge the executive directors, and he provides a strong and valuable external perspective to the board. Through a combination of his executive experience, strength of character and willingness and ability to engage, he is well placed to lead the remuneration committee and act independently.

(R) (A)

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Ian McHoul

Independent Non-Executive Director

Commenced role
January 2018

Skills and experience

Ian is a chartered accountant and an experienced non-executive director. Aside from the current appointments listed below, he has recently been a senior independent director at Britvic Plc (2014-22) and has been a non-executive director at Premier Foods plc (2004-13) and John Wood Group plc (2017-18). Ian was the CFO at Amec Foster Wheeler plc (2008-17); before that, he had a variety of positions in the brewing and licenced retail industry, including at Scottish & Newcastle plc, where he was group finance director, and Innpreneur Pub Company Ltd (1985-2008). With his considerable sector experience and strategic and financial acumen, his contributions both in and outside of board meetings are insightful. He also brings financial astuteness to his chairmanship of the audit committee. At a personal level, his ability to listen, build trust and encourage allows him to mentor others.

Other relevant external appointments

Bellway Plc (director)
Videndum plc (chairman)

(A) (R)

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Torquil Sligo-Young

Non-Executive Director

Commenced role
October 2020 (appointed to the board in January 1997)

Skills and experience

Torquil joined Young's in 1985, becoming an executive director in 1997. During his time as a director, he was responsible for personnel, health and safety, and the group's technological needs, and he also headed up the company's in-house CSR team. In 2020, Torquil stepped down as an executive director and became a non-executive director. He is chairman of a charitable trust set up by William Allen Young, a founder of the business, and, due to his length of service and knowledge of Young's, is chairman of Young's Pension Trustees Limited, the trustee company that manages the Young & Co's Brewery, P.L.C. Pension Scheme. Torquil brings a calmness to his position and, being a member of the founding family, he helps the company keep in touch with family shareholders.

Other relevant external appointments

William Allen Young Charitable Trust (chairman of the trustees)

Board of directors continued



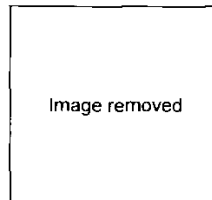
Aisling Meany

Independent Non-Executive Director

Commenced role
September 2021

Skills and experience

Aisling has considerable investment banking, capital markets and financial services experience. She is currently a director of Rothschild & Co Equity Markets Solutions Limited., COO of the equity advisory business and a managing director in the equity advisory team. During her 13 years at Rothschild & Co. she has also held the positions of director in the corporate development and strategy team and vice president in the financial institutions M&A team. Aisling is a trustee of Kiftsgate Court Gardens and Estate, holds a Master's in Finance from the London Business School and qualified as a chartered accountant with PricewaterhouseCoopers.



Sarah Sergeant

Independent Non-Executive Director

Commenced role
March 2023

Skills and experience

Sarah has a wealth of experience in the leisure/hospitality and property sectors and brings considerable financial, strategic, and operational experience to the Young's board. She is currently the chief financial officer, and an executive director of Watkin Jones PLC. Sarah was previously the chief financial officer of the UK & Ireland region at Compass Group PLC. During her 13-year tenure at Compass, she held a number of senior finance and operational roles, including group financial controller, M&A Director, and CFO of the Asia Pacific region, based in Singapore. Sarah is a chartered accountant.

Other relevant external appointments
Trustee of the Charleston Trust (Bloomsbury in Sussex)



Chris Taylor

Company Secretary

Commenced role
April 2021

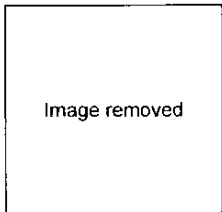
Skills and experience

Chris provides counsel to the board on various governance, legal and regulatory issues affecting the group. He also provides leadership and advice on sustainability. Chris is an experienced chartered secretary having held positions at a number of listed companies including Guinness, Diageo and Orange, and prior to joining Young's he was company secretary of Sky plc. He was also part of the Young's company secretarial team earlier in his career. Chris is a Fellow of the Chartered Governance Institute. He has an authentic and approachable style and provides valuable advice and support to the board, executive and wider business.

Committee Membership

- Audit committee
- Disclosure committee
- Executive committee
- Remuneration committee
- Chair of committee

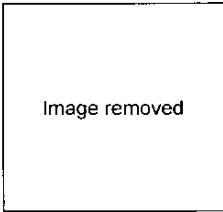
Leadership team



Kara Alderin
Director of Operations

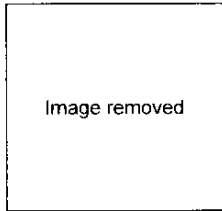
Kara oversees operations of Young's pubs with rooms, stretching from Wandsworth to the Cotswolds and across the South of England. Kara has specific responsibility for leading the operations teams, capital development investments and acquisitions, sales and profits, Young's Rooms strategy, and delivery of our individual differentiated pub proposition.

Kara studied Hospitality Management and joined Young's in July 2020 having previously worked for Abokado and Fuller's.



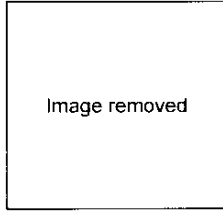
Tom Durham
Director of Retail Finance & Planning

Tom provides financial support to the chief financial officer and the pub operations team. He manages a team of eight people leading on areas such as budgeting and forecasting, financial reporting, business partnering and commercial finance. Tom is a qualified accountant and joined Young's in October 2014 having previously worked for Marriott International and SSP Group plc.



Stuart Gallyot
Director of Property

Stuart heads up the property team and has overall responsibility for delivering the capital expenditure and development plans for existing pubs, acquisitions of new pubs in premium locations, maintenance of the buildings and estate management. Stuart is a chartered surveyor and joined Young's in November 2021. He has thirty years' experience in the licensed trade having previously worked for Stonegate, Ei Group, Punch Taverns, and Scottish & Newcastle Retail.



Jon Falarczyk
Director of Operations

Jon was appointed director of operations in October 2022 and oversees the operations of South West London, Central London, the City and the home counties. He has specific responsibility for sales and profit conversion, succession and development of operations managers, oversight of delivery, return on capital expenditure projects and integration of new acquisitions. Jon studied Hospitality Management and joined Young's as an operations manager in March 2018, having previously worked for a number of years at Mitchells & Butlers.

Leadership team continued

Image removed

Gail Khan
Director of HR

Gail oversees the HR function, with responsibility for HR support, policy design and employee relations.

Gail graduated from the University of Cape Town with a BSS in Industrial & Organisational Psychology and from Kingston University with a post-graduate diploma in Human Resource Management. She is a Fellow of the Chartered Institute of Personnel & Development. Gail joined Young's in May 1995 and is a trustee of the company's pension and life assurance schemes.

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Chris Knights
Director of Food

Chris has responsibility for the group's food operations including development of food menus, suppliers, delivering health and safety within the business, overseeing the succession and development of chefs and kitchen teams, and ensuring the appropriate training and development programmes are put in place. Chris is a chef by trade and joined Young's in April 2011 having previously worked within food service, retail and an array of restaurants and pubs.

Image removed

Grant MacFarlane
Director of IT

Grant leads the technology function within Young's, overseeing a team of retail, infrastructure, systems development, and support professionals. He also manages the relationships with our external software, hardware and support partners. Grant holds a BA in Economics and Business Law, and an MSc in Information Systems Management. He joined Young's in July 2022 with over twenty years of hospitality experience, having previously led technology teams for national and international hotel groups.

Image removed

Gillian McLaren
Director of Marketing

Gillian leads the group marketing strategy and is responsible for driving premium value through individuality, consistency, brand awareness, growing and strengthening our community of advocates, and broadening reach through digital and sales conversion. Gillian is also responsible for commercial procurement of our premium drink offer and maximising commercial value. Gillian is a Fellow of the Chartered Institute of Marketing and joined Young's in August 1998 having previously worked for Scottish & Newcastle plc, Courage Limited, KLM Royal Dutch Airlines & TrustHouse Forte.

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Aly Neale
Director of Operations

Aly oversees pub operations in the North, West and South London regions. Whilst leading business excellence and innovation within her region, Aly has specific responsibility for sales and profit conversion, succession and development of operations managers, oversight of delivery and return on capital expenditure projects.

Aly joined Young's in 2023, having previously worked at 580 Group, Fuller's, Mitchells and Butlers, Marriot and other independent business and consultancy organisations.

Corporate governance report

Leadership

The role of the board and its committees

The board

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

- approving the group's long-term objectives, commercial strategy and annual budgets;
- overseeing the group's operations, ensuring competent and prudent management, sound planning, adequate accounting and other records, and compliance with statutory and regulatory obligations;
- ensuring maintenance of sound management and internal control systems; and
- approving acquisitions and disposals.

The board takes a long-term outlook and sees itself as responsible to a wide range of stakeholders, whilst pursuing its objectives in a manner consistent with its statutory duties, for the benefit of the company's members as a whole.

The board governs mainly through its executive management and via committees, the principal ones of which are listed below.

The directors are selected on the criteria of proven skill and ability in their particular field, and their diversity of outlook and experience, which directly benefits the operation of the board as the custodian of the business. A full biography of each board member is provided on pages 58 to 60.

Executive committee	Audit committee	Remuneration committee	Disclosure committee
It is responsible for the daily running of the group and the execution of approved policies and the business plan. It usually meets weekly, with members of staff invited to attend as appropriate. Additional meetings are held as required.	Its primary focus is on external corporate reporting and on monitoring the company's internal control and risk management systems. Further details on the committee's responsibilities and activities are on pages 71 to 76.	Its primary function is to determine, on behalf of the board, the remuneration packages of the executive directors. Further details on the committee and the company's reward policy are on pages 77 to 81.	Its primary function is to assist the company in making timely and accurate disclosure of information required to be disclosed in order to meet legal and regulatory obligations.
Chair ¹	Chair	Chair	Chair
Simon Dodd	Ian McHoul	Nick Miller	Mike Owen
Other members ²	Other members	Other members	Other members ²
Mike Owen Tracy Dodd Mark Loughborough ³	Nick Miller Aisling Meany Sarah Sergeant ⁴	Ian McHoul Aisling Meany Sarah Sergeant ⁴	Simon Dodd Tracy Dodd Mark Loughborough ³

¹ Simon Dodd assumed the role of chief executive on 5 July 2022 and became chair of the executive committee.

² Patrick Dardis ceased to be a member of the executive committee and disclosure committee when he stepped down from the board on 30 September 2022

³ Mark Loughborough was appointed to the board on 30 September 2022 and joined the executive committee and disclosure committee with immediate effect

⁴ Sarah Sergeant was appointed to the board on 1 March 2023 and was appointed to the audit committee and remuneration committee on 15 March 2023

The terms of reference for the audit, remuneration and disclosure committees can be found in the investors section of www.youngs.co.uk. The executive committee has no formal terms of reference.

Corporate governance report continued

Board meetings and reserved matters

Meetings

The board meets every two months, with additional meetings arranged as required. It met six times during the period, excluding the strategy meeting held in January. Most meetings take place at Copper House; occasionally, they are held at one of the group's pubs, thus providing the board with further opportunities to keep up to date with the group's business and how particular pubs are performing.

Formal meeting agendas, made up of regular and other specific business matters, and supporting packs were provided to board members sufficiently in advance of each meeting to ensure there was time for these to be reviewed. The agendas were prepared by the company secretary and agreed with the chairman and the chief executive.

Included in the pack for each of the board's scheduled meetings was a report from the chief executive, a summary of financial performance in the year-to-date, a latest financial forecast, an operations report from the retail director, a health and safety report, a people report and details of any material claims against the group. At the meetings, the executive directors expanded upon what was covered in their reports, and the company secretary updated the board on matters for which he was responsible. The chairs of the company's audit, remuneration and disclosure committees also reported formally on the proceedings of their committees and minutes of those committee meetings were made available to members of the board.

Time is regularly put aside at board meetings to discuss the company's strategy and members of staff are invited to attend board meetings to give presentations and/or provide updates on developments in their areas of responsibility. During the year the board has received strategy presentations from the director of marketing, director of property, director of IT, the head of recruitment and development, a director of operations and ESG updates from the sustainability manager, director of property and the company secretary.

The formal flow of information in board meetings was in addition to information exchanged outside of those meetings, often in relation to ad hoc matters that needed considering between meetings. The directors also received, usually on a weekly basis, the group's sales numbers, and on a monthly basis, a management accounts pack that included: a summary of the group's financial and non-financial performance; sales information for drink and food for the periods; and the group's financial position and cash flow. The non-executives also met with the chair or one or more of the executive directors outside of board meetings.

The annual strategy meeting gives management and the non-executives an opportunity to discuss a variety of matters. Once the strategy is agreed, management is able to build the budgets for the following year and develop longer-term plans. J.P. Morgan Cazenove attended this year's strategy meeting and the key matters covered included:

- the group's long-term business plan and a re-affirming of the group's strategy and business model;
- the group's equity and capital structure;
- the group's acquisition strategy and capital investment; and
- consumer trends and insight.

Environment supportive of challenge

The effective operation of the board is dependent on the inherent checks and balances within the various board roles. As highly qualified and successful individuals in their respective fields, all non-executive directors influence, debate and contribute to decisions relating to the strategy of the company, its performance, and its impact on stakeholders. Open and constructive debate in meetings was always encouraged by the chairman, and non-executive directors are encouraged and expected to offer alternative viewpoints and challenge perceptions and decisions as appropriate.

Matters reserved for the board

The board maintained a formal written schedule of matters reserved for its review and approval; this schedule includes those matters described on page 63 under *The role of the board and its committees*, as well as those in the following table:

Category	Examples
Strategy and management	Extension of the group's activities into new business or geographic areas; cessation of the operation of all or any material part of the group's business.
Structure and capital	Changes relating to the group's capital structure; major changes to the group's corporate or management and control structure; changes to the company's listing or its status as a plc.
Financial reporting and controls	Approval of the following: annual report and accounts, preliminary announcements of results, significant changes in accounting policies or practices, treasury policies, certain unbudgeted capital or operating expenditure; declaration or recommendation of dividends; review and approval of expenditure authorisation limits.
Contracts	Contracts in the ordinary course of business material strategically or by reason of size; contracts not in the ordinary course of business; major investments.
Communication	Approval of resolutions, circulars, prospectuses and press releases concerning matters decided by the board.
Board membership and other appointments	Changes to the structure, size and composition of the board; ensuring adequate succession planning for the board and senior management; board appointments; selection of the chairman and the chief executive; appointment of the senior independent non-executive director; membership and chairs of board committees; continuation in office of directors; appointment or removal of the company secretary; appointment, re-appointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.
Remuneration	Approving the remuneration policy for the directors; determining the initial remuneration of the non-executive directors; introduction of new share incentive plans or major changes to existing plans.
Delegation of authority	Division of responsibilities between the chairman and the chief executive; establishing board committees and approving their terms of reference.
Corporate governance	Undertaking any formal and rigorous review of the board's own performance, that of its committees and individual directors, and the division of responsibilities; determining the independence of non-executive directors; review of the group's overall corporate governance arrangements; authorising conflicts of interest where permitted by the company's articles of association.
Policies and procedures	Approval of the following: manual on compliance with the AIM Rules and aspects of the UK Market Abuse Regulation, company's insider list manual, dealing code, anti-bribery policy, whistleblowing policy and health and safety policy.

Corporate governance report continued

Directors and company secretary

Roles and responsibilities

There is a clear division of responsibility at the head of the company.

Chairman

Is responsible for:

- leading an effective board;
- fostering a good corporate governance culture;
- creating an environment for open, robust and effective debate; and
- ensuring appropriate strategic focus and direction.

Senior independent director

Acts as a sounding board for, and provides support and advice to, the chairman and other board members. Also available to shareholders and any of the directors should they have a question or concern that cannot be raised through the normal channels.

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. They play their part by being knowledgeable business people who bring a wide range of skills and experiences to the board.

Chief executive

Has overall responsibility for:

- proposing the strategic focus to the board;
- implementing the strategy once approved;
- managing the group's business; and
- advancing long-term shareholder value, supported by the management team.

Executive directors

They are responsible for the day-to-day running of the business. See pages 58 and 59 for their particular roles and areas of responsibility.

Company secretary

The company secretary is responsible for the following in respect of effective board operation:

- to advise the board through the chairman of all corporate governance developments;
- ensure good information flows within the board and its committees between senior management and non-executive directors; and
- facilitate directors' induction and assisting with ongoing training and development.

Attendance at board and committee meetings

Meeting attendance	Board	Audit committee	Remuneration committee
Number of meetings	6	3	4
Stephen Goodyear	6/6	–	–
Simon Dodd	6/6	–	–
Mike Owen	6/6	–	–
Tracy Dodd	6/6	–	–
Mark Loughborough ¹	3/3	–	–
Patrick Dardis ²	3/3	–	–
Nick Miller	6/6	3/3	4/4
Ian McHoul	6/6	3/3	4/4
Torquil Sligo-Young	6/6	–	–
Aisling Meany ³	5/6	3/3	4/4
Sarah Sergeant ⁴	1/1	–	–

¹ Mark Loughborough was appointed as an executive director on 30 September 2022 – he attended all meetings of the board that he was eligible to attend.

² Patrick Dardis stepped down as an executive director on 30 September 2022 – he attended all meetings of the board that he was eligible to attend.

³ Aisling Meany missed one board meeting due to illness.

⁴ Sarah Sergeant was appointed as an independent non-executive director on 1 March 2023 – she attended all meetings of the board that she was eligible to attend.

Independence

The board currently comprises ten directors, made up of four executive directors and six non-executive directors. Four of the non-executive directors are determined to be independent by the board. On appointment the chairman did not meet the independence criteria having previously been the company's chief executive. The board believes that it is important for a company like Young's to have continuity and an understanding of the history and traditions of the company. *Stephen Goodyear has been an invaluable support to our new chief executive as he transitioned from chief operating officer. Torquil Sligo-Young is not independent for similar reasons, as he was an executive director of the company. Torquil plays an important role on the board. Not only does he retain a long-standing family shareholding, he is also the company's link with the Young's family who retain a significant stake in the company.*

The independent non-executive directors bring a wide range of experience to the group's affairs and carry significant weight in board discussions.

Balance and size

In view of the relevant experience, skills and personal qualities and capabilities that each director brings to the board (as summarised on pages 58 to 60) the directors consider that the board is well-balanced, and no single person dominates discussions.

Nominations, appointments and inductions

Typically, the chairman and the chief executive lead on the board nomination and appointment process, although following the recent board evaluation (see page 69 for further details) an independent non-executive will also lead the process going forward. They consider the balance of skills, knowledge and experience on the board and make appropriate recommendations for consideration by the whole board. Each board member is invited to meet with the candidate. This 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.

The importance of diversity, including gender balance, is acknowledged in making any appointment – against this background, the board believes that appointments should be merit-based against the selection criteria created for any given role.

The board started a search for an additional independent non-executive director during the period. At the outset, the board identified the required skills and experience and an external search agency, Egon Zehnder ('EZ'), was appointed to undertake the search. EZ are not connected with the company or any directors, and having previously worked with the company they understand the business culture and the type of individual who would work well with the board.

EZ helped create the role specification and a longlist of candidates was reviewed by the chair, chief executive, and people director. Initial meetings were held with a shortlist of candidates and a preferred candidate was identified. Subsequent interviews were held with the non-executive directors. The board then considered the new and complementary skills the candidate would bring to the board and approved the appointment of Sarah Sergeant as an independent non-executive director. Sarah joined the board on 1 March 2023 and her biography is set out on page 60.

On 5 July 2022, Simon Dodd was appointed chief executive, succeeding Patrick Dardis who stepped down as chief executive after the company's AGM, and as an executive director on 30 September 2022. Simon was recruited in 2019 with succession planning in mind and his excellent leadership skills, vision and operational experience are already proving to be great assets to the company.

In addition, Mark Loughborough joined the board as retail director on 30 September 2022. He has a wealth of experience, having spent 11 years with the company in a number of senior roles, most recently as senior director of operations.

Other senior appointments below board level are made by the chief executive in discussion with the chairman.

Subject to the company's articles of association, shareholders can, by passing an ordinary resolution, appoint any willing person as an additional director or as a replacement for another director.

New directors undertake a tailored induction programme which will involve spending time with each of the executive directors in trade. They also receive education and training on the AIM Rules from the company's nominated adviser. The company secretary will spend time with any new director, ensuring they understand the key policies and procedures they need to comply with, and they also provide the new director with an induction pack covering or containing a variety of matters, including:

- regulatory matters (e.g. the company's articles of association, the AIM Rules, the company's manual on compliance with the AIM Rules and aspects of the UK Market Abuse Regulation, the company's dealing code, the company's insider list manual and a note on directors' duties);
- internal policies (e.g. anti-bribery; whistleblowing and a schedule of matters reserved for the board);
- internal information (e.g. diary dates and D&O certificates);
- public information (e.g. latest annual and interim reports and any circulars issued in the last 12 months); and
- terms of reference for the audit, remuneration and disclosure committees.

Non-executive director succession

The board monitors the tenure of non-executive directors to ensure that it plans sufficiently in advance of retirements from the board to ensure an orderly succession of non-executive directors.

Corporate governance report continued

Re-appointment of directors and notice periods

Once appointed, the company's articles of association ensure that any new director is subject to re-appointment by the company's voting shareholders at the next AGM – this applies to Mark Loughborough and Sarah Sergeant at this year's AGM. Directors are then subject to a further re-appointment vote at every third AGM after that – this applies to Simon Dodd, Mike Owen, Tracy Dodd and Nick Miller at this year's AGM. All are seeking re-appointment.

Subject to shareholder re-appointment, the executive directors have been appointed for indefinite periods. They are generally entitled to not less than one year's notice if the company wishes to terminate their appointment; in return, they must give not less than one year's notice if they wish to leave.

The non-executive directors have been appointed for fixed terms which are terminable earlier by them or the company giving not less than six months' notice and they are likewise subject to shareholder re-appointment.

In January this year, following confirmation that they were willing to continue to serve as non-executive directors, the board agreed to extend the terms of office for both Stephen Goodyear and Nick Miller through to April 2026. In deciding to do this, the board determined that both directors made an effective and valuable contribution to the board, demonstrated commitment to their roles and were able to give sufficient time to the company. The expiry dates of their current fixed terms are below:

Time commitment

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 15-20 days a year. The non-executive directors have all confirmed that they are able to allocate sufficient time to meet the expectations of their role, and they are required to obtain the chairman's agreement (or, in the case of the chairman, the chief executive's agreement) before accepting additional commitments that might affect the time they are able to devote.

Service contracts and letters of appointment

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.

Training and development

From time to time, the directors, as appropriate, attend training courses, conferences and/or industry forums, read technical and other journals and undertake online learning to keep up to date on various matters. They also attend relevant specialist briefings, some of which form part of board and executive committee meetings. The executive and non-executive, regularly spend time out in the trade with fellow directors, shareholders, members of staff, colleagues and industry representatives: this helps them to keep up to date with the group's operations, developments in the market and the competition.

The company secretary provides education and training to the executive directors on the company's manual on compliance with the AIM Rules and aspects of the UK Market Abuse Regulation, and to all the directors on the company's dealing code. The company's nominated adviser also provides education and training to all the directors annually on the AIM Rules. The board also benefited from regular presentations from within the business.

Advice for directors

Subject to certain limitations, all the directors are entitled to obtain independent professional advice at the company's expense.

J.P. Morgan Cazenove and Slaughter and May are long-standing advisers to the board. The former is the company's nominated adviser and joint broker; in its capacity as nominated adviser, it is responsible to the London Stock Exchange for providing advice and guidance in relation to the company's continuing obligations resulting from its admission to AIM. Slaughter and May is an international law firm headquartered in London that the board calls on for legal advice and services from time to time.

Conflicts of interest

Throughout the period, the board had a procedure in place enabling it to consider and authorise situations where a director had an interest that conflicted, or could possibly conflict, with the interests of the company; this is set out in article 63 of the company's articles of association. The board reviewed the board's conflicts during the financial year and concluded that conflicts had been appropriately authorised and that the process for authorisation was working effectively. The board will continue to monitor and review potential conflicts on a regular basis.

In relation to the appointment of Simon Dodd to the board in 2019, the board took steps to ensure that the company's internal controls and processes were reviewed prior to him starting employment with the company. Minor changes were required to ensure that the roles and authorities were appropriately separated to avoid potential conflict situations with his spouse Tracy Dodd.

Non-executive director	Fixed term expiry date
Stephen Goodyear	3 April 2026
Nick Miller	3 April 2026
Ian McHoul	23 January 2024
Torquil Sligo-Young	30 September 2023
Aisling Meany	31 August 2024
Sarah Sergeant	28 February 2026

On his appointment as chief executive the board took further steps to strengthen its processes. As a result, on an ongoing basis, Tracy's personal objectives and performance reviews are undertaken by the chairman, who meets with her regularly and conducts formal performance reviews on a quarterly basis. Her remuneration is the responsibility of the remuneration committee, and the chief financial officer approves her expenses. The company's internal controls and processes are reviewed on a regular basis and Simon and Tracy's roles and authorities remain appropriately separated. Simon and Tracy continue to perform impressively, and the chairman regularly discusses the composition of the board and the performance of the executive directors with the non-executive directors, and they are comfortable with the current composition of the board and the steps that have been taken to avoid any potential conflict situations.

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.

Board evaluation

The board undertakes a formal review of the effectiveness of its performance every two years. Internal evaluations were undertaken in 2018 and 2020. The reviews were led by the chair and involved the completion of a questionnaire on an anonymous basis, with anonymity intended to encourage more open and constructive comment.

The board considered the timing and approach to the 2022 board evaluation, and recognising the value and independent insights that would be provided by an external board evaluator, the board agreed that an externally facilitated exercise was the most suitable approach at this time.

An initial review of potential external board evaluators was undertaken by the company secretary, who engaged directly with the shortlist of providers to understand their approaches to the various evaluation methods and fit with Young's.

With feedback received from the chairman, chief executive and wider board, Lintstock Limited ('Lintstock'), which has no other connection with the company or any of its directors, was appointed to undertake the evaluation exercise, which would involve the completion of a series of questionnaires by each director and the company secretary, followed up with individual interviews.

Lintstock prepared the questionnaires for the board, audit and remuneration committees, as well as individual performance questionnaires. The board members and the company secretary completed the questionnaires in November and individual interviews were conducted during December. Lintstock analysed the results of the questionnaires in conjunction with their own observations and the feedback given by the directors in their interviews. They compiled a draft report which was shared with the chairman, chief executive, and the company secretary. There were no significant revisions made to the report before it was issued to the board.

The findings from the external board evaluation were presented by Lintstock at a board meeting held in January 2023 and suggested recommendations were reviewed and discussed by the board.

Conclusions of the 2022 review

The overall picture of the review was positive:

- the board benefits from a collegial atmosphere which values the Young's culture. There were constructive relationships between board members;
- the board and committee meetings were well managed, efficiently run and provided an appropriate environment for open discussion and constructive debate;
- the committees performed well and managed their respective duties effectively; and
- the board was effective at setting strategic objectives and preparing the company for the future.

Actions from the 2022 review

As ever, the evaluation process provided a helpful opportunity for the directors to take a step back, reflect and consider how they work and highlight areas for future development.

Areas to be considered during FY23 include:

- continued to develop the board dynamic under the new chief executive following a number of board changes;
- create more opportunities to hold board meetings and visit some of the company's pubs outside London;
- invite internal and external speakers to share their views on key strategic matters in order to stimulate debate and enhance board discussion;
- implement a board portal solution to manage board and committee papers; and
- consider the appointment of a remuneration advisor to provide guidance to the remuneration committee.

Actions against these areas will be reported in next year's annual report.

As required by its terms of reference, the audit committee carried out a review of its constitution and terms of reference to ensure it was operating at maximum effectiveness. Some minor changes were proposed and put to the board for approval.

Throughout the year, the chief executive informally appraised the individual performance of each of the other executive directors as part of his regular one-to-one meetings with them. Individual development needs were discussed, as well as areas in which the executives could seek mentoring guidance.

Corporate governance report continued

Risk

The board as a whole oversees risk. With the chief executive having overall responsibility for implementing the group's strategy, it is the executive committee, as a group under his leadership, that is primarily responsible for keeping abreast of developments that may affect delivery of that strategy (especially in terms of their likelihood and impact), identifying any mitigating actions that could be taken and then ensuring, as far as possible, those actions are taken – here the executive team's experience and management, collectively and individually, is vital. That informal process then feeds through to the whole board when it considers, on an annual basis, the list of principal risks and uncertainties for inclusion in the strategic report (see pages 44 to 47). Additionally, the executive committee regularly considers the group's financial controls memorandum – this comprehensive and internally-focussed document identifies a number of finance-related risks and, for each of them, sets out the potential business impact, potential for occurrence, what mitigating controls are in place and who within the business has responsibility for managing the control. Any changes to the document are considered by the audit committee before being submitted to the board for approval. Although the board has overall responsibility for the group's systems of internal control and risk management and for reviewing their effectiveness, the audit committee performs an important role in monitoring those systems – a summary of what the committee did during the period in this regard is in the *Audit committee* section starting on page 71.

Shareholder relations

Copies of the annual report (which includes the notice of AGM) and the interim report are made available to all shareholders and they can be downloaded from the investors section of www.youngs.co.uk. The annual report is mailed to those shareholders who have requested a hard copy. Going forward, the interim report will only be made available to shareholders via the company's website. Other information for shareholders and interested parties is also provided on the company's website, including the preliminary and half-year results presentations to the City.

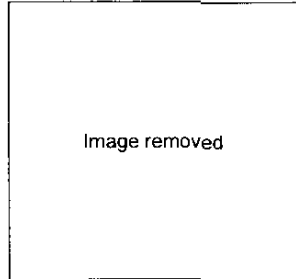
The company has an ongoing programme of individual meetings with institutional shareholders and analysts following the preliminary and half-year results presentations to the City. These meetings allow the chief executive and the chief financial officer to update shareholders on strategy and the group's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

Stephen Goodyear and Torquil Sligo-Young are the key contacts with the company's family shareholders, with Torquil having an important role to play in keeping them abreast of developments within the business. Nick Miller, as the senior independent non-executive director, and the other non-executive directors are all willing to engage with shareholders should they have any questions or concerns that are not resolved through the normal channels. The company secretary can also be contacted by shareholders on matters of governance and investor relations.

The board particularly supports the use of the AGM to communicate with private investors. The AGM is well attended, and all shareholders are given the opportunity to ask questions and raise issues; this can be done formally during the meeting or informally with the directors after it.

At the AGM, the company proposes a separate resolution on each substantially separate issue. For each resolution, proxy appointment forms are issued which provide voting shareholders with the option to vote in advance of the AGM if they are unable to attend in person. All valid proxy votes received for the AGM are properly recorded and counted by Computershare, the company's registrar. All resolutions proposed at the meeting will be decided on a poll in accordance with current recommended best practice. As soon as practicable after the conclusion of the AGM, the results of the meeting are released through a regulatory information service and a copy of the announcement is posted on the company news page within the investors section of www.youngs.co.uk. This announcement also provides, for information, details of the total number of voting shares in issue and the number of shares in respect of which valid proxy appointments were received; a table is included showing the number of votes for and against each resolution and also the number within the chairman's discretion – excluded from the table are abstentions/ votes withheld and proxy appointments received from holders who appointed someone other than the chairman of the meeting as their proxy.

Audit committee report



“ During the year, the committee has continued to play a key oversight role on behalf of the board. The committee’s major tasks have focused on financial reporting, internal control and risk, internal audit, external audit, compliance and governance.”

Ian McHoul
Committee Chair

Areas of responsibility

The committee’s responsibilities are split into four main areas, with the following principal tasks:

Financial reporting

- Monitoring the integrity of the company’s financial statements and results announcements, including reviewing any key accounting and audit judgements and assumptions made regarding going concern
- Advising the board on whether, taken as a whole, the content of the company’s annual report is fair, balanced and understandable, and whether it provides members with the information necessary to assess the company’s financial position, performance, business model and strategy
- Reviewing the consistency and appropriateness of, and any changes to, accounting policies and practices

Internal control and risk management

- Monitoring the integrity, adequacy and effectiveness of the company’s internal control and risk management systems
- Reviewing the company’s systems, procedures and controls for detecting fraud and for the prevention of bribery
- Reviewing the adequacy and security of the company’s arrangements for its employees and contractors to raise concerns in confidence about possible wrongdoing in financial or other matters

External audit

- Overseeing the company’s relationship with Ernst & Young LLP (‘EY’), the external auditor, reviewing the effectiveness of the company’s external audit process, along with EY’s findings, and assessing EY’s independence
- Recommending to the board the appointment, re-appointment and removal of the company’s external auditor
- Approving the terms of engagement of, and the remuneration to be paid to, the company’s external auditor

Internal audit

- Reviewing, assessing and approving the company’s internal audit plan, monitoring and assessing the effectiveness of the company’s internal audit function in the context of the company’s overall risk management system
- Reviewing periodically reports on the results from the internal audit and risk manager’s work

Audit committee report continued

These and the committee's other duties are set out in the committee's terms of reference which can be found in the investors section of www.youngs.co.uk.

Major tasks

During the period, the major tasks undertaken by the committee comprised reviews of the following:

- ☑ the group's preliminary announcements of interim and final results, and the results themselves, all prior to review by the board;
- ☑ the appropriateness of adopting a going concern basis of preparation of the financial statements;
- ☑ the value of the group's freehold pub estate;
- ☑ deferred tax arising on the valuation of the group's freehold pub estate;
- ☑ asset impairment assessments for goodwill, right-of-use assets and fixtures and fittings;
- ☑ acquisition accounting and disclosures for the Carpenter's Arms (Tonbridge), the Griffin Inn (Fletching), Bedford Arms (Chenies), Merlin's Cave (Chalfont St Giles), Half Moon (Windlesham), and the Wild Duck (near Cirencester);
- ☑ EY's performance as the company's external auditor and the effectiveness of the audit process;
- ☑ the group's systems of internal control and risk management;
- ☑ the group's financial controls memorandum;
- ☑ the group's whistleblowing procedures and the group's internal procedures and controls for detecting fraud and preventing bribery;
- ☑ the company's cyber security measures;
- ☑ the results of various internal audit findings;

- ☑ the group's information systems security arrangements, including an updated systems security management policy; and
- ☑ the committee's own performance and the independence, financial literacy and other skills and experience of the committee's members.

The committee considered the impact of climate change on the company and potential ESG costs and reviewed the plan for reporting on the Task Force on Climate-Related Financial Disclosures ('TCFD') in FY24.

The committee also approved the appointment of a new internal audit and risk manager, who joined the company in April 2023.

After ensuring it was aligned to the key risks of the company's business, the committee agreed an internal audit plan for FY24 in May 2023.

The committee continued to oversee EY so as to ensure the delivery of a robust audit plan.

Committee membership

The committee, chaired by Ian McHoul, comprises the board's four independent non-executive directors. All of whom served on the committee throughout the period, apart from Sarah Sergeant who was appointed by the board on 15 March 2023. The members of the committee consider that they have the requisite skills and experience to fulfil the committee's responsibilities.

Committee meetings and attendance

The committee met three times during the period (in May, November and March) and the table on page 66 sets out each member's attendance record. Stephen Goodyear and Torquil Sligo-Young have a standing invitation to attend committee meetings. However, their attendance is as observers and in a non-voting capacity. The chief executive and the chief financial officer joined all the meetings to report on their areas. Other business and finance executives and representatives from the external auditor, EY, and the internal audit and risk manager attend meetings at the request of the committee. The assistant company secretary acts as secretary to the committee.

Advice, guidance and information

Formal agendas and reports are provided to the committee generally a week before its meetings, along with other information to enable it to discharge its duties. The following are the most significant items of information, documents and reports provided to the committee during the period:

Financial reporting and external audit	Internal control and risk management	Internal audit
Reports from the chief financial officer on various matters, including key accounting considerations and judgements, and the company's going concern status	Changes to the financial controls memorandum	Progress reports on FY23 internal audit plan including results of internal audit reviews, the effectiveness of controls and various risks associated with them
Full and half-year review reports, prepared by EY	Whistleblowing procedures including their effectiveness	An actions tracker for any outstanding matters as a result of findings made
Review of EY independence and management representation letters	IT systems security update	
Financial year-end audit planning report prepared by EY	Operational support managers' audit results	
Schedules of non-audit work performed by EY		
A plan to prepare for TCFD reporting		

Significant matters considered in relation to the financial statements

The following table sets out what the committee regards as the significant matters considered by it in relation to the group's financial statements and how they were addressed.

Matter	How this is addressed
Going concern assessment	The group adopted the going concern basis of reporting in the preparation of the financial statements. The committee reviewed various scenario-based models underpinning the going concern assumption, the impact on the group from cost inflation, the growth rate of the business, the resulting impact on cash flow and the overall capital position of the group. Note 25(b) on page 131 sets out the banking facilities that the group has available. The group expects, by the end of June 2024 (the 'going concern' period), to have available facilities of £185.0 million, with the board yet to decide on replacing the two £10.0 million facilities due to expire end May 2024. EY reported to the committee on the cash flow forecast models prepared by management and evaluated whether the assumptions were realistic, achievable, and consistent with the external and internal environment. As a result of the above, the committee was satisfied that the going concern basis of reporting was appropriate.
Value of the group's pub estate	This number is by far the largest number on the balance sheet at 3 April 2023; note 19 on page 124 explains the valuation exercise undertaken. The committee focussed its attention on understanding and challenging the annual valuation exercise and the appropriate accounting approach and disclosures; it did this by reviewing the approach, the key assumptions, the valuation reports, and other documentation analysing the outcome of the exercise. Management's valuation process, which was supported by the company's valuation experts, was also reviewed by EY's property specialist, enabling EY to report to the committee that the valuation exercise was in accordance with accounting standards and in line with common practice in the industry. As a result of the above, the committee was satisfied that a thorough and robust valuation exercise had been undertaken, with appropriate challenges by EY and the committee, and that appropriate values were reflected in the balance sheets at 3 April 2023.
Deferred taxation	Management, with help from the group's in-house tax manager, made certain judgements and produced detailed calculations supporting the estimated deferred tax movement and year-end balance. The workings supported the deferred tax liability on the rollover relief and property revaluations on each pub, as well as the treatment of capital losses, indexation and initial recognition exemptions. EY audited these calculations and workings. The outcome being the committee was satisfied that the deferred tax provision shown in the balance sheets at 3 April 2023 was appropriate.

Audit committee report continued

Matter	How this is addressed
Asset impairment	Management completed full impairment tests on certain categories of assets across the group's pub estate which included goodwill, right-of-use assets and fixtures and fittings. Having used both internal and external factors in the impairment testing, including preparing a financial model and forecast on the future growth prospects, management's assessment found there to be no material impairment required. EY then corroborated those qualitative and quantitative factors against industry knowledge, prior year audit conclusions and EY's expectations, as well as full-year trading performance and future forecasts. The committee acknowledged that certain adverse changes to the assumptions in the impairment tests, could result in a future impairment of those assets, but concluded that, at this stage, no impairment was necessary, and the disclosures reflected those sensitivities – note 18 on page 122 sets out further information on these sensitivities.
Pub acquisitions	During the period the group purchased six pubs for a total cost of £24.0 million. Five of the acquisitions were accounted for as a business combination and involved several judgements, particularly in identifying and determining the fair value of the assets acquired and liabilities assumed. One of the acquisitions was accounted for as an asset purchase. EY reported to the committee on the assets and liabilities acquired and were satisfied that the identified assets and values were complete and accurate. The committee ultimately concluded that the disclosures made in the balance sheet at 3 April 2023 are in accordance with IFRS 3.

EY's independent auditor's report on pages 88 to 94 provides further detail on how some of the above matters were addressed.

Non-audit work carried out by EY

Throughout the period, the company had a formal policy in respect of non-audit work carried out by EY whilst appointed as the company's external auditor; this was in place to mitigate any risks threatening, or appearing to threaten, EY's independence and objectivity arising through the provision of services in addition to the statutory audit. Non-audit services are generally prohibited from being performed by EY unless they fall within a narrow list of permitted services closely related to the audit and/or required by law or regulation; there are then additional safeguards that apply so as to avoid, amongst other things, EY auditing its own work and/or making management decisions for the company. Where the carrying out of certain work is permitted, the committee must still nevertheless approve the engagement. During the period, the company engaged EY for a limited amount of non-audit work comprising the FY23 interim review, preparation of turnover rent certificates for the Bull (Westfield, Shepherd's Bush) and the Cow (Westfield, Stratford) and provided a subscription to a library of accounting information and guidance.

The total fees paid to EY during the period for non-audit services amounted to £48k being 9.0% of total fees paid to EY during the period (2022: £40k and 10.0%). In the committee's view, the nature and extent of the non-audit work carried out by EY did not impair their independence or objectivity.

Qualification, objectivity, independence and proposed re-appointment of EY

The committee felt that the qualification, expertise, resources and effectiveness of EY were appropriate in the context of the group wanting an effective and high-quality service, and that EY was independent of the group and not reliant on fees from the group. The committee concluded that EY's work had been robust and perceptive, with EY's reports showing a good understanding of the company's business. As part of its assessment process, the committee:

- ☑ reviewed the audit plan for the period ended 3 April 2023 as regards the activities to be undertaken by EY and EY's final audit results report, and considered how EY had handled the key accounting and audit matters that had arisen;

- ☑ had been provided with a copy of the Financial Reporting Council's July 2022 audit quality inspection report in respect of EY and a copy of EY's published audit quality and transparency reports for the UK. The Audit Quality Review team of the Financial Reporting Council ('FRC') considered certain aspects of EY's audit of our 2022 consolidated financial statements. Having received a full copy of the findings, the committee was pleased to note that no key findings arose from the review, with only three minor areas for improvement noted. These areas have been discussed with EY and the committee is satisfied that they were addressed appropriately during the 2023 audit;
- ☑ reviewed an independence report prepared by EY, which contained all significant facts and matters bearing upon EY's integrity, independence and objectivity that EY was required to communicate to the company as per the FRC Ethical Standard and ISA (UK) 260 'Communication of audit matters with those charged with governance';
- ☑ considered EY's proposed fees for the group's audit for the period ended 3 April 2023 and the additional non-audit services for that same period; and
- ☑ obtained the views of management.

The fees paid to EY for audit services for the period ended 3 April 2023 were £0.5 million (2022: £0.4 million).

As a result of the above assessment process, the committee has recommended the re-appointment of EY as the company's auditor, and EY has expressed its willingness to continue. A resolution to re-appoint EY and a resolution to enable the directors to set EY's remuneration will therefore be proposed at the forthcoming AGM.

Audit firm and partner rotation

The external auditor is required to rotate the audit partner responsible for the engagement every five years. The prior year audit partner rotated off the engagement following the conclusion of the FY22 audit, and their successor is in place for the first time for the FY23 audit. In turn the current audit partner will be required to rotate after the FY27 audit.

In August 2018, the committee decided that the group's statutory audit for the financial year ending 2020 should be put out to tender as EY had been in office, as auditor, for more than 15 years. This was a matter of good corporate governance and the committee being satisfied with EY's qualification, objectivity, independence, and overall service. The tender process followed best practice guidance issued by the FRC. In mid-December, the committee concluded that it was appropriate to recommend the re-appointment of EY as the company's auditor.

The committee intends to conduct an audit tender in advance of its March 2028 year-end, which will be within ten years of the last tender process.

Risk and internal control

The board has overall responsibility for the group's systems of internal control and risk management and for reviewing their effectiveness. These systems cannot eliminate risk and are therefore designed to minimise and manage it – they provide reasonable but not absolute assurance and seek to:

- mitigate risks which might cause the failure of business objectives;
- prevent material misstatement or loss;
- 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 executive directors are responsible for implementing and maintaining the systems, and the committee assists the board in fulfilling its oversight responsibilities by monitoring the systems' integrity.

The group's strategic priorities and their connection to the principal risks and uncertainties facing the business are listed on page 15. This 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.

The following is an overview of the main parts of the group's systems of internal control and risk management:

- clearly defined reporting lines up to the board;
- clearly set levels of authorisation throughout the business;
- a detailed financial controls memorandum;

- the preparation of a comprehensive annual budget and the preparation of a vision document which is reviewed and approved by the executive directors and then further reviewed and approved by the board;
- the circulation of monthly management accounts, including commentary on significant variances, updated profit and cash flow expectations for the year and actual capital expenditure compared to budget and signed-off sums;
- a detailed investment approval process requiring board authorisation for all pub purchases and major projects (with regular performance reviews of invested pubs for a certain period post-investment);
- board approval for disposals;
- regular reporting of material claims and legal and accounting developments to the board;
- regular circulation of the group's anti-bribery policy to Copper House employees and pub general managers, and assessment of head office employees' understanding of that policy;
- the group's internal audit function and the group's in-house team of operations support managers; and
- ongoing health and safety audits and monitoring of accident statistics, with audit results being a standing item at board meetings.

Audit committee report continued

The group's internal audit and risk manager sits within the finance team, with a clear line of communication to both the chair of the committee and the company secretary, remaining independent of the areas under review. The internal audit and risk manager performs internal reviews of financial, compliance, risk management and operational areas according to a programme set by the committee, following input from the chief financial officer. Audit findings, management responses and progress on recommended actions are presented to the committee. Management may supplement the internal resource for these reviews with specialist external resources; however, none were perceived as being required during the period. The internal audit function also reviewed the design and operation of the group's key controls, as documented in the group's financial controls memorandum. The results of this work were shared with the executive directors concerned and with the committee; with that committee's approval, the memorandum was updated. During the year, the internal audit function focussed on:

- key financial controls at head office and pubs;
- IT general controls for the key finance system;
- compliance with group policies at operational level; and
- compliance with relevant industry regulations, and legislation.

Ongoing assessment and monitoring of key risks took place throughout the year, with internal audit having the ability to propose adding or replacing planned elements of the work programme to the audit committee. No changes were required during the year.

Throughout the period, a team of operations support managers (led by the head of retail audit) undertook a programme of retail audits across the managed house estate. Through these audits, they independently reviewed compliance with business policies, and they provided best practice support to pub management, principally in the areas of stock and cash management. The team holds relevant knowledge and experience to perform this role, drawn from their time as members of the finance department after employment in one or more of the group's pubs. Summary retail audit results for the group's operating divisions are presented regularly to senior management, including the executive directors.

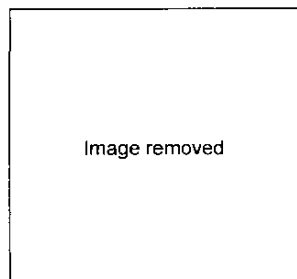
Regular updates on the progress of a number of projects to enhance the security of the group's IT infrastructure were presented to the audit committee throughout the year.

The group has business continuity arrangements in place with third parties. It also has business continuity plans for each of the departments within Copper House.

The group has a whistleblowing policy that is overseen by the committee. This policy allows staff to raise any concerns anonymously and in confidence directly with the chair of the committee, the company secretary or the group's internal audit and risk manager.

The audit committee believes, based on experience to date, that this policy is well communicated in the organisation and is working well. The policy was reviewed and updated during the year and any whistleblowing reports are communicated to the committee.

Remuneration committee report



“The company’s reward policy is designed to attract, retain and incentivise executive directors who will drive the company’s strategy and deliver long-term sustainable shareholder value creation.”

Nick Miller
Committee Chair

Primary function

The committee’s primary function is to determine the remuneration packages of the executive directors. This is in the context of the company’s reward policy which is designed to incentivise the executive directors appropriately and support the delivery of the group’s strategic objectives which are aligned with the long-term interests of both shareholders and key stakeholders.

Terms of reference

The committee’s duties are set out in its terms of reference which can be found in the investors section of www.youngs.co.uk.

Committee membership, meetings and attendance

The committee is made up of four independent non-executive directors. It is chaired by Nick Miller; the other members are Ian McHoul, Aisling Meany and Sarah Sergeant. Nick, Ian and Aisling served on the committee throughout the period; Sarah joined the committee in March. The committee met four times during the period and the table on page 66 sets out each member’s attendance record.

Advice, guidance and information

During the period, Deloitte LLP and Slaughter and May were engaged to help the committee in its review of the company’s long-term incentive arrangements for the executive directors. For further details, see the *Review of executive director long-term incentives* section below. Deloitte LLP also kept the committee informed of market trends, investor sentiment and proxy advisory expectations. More generally, advice and guidance was provided to the committee by the company secretary. Where possible, agendas and supporting papers are provided to the committee a week before its meetings.

Remuneration: executive directors

The main elements of the executives’ reward packages ordinarily comprise:

- basic salary: the core element of fixed remuneration which reflects the executive’s role and experience;
- a range of benefits: including life assurance, regular medical check-ups, a car scheme or a car allowance (at levels set in 2008), private medical insurance and a pension. The executive directors pension contribution rate is aligned with the staff at Copper House (see note 9(c) on page 115);
- an annual bonus: the short-term variable element, the company operates a stretching deferred annual bonus (‘DAB’) scheme for the executive directors. The maximum opportunity is 125% of basic salary; and
- a long term incentive plan (‘LTIP’): implemented during the period under review, the LTIP incentivises the executive directors to deliver against the company’s strategy over the longer term. The committee has set longer-term performance conditions which support the creation of sustainable shareholder value. The maximum opportunity is 100% of basic salary.

Remuneration committee report continued

Performance outcome for the FY23 annual bonus

The annual bonus drives the achievement of financial performance and personal objectives. The committee, in applying its judgement, assessed the performance of the business and each executive director in the context of the wider market.

During the year the business managed supply chain challenges, a volatile economy, rising energy costs, rail strikes and the cost of living crisis. Despite these challenges the company performed strongly during the period, and against its industry peer group.

The table below sets out the key performance conditions to which the FY23 bonus awards are dependent, expressed as a percentage of basic salary along with the overall caps applicable. The inclusion of personal objectives recognises the specific executive roles and responsibilities each executive director has.

Following an assessment of the performance conditions, the strong performance of the company and the performance of each of the executive directors, the committee determined that the adjusted profit before tax ('APBT') element of the annual bonus be awarded

at 60%, to reflect the level of APBT achieved. The ESG and personal objectives were partially met and the committee determined overall bonus awards of 64%, 64%, 73% and 63.5% of maximum for Simon Dodd, Mike Owen, Tracy Dodd and Mark Loughborough. The bonus awarded to Mark Loughborough was pro-rated from 30 September 2022. This is reflected in the 'Bonus 2023' column in note 9(b) appearing on page 115.

In line with the DAB scheme rules Simon Dodd, Mike Owen and Tracy Dodd are required to defer 50% of any annual bonus award over 50% of maximum into shares, which are held for at least three years. Mark Loughborough, who was appointed as an executive director during the period, will not be required to defer his annual bonus, as his outcome is below the 50% threshold, due to the pro-ration of his award to time served as an executive director.

Patrick Dardis stepped down as chief executive on 5 July 2022. He remained on the board to oversee the transition to Simon and retired from the board on 30 September 2022. Patrick remained available to the company for the remainder of his notice period through to the end of March 2023. Patrick was

eligible for an annual bonus for the six-month period he served as an executive director. Following the assessment of the performance conditions detailed above the committee determined a bonus award of 64% of maximum, pro-rated to 30 September 2022. Patrick will not be required to defer his annual bonus, as his outcome is below the 50% threshold, due to the pro-ration of his award to time served as an executive director.

2022 LTIP grant

The committee granted the first awards under the LTIP on 29 June 2022.

The awards were in the form of a nil-cost option and no monetary consideration was paid for the awards. The committee decided that the awards would be based on the following performance conditions:

- two-thirds on the extent to which the company's adjusted earnings per share in respect of the financial year ended on or around 31 March 2025 exceed the same measure for the financial period ended 28 March 2022; and
- one-third on total shareholder return relative to a comparator group of the company's peers.

	Adjusted profit before tax	ESG objective	Personal objectives	Maximum
Simon Dodd	95%	10%	20%	125% ¹
	70%	10%	20%	100% ²
Mike Owen	95%	10%	20%	125%
Tracy Dodd	50%	10%	40%	100%
Mark Loughborough	70%	10%	20%	100% ³
Patrick Dardis	95%	10%	20%	125% ²

1 Applies for the second half of the financial year, any bonus award will be pro-rated.

2 Applies for the first half of the financial year, any bonus award will be pro-rated.

3 Applies from appointment, the award will be pro-rated from 30 September 2022.

The committee believes that the selection of these performance conditions will ensure that the vesting outcome is fully aligned with the shareholder experience. The awards were equivalent to 100% of basic salary for Patrick Dardis and Mike Owen, and 75% of basic salary for Simon Dodd and Tracy Dodd. Mark Loughborough's award was granted when he was a member of the senior management team, prior to him being appointed as an executive director. The awards will vest and become exercisable subject to continued employment with the company and the extent to which the performance conditions are met. The committee determined that the 2022 LTIP award granted to Patrick Dardis be pro-rated to 31 March 2023, the date he retired from the company. His award is expected to vest, subject to the extent to which the performance conditions are met, on 29 June 2025. See note 30(b) on page 142 for a summary of the LTIP awards granted to the executive directors for the period.

No long-term incentive awards were granted in 2020, due to the pandemic and its impact on the performance of the company. As a result, there were no maturities for the committee to consider at the end of FY23.

Key decisions taken for FY24 include:

Executive directors' basic salary (effective 1 April 2023)

Basic salaries for the executive directors increased by 5% with effect from 1 April 2023, this was below both general inflation and the 6% average awarded to the Copper House team. Basic salary increases for non-managerial staff in the company's pubs were determined in line with changes to the National Living Wage, which increased by 9.7% in April 2023.

Mark Loughborough's basic salary was set on appointment as an executive director on 30 September 2022. At that time, the basic salary was set at less than the market rate prior to an initial period in role, as the committee felt it was important to see how Mark performed in role before moving him to the market rate. Following good performance in role, his basic salary was increased to bring him in line with the market and his peer group, before the 5% increase was then applied, resulting in an effective increase of 13%. In the future, it is intended that any increases for Mark will be in line with other executive directors, and either at or below the average awarded to the Copper House team.

Annual bonus FY24 – performance conditions

The maximum annual bonus opportunity will continue to be 125% of basic salary for Simon Dodd and Mike Owen, and 100% of basic salary for Tracy Dodd and Mark Loughborough. There will also continue to be a share deferral element, with 50% of any bonus award over 50% of maximum being invested in shares and held for three years. The committee will continue with a mix of APBT, an ESG objective and personal objectives. The performance conditions on which the FY24 annual bonus awards are dependent, expressed as a percentage of basic salary along with the overall caps applicable, will be disclosed in next year's report.

2023 LTIP grant

The committee intends to grant a 2023 LTIP award within 42 business days of the release of the company's FY23 results. The awards will be equivalent to 100% of basic salary for Simon Dodd and Mike Owen and 75% of basic salary for Tracy Dodd and Mark Loughborough. The performance conditions will remain as described above and the financial period will run from 3 April 2023 to on or around 31 March 2026.

Review of executive director long term incentives

The committee engaged Deloitte LLP during FY22 to undertake an independent review of executive director long-term incentives which focused on: market practice, alternative long-term incentive approaches and the structure of the company's current incentive scheme. Following careful consideration of the alternative approaches and market practice, the committee recommended to the board that an LTIP be introduced. The benefit of this approach is that it simplified the company's incentive structure, by de-linking the long-term incentive from the annual bonus. Executive directors are now incentivised to meet long-term targets which support the creation of sustainable shareholder value.

The committee decided that in view of the introduction of the LTIP, the operation of the DAB scheme would change for the period under review and for future awards. The DAB scheme now operates as an annual bonus scheme, which requires executive directors to defer an element of their annual bonus (net of taxes, duties or social security contributions) subject to certain thresholds being met. Matching shares will no longer be awarded under the DAB scheme.

The board adopted the LTIP rules on 18 May 2022 and the first awards under the plan were granted to the executive directors on 29 June 2022. The revised DAB schemes rules were adopted by the board on the 29 June 2022. The rules of both the LTIP and DAB scheme were prepared by Slaughter and May and follow market practice. A summary of the rules are outlined on the following page.

Remuneration committee report continued

Summary of the LTIP rules:

- Eligibility: any company employee may be selected to participate in the plan at the committee's discretion. The executive directors and certain members of the company's senior management team currently participate in the plan.
- Individual limit: awards will not be granted with a market value in excess of 100% of basic salary in respect of any financial year of the company.
- Performance conditions: the vesting of awards is subject to the satisfaction of performance conditions. The committee will determine the period over which any performance conditions are assessed.
- Vesting and release of awards: the committee will assess the performance conditions as soon as reasonably practicable after the end of the relevant performance period. Awards will normally vest on the vesting date.
- Timing of awards: awards can only be granted during the 42 days beginning on the date on which the plan was adopted by the board, or the business day after the day on which the company announces its results subject to any dealing restrictions.
- Cessation of employment: an unvested award will usually lapse upon a participant ceasing to be employed by or to hold office with the group. If, however, a participant ceases to be an employee or director of the group because of their ill-health, injury, disability, the sale of the participant's employing company or business out of the group or in other circumstances at the discretion of the Committee (i.e. they leave as a 'good leaver'), their award will normally continue to vest (and be released) on the date when it would have vested (and been released) if they had not ceased to be an employee or director of the group. The extent to which awards normally vest in these circumstances will be determined by the committee in its discretion, taking into account the satisfaction of any performance conditions applicable to awards measured over the original performance period, the underlying performance of the company and the participant and such other factors the committee considers, in its opinion, relevant.
- Form of awards: the committee may grant awards as conditional awards of shares, nil or nominal cost options over shares. No payment is required for the grant of an award. awards structured as nil or nominal-cost options will normally be exercisable from the expected point of vesting (or, where an award is subject to a holding period, the expected point of release) until the tenth anniversary of the grant date.
- Sourcing of shares and overall limits: the plan may operate over new issue shares, treasury shares or shares purchased in the market. In any ten-year rolling period, the number of shares which may be issued under the plan and any other employee share plan adopted by the company may not exceed 10% of the issued ordinary share capital of the company from time to time. In addition, in any ten-year period, the number of shares which may be issued under the plan and any other discretionary employee share plan adopted by the company may not exceed 5% of the issued ordinary share capital of the company from time to time.
- Malus and clawback: In rare cases of gross misconduct and misstatement of results, the committee has the discretion to clawback some of any share awards or share delivered for up to two years from the date of vesting. This discretion can be used to: (a) reduce an award (to zero if appropriate); (b) impose additional conditions on an award or (c) require that the participant either returns some or all of the shares acquired under an award or makes a cash payment to the company in respect of the shares delivered.

Summary of the DAB scheme rules

The DAB scheme rules were refreshed as part of the wider review of the approach to executive director remuneration and the introduction of an LTIP. As a result, the performance-based matching element of the previous DAB scheme rules were removed, so that a more common annual bonus approach in line with market practice could be adopted to operate a scheme, under which an element of any annual bonus will be deferred into shares without any additional performance-based matching element applying to the deferred element. The new rules provide the committee with flexibility on the implementation of bonus deferral. The intended operation of the bonus deferral is as follows:

- Up to 50% of the maximum monetary value of an award will be delivered entirely in cash, via pay as you earn ('PAYE').
- Any amount above 50% of the maximum monetary value of an award will be delivered half in cash, via PAYE, and half in shares.
 - For example: a bonus of 100% of the maximum monetary value of an award would be delivered 75% in cash, via PAYE, and 25% in shares.
 - A bonus of 75% of the maximum monetary value of an award would be delivered 62.5% in cash, via PAYE, and 12.5% in shares.

Any deferral of bonus into shares will be invested net of tax, duties and social security contributions. The committee has determined that only the executive directors will participate in the DAB scheme going forward. The maximum monetary value of an annual bonus under the new rules will be 125% of the participants then basic salary for the financial year in question. The committee intends to restrict executive directors from dealing in any deferred shares for three years after the date of allotment or transfer of the shares.

Clawback: the committee may, at its discretion, at any time within three years of the vesting date of any award, or in respect of shares received by the executive directors in relation to an award, be any period of three years beginning on the date on which the executive director receives those shares, clawback all or some of share award or all or some of the cash provided or paid under an award if certain exceptional circumstances apply.

Remuneration: non-executive directors

The initial remuneration of the non-executive directors is determined by the board, but any fee increase is decided 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 the business; accordingly, all non-executive directors receive a basic fee.

Apart from any entitlement arising from a previous executive role in the company, the non-executives do not participate in bonus schemes or share options and they are not members of any group pension scheme other than for the purposes of complying with pension auto-enrolment legislation. As a result of having been executive directors, Stephen Goodyear, Torquil Sligo-Young and Patrick Dardis are pensioner members of the group's defined benefit pension scheme. At the end of the period Torquil no longer had any interest in shares held under the terms of the previous deferred annual bonus scheme (see note 30(a) starting on page 141). The non-executive directors are entitled to be reimbursed for certain business-related expenses.

The executive committee determined that the chairman and the non-executive directors be awarded a 5% basic fee increase for FY24, which was below both general inflation and the 6% average awarded to the Copper House team and below the company's wider workforce. The annual committee chair fee, which was introduced in FY22 to recognise the additional work undertaken by the respective chairs of both the audit committee and remuneration committee remained unchanged at £5,000. The non-executive directors basic fee was increased from £46,000 to £48,300 with effect from 1 April 2023.

By order of the board

Chris Taylor

Company Secretary

24 May 2023

Directors' report

For the 53 weeks ended 3 April 2023

Directors

Details of our directors appear on pages 58 to 60. All of them served throughout the period except for Mark Loughborough who was appointed as a director on 30 September 2022 and Sarah Sergeant who was appointed as a director on 1 March 2023. No other person was a director during the period other than Patrick Dardis who stepped down as a director on 30 September 2022.

Directors' interests in the company's share capital

Set out below are the interests in the company's share capital of the directors who held office at the end of the period and of the persons closely associated with them (as defined in the UK Market Abuse Regulation). These interests are in addition to those shown in note 9(e) on page 116.

		As at	A shares	Non-voting shares
Stephen Goodyear ^{1, 2}	Beneficial	3 April 2023	200,424	3,265
		28 March 2022	200,424	3,265
Simon Dodd ^{1, 3}	Beneficial	3 April 2023	6,439	–
		28 March 2022	4,163	–
Mike Owen ¹	Beneficial	3 April 2023	6,922	2,040
		28 March 2022	3,317	2,040
Tracy Dodd ^{1, 4}	Beneficial	3 April 2023	8,041	–
		28 March 2022	8,831	–
Mark Loughborough ⁵	Beneficial	3 April 2023	–	–
Nick Miller	Beneficial	3 April 2023	58,587	408
		28 March 2022	58,587	408
Ian McHoul	Beneficial	3 April 2023	3,000	2,000
		28 March 2022	3,000	2,000
Torquil Sligo-Young ^{1, 2, 6, 7}	Beneficial	3 April 2023	269,476	15,081
		28 March 2022	271,069	15,081
		3 April 2023	4,053,100	499,591
	Trustee	28 March 2022	4,154,340	499,591
Aisling Meany	Beneficial	3 April 2023	1,299	–
		28 March 2022	–	–
Sarah Sergeant ⁸	Beneficial	3 April 2023	–	–

¹ Also interested in 14,479 (2022: 5,819) A shares held in trust by RBT II Trustees Limited – see note 31 on page 144

² Also interested in 337,067 (2022: 337,067) A shares held in trust by Young's Pension Trustees Limited – see note 31 on page 144

³ This does not include Tracy Dodd's interest in the company's share capital as a person closely associated with Simon Dodd

⁴ This does not include Simon Dodd's interest in the company's share capital as a person closely associated with Tracy Dodd

⁵ Mark Loughborough was appointed to the board in September 2022

⁶ Torquil Sligo-Young and various members of his immediate family are discretionary beneficiaries under trusts holding 836,368 (2022: 836,368) of the A shares and 453,543 (2022: 453,543) of the non-voting shares in respect of which Torquil Sligo-Young is shown as trustee in the above table

⁷ This does not include Young's Pension Trustees Limited's interest in the company's share capital as a person closely associated with Torquil Sligo-Young (but see 2 above and note 31 on page 144)

⁸ Sarah Sergeant was appointed to the board in March 2023

Profit and dividends

The profit for the period attributable to shareholders was £29.7 million. The directors recommend a final dividend for the period of 10.26 pence per share (which, subject to approval at the AGM, is expected to be paid on 13 July 2023 to shareholders on the register at the close of business on 9 June 2023). When added to the interim dividend of 10.26 pence per share paid in December 2022, this would produce a total dividend for the period of 20.52 pence per share.

Disclosure of information to the auditor

Each of the directors shown on pages 58 to 60 confirms that so far as they are aware, there is no information needed by the company's auditor in connection with preparing its report of which the company's auditor is unaware. Further, each of them confirms that they have taken all the steps that they ought to have taken as a director to make themselves aware of any such information and to establish that the company's auditor is aware of it. This paragraph is to be interpreted in accordance with section 418 of the Companies Act 2006.

Qualifying indemnity provisions

The company's articles of association contain 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 was in force throughout the period. A further qualifying third-party indemnity provision is also in force at the date of this report and was in force throughout the period; this benefits Stephen Goodyear and Torquil Sligo-Young and relates to certain losses and liabilities which they may incur as a result of or in connection with anything properly done by them as attorneys under a property-related power of attorney made by the company in May 2016.

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

As permitted under section 414C(1) of the Companies Act 2006, the directors have chosen to include in the strategic report (on pages 1 to 54) 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.

Political donations

No political donations were made during the period.

Financial instruments and related matters

Included in note 25, on page 129, are the group's financial risk management objectives and policies and an indication of the group's exposure to certain risks. Those elements of that note form part of this report and are incorporated by reference.

Employee engagement

Employee communications remains a priority and, within the practical limitation of confidentiality and security, information was provided to them across a range of topics including trading and operational matters, and board and staff changes.

Employees were encouraged to use The Ram app, delivered by the company's e-learning platform, to access the 'How are You?' and 'Keeping in Touch' pages which include a range of information and resources to enhance and maintain mental, physical and financial wellbeing of our employees. Using The Ram app to communicate with employees ensures that the company can communicate directly with every team member across the company, regardless of their location or working pattern, which means that employees working flexibly are not excluded from communication and have equal opportunity. Employees have full flexibility to read and participate in discussions at work, while travelling or at home. It also means that employees can easily access and follow up areas of interest, such as mental, physical and financial wellbeing resources, when they have time to do so.

The company continued to consult with its employees and their representatives, using the company's information and consultation committee. This long-established committee works to enhance communications within the company, supplying information and giving opportunity for feedback and consultation, improve employee awareness and involvement and to support ongoing improvement within the business. Members of the committee are elected by the employees based in head office, with team members in the group's managed pubs having both an elected representative and a nominated management representative, with the latter being one of the group's directors of operations. The committee met quarterly during the period and a board member attended two of these meetings to present an update to committee members on trading, operational and staff matters. A briefing sheet, summarising the outcomes from the meeting, was communicated within the business – this was initially emailed to all employees based in head office, with the group's operations managers then being responsible for cascading that information down to the pub managers within their area via divisional meetings and the pub managers then having to pass it down further through team briefings within their pubs. Each representative and pub manager is responsible for feeding back the information discussed at the committee's meetings, acting as a point of contact for individuals wishing to discuss matters and/or raise agenda items for discussion at meetings, and seeking further employees' views and ideas on matters, all in order to provide feedback to the board.

As part of ongoing efforts to improve direct access to the executive directors and management board members, a 'Dinner with Directors' initiative was introduced during the period. Each month, an executive director, with a management board member, hosts a dinner with invited general managers, head chefs and head office-based employees where, in a relaxed and informal environment, employees can meet and speak with senior company representatives. It also provides a direct forum for feedback, questions, and discussion in order to engage employees.

To encourage further involvement and interest in the group's performance, the company operates a savings-related share option scheme. The company produced information which was sent to eligible employees directly and communicated to all employees using videos on The Ram app, posters in The Ram Pages and briefings to all key leaders at divisional meetings, area meetings and chef forums. Following the briefings, the information was cascaded down to pub teams to ensure all employees were fully informed about the scheme.

The board maintained its support for the company's wellness initiatives, paying particular attention to employee mental health and financial wellbeing, taking into account the impact of recent increases in the cost of living. The company refers employees to the confidential counselling services delivered through the Licensed Trade Charity (LTC).

The company also continued its relationship with Salary Finance, an independent company authorised and regulated by the Financial Conduct Authority that offers a range of financial services, including loans and savings products, as well as education and financial tools. During the period, over 250 employees sought their help and advice, and a number of employees took advantage of the loan and debt support they provide. All employee communications are directly with Salary Finance, and the company does not receive any financial benefit or commission from offering this service.

The company offered mental health first aid champion training to line managers across our business, with more than 100 Mental Health First Aiders and Mental Health First Aid Champions employed across the company. Mental Health First Aid Champions support their colleagues across the business and signpost them to further mental health support, as appropriate. An email address remained available for employees to report concerns about others in the workplace; all issues reported were fully investigated, with advice or referral to external services where required. In addition, information on supporting mental health was published via The Ram app, which is available to every employee, signposting employees who may be experiencing mental health crises to appropriate services.

Directors' report continued

The company's corporate social media accounts also supported the company's positive stance on mental health and a number of items about mental health were shared publicly.

The company provided information about a range of topics, including the support available to employees, from the LTC, Legal & General (the company's pension plan provider) and Salary Finance. They were also reminded of the 24/7 helpline and financial support on offer. The LTC was first established in 1793; it aims to provide pubs, bar and brewery people facing a crisis with practical, emotional and financial support each year. During the period, more than 172 visits were made to the unique Young's landing page on the LTC website, and the LTC received over 45 calls from individuals who identified themselves as the company's employees. In addition, financial grants of over £48,000 were made to the company's employees.

The company continued to actively support and promote the Ram Agency, which allows employees full control of their working arrangements by choosing their working pattern and location. In turn, all businesses across the company can benefit from fully trained employees committed to working for the company. There are now more than 300 Ram Agency employees which cover front of house, kitchen and management roles. The success of this flexible strategy is consistently demonstrated, such as the 17,200 Ram Agency hours worked across more than 1,400 shifts in December 2022 and 10,900 hours worked across more than 1,200 shifts in January 2023.

Employment inclusion and diversity

The company is an inclusive employer and diversity is important to it. It therefore maintained its policy of:

- giving full and fair consideration to all applications for employment, taking account of the applicant's particular aptitude and ability;
- seeking to continue to employ anyone who becomes physically and/or mentally impaired while employed by the company and arranging training in a role appropriate to the person's changed circumstances; and

- giving all employees equal opportunities for training, career development and promotion.

For more on our approach to diversity and inclusion please see page 29.

Greenhouse gas emissions, energy consumption and energy efficiency action

The directors have chosen to include the 'Greenhouse gas emissions, energy consumption and energy efficiency action' disclosure within the sustainability report (which forms part of the strategic report, as permitted under the Companies Act 2006). The disclosure can be found on page 42 of the sustainability report.

Engagement with suppliers, customers and others in a business relationship with the company

The following section should be read in conjunction with the *Section 172(1) statement* starting on page 20 (as the directors have chosen to include in that part of the strategic report further information as regards the company's engagement with suppliers, customers and others in a business relationship with the company, as permitted under the Companies Act 2006).

During the period, the board remained alert to the importance of how the company's long-term success relies, amongst other things, on good business relations with this range of external stakeholders.

The company's business model and long-term strategy (summarised on pages 10 and 15) have been tried and tested over a number of years. Many of the company's business relationships have been in place for quite some time, however, these were kept under review during the period to ensure that, the company could continue to maintain its reputation as a provider of a market-leading, premium offering that new and existing customers would want to enjoy and with which suppliers and others would want to be associated.

Digital marketing continues to provide a key communications channel for the company's customers. Every step of the journey matters, building relationships and strengthening connections before a customer even steps into our pubs through to post-visit feedback and review.

In Spring 2022, Atreemo was launched, a dynamic customer relationship management platform to build personalised and trackable digital campaigns. 17 million personalised e-mails were sent during the year: these kept our customers informed, for example, about events in the pubs, Young's Rooms, On Tap treats, menu launches and new openings. The number of customer contacts in Atreemo has risen from 3.3 million to 4.3 million throughout the period.

The company's social media channels continue to be a valuable source to engage with customers and suppliers. Our following across all central channels, Facebook, Twitter, Instagram and LinkedIn exceeds 80,000 and we have also added TikTok to our portfolio in the period. Impressions for the Young's brand have achieved over 5 million during the period. Obtaining social media followers remains a core strategy for the company's social whilst continuing to focus on retaining our existing audience. We have increased engagement on Instagram by 85%, providing us with a very strong and engaged community. Our pubs are also encouraged to build strong and engaged social followings with over 1 million followers receiving regular communication and updates from their local pubs.

Online review platforms such as Google, Facebook, TripAdvisor and DesignMyNight enabled 80,000 customers to give speedy and relevant opinions and comments following their visits, and a cloud-based reputation management system allowed us to assimilate the feedback received.

The company's online bookings have continued to play an important role in our pre-booked strategy as a significant proportion of our customers continued to book ahead of dining with us.

The company's On Tap app continued to provide a premium, speed efficient 'order to table' solution for customers. Whilst customer numbers using the app reduced significantly as customers returned to ordering at the bar, the app continued to provide an 'order to table' solution for customers especially within pub gardens. 400,000 customers used the On Tap app in the period with 280,000 new On Tap app users. Together, they placed 1 million orders to a value of £20 million contributing to a strong database growth, allowing the company to communicate with those that signed up to marketing through enhanced in-app content and push notifications.

A Quintessentially British Getaway was the focus of our Young's Rooms customer marketing campaign throughout the summer, tapping into the British nostalgia surrounding the late Queen Elizabeth's Platinum Jubilee year, with a Winter Retreat campaign running over the Autumn and Winter months. These campaigns were communicated via e-marketing, social channels and paid social communications.

For the mutual benefit of the company, its customers and suppliers, the company continued to leverage the relationships it had with suppliers, especially those providing drink products (as drink sales historically count for roughly 62% of the company's sales in any year). So, rather than just source products from its drink suppliers and sell them to customers, the company continued to look at ways of working more closely, proactively and collaboratively with those suppliers to create or increase consumer demand. Below are some examples of the benefits resulting from those close, proactive and collaborative relationships:

- in partnership with Absolut, Young's pledged to deliver a more sustainable Christmas in association with More Trees, planting an actual tree for every 'cocktail tree' sold in our pubs. This initiative with Pernod Ricard UK is estimated to remove up to 36 tonnes of CO₂ from the atmosphere throughout the trees' growth life;

- in conjunction with tournament partners, Budweiser Brewing Group and Sipsmith, we supported last year's major sporting events such as the FIFA World Cup 2022 and The Championships, Wimbledon;
- we collaborated with Carlsberg Marston's Brewing Company to create a celebratory Young's cask ale, All Ale The Queen, to mark Her Late Majesty Queen Elizabeth's Platinum Jubilee, available at all Young's pubs;
- Young's Scotch Egg Challenge returned to celebrate its 10th anniversary, hosted at the Guinea Grill, Mayfair and sponsored by Estrella Damm with a top line-up of chefs and judges. Oliver Marlowe and Hugh Beatson-Hird of the Hunter's Moon reigned victorious with their 'Golden Egg' with Young's own group executive chef, Matt Sullivan a close runner-up;
- Diageo GB provided support for the Guinness Six Nations and St Patrick's Day 2023 providing rugby shirts and merchandise together with in-pub entertainment; and
- an exclusive cask ale, Rocket Ram, was brewed with Beavertown Brewery to celebrate Young's 191st birthday and Beavertown Brewery's 10th birthday in September 2022.

Corporate governance arrangements

The report on the company's corporate governance arrangements is set out on pages 56 to 81. That report forms part of this report and is incorporated by reference.

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.

AGM

Notice convening the AGM is set out on pages 146 to 150; notes explaining the resolutions being proposed are on pages 151 and 152.

Notifications of major holdings of voting rights

As at 3 April 2023, the company had been notified of the following holdings of 3% or more of the voting rights in the company:

Octopus Investments Nominees Ltd	13.01%
Torquil Sligo-Young	12.76%
James Young	11.20%
Caroline Chelton	10.09%
Canaccord Genuity Group Inc.	5.55%
BlackRock Investment Management (UK) Ltd	5.04%
Lindsell Train Limited	4.89%
Alice Parasram	3.30%

No changes in the above 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 2023 and 23 May 2023, both dates inclusive.

Directors' report continued

Statement of certain responsibilities in relation to the financial statements and otherwise

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with UK-adopted international accounting standards ('IFRSs'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- in respect of the group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- in respect of the parent company financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and/or the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report and corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Preparation and disclaimer

This annual report, together with the strategic report (on pages 1 to 54) and the financial statements for the period ended 3 April 2023 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

Chris Taylor
Company Secretary
24 May 2023

Financial Statements.

Image removed

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Independent auditor's report

Independent auditor's report to the members of Young & Co.'s Brewery, P.L.C.

Opinion

In our opinion:

- Young & Co.'s Brewery P.L.C.'s group financial statements and parent company financial statements (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 2023 and of the group's profit for the 53 weeks then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Young & Co.'s Brewery P.L.C. (the 'parent company') and its subsidiaries (the 'group') for the 53 weeks ended 3 April 2023 which comprise:

Group	Parent company
Balance sheet as at 3 April 2023	Balance sheet as at 3 April 2023
Group income statement for the 53 weeks then ended	Statement of changes in equity for the 53 weeks then ended
Group statement of comprehensive income for the 53 weeks then ended	Statement of cash flows for the 53 weeks then ended
Group statement of changes in equity for the 53 weeks then ended	Related notes 1 to 34 to the financial statements including a summary of significant accounting policies
Statement of cash flows for the 53 weeks then ended	
Related notes 1 to 34 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards to the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial

statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, confirming our understanding of management's going concern assessment process and also engaging with management early to assess the key factors considered in its assessment;
- We assessed the reasonableness of the key assumptions, including cost inflation, in the context of our understanding of the Group and its principal risks and from other supporting evidence gained from our audit work. This included review of minutes of board meetings and our procedures in respect of goodwill impairment reviews and on other external market data, including analyst forecasts and the industry outlook;
- Agreeing the group's available financing and related terms, including covenants to the original debt agreements;
- Obtaining cash flow forecast models used by the Board in its assessment, reviewing their arithmetical accuracy, whether they had been approved by the Board and considering the group's historical forecasting accuracy;
- We performed testing to evaluate whether the covenant requirements of the Group borrowings, as required in the debt agreements, would be met under all base and downside scenarios;
- We tested the key inputs to the model, including checking cash and cash equivalents of £10.7 million at 3 April 2023, operating cash generation and financing commitments and agreed them to the latest Board-approved forecasts that factored in the downside scenarios. We confirmed the details of the available committed facility of £205 million with reference to agreements and to third party confirmations;
- We confirmed the calculation of the reverse stress test scenario and considered the likelihood of occurrence of the combination of sensitivities applied as remote.
- Assessing the appropriateness of the going concern disclosures in describing the risks associated with the group's ability to continue as a going concern; and
- Considering whether, during our audit procedures, we had identified any events or conditions beyond 1 July 2024 that may cast significant doubt on the group's ability to continue as a going concern and evaluating whether we were aware of any such events or conditions from our audit work.

Going concern has also been determined to be a key audit matter. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 1 July 2024 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> We performed an audit of the complete financial information of the group, which accounted for 100% of adjusted profit before taxation, 100% of Revenue and 100% of Total assets.
Key audit matters	<ul style="list-style-type: none"> Valuation of the freehold pub estate Asset impairment Deferred taxation arising on the valuation of the pub estate Management override in the recognition of revenue
Materiality	<ul style="list-style-type: none"> Overall group materiality of £2.2m which represents 5% of adjusted profit before taxation.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements.

The group's operations are based solely in the United Kingdom with a single head office and finance function and therefore all audit procedures are completed by one audit team at this location.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements we performed full scope audit procedures over 100% of the group's results for the 53 weeks ended 3 April 2023 and 100% of the group's total assets at that date. We obtained an understanding of the entity-level controls of the group which assisted us in identifying and assessing risks of material misstatement due to fraud or error, as well as assisting us in determining the most appropriate audit strategy. This approach is consistent with the prior period.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on its operations will be from increased occurrence of extreme weather events, regulations, government interventions, reporting obligations and inability to meet climate change targets. These are explained on page 44 in the principal risks and uncertainties, which forms part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

Our audit effort in considering the impact of climate change on the financial statements, with the assistance of our climate team members with specialist skills, was focused on evaluating management's assessment of the impact of climate risk, physical and transition, and ensuring the effects of material climate risks disclosed on page 44 have been appropriately reflected in the carrying value of assets with indefinite and long lives, asset values and associated values where these are determined through modelling future cash flows, being goodwill, property and equipment and right of use assets.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Independent auditor's report continued

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of the freehold pub estate (£797.5m, 2022: £761.0m)		
<p>Refer to the Audit Committee Report (page 71); Accounting policies (page 104); and Note 19 of the Consolidated Financial Statements (page 124).</p> <p>In accordance with the group's accounting policy for property and equipment, management applies the revaluation model for the freehold pub estate, which had a carrying value of £797.5 million as at 3 April 2023 (28 March 2022: £761.0 million). As permitted by IAS 16 and in common with other listed pub operators in the UK, this revaluation was achieved through:</p> <ul style="list-style-type: none">• A reassessment of the fair maintainable trade of each freehold pub based on its current and forecast trading performance, with a capital value then derived through the application of a multiplier. Alternatively, a 'spot' valuation where information relating to recent trade is not available or is not deemed to be indicative of trading potential;• A revaluation by Savills, independent chartered surveyors, of a representative sample of 20% of the group's freehold pubs, including pubs of varying location and type by physical inspection; and• A revaluation of the remaining 80% of the freehold pub estate on a desktop basis by Savills and the group's director of property, using updated trading results, management's knowledge of each pub, and appropriate consideration of the results of the representative sample valuation. <p>This involves significant management judgement, particularly in respect of the methodology and assumptions used in the valuation model. Management also assesses viable alternative uses for a property should they provide increased value.</p> <p>The risk has not increased or decreased from the prior year.</p>	<p>We met with management and the group's external valuation specialists to discuss their valuation approach and the judgements made in determining the fair value of the freehold pub estate. These included the fair maintainable trade, EBITDA multiples and the approach to the various spot valuations.</p> <p>We assessed the competence and objectivity of the external valuer, including consideration of its qualifications and expertise.</p> <p>We tested the inputs, assumptions and methodology used by the external valuers, with the assistance of our internal property valuations specialist. We tested management's valuation model for mathematical accuracy and consistency with underlying records. This included an assessment of the fair maintainable trade of each pub by reference to the group's financial records, management's historical forecasting accuracy and its consideration of the external valuation results on the remainder of the estate using spot values.</p> <p>Of the group's 170 freehold properties, with support from our property valuation specialists we tested a sample of 38. We performed testing over the underlying valuation assumptions, with a particular focus on pubs valued using a spot valuation, pubs not physically inspected by Savills and pubs where valuation approach has changed from fair maintainable trade in prior year to spot valuation in the current year with a significant movement in fair value, as these involved a higher level of management judgement.</p> <p>We benchmarked the group's pub valuations by comparing with other pub market transactions. We also considered the approach taken to reflect any ongoing impact of the economic uncertainties on freehold pub values.</p> <p>We verified that changes in pub valuations were appropriately accounted for through the revaluation reserve or the income statement, with reference to the original cost.</p> <p>We considered the appropriateness of the valuation disclosures in note 19 of the financial statements and whether they were compliant with the fair value information required under IFRS 13.</p>	<p>We concluded that the values of the sample of 38 properties tested, with the assistance of our internal property valuations specialists, were within the reasonable range of values as assessed by them.</p> <p>We consider that management provided an appropriate level of review and challenge over the valuations and we did not identify evidence of undue management bias.</p> <p>We reviewed the disclosures in note 19 to the financial statements, and consider them to be appropriate.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Asset impairment</p> <p>Refer to the Audit Committee Report (page 71); Accounting policies (page 104); and Note 18, 19 and 20 of the Consolidated Financial Statements (page 122, 124 and 127).</p> <p>In addition to its freehold property portfolio, the group has significant other assets connected with its pub estate, including goodwill of £32.5 million (2022: £32.5 million), fixtures, fittings and equipment of £86.4 million (2022: £78.1 million) and right of use assets of £142.9 million (2022: £147.0 million).</p> <p>The continued uncertainties over the current economic environment caused by the high levels of cost inflation and any changes in consumer spending habits arising from the 'cost of living' crisis, has been identified as an indicator of impairment.</p> <p>Impairment is tested on the basis of each individual cash generating unit (an individual pub) or in the case of goodwill, the group of pubs associated with it.</p> <p>There is a risk that pubs may not achieve the anticipated business performance to support their carrying value. This could lead to an impairment charge that has not been recognised by management.</p> <p>Significant judgement is required in forecasting the future cash flows of each pub, together with the rate at which they are discounted.</p> <p>The risk has not increased or decreased from the prior year.</p>	<p>We understood and walked through the methodology applied by management in performing its impairment test for each of the relevant pubs, and assessed the design effectiveness of the key controls that are in place.</p> <p>We assessed the appropriateness of management's identification of cash generating units being at the individual pub level and, in the case of goodwill, the fact that the goodwill was allocated to the group of cash generating units (individual pubs) associated with it.</p> <p>We tested the arithmetical accuracy and integrity of the impairment model and confirmed that the forecasts were consistent with the Board approved forecasts and those used in the going concern assessments.</p> <p>For those pubs or groups of pubs that assumed more than a long-term growth rate in the short term, we considered management's estimates in the context of the actions already taken to achieve profit improvement, the expected impact of other external events and management's historical forecasting accuracy.</p> <p>We used our internal valuations specialists to support our assessment of the discount rate and long term growth rate applied to cash flows by independently determining an acceptable range of values for each assumption.</p> <p>In respect of the impact of cost inflation and consumer spending habits on both short-term trading and the longer-term growth rate, we compared management's assumptions against external economic forecasts and actual performance from the last year.</p> <p>We calculated the degree to which the key inputs and assumptions, including location-specific evidence, would need to fluctuate before an impairment was triggered and considered the likelihood of this occurring. We performed our own sensitivities on the group's forecasts, which included various scenarios on short term disruption and long-term growth rate. We then determined whether adequate headroom remained using these sensitivities and our independent assessment.</p> <p>We assessed the disclosures in notes 18, 19 and 20 of the financial statements against the requirements of IAS 36 Impairment of Assets, in particular the requirement to disclose further sensitivities for CGUs where a reasonably possible change in a key assumption would cause an impairment.</p>	<p>We concluded that no impairment was required at 3 April 2023, based on the results of our work.</p> <p>However, the impairment test is sensitive to adverse changes that could arise given the uncertainties surrounding future trading, including those arising from the current high levels of cost inflation and any changes in consumer spending habits arising from the 'cost of living crisis'.</p> <p>Management describes these sensitivities appropriately in notes 18, 19 and 20 to the financial statements, in accordance with IAS 36.</p>

Independent auditor's report continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Deferred taxation arising on the valuation of the pub estate		
<p>Refer to the Audit Committee Report (page 71); Accounting policies (page 104); and Note 26 of the Consolidated Financial Statements (page 135).</p> <p>At 3 April 2023 the group had deferred tax liabilities of £104.6 million (2022: £104.2 million).</p> <p>There is complexity in the group's accounting for deferred tax. Specifically, a significant level of management judgement and complex calculations are required in accounting for the deferred tax arising both on the valuation of each freehold pub and on the right of use asset for each leasehold pub. These judgements are focused on:</p> <ul style="list-style-type: none"> the treatment of capital losses, rollover relief, indexation allowances and initial recognition exemptions; recognising deferred tax on the pubs on a sale, in-use or a dual basis; recognising the deferred tax at the correct corporation tax rate, depending on the underlying assumptions; and calculating the deferred tax associated with right of use assets recognised under IFRS 16, which have a similar risk profile to the freehold pub estate. <p>The risk has not increased or decreased from the prior year.</p>	<p>We performed a walkthrough of the group's process for determining the deferred tax arising from the valuation of the pub estate. We also assessed the design effectiveness of the key controls that were in place.</p> <p>In conjunction with our tax team members with specialists skills we tested the deferred tax calculations based on the valuation of each freehold pub and the right of use asset for each leasehold pub. This focused on verifying the inputs into the deferred tax calculation, testing its mathematical accuracy and recalculating the deferred tax for a sample of pubs across the estate. This included a testing of capital losses, rollover relief, indexation allowances and initial recognition exemptions.</p> <p>We considered the assumptions used in calculating the deferred tax balances, including whether the deferred tax assumptions were consistent with the group's intended use of the freehold pubs – being a sale, in-use or a dual basis.</p> <p>We evaluated if the tax rates applied in calculating the deferred tax on the group's pub estate were appropriate based on when the balances are expected to unwind.</p> <p>We considered whether the related deferred tax disclosures, included in note 26 to the group financial statements, were in line with IAS 12 requirements.</p>	<p>We considered management's judgements in the recognition of deferred tax arising on the valuation of the pub estate to be appropriate and the underlying calculation to be accurate. We also consider that the disclosures in note 26 to the group financial statements are appropriate.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Management override in the recognition of revenue		
<p>Refer to the Audit Committee Report (page 71); Accounting policies (page 104); and Note 7 of the Consolidated Financial Statements (page 114).</p> <p>The group recorded revenue from continuing operations of £368.9 million in the year (2022: £309.0 million). The vast majority of the group's revenue transactions are non-complex, with no judgement applied over the amount recorded.</p> <p>We consider the significant and fraud risk relating to revenue to be around management override of controls and topside journals to revenue.</p> <p>The risk has not increased or decreased from the prior year.</p>	<p>We performed a walkthrough of each of the group's significant revenue processes, including the recording of manual journal adjustments, and assessed the design effectiveness of the key controls that are in place.</p> <p>We applied correlation data analysis over the group's revenue journal population to identify how much of the revenue was converted to cash and to isolate non-standard and manual revenue transactions. We obtained corroborative evidence to support these items. We performed cut-off testing procedures including review of post period end cash receipts and journals and an analytical review of significant variances.</p>	<p>We did not identify any instances of management override of controls, including through topside journals. Based on our work, which included using data analysis tools to test the group's revenue transactions and the extent to which they converted to trade receivables or cash, we consider that recognition of revenue is appropriate.</p>
<p>In the prior year, our auditor's report included a key audit matter in relation to 'Lucky Onion' pubs preliminary purchase price allocation. In the current year, this key audit matter is not included as there have been no acquisitions during the year that are significant to the group.</p>		

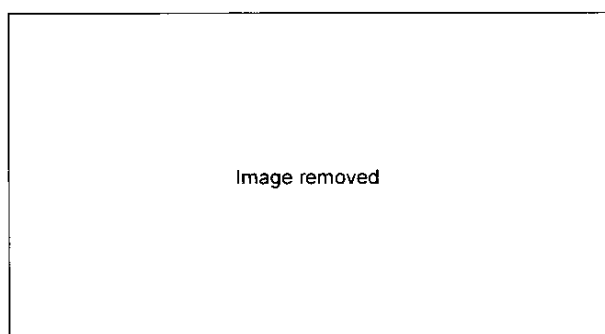
Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £2.2 million (2022: £2.1 million), which is 5% (2022: 5%) of adjusted profit before taxation. We believe that adjusted profit before taxation (as set out in note 12) is considered to be the focus of the group's stakeholders.



We believe that the primary area of focus of the parent company's stakeholders are consistent with those of the group and despite the adjusted profit before taxation being a higher figure, we have capped materiality at £2.2 million, in line with the group.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely £1.7m (2022: £1.6m). We have set performance materiality at this percentage due to reflect the results of our testing of the group's systems and processes and historical audit findings.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £110,000 (2022: £105,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 4 to 86, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Independent auditor's report continued

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 66, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are:
 - Those that relate to the reporting framework: UK adopted international accounting standards, the UK Companies Act 2006 and AIM Rules;
 - Those that relate to the accrual or recognition of expenses for taxation, such as UK Corporate tax legislation; and

- Those that relate to the accrual for or recognition of expenses for employee benefit costs including post-employment benefit costs, as well as the treatment of its employees.
- We understood how the group is complying with those frameworks by making inquiries of management, those charged with governance, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through inspection of board minutes and correspondence with regulatory authorities and through attendance at Audit Committee meetings throughout and subsequent to the period under audit.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by making inquiries of management, those charged with governance, internal audit and various other individuals within the financial reporting function. We corroborated these inquiries by inspecting board minutes, internal audit reports and findings, reports to the group's internal whistleblowing hotline and by understanding both the group's bonus scheme structure and the expectations of investors and analysts, to understand areas in which individuals may be incentivised to commit fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making inquiries as described above, inspecting minutes of all significant board and committee meetings, reading correspondence with regulatory authorities, testing manual journal entries with higher risk characteristics and testing unusual or non-standard transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Katie Dallimore-Fox (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

24 May 2023

Group income statement

For the 53 weeks ended 3 April 2023

	Notes	2023 53 weeks £m	2022 52 weeks £m
Continuing operations			
Revenue	7	368.9	309.0
Other income	10	–	5.0
Operating costs before adjusting items	8	(316.5)	(262.6)
Adjusted operating profit		52.4	51.4
Adjusting items	11	(9.0)	0.3
Operating profit		43.4	51.7
Finance income		0.1	–
Finance costs	13	(7.6)	(9.5)
Finance income/(charge) for pension obligations	27	0.3	(0.1)
Profit before tax from continuing operations		36.2	42.1
Income tax expense	14	(6.5)	(17.2)
Profit for the period from continuing operations		29.7	24.9
Profit for the period from discontinued operations¹	5	–	9.5
Profit for the period attributable to shareholders of the parent company		29.7	34.4
¹ A gain on disposal of £9.0 million was recognised in the prior period and recorded within adjusting items (see note 5).			
		Pence	Pence
Earnings per 12.5p ordinary share			
Basic	17	50.78	58.83
Diluted	17	50.74	58.80
Earnings per 12.5p ordinary share for continuing operations			
Basic	17	50.78	42.58
Diluted	17	50.74	42.56

The notes on pages 102 to 145 form part of these financial statements.

Financial Statements

Group statement of comprehensive income

For the 53 weeks ended 3 April 2023

	Notes	2023 53 weeks £m	2022 52 weeks £m
Profit for the period		29.7	34.4
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Unrealised gain on revaluation of property	19	15.2	28.7
Remeasurement of retirement benefit schemes	27	(10.1)	17.2
Tax on above components of other comprehensive income	14	(1.2)	(25.3)
Items that will be reclassified subsequently to profit or loss:			
Fair value movement of interest rate swaps	25	3.1	5.2
Tax on fair value movement of interest rate swaps	14	(0.8)	(1.1)
		6.2	24.7
Total comprehensive income attributable to shareholders of the parent company		35.9	59.1
Total comprehensive income attributable to shareholders of the parent company from continuing operations		35.9	49.6
Total comprehensive income attributable to shareholders of the parent company from discontinued operations¹		–	9.5

¹ A gain on disposal of £9.0 million was recognised in the prior period and recorded within adjusting items (see note 5)

The notes on pages 102 to 145 form part of these financial statements.

Group balance sheet

At 3 April 2023

	Notes	Group		
		2023 £m	Restated 2022 £m	Restated 2021 £m
Non-current assets				
Goodwill	18	32.5	32.5	32.5
Property and equipment	19	842.5	808.0	773.7
Right-of-use assets	20	142.9	147.0	158.0
Derivative financial instruments	25	2.3	2.2	–
Retirement benefit schemes	27	5.4	14.3	–
		1,025.6	1,004.0	964.2
Current assets				
Inventories	22	5.4	4.7	2.6
Trade and other receivables	23	9.5	8.9	10.4
Income tax receivable		–	6.2	5.8
Derivative financial instruments	25	2.7	–	–
Cash		10.7	34.0	4.7
		28.3	53.8	23.5
Asset held for sale		–	–	1.2
Total assets		1,053.9	1,057.8	988.9
Current liabilities				
Borrowings	25	–	(30.0)	(29.8)
Lease liabilities	28	(4.8)	(4.9)	(4.9)
Income tax payable		(0.9)	–	–
Derivative financial instruments	25	–	(0.3)	(1.8)
Trade and other payables	24	(46.6)	(43.7)	(15.8)
		(52.3)	(78.9)	(52.3)
Non-current liabilities				
Borrowings	25	(104.2)	(103.8)	(143.4)
Lease liabilities	28	(66.9)	(69.1)	(75.3)
Derivative financial instruments	25	–	–	(1.4)
Deferred tax liabilities	26	(104.6)	(104.2)	(65.0)
Retirement benefit schemes	27	(1.7)	(2.1)	(6.1)
		(277.4)	(279.2)	(291.2)
Total liabilities		(329.7)	(358.1)	(343.5)
Net assets		724.2	699.7	645.4
Capital and reserves				
Share capital	29	7.3	7.3	7.3
Share premium		7.8	7.7	7.6
Capital redemption reserve		1.8	1.8	1.8
Hedging reserve		4.0	1.7	(2.4)
Revaluation reserve		260.9	249.4	253.6
Retained earnings		442.4	431.8	377.5
Total equity		724.2	699.7	645.4

Prior period comparatives have been restated (see note 2).

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

Simon Dodd
Chief Executive

Michael Owen
Chief Financial Officer

24 May 2023

The notes on pages 102 to 145 form part of these financial statements
Young & Co's Brewery, P.L.C. Registered in England number 32762

Company balance sheet

At 3 April 2023

	Notes	Company		
		2023 £m	Restated 2022 £m	Restated 2021 £m
Non-current assets				
Goodwill	18	31.0	31.0	31.0
Property and equipment	19	838.5	803.5	769.1
Right-of-use assets	20	135.8	139.4	149.2
Investment in subsidiaries	21	14.3	14.3	14.3
Derivative financial instruments	25	2.3	2.2	–
Retirement benefit schemes	27	5.4	14.3	–
		1,027.3	1,004.7	963.6
Current assets				
Inventories	22	5.4	4.7	2.6
Trade and other receivables	23	9.5	9.7	11.3
Income tax receivable		–	6.3	6.0
Derivative financial instruments	25	2.7	–	–
Cash		10.7	34.0	4.7
		28.3	54.7	24.6
Asset held for sale		–	–	1.2
Total assets		1,055.6	1,059.4	989.4
Current liabilities				
Borrowings	25	–	(30.0)	(29.8)
Lease liabilities	28	(4.0)	(4.1)	(4.1)
Income tax payable		(0.8)	–	–
Derivative financial instruments	25	–	(0.3)	(1.8)
Trade and other payables	24	(56.2)	(55.8)	(27.5)
		(61.0)	(90.2)	(63.2)
Non-current liabilities				
Borrowings	25	(104.2)	(103.8)	(143.4)
Lease liabilities	28	(61.9)	(63.6)	(69.1)
Derivative financial instruments	25	–	–	(1.4)
Deferred tax liabilities	26	(104.4)	(104.0)	(64.8)
Retirement benefit schemes	27	(1.7)	(2.1)	(6.1)
		(272.2)	(273.5)	(284.8)
Total liabilities		(333.2)	(363.7)	(348.0)
Net assets		722.4	695.7	641.4
Capital and reserves				
Share capital	29	7.3	7.3	7.3
Share premium		7.8	7.7	7.6
Capital redemption reserve		1.8	1.8	1.8
Hedging reserve		4.0	1.7	(2.4)
Revaluation reserve		252.0	240.2	244.4
Retained earnings		449.5	437.0	382.7
Total equity		722.4	695.7	641.4

Prior period comparatives have been restated (see note 2).

The company's profit after tax from continuing operations for the period was £31.6 million (2022: £24.9 million). The company's profit after tax from discontinued operations for the period was £nil (2022: £9.5 million).

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

Simon Dodd
Chief Executive

Michael Owen
Chief Financial Officer

24 May 2023

Statements of cash flow

For the 53 weeks ended 3 April 2023

	Notes	Group		Company	
		2023 53 weeks £m	2022 52 weeks £m	2023 53 weeks £m	2022 52 weeks £m
Operating activities					
Net cash generated from operations	32	83.8	107.0	82.6	106.3
Tax paid		(0.9)	(5.1)	(0.9)	(5.1)
Net cash flows from operating activities		82.9	101.9	81.7	101.2
Investing activities					
Proceeds from disposal of property and equipment ¹		6.1	59.7	6.1	59.7
Purchase of property and equipment	19	(40.2)	(36.9)	(40.2)	(36.9)
Business combinations, net of cash acquired	15	(18.2)	(36.9)	(18.2)	(36.9)
Net cash used in investing activities		(52.3)	(14.1)	(52.3)	(14.1)
Financing activities					
Interest paid		(6.9)	(9.7)	(6.6)	(9.5)
Issued equity, net of transaction costs		0.1	0.1	0.1	0.1
Equity dividends paid	16	(12.0)	(5.0)	(12.0)	(5.0)
Payment of principal portion of lease liabilities		(5.1)	(4.1)	(4.2)	(3.6)
Repayment of borrowings ²		(30.0)	(39.8)	(30.0)	(39.8)
Net cash flows used in financing activities		(53.9)	(58.5)	(52.7)	(57.8)
Net increase in cash		(23.3)	29.3	(23.3)	29.3
Cash at the beginning of the period		34.0	4.7	34.0	4.7
Cash at the end of the period		10.7	34.0	10.7	34.0

1 During the current period to 3 April 2023, £6.1 million related to the sale of the Bridge Hotel (Greenford). During the prior period to 28 March 2022, £53.0 million related to the sale of 56 tenanted pubs as per note 5. The remaining balance relates to other disposals of tenanted sites.

2 During the current period to 3 April 2023 the group repaid the £30.0 million bilateral term loan with the NatWest. During the prior period to 28 March 2022 the group repaid the £30.0 million Covid Corporate Financing Facility debt (net of £0.2 million fees) and the £10.0 million Revolving Credit Facility debt.

The notes on pages 102 to 145 form part of these financial statements.

Group statement of changes in equity

At 3 April 2023

	Notes	Share capital ¹ £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 29 March 2021		14.9	1.8	(2.4)	253.6	377.5	645.4
Total comprehensive income							
Profit for the period		–	–	–	–	34.4	34.4
Other comprehensive income							
Unrealised gain on revaluation of property	19	–	–	–	28.7	–	28.7
Remeasurement of retirement benefit schemes	27	–	–	–	–	17.2	17.2
Net movement of interest rate swaps – cash flow hedge	25	–	–	5.2	–	–	5.2
Tax on above components of other comprehensive income	14	–	–	(1.1)	(22.8)	(2.5)	(26.4)
Total comprehensive income		–	–	4.1	5.9	14.7	24.7
Transactions with owners recorded directly in equity							
Share capital issued		0.1	–	–	–	–	0.1
Dividends paid on equity shares	16	–	–	–	–	(5.0)	(5.0)
Revaluation reserve realised on disposal of properties		–	–	–	(10.1)	10.1	–
Share based payments		–	–	–	–	0.1	0.1
		0.1	–	–	(10.1)	5.2	(4.8)
At 28 March 2022		15.0	1.8	1.7	249.4	431.8	699.7
Total comprehensive income							
Profit for the period		–	–	–	–	29.7	29.7
Other comprehensive income							
Unrealised gain on revaluation of property	19	–	–	–	15.2	–	15.2
Remeasurement of retirement benefit schemes	27	–	–	–	–	(10.1)	(10.1)
Net movement of interest rate swaps – cash flow hedge	25	–	–	3.1	–	–	3.1
Tax on above components of other comprehensive income	14	–	–	(0.8)	(3.7)	2.5	(2.0)
		–	–	2.3	11.5	(7.6)	6.2
Total comprehensive income		–	–	2.3	11.5	22.1	35.9
Transactions with owners recorded directly in equity							
Share capital issued		0.1	–	–	–	–	0.1
Dividends paid on equity shares	16	–	–	–	–	(12.0)	(12.0)
Share based payments		–	–	–	–	0.5	0.5
		0.1	–	–	–	(11.5)	(11.4)
At 3 April 2023		15.1	1.8	4.0	260.9	442.4	724.2

¹ Total share capital comprises the nominal value of the share capital issued and fully paid of £7.3 million (2022: £7.3 million) and the share premium account of £7.8 million (2022: £7.7 million). Share capital issued in the period comprises the nominal value of £nil million (2022: £nil million) and share premium of £0.1 million (2022: £0.1 million).

The notes on pages 102 to 145 form part of these financial statements

Parent company statement of changes in equity

At 3 April 2023

	Notes	Share capital ¹ £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 29 March 2021		14.9	1.8	(2.4)	244.4	382.7	641.4
Total comprehensive income							
Profit for the period ²		–	–	–	–	34.4	34.4
Other comprehensive income							
Unrealised gain on revaluation of property	19	–	–	–	28.7	–	28.7
Remeasurement of retirement benefit schemes	27	–	–	–	–	17.2	17.2
Net movement of interest rate swaps – cash flow hedge	25	–	–	5.2	–	–	5.2
Tax on above components of other comprehensive income	14	–	–	(1.1)	(22.8)	(2.5)	(26.4)
		–	–	4.1	5.9	14.7	24.7
Total comprehensive income		–	–	4.1	5.9	49.1	59.1
Transactions with owners recorded directly in equity							
Share capital issued		0.1	–	–	–	–	0.1
Dividends paid on equity shares	16	–	–	–	–	(5.0)	(5.0)
Revaluation reserve realised on disposal of properties		–	–	–	(10.1)	10.1	–
Share based payments		–	–	–	–	0.1	0.1
		0.1	–	–	(10.1)	5.2	(4.8)
At 28 March 2022		15.0	1.8	1.7	240.2	437.0	695.7
Total comprehensive income							
Profit for the period ²		–	–	–	–	31.6	31.6
Other comprehensive income							
Unrealised gain on revaluation of property	19	–	–	–	15.5	–	15.5
Remeasurement of retirement benefit schemes	27	–	–	–	–	(10.1)	(10.1)
Net movement of interest rate swaps – cash flow hedge	25	–	–	3.1	–	–	3.1
Tax on above components of other comprehensive income	14	–	–	(0.8)	(3.7)	2.5	(2.0)
		–	–	2.3	11.8	(7.6)	6.5
Total comprehensive income		–	–	2.3	11.8	24.0	38.1
Transactions with owners recorded directly in equity							
Share capital issued		0.1	–	–	–	–	0.1
Dividends paid on equity shares	16	–	–	–	–	(12.0)	(12.0)
Share based payments		–	–	–	–	0.5	0.5
		0.1	–	–	–	(11.5)	(11.4)
At 3 April 2023		15.1	1.8	4.0	252.0	449.5	722.4

¹ Total share capital comprises the nominal value of the share capital issued and fully paid of £7.3 million (2022: £7.3 million) and the share premium account of £7.8 million (2022: £7.7 million). Share capital issued in the period comprises the nominal value of £nil (2022: £nil) and share premium of £0.1 million (2022: £0.1 million).

² The company's profit after tax from continuing operations for the period was £31.6 million (2022: £24.9 million). The company's profit after tax from discontinued operations was £nil (2022: £9.5 million).

The notes on pages 102 to 145 form part of these financial statements.

Notes to the financial statements

For the 53 weeks ended 3 April 2023

1. General information

The group and parent company financial statements of Young & Co.'s Brewery, P.L.C. for the period ended 3 April 2023 were authorised for issue by the board of directors on 24 May 2023. 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 6 and in the strategic report on pages 1 to 54.

The current period and prior period relate to the 53 weeks ended 3 April 2023 and the 52 weeks ended 28 March 2022 respectively.

The financial statements are presented in pounds sterling, which is the functional currency of the parent company, and all values are rounded to the nearest hundred thousand (£0.1 million), except where otherwise indicated.

Going concern

At 3 April 2023, the group had cash in bank of £10.7 million and committed borrowing facilities of £205.0 million, of which £105.0 million was drawn down. The group expects, by 1 July 2024 (the 'going concern' period), to have available facilities of £205.0 million, with the plan to renegotiate the £20.0 million term loan that is due May 2024. However, given that those negotiations have yet to take place, for going concern purposes the group has assumed that available facilities will be £185.0 million at the end of the going concern period. In addition to these committed facilities, the group has a £10.0 million overdraft with HSBC, which is not committed, and is therefore not assumed to continue for the purpose of this assessment.

As part of the directors' consideration of the appropriateness of adopting the going concern basis, the group has modelled a base case and three sensitised scenarios for the going concern period. The base case is the board approved budget to March 2024 as well as the board approved strategic plan covering April to June 2024. The key judgements applied are the extent of any influence on trade because of the economic downturn and its impact on consumers, and the inflationary cost pressures that the hospitality industry is continuing to face.

The base case model assumes the group continues to trade as now whilst reflecting the inflationary environment that currently exists across the going concern period. The general reduction in trade scenario looks at a decline of 20% in sales and 25% in profit across the period. This aims to capture the potential slowdown in consumer spending influenced by the ongoing cost of living crisis. The cost inflation scenario includes an average 8% increase in the food cost base and 10% increase in general pub operating costs for the period with no retail price increases. Utility pricing has been held at the base case rates, given the group has forward bought utilities to March 2024. The group has assumed capital expenditure levels will continue at historical levels and no structural changes to the business will be needed in any of the scenarios modelled.

In the base case, general reduction in trade, and cost inflation scenarios there continues to be significant headroom on the group's debt facilities, and all banking covenants are fully complied with throughout the going concern period.

The reverse stress test focused on the decline in sales and profit that the group would be able to absorb before breaching any financial covenants or indeed any liquidity issues (the former being the main stress point given the debt headroom). Consequentially there would need to be a sales reduction of c.40% and profit reduction of c.60% between April 2023 and 2024 compared to the base case, a reduction far in excess of those experienced historically (with the exception of the restricted covid-19 period), before there is a breach of financial covenants in the period and is calculated before reflecting any mitigating actions such as reduced capital expenditure. The directors believe the scenario to be remote.

The group has also considered the impact of climate change on going concern and has determined that there is no impact on the business during the going concern period. Aligned with the group's developing ESG strategy this will continue to feature in future assessments, as the group determines the potential wider impact on the asset base, capex spend and cost of compliance.

Based on these forecasts and sensitivities, coupled with the current debt levels and the ongoing debt structure in place, the board is confident that the group is able to manage its business risks and therefore continue in operational existence for the foreseeable future. For this reason, the group continues to adopt the going concern basis in preparing its financial statements.

2. Basis of preparation

The consolidated financial statements, and the company financial statements, have been prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The company has taken advantage of section 408 of the Companies Act 2006 not to present the parent company profit and loss account.

IFRS, as applicable in the UK, 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 or statement of comprehensive income are presented for the company, as permitted by section 408(3) of the Companies Act 2006.

In preparing the group financial statements, management have considered the impact of climate change, taking into account the relevant disclosures in the strategic report. This included a review of both physical climate risks and transitional climate risks, taking into regard recommendations issued by the Taskforce on Climate-related Financial Disclosures. In particular, assets with indefinite or long lives were assessed for impairment by taking into account global warming. No issues were identified that would impact such assets carrying values or have a material impact on the financial statements and is not expected to have a significant impact on the group's going concern assessment to May 2023, nor the next five years.

Restatement of prior periods

In accordance with the requirements of IAS 1 Presentation of Financial Statements and IAS 12 Income Taxes, management have restated the deferred tax assets as at 28 March 2022 and 29 March 2021 to be presented net against the deferred tax liabilities. The impact on the group balance sheet at 28 March 2022 is a reduction in the deferred tax asset of £4.1 million to £nil and a decrease in the deferred tax liability of £4.1 million to £104.2 million. This reduces the non-current asset subtotal by £4.1 million to £1,004.0 million and the non-current liability subtotal by £4.1 million to £279.2 million. The total assets are reduced by £4.1 million to £1,057.8 million and the total liabilities are reduced by £4.1 million to £358.1 million.

The impact on the group balance sheet at 29 March 2021 is a reduction in the deferred tax asset of £8.6 million to £nil and a decrease in the deferred tax liability of £8.6 million to £65.0 million. This reduces the non-current asset subtotal by £8.6 million to £964.2 million and the non-current liability subtotal by £8.6 million to £291.2 million. The total assets are reduced by £8.6 million to £988.9 million and the total liabilities are reduced by £8.6 million to £343.5 million. The overall impact on net assets in both prior periods is £nil. There is no impact to the income statement or cash flow statement in either prior period as a result of this adjustment.

The impact on the company balance sheet at 28 March 2022 is a reduction in the deferred tax asset of £4.1 million to £nil and a decrease in the deferred tax liability of £4.1 million to £104.0 million. This reduces the non-current asset subtotal by £4.1 million to £1,004.7 million and the non-current liability subtotal by £4.1 million to £273.5 million. The total assets are reduced by £4.1 million to £1,059.4 million and the total liabilities are reduced by £4.1 million to £363.7 million.

The impact on the company balance sheet at 29 March 2021 is a reduction in the deferred tax asset of £8.6 million to £nil million and a decrease in the deferred tax liability of £8.6 million to £64.8 million. This reduces the non-current asset subtotal by £8.6 million to £963.6 million and the non-current liability subtotal by £8.6 million to £284.8 million. The total assets are reduced by £8.6 million to £989.4 million and the total liabilities are reduced by £8.6 million to £348.0 million. The overall impact on net assets in both prior periods is £nil. There is no impact to the income statement or cash flow statement in either prior period as a result of this adjustment.

New Accounting Standards, Amendments, Interpretations and New Accounting Policies

The group applied for the first time certain standards and amendments. Property, Plant and Equipment: Proceeds before Intended Use, Onerous Contracts: Costs of Fulfilling a Contract, and the amendments to Business Combinations – Reference to the Conceptual Framework are new amendments which are effective in the current period. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits companies from deducting from the cost of an item of property, plant, and equipment any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items should be recognized in profit or loss.

The group will apply the amendments retrospectively only to items of property and equipment made available for use on or after the beginning of the current reporting period, being the period in which the group has first applied the amendment.

The amendment had no impact on the consolidated financial statements of the group as there were no sales of such items produced by property and equipment made available for use on or after the beginning of the current reporting period.

Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract (i.e. the costs that the group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, a company needs to include costs that relate directly to a contract to provide goods or services. This includes incremental costs, in line with the previous requirements of the standard, and as a result of the amendments this also includes an allocation of costs directly related to contract activities. Administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendment had no impact on the consolidated financial statements of the group as there were no onerous contracts identified on or after the beginning of the current reporting period.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

2. Basis of preparation continued

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires companies to apply the criteria in IAS 37 or IFRIC 21 respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The group applied the amendments to business combinations occurring after the beginning of the current reporting period, being the period in which the group has first applied the amendment. These amendments had no impact on the consolidated financial statements of the group as there were no contingent assets, liabilities, or contingent liabilities within the scope of these amendments that arose during the period.

Other standards

The group will adopt the following Standards, Amendments and Interpretations listed below in the first full financial period following their effective date. The group does not expect that adoption in future periods will have a material impact:

New Standard	Amendment	Effective date
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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 in the group and treated as an extension of the company in the parent company 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 cost less provision for impairment. Income is recognised from these investments in relation to distributions received.

(c) Revenue recognition

Revenue is measured at the transaction price when control passes to the customer in respect of goods and services provided, net of discounts and VAT. The recognition of revenue under each of the group's material revenue streams is as follows:

Sale of goods

Revenue is recognised at a point in time when control of the goods or services is transferred to the customer.

Accommodation sales

Revenue is recognised on a straight-line basis over the duration of the room occupation.

Rental income

Rental income arising from operating leases on properties is accounted for on a straight-line basis over the lease term. Rental income does not fall within the scope of IFRS 15.

(d) Adjusting items

Adjusting items are separately disclosed in order to draw them to the attention of the reader of the financial statements. This is due either to their material and non-recurring nature or that, in management's judgement, they are required to be disclosed separately in order to present the underlying business performance, being an internal measure the directors use to evaluate the operational performance of the group in a consistent manner and to reflect how the business is managed and measured on a day-to-day basis. The tax treatment for adjusting items is consistent with tax treatment for non-adjusting items.

(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 adjusting 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 properties, including land and buildings, 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.

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 adjusting 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.

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 buildings.

Useful lives:

Freehold buildings	50 years
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(h)).

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

(g) Asset held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

3. Summary of significant accounting policies continued

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

Additional disclosures relating to discontinued operations are provided in note 5. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

(h) Impairment of assets

The carrying values of investments, property and equipment and right-of-use assets 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 cost of disposal 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 that reflects current market assessments of the time value of money and the risks specific to the asset. The value in use calculations are based on the most recent budget and forecast calculations, which are prepared separately for each CGU to which the individual assets are allocated. The value in use calculations generally cover a period of five years, after which a long-term growth rate is applied to project future cash flows.

The impact of climate change has been considered as part of the impairment assessment, including both physical and transitional risks. Due to the nature of the group's operations, climate risk is not considered to have a material impact on any CGU's value in use calculation and is therefore not expected to result in any impairment.

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.

(i) Right-of-use assets

The group recognises right-of-use assets at the commencement date of a new lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of a right-of-use asset includes the amount of lease liabilities recognised, initial direct costs incurred, including lease premiums to take on a lease, and lease payments made at or before the commencement date less any lease incentives received, unless the group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to the group's accounting policy for impairment.

(j) Leases

At inception of a contract, the group considers whether the contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(1) Where the group is the lessee

At the commencement date of a new lease, the group recognises a lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating a lease or payments for exercising an extension option, if the lease term reflects the group exercising the option to terminate or extend the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the amounts expected to be payable under a residual value guarantee, a change in variable lease payments based on an index or a rate, a modification that is not accounted for as a separate lease, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The group has taken the recognition exemption for short-term leases and low-value leases. Expenses from such leases have been recognised in the income statement on a straight-line basis over the lease term.

The group has applied the practical expedient available in assessing whether covid-related rent concessions were a lease modification.

(2) Where the group is the lessor

Assets leased out under operating leases are included within property and equipment 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. As a result of covid-19, various rent concessions have been granted to lessees. Rent concessions granted to tenants are treated as variable rent payments, under which the variable element of rent is taken directly to the profit and loss statement in the period that it relates to.

(k) Inventories

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

(l) Cash

Cash in the balance sheet comprises cash at banks, cash in transit due from credit card providers and cash 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 deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) 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.

(n) 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.

Expected credit losses are recognised from initial recognition based on the group's historical credit loss experience, factors specific for each loan, the current economic climate and expected changes in forecasts of future events. Changes in expected credit losses are recognised in the income statement.

(o) 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.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

3. Summary of significant accounting policies continued

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

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

Deferred tax relating to items recognised outside the profit and loss is recognised either in other comprehensive income or directly in equity. Deferred tax on those items is recognised consistently with the underlying transaction.

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.

The group offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off deferred tax assets and deferred tax liabilities relating to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(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.

In the current period, there has been a reform to update the benchmark interest rates across both borrowings and derivatives from LIBOR to SONIA. The group has taken advantage of practical expedients available for the transition period as discussed in note 2.

(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 the transaction price less impairment as they do not contain a significant financial component. In measuring and recognising the impairment, the group has applied the simplified approach to expected credit losses. Expected credit losses are recognised from initial recognition based on the group's historical credit loss experience, factors specific for each receivable, the current economic climate and expected changes in forecasts of future events. Changes in expected credit losses are recognised in the income statement.

(s) Share based payments

The group operates three types of share based payment arrangements: a director/senior management employee deferred bonus scheme ('DAB'), a long-term incentive plan ('LTIP'), and a Save-As-You-Earn ('SAYE') scheme.

Under the DAB, directors and senior management were encouraged to receive bonus payments in the form of shares instead of cash. They were encouraged to do this by being offered 'matching' shares (see note 30). The 'matching' shares constituted 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. It is not intended that any further awards will be made under the DAB scheme as the LTIP has now replaced the DAB scheme.

The LTIP has been implemented during the period to incentivise and retain executive directors and senior management. The selected employees are awarded shares which then vest at a later date, subject to the achievement of specified performance or other conditions determined by the remuneration committee at the time of grant, with the performance conditions satisfied over a specified performance period (see note 30). The group has used the 'Monte Carlo' model as its valuation model for recording the fair value of the shares awarded at the date when they were originally granted, further details of which are given in note 30.

The LTIP expense is recognised within employment costs, together with a corresponding increase to equity, over the period in which the service and the performance related conditions are satisfied. The cumulative expense recognised at each reporting date until the awards vest reflects the extent to which the vesting period has expired and the group's best estimate of the number of awards that will ultimately vest.

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 30). The group uses the 'Black-Scholes model' as its valuation model for valuing awards at fair value.

The fair value cost of the 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.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

3. Summary of significant accounting policies continued

(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 is driven by the number of units purchased from suppliers. The volume discounts 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 and it is recognised as a credit within cost of sales.

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

(v) Government grants and assistance

In the prior period, government grants represented monetary resources transferred to the group by the Government, government agencies or similar bodies. They were recognised at fair value when the group had reasonable assurance that it would comply with any conditions attached to the grant, and that the grant would be received. Government grants were recognised in the income statement, on a systematic basis, over the same period that the expenses for which the grant was intended to compensate were recognised.

Government assistance received in the prior period represented monetary and non-monetary resources received from government agencies or similar bodies. Where monetary assistance was received, the benefit was recorded against the associated expense at the time the assistance was received. See note 10.

Government grants

Coronavirus Job Retention Scheme ('CJRS')

Under this scheme, HMRC reimbursed up to 80% of the wages of certain employees who were furloughed up to a maximum of £2,500 per employee per month. The scheme was designed to compensate for staff costs, so amounts received were recognised in the income statement over the same period as the costs to which they relate. The CJRS scheme was utilised in the prior period, with amounts received recognised within operating costs in the income statement.

Government grant income

In the prior period, the business received support from local restriction support grants administered by local councils in response to the various restrictions placed on trading between November 2020 and March 2022. This included Restart Grants available from April 2021 and Omicron Hospitality & Leisure Grants in December 2021. Income relating to the various grants was recognised in other income in the prior period income statement.

Government assistance

Business rates relief

In the prior period, the business rates exemption which was in place for the 2020 to 2021 tax year was extended to 30 June 2021. This was then followed by 66% business rates relief for the period 1 July 2021 to 31 March 2022, capped at £2.0 million.

4. Key accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

In applying the group's accounting policies, the following estimates are considered to carry the most significant risk of resulting in a material adjustment to the reported amount in the next financial year if the actual outcome differs from these estimates:

(1) 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 arm's 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 notes 15 and 19.

(2) 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(h). 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, climate change assumptions and pre-tax discount rates. See notes 3(h) and 18.

(3) 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(r) and 27.

The critical judgements considered to carry the most significant risk of a material adjustment to the reported amount if the actual outcome differs from these judgements are as follows:

(4) Business combinations

When assets are acquired, management determines whether the assets form a business combination. Business combinations must involve the acquisition of a business, which generally have three elements: inputs, process, and output.

A fair value exercise of both the consideration paid 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 in relation to the fair value of the consideration, the net assets acquired and whether the purchase represents a business combination. The consideration paid for the business combinations acquired during the period was solely cash. See notes 3(e), 15, 18 and 19.

(5) 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 tax authority will not accept a tax treatment in a previously filed or future tax return. Tax benefits are not recognised unless it is probable that they will be recovered. The group exercises judgements in the recognition of deferred tax liabilities, including assumptions for group's intended use of the freehold pubs, being a sale, in-use or dual basis. Calculating the group's tax provisions requires judgements to be made based on past experience and the current tax environment. See notes 3(o), 14 and 26.

(6) Leases

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. Where a lease includes the option for the group to terminate the lease term, the group makes a judgement as to whether it is reasonably certain that the option will be taken. This will take into account the length of time remaining before the option is exercisable, current trading, future trading forecasts as to the ongoing profitability of the asset and the level and type of planned future capital investment. The group has reviewed long leaseholds and made a judgement to classify these as right-of-use assets on the basis that none of the leases convey a right or option to purchase at the lease end date and hence control of the building would never pass to the group, only the right to use it. See note 28.

5. Discontinued operations

During the prior period, on 2 July 2021, the board made the decision to sell most of its tenanted estate, the Ram Pub Company. At this date, 56 of the 63 pubs in Ram Pub Company were classified as a disposal group held for sale and as a discontinued operation. On 9 August 2021, the sites were disposed of for a total consideration of £53.0 million. The sale was consistent with the group's strategy to increase value for shareholders through focussing solely on operating premium, individual, differentiated and predominantly freehold managed pubs and hotels.

Total revenue generated from the Ram Pub Company in the prior period was £3.6 million, of which £1.0 million related to continuing operations and the remaining £2.6 million related to discontinued operations. The results from discontinued operations for the period are presented below:

	2023 53 weeks £m	2022 52 weeks £m
Revenue from sales of goods	–	2.1
Rental income	–	0.5
Total revenue	–	2.6
Operating costs	–	(1.8)
Adjusted operating profit	–	0.8
Adjusting items ¹	–	9.0
Profit before tax from discontinued operations	–	9.8
Income tax expense	–	(0.3)
Profit after tax from discontinued operations	–	9.5

¹ In the prior period, adjusting items related to the difference between cash less disposal costs received from the sale of the 56 pubs and the carrying value of their assets at the date of disposal.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

5. Discontinued operations continued

The major class of asset disposed of as part of the discontinued operation was property and equipment with a fair value of £43.4 million. Deferred tax liabilities of £1.5 million were also de-recognised. No other assets or liabilities were disposed of as part of the disposal group. A realised property gain in the revaluation reserve of £8.9 million was transferred to retained earnings on disposal.

The net cash flows incurred in respect of the discontinued operations were as follows:

	2023 53 weeks £m	2022 52 weeks £m
Operating	–	0.1
Investing	–	52.5
Financing	–	(0.1)
Net cash inflow	–	52.5

For basic, diluted and the effect of adjusting items on earnings per share on discontinued operations see note 17(d).

For tax charged on discontinued operations see note 14.

6. Segmental reporting

The group historically had two operating segments: managed houses and tenanted houses. The managed house segment operates pubs. Revenue is derived from sales of drink, food and accommodation. The tenanted house segment consisted of pubs owned or leased by the company and leased or subleased to third parties. Revenue was derived from rents payable by, and sales of drink made to, tenants. Unallocated related to head office income and costs, and unlicensed properties. During the prior period, most of the pubs within the tenanted house segment were disposed of and classified as a discontinued operation.

Since the disposal of the majority of the tenanted house segment, in line with the requirements of IFRS 8 Operating Segments, the group is organised into one reporting segment, that of operating managed houses. This is in line with the internal reporting to the executive board of the group for the purpose of deciding on the allocation of resources and assessing performance. On this basis, the group now reports on one operating segment, with the remaining tenanted houses grouped together with the unallocated segment and reported as 'all other segments'. In line with this approach, prior period comparatives for tenanted houses and unallocated have been grouped together under 'all other segments'.

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

Income statement

2023	Managed houses 53 weeks £m	All other segments 53 weeks £m	Total 53 weeks £m
Drink sales	229.1	0.3	229.4
Food sales	115.5	–	115.5
Accommodation sales	21.9	–	21.9
Total revenue from contracts with customers from continuing operations	366.5	0.3	366.8
Other income	1.5	0.6	2.1
Total revenue recognised from continuing operations	368.0	0.9	368.9
Adjusted operating profit/(loss) from continuing operations	73.3	(20.9)	52.4
Adjusting items	(8.5)	(0.5)	(9.0)
Operating profit/(loss) from continuing operations	64.8	(21.4)	43.4

2022	Managed houses 52 weeks £m	All other segments 52 weeks £m	Total 52 weeks £m
Drink sales	188.5	0.5	189.0
Food sales	105.9	—	105.9
Accommodation sales	12.3	—	12.3
Total revenue from contracts with customers from continuing operations	306.7	0.5	307.2
Other income	1.0	0.8	1.8
Total revenue recognised from continuing operations	307.7	1.3	309.0
Adjusted operating profit/(loss) from continuing operations	72.1	(20.7)	51.4
Adjusting items	(0.4)	0.7	0.3
Operating profit/(loss) from continuing operations	71.7	(20.0)	51.7

£0.6 million of total revenue (2022: £1.0 million) was related to tenanted houses. £0.4 million of operating profit (2022: £2.6 million) was related to tenanted houses. £0.2 million of all other segments rental income (2022: £0.3 million) was rental income derived from unlicensed properties.

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

	2023 53 weeks £m	2022 52 weeks £m
Operating profit from continuing operations	43.4	51.7
Finance income	0.1	—
Finance costs	(7.6)	(9.5)
Finance charge for pension obligations	0.3	(0.1)
Profit before tax from continuing operations	36.2	42.1

Balance sheet

2023	Managed houses £m	All other segments £m	Total £m
Segment assets	1,011.2	32.0	1,043.2
Cash	—	10.7	10.7
Total assets from continuing operations	1,011.2	42.7	1,053.9
Other segmental information from continuing operations			
Depreciation of property, equipment and right-of-use assets (note 19, note 20)	(31.9)	(1.2)	(33.1)
Additions to non-current assets ¹	57.3	1.5	58.8
Net movements in property valuation through income statement (note 11, note 19)	(6.8)	(0.2)	(7.0)

Restated 2022	Managed houses £m	All other segments £m	Total £m
Segment assets	975.8	48.0	1,023.8
Cash	—	34.0	34.0
Total assets from continuing operations	975.8	82.0	1,057.8
Other segmental information from continuing operations			
Depreciation of property, equipment and right-of-use assets (note 19, note 20)	(30.1)	(0.9)	(31.0)
Additions to non-current assets ¹	69.0	5.4	74.4
Net movements in property valuation through income statement (note 11, note 19)	2.3	(1.5)	0.8

¹ Non-current assets for this purpose consist of property and equipment, right-of-use assets and intangible assets.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

7. Revenue

The recognition of revenue from continuing operations under each of the group's material revenue streams is as follows:

	2023 53 weeks £m	2022 52 weeks £m
Drink sales	229.4	189.0
Food sales	115.5	105.9
Accommodation sales	21.9	12.3
Total revenue from contracts with customers	366.8	307.2
Other income ¹	2.1	1.8
Total revenue recognised	368.9	309.0

¹ Other income includes rental income and room hire.

8. Operating costs before adjusting items

The table below shows operating costs before adjusting items from continuing operations:

	2023 53 weeks £m	2022 52 weeks £m
Changes in inventories of finished goods and raw materials	(0.7)	(2.1)
Raw materials, consumables and finished goods used	79.0	65.4
Employment costs (note 9(a))	129.7	115.0
Depreciation of properties (note 19)	26.2	24.0
Depreciation of right-of-use assets (note 20)	6.9	7.0
Expense relating to short-term, low value or variable rent payments (note 28)	1.2	0.7
Other operating costs ¹	74.2	52.6
	316.5	262.6
Auditor's remuneration in respect of audit of the group financial statements	0.5	0.4

¹ During the prior period, credits of £2.2 million in respect of the Coronavirus Job Retention Scheme ('CJRS') were recognised within other operating costs, as permitted by IAS 20.

9. Employment

(a) Costs and employee numbers

	Group		Company	
	2023 53 weeks £m	2022 52 weeks £m	2023 53 weeks £m	2022 52 weeks £m
Wages and salaries	117.8	104.8	117.8	104.8
Social security	9.6	8.0	9.6	7.9
Pension and health care schemes	2.3	2.2	2.3	2.2
Employment costs	129.7	115.0	129.7	114.9

The group's and the company's average monthly number of employees was 5,603 (2022 group and company: 4,850). The group's and the company's number of employees at the period end was 5,654 (2022 group and company: 5,275).

The group's and the company's average monthly number of operational employees was 5,484 (2022 group and company: 4,737). The group's and the company's number of operational employees at the period end was 5,535 (2022 group and company: 5,156).

The group's and the company's average monthly number of administration employees was 119 (2022 group and company: 113). The group's and the company's number of administration employees at the period end was 119 (2022 group and company: 119).

(b) Directors' emoluments

	Basic salary and fees ¹ 2023 £000	Basic salary and fees ¹ 2022 £000	Benefits ² 2023 £000	Benefits ² 2022 £000	Bonus ³ 2023 £000	Bonus ³ 2022 £000	Total excluding pension costs 2023 £000	Total excluding pension costs 2022 £000
Stephen Goodyear	125	97	–	–	–	–	125	97
Simon Dodd	378	236	17	17	275	287	670	540
Mike Owen	317	309	2	2	240	436	559	747
Tracy Dodd ⁴	221	223	4	2	158	262	383	487
Mark Loughborough ⁵	105	–	1	–	64	–	170	–
Nick Miller	51	48	–	–	–	–	51	48
Ian McHoul	51	48	–	–	–	–	51	48
Torquil Sligo-Young ⁶	48	49	–	8	–	–	48	57
Aisling Meany	46	25	–	–	–	–	46	25
Sarah Sergeant ⁷	4	–	–	–	–	–	4	–
Patrick Dardis ⁸	479	466	2	2	147	670	628	1,138
Roger Lambert ⁹	–	14	–	–	–	–	–	14
Total	1,825	1,515	26	31	884	1,655	2,735	3,201

¹ Certain car-related benefits can be taken as benefits in kind, in cash or as a combination of the two. Where any cash is taken, that sum is included with the amounts shown in the 'Basic salary and fees' columns.

² These relate to cars and/or private medical insurance.

³ For 2023, the remuneration committee determined that performance related bonuses were payable, at 64%, 64%, 73%, 63.5% and 64% of maximum to Simon Dodd, Mike Owen, Tracy Dodd, Mark Loughborough and Patrick Dardis, respectively, pursuant to the bonus award letters issued in respect of FY2022/23. Mark Loughborough and Patrick Dardis received pro-rated bonuses for the six months of the financial year they served as executive directors. For 2022, the remuneration committee determined that performance related bonuses were payable, at 100% of maximum, to the executive directors pursuant to the bonus award letters issued in respect of FY2021/22. The remuneration committee further determined that a discretionary ex-gratia bonus of 25% of basic salary was payable to the executive directors in December 2021.

⁴ Tracy Dodd has opted into the company car scheme and as a result she received a lower trade down allowance during the period.

⁵ Mark Loughborough was appointed to the board on 30 September 2022.

⁶ Torquil Sligo-Young stepped down as an executive director on 30 September 2020 and became a non-executive director. Included within the amount shown in the 'Benefits 2022' column is a cash contribution paid towards private medical insurance.

⁷ Sarah Sergeant was appointed to the board on 1 March 2023.

⁸ Patrick Dardis stepped down from the board on 30 September 2022.

⁹ Roger Lambert stepped down from the board on 31 July 2021.

(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 and continue to accrue benefits; during the period, those contributions were, on average, at a rate between 8% and 11% of pensionable earnings, dependent on each member's accrual rate. The scheme invests largely in managed funds and liability driven investments such as gilts. The company accounts for retirement benefits in accordance with IAS 19; detailed disclosures covering this are set out in note 27. No director was accruing any defined benefit under the scheme as at 3 April 2023. Further, no director accrued any defined benefit under the scheme during the period. Stephen Goodyear, Torquil Sligo-Young and Patrick Dardis are pensioner members of the scheme.

Defined contribution pension scheme

The company operates a defined contribution pension scheme. As at 3 April 2023, Mike Owen, Simon Dodd, Tracy Dodd and Mark Loughborough were members of the scheme and accruing retirement benefits under it. For the period, the company paid the following contributions into the scheme for them in respect of their qualifying services, being an amount equal to not more than 6% of their pensionable earnings, up to a pensionable earnings cap of £181,800 with figures impacted by the tapered annual allowance: for Mike Owen – £4,000 (2022: £7,820), for Simon Dodd – £5,454 (2022: £9,972), for Tracy Dodd – £10,908 (2022: £9,972) and for Mark Loughborough – £6,046 (2022: n/a). The company contribution rates for these four individuals are aligned with the contribution rates for staff at Copper House (and certain others) who are members of the scheme.

Post-retirement health care

The company bears the cost of post-retirement health care premia for certain employees and ex-employees (see note 27).

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

9. Employment continued

(d) Profit sharing scheme

This scheme, which involved an annual profit share allocation, was closed some time 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 their normal retirement date. Several years ago, it was agreed with HMRC that all accrued entitlements could be released free of tax, even where an individual had not reached their retirement date. No A shares were released to scheme members during the period (2022: nil). As at 3 April 2023, an accrued entitlement effectively remained in respect of 712 A shares (2022: 712 A shares).

(e) Savings-related share option scheme

The company operates a savings-related share option scheme. Ordinarily, 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, generally 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 from a set date. In the period, options over 119,284 A shares were granted under the scheme at an exercise price of 931 pence per share. The options will generally be exercisable between 1 February 2026 and 31 July 2026.

Of the directors who served throughout or during the period, only the following have an entitlement to A shares under the scheme:

	At 28 March 2022	Granted	Exercised	Lapsed	At 3 April 2023	Exercise price (pence per share) ¹	Ordinarily exercisable from	Ordinarily exercisable to	Gains made on exercise of share options (£) ²
Tracy Dodd	1,071	–	–	–	1,071	1,176	01.02.25	31.07.25	–
Simon Dodd	1,530	–	–	–	1,530	1,176	01.02.25	31.07.25	–
Mike Owen	1,530	–	–	–	1,530	1,176	01.02.25	31.07.25	–
Mark Loughborough ³	765	–	–	–	765	1,176	01.02.25	31.07.25	–

	At 29 March 2021	Granted	Exercised	Lapsed	At 28 March 2022	Exercise price (pence per share) ¹	Ordinarily exercisable from	Ordinarily exercisable to	Gains made on exercise of share options (£) ²
Torquil Sligo-Young	659	–	659	–	–	1,364	01.09.21	28.02.22	830
Tracy Dodd	–	1,071	–	–	1,071	1,176	01.02.25	31.07.25	–
Simon Dodd	–	1,530	–	–	1,530	1,176	01.02.25	31.07.25	–
Mike Owen	–	1,530	–	–	1,530	1,176	01.02.25	31.07.25	–

1 The exercise prices of 1,364 pence and 1,176 pence 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 1,705 pence per share and 1,470 pence per share, respectively.

2 The gain made on the exercise of a share option is calculated by taking the difference between the exercise price and the opening market price of an A share on the day the option is exercised, and then multiplying that by the number of A shares in respect of which the option is exercised.

3 Mark Loughborough was appointed to the board on 30 September 2022.

10. Government grants and assistance

During the prior period, the group was eligible for a number of government grant schemes which were introduced to mitigate the impact of covid-19. The impact of each scheme on the income statement was as follows:

Government grant scheme	Income statement line impacted	2023 53 weeks £m	2022 52 weeks £m
Government grant income	Other income	–	5.0
Coronavirus Job Retention Scheme ('CJRS')	Operating costs before adjusting items	–	2.2
Total government grants received		–	7.2

All government grants received were in respect of continuing operations.

During the prior period, the group continued to take advantage of the business rate holiday, saving £3.7 million, further business rate relief under the expanded retail discount, saving £2.0 million, and reduced 5% VAT on eligible sales until 30 September 2021, followed by 12.5% VAT up until 31 March 2022.

Cash flows from grants received were included in cash flows from operations.

11. Adjusting items

The table below shows adjusting items from continuing operations. For discontinued operations see note 5.

During the period the cash flow impact of adjusting items was £3.9 million (2022: £3.8 million), of which £3.0 million related to investing activities and £0.9 million related to operating activities (2022: £3.6 million and £0.2 million respectively).

	2023 53 weeks £m	2022 52 weeks £m
Amounts included in operating profit:		
Upward movement on the revaluation of properties (note 19) ¹	4.8	5.5
Downward movement on the revaluation of properties (note 19) ¹	(11.8)	(4.7)
Purchase costs ²	(1.1)	(2.7)
Tenant compensation ³	(0.6)	(0.2)
Restructuring costs ⁴	(0.3)	–
Net profit on disposal of properties ⁵	–	2.4
	(9.0)	0.3
Tax on adjusting items:		
Tax attributable to adjusting items	1.2	(0.6)
Impact of change in corporation tax rate ⁶	(0.1)	(6.9)
	1.1	(7.5)
Total adjusting items after tax	(7.9)	(7.2)

- The movement on the revaluation of properties is a non-cash item that relates to the revaluation exercise that was completed at the period end date. The revaluation was conducted at an individual pub level and identified an upward movement of £4.8 million (2022: £5.5 million) representing reversals of previous impairments recognised in the income statement, and a downward movement of £11.8 million (2022: £4.7 million), representing downward movements in excess of amounts recognised in equity. These resulted in a net downward movement of £7.0 million (2022: an upward movement of £0.8 million) which has been recognised in the income statement. The downward movement for the period ended 3 April 2023 was split between land and buildings of £7.0 million (2022: £0.8 million upward) and fixtures and fittings of £nil (2022: £nil). See note 6 for segmental information and note 19 for information on the revaluation of properties.
- Costs related to professional fees and stamp duty land tax arising on the purchase of the Bedford Arms (Chenies), Merlin's Cave (Chalfont St Giles), Half Moon (Windlesham), Griffin Inn (Fletching) and the Carpenter's Arms (Tonbridge). In the prior period, the costs related to the purchase of the Bull (Ditchling), Pheasant Inn (Lambourn), White Horse (Hascombe), the freehold of the Lamb (Bloomsbury) and the Lucky Onion group, a group of six sites acquired on 21 February 2022. This also included lease extensions of the Cherry Tree (Dulwich), East Hill (Wandsworth) and Riverside House (Wandsworth). The prior period costs included legal and professional fees and stamp duty land tax (note 14).
- Tenant compensation of £0.6 million was paid to the previous tenants of an unlicensed property (Ealing) and the Bishop's Vaults (Bishopsgate) to terminate their lease agreements early. During the prior period, tenant compensation of £0.2 million was paid to previous tenants of the Grand Junction Arms (Hartleden) to terminate their lease agreement early.
- Restructuring costs of £0.3 million related to a one off reorganisation of the group's head office functions. These were largely made up of severance costs.
- During the current period, the group disposed of the Bridge Hotel (Greenford) and no profit or loss was recognised on the disposal. In the prior period, the profit on disposal of properties related to the difference between cash, less disposal costs, received from the sale of the Grove House (Camberwell) and Lord Wargrave (Marylebone) and the carrying value of their assets, including goodwill, at the dates of disposal, and the surrender premium related to the lease of Prince William Henry (Southwark).
- An increase in the corporation tax rate from 19% to 25%, with effect from 1 April 2023, was announced in the March 2021 Budget, and substantively enacted on 24 May 2021. This has resulted in an increase in the deferred tax liabilities and assets of the group at the balance sheet date, with a net charge of £0.1 million (2022: £6.9 million) associated with the rate change. The £0.1 million is equal to the net of a £0.4 million adjustment in respect of deferred tax of prior periods, and a £0.3 million credit in respect of deferred tax measured at a higher rate. This has been recognised as an exceptional item in the tax charge for the period as it is unrelated to the underlying trading activities of the group.

12. Other financial measures

The table below shows how adjusted group EBITDA, operating profit and profit before tax have been arrived at. They exclude adjusting items which due to their material or non-recurring nature do not form part of the group's underlying operations. These alternative performance measures have been provided to help investors assess the group's underlying performance. Details of the adjusting items can be seen in note 11. All the results below are from continuing operations.

	2023 53 weeks			2022 52 weeks		
	Unadjusted £m	Adjusting items £m	Adjusted £m	Unadjusted £m	Adjusting items £m	Adjusted £m
EBITDA	83.5	2.0	85.5	82.0	0.5	82.5
Depreciation and net movement on the revaluation of properties	(40.1)	7.0	(33.1)	(30.3)	(0.8)	(31.1)
Operating profit	43.4	9.0	52.4	51.7	(0.3)	51.4
Finance income	0.1	–	0.1	–	–	–
Finance costs	(7.6)	–	(7.6)	(9.5)	–	(9.5)
Finance charge for pension obligations	0.3	–	0.3	(0.1)	–	(0.1)
Profit before tax	36.2	9.0	45.2	42.1	(0.3)	41.8

During the period, £105.2 million (2022: £102.2 million) of adjusted EBITDA related to managed houses and £0.5 million (2022: £0.6 million) related to tenanted houses. Adjusted negative EBITDA of £20.2 million (2022: negative £20.3 million) related to head office costs and was unallocated.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

13. Finance costs

All the results below are from continuing operations.

	2023 53 weeks £m	2022 52 weeks £m
Bank loans and overdrafts	5.1	7.0
Interest on lease liabilities (note 28)	2.5	2.5
	7.6	9.5

14. Taxation

The major components of income tax expense for the periods ended 3 April 2023 and 28 March 2022 are:

	2023 53 weeks £m	2022 52 weeks £m
Tax charged in the group income statement		
Current income tax		
Current tax expense	7.3	4.8
Adjustment in respect of current income tax of prior periods	0.9	(0.1)
	8.2	4.7
Deferred tax		
Relating to origin and reversal of temporary differences	(0.3)	6.7
Adjustment in respect of deferred tax of prior periods	(1.1)	(0.8)
Deferred tax measured at higher rate	(0.3)	–
Change in corporation tax rate	–	6.9
	(1.7)	12.8
Income tax charged in the income statement¹	6.5	17.5

¹ During the current period, all income tax charged relates to continuing operations. During the prior period, income tax charged related to £17.2 million from continuing operations and £0.3 million from discontinued operations.

	2023 53 weeks £m	2022 52 weeks £m
Deferred tax in the group income statement		
Property revaluation and disposals	(1.8)	2.3
Capital allowances	(0.5)	2.4
Retirement benefit schemes	0.4	0.2
Share based payments	0.1	–
Trade losses	–	1.0
Adjustment in respect of deferred tax of prior periods	0.4	–
Deferred tax measured at higher rate	(0.3)	–
Change in corporation tax rate	–	6.9
Deferred tax (credited)/charged in the income statement	(1.7)	12.8
Deferred tax in the group statement of other comprehensive income		
Property revaluation and disposals	3.7	4.8
Retirement benefit schemes	(2.5)	3.3
Interest rate swaps – cash flow hedge	0.8	1.0
Change in corporation tax rate	–	17.3
Deferred tax charged to other comprehensive income	2.0	26.4

A reconciliation of the tax expense at the group's effective tax rate to the accounting profit before tax at the statutory tax rate for the periods ended 3 April 2023 and 28 March 2022 respectively is as follows:

	2023 53 weeks £m	2022 52 weeks £m
Accounting profit before income tax	36.2	51.9
At the group's statutory income tax rate of 19% (2022: 19%)	6.9	9.9
Tax effects of:		
Expenses not deductible for tax purposes ¹	2.8	0.6
Recognition of property revaluation, rollover claim and other property movements	(1.8)	2.2
Non-taxable income	(0.9)	(1.2)
Deferred tax measured at higher rate	(0.3)	—
Remeasurement of deferred tax – change in corporation tax rate	—	6.9
Prior period adjustment – current tax	0.9	(0.1)
Prior period adjustment – deferred tax	(1.1)	(0.8)
Total tax expense	6.5	17.5

¹ Expenses not deductible for tax purposes include property acquisition costs, pension service costs, depreciation on assets ineligible for capital allowances and share based payments.

The 2021 Budget announced an increase in the corporation tax rate from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021. Accordingly, the deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 25%. The effect of this tax rate change has been recognised as an adjusting item (see note 11).

The table below shows the tax credit from discontinued operations.

	2023 53 weeks £m	2022 52 weeks £m
Tax credited in the group income statement		
Deferred tax		
Rolled over gains on disposal of properties	—	(1.8)
Reversal of temporary differences on revaluations	—	1.5
Tax credited in the income statement	—	(0.3)

15. Business combinations

Acquisitions in 2023

During the period, the group acquired the Bedford Arms (Chenies), Merlin's Cave (Chalfont St Giles), Half Moon (Windlesham), Carpenter's Arms (Tonbridge) and the Griffin Inn (Fletching), which formed business combinations for a total cash consideration of £18.2 million, which was settled during the period. Each individual pub was not considered to be a material acquisition for the group. When assets are acquired, management determines whether the assets form a business combination. Business combinations must involve the acquisition of a business, which generally has three elements: input, process and output. The final aggregated fair value of the identifiable assets and liabilities of the acquired businesses were property and equipment of £18.2 million. The group incurred £1.1 million of costs associated with the acquisitions, which have been recorded within adjusting items (see note 11).

Between the date of acquisition and the balance sheet date, the Bedford Arms, Merlin's Cave, Half Moon, Carpenter's Arms and the Griffin Inn contributed £3.3 million of revenue and a £0.7 million loss to the operating profit of the group. If the acquisitions had been completed at the beginning of the period, group revenue for the period would have been expected to increase by £7.2 million and group operating profit would have been expected to increase by £1.0 million.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

15. Business combinations continued

Acquisitions in 2022

Lucky Onion group

On 21 February 2022, the group and the company acquired the majority of sites in the Lucky Onion group; a Cotswold-based premium pub and hotel operator. The total cash consideration was £24.3 million which was fully in respect of the six sites acquired, consisting of 5 freehold and 1 leasehold sites. No share capital was exchanged.

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

	Fair value £m
Identifiable assets and liabilities	
Property and equipment (note 19)	24.2
Inventories	0.1
Right-of-use assets (note 20)	0.2
Lease liabilities (note 28)	(0.2)
Net assets	24.3
Goodwill	—
Cash consideration on acquisition of the Lucky Onion business	24.3

No goodwill was recognised as the fair value of net assets acquired was equal to the cash consideration exchanged.

The fair value of freehold property and equipment acquired was valued externally by Savills, independent chartered surveyors, taking into account the properties' highest and best value. The valuation was based on information such as current and historical levels of turnover, gross profit, wages and overheads and resultant EBITDA. The valuers then applied an appropriate multiplier to the EBITDA.

For the leasehold site, the group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to the market.

The group incurred £1.7 million of costs associated with the acquisition, which were recorded within operating adjusting items (note 11).

In the prior period between the date of acquisition and the balance sheet date, the Lucky Onion group of pubs contributed £0.8 million of revenue and £0.2 million of operating profit. If the acquisition had taken place at the beginning of the prior period, group revenue would have been expected to increase by £7.5 million and group operating profit would have been expected to increase by £2.0 million.

A £0.2 million deferred tax asset was recognised on account of the acquisition of the Lucky Onion group.

Other business combinations

In the prior period, the group also acquired the Bull (Ditchling), Pheasant Inn (Lambourn) and the White Horse (Hascombe) as business combinations for considerations totaling £12.6 million. The final aggregated fair value of the identifiable assets and liabilities of the acquired businesses were property and equipment of £12.6 million. The group incurred £1.0 million of costs associated with the acquisitions, which were recorded within operating adjusting items (see note 11).

In the prior period between the date of acquisition and the balance sheet date, the Bull, Pheasant Inn and the White Horse contributed £0.9 million of revenue and £34k to the operating profit of the group. If the acquisition had been completed at the beginning of the period, group revenue for the period would have been expected to increase by £4.6 million and group operating profit would have been expected to increase by £1.0 million.

Cash flow from business combinations

	2023 53 weeks £m	2022 52 weeks £m
Lucky Onion group	—	(24.3)
Other business combinations	(18.2)	(12.6)
Total net cash outflow	(18.2)	(36.9)

16. Dividends on equity shares

	2023 53 weeks Pence per share	2022 52 weeks Pence per share	2023 53 weeks £m	2022 52 weeks £m
Final dividend (previous period)	10.26	—	6.0	—
Interim dividend (current period)	10.26	8.55	6.0	5.0
	20.52	8.55	12.0	5.0

The table above sets out dividends paid. In addition, the board is proposing a final dividend in respect of the period ended 3 April 2023 of 10.26 pence per share at a cost of £6.0 million. If approved, it is expected to be paid on 13 July 2023 to shareholders who are on the register of members at the close of business on 9 June 2023.

17. Earnings per ordinary share

(a) Weighted average number of shares

	2023 53 weeks Number	2022 52 weeks Number
Basic weighted average number of ordinary shares in issue	58,483,336	58,476,259
Dilutive potential ordinary shares from outstanding employee share options	51,928	30,877
Diluted weighted average number of shares	58,535,264	58,507,136

(b) Earnings attributable to the shareholders of the parent company

	£m	£m
Profit for the period	29.7	34.4
Adjusting items	9.0	(9.3)
Tax attributable to above adjustments	(1.1)	7.8
Adjusted earnings after tax	37.6	32.9

Basic earnings per share

	Pence	Pence
Basic	50.78	58.83
Effect of adjusting items	13.51	(2.57)
Adjusted basic earnings per share	64.29	56.26

Diluted earnings per share

	Pence	Pence
Diluted	50.74	58.80
Effect of adjusting items	13.49	(2.57)
Adjusted diluted earnings per share	64.23	56.23

(c) Earnings from continuing operations

	£m	£m
Profit for the period	29.7	24.9
Adjusting items	9.0	(0.3)
Tax attributable to above adjustments	(1.1)	7.5
Adjusted earnings after tax	37.6	32.1

Basic earnings per share

	Pence	Pence
Basic	50.78	42.58
Effect of adjusting items	13.51	12.31
Adjusted basic earnings per share	64.29	54.89

Diluted earnings per share

	Pence	Pence
Diluted	50.74	42.56
Effect of adjusting items	13.49	12.31
Adjusted diluted earnings per share	64.23	54.87

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

17. Earnings per ordinary share continued

(d) Earnings per ordinary share for discontinued operations

	£m	£m
Profit for the period	–	9.5
Adjusting items	–	(9.0)
Tax attributable to above adjustments	–	0.3
Adjusted earnings after tax	–	0.8

Basic earnings per share

	Pence	Pence
Basic	–	16.25
Effect of adjusting items	–	(14.88)
Adjusted basic earnings per share	–	1.37

Diluted earnings per share

	Pence	Pence
Diluted	–	16.24
Effect of adjusting items	–	(14.88)
Adjusted diluted earnings per share	–	1.36

The basic earnings per share figure is calculated by dividing the net profit for the period attributable to equity shareholders of the parent 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 51,928 (2022: 30,877) dilutive potential shares under the SAYE and LTIP schemes (see notes 9(e) and 30).

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

18. Goodwill

Goodwill is recognised in respect of the following acquisitions:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Geronimo Inns Limited	18.4	18.4	17.0	17.0
Redcomb Pubs Limited	8.8	8.8	8.7	8.7
Spring Pub Company Limited	3.3	3.3	3.3	3.3
Smiths of Smithfield Ltd	1.1	1.1	1.1	1.1
580 Limited	0.9	0.9	0.9	0.9
At 3 April 2023	32.5	32.5	31.0	31.0

	Group £m	Company £m
Cost		
At 29 March 2021	34.7	31.4
Acquisitions	–	–
At 28 March 2022	34.7	31.4
Acquisitions	–	–
At 3 April 2023	34.7	31.4
Amortisation		
At 29 March 2021	2.2	0.4
Disposals	–	–
At 28 March 2022	2.2	0.4
Disposals	–	–
At 3 April 2023	2.2	0.4
Carrying amount		
At 29 March 2021	32.5	31.0
At 28 March 2022	32.5	31.0
At 3 April 2023	32.5	31.0

The opening group goodwill of £32.5 million arose on the acquisition of Geronimo Group Limited, Redcomb Pubs Limited, Spring Pub Company Limited, Smiths of Smithfield Ltd and 580 Limited.

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. The recoverable amount in this case is value in use because value in use exceeds 'fair value less costs to sell'. The value in use is calculated using the budget approved by the board. No impairment was recognised in the current period (2022: £nil).

For Geronimo Group Limited and 580 Limited, cash flows assume 1.4% growth (2022: 1.4%) from a base of expected FY24 EBITDA, derived from the board approved FY24 budget. For Smiths of Smithfield Ltd, growth rates were higher over a five-year period to reflect the opening of the Museum of London in 2026 and Smithfield Market in 2028, and then revert back to a long-term growth rate of 1.4% thereafter. For Spring Pub Company Limited, growth rates were higher over a five-year period to reflect a build up to expected trade levels, and then revert back to a long-term growth rate of 1.4% thereafter. For Redcomb Pubs Limited, growth rates varied across the estate depending on current and future expected performance over a five-year period, and then reverted back to a long-term growth rate of 1.4% thereafter. The pre-tax discount rate applied to all cash flow projections is 9.7% (2022: 9.2%).

The group monitors the latest government legislation in relation to climate related matters. At the current time, no legislation has been passed that will significantly impact the group's impairment review. The group will adjust the key assumptions used in value in use calculations and sensitivity to changes in assumptions should a change be required.

The impairment calculation is most sensitive to the pre-tax discount rate and EBITDA assumptions. Management have performed a sensitivity analysis on the impairment test. Several scenarios have been modelled, with specific reference to the impact of an increase in the discount rate or a decrease in the long-term growth rates used in the model. For Smiths of Smithfield Ltd, the headroom would be eliminated as a result of increasing the pre-tax discount rate to 11.2% or reducing EBITDA by 13.8% from forecast levels. For Spring Pub Company Limited, the headroom would be eliminated as a result of increasing the pre-tax discount rate to 11.2% or reducing EBITDA by 13.3% from forecast levels. For Redcomb Pubs Limited, the headroom would be eliminated as a result of increasing the pre-tax discount rate to 10.8% or reducing EBITDA by 10.1% from forecast levels. If trade continued at the current year level with no future growth rate, an impairment would be recognised for Smiths of Smithfield Ltd, Spring Pub Company Limited, and Redcomb Pubs Limited.

For Geronimo Group Limited and 580 Limited, management does not consider the impairment calculation to be sensitive to the pre-tax discount rate, EBITDA assumptions, or long-term growth rate assumptions.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

19. 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 29 March 2021	717.9	156.2	874.1	717.6	150.1	867.7
Additions	11.5	25.4	36.9	11.5	25.3	36.8
Business combinations	35.3	1.5	36.8	35.3	1.5	36.8
Disposals ¹	(44.2)	(10.8)	(55.0)	(44.2)	(10.8)	(55.0)
Fully depreciated assets	(0.5)	(18.3)	(18.8)	(0.5)	(18.2)	(18.7)
Revaluation ²						
– upward movement in valuation	40.3	–	40.3	40.3	–	40.3
– downward movement in valuation	(10.7)	–	(10.7)	(10.7)	–	(10.7)
At 28 March 2022	749.6	154.0	903.6	749.3	147.9	897.2
Additions	9.5	30.7	40.2	9.5	30.7	40.2
Business combinations	15.8	2.4	18.2	15.8	2.4	18.2
Disposals	(6.1)	(0.7)	(6.8)	(6.1)	(0.7)	(6.8)
Fully depreciated assets	(0.2)	(24.2)	(24.4)	(0.2)	(24.2)	(24.4)
Revaluation ²						
– upward movement in valuation	37.7	–	37.7	37.7	–	37.7
– downward movement in valuation	(22.2)	–	(22.2)	(21.9)	–	(21.9)
At 3 April 2023	784.1	162.2	946.3	784.1	156.1	940.2
Depreciation and impairment						
At 29 March 2021	23.7	76.7	100.4	23.2	75.4	98.6
Depreciation charge	1.6	22.8	24.4	1.5	22.7	24.2
Disposals ¹	(5.2)	(5.3)	(10.5)	(5.2)	(5.3)	(10.5)
Fully depreciated assets	(0.5)	(18.3)	(18.8)	(0.5)	(18.2)	(18.7)
Revaluation ²						
– upward movement in valuation	(4.6)	–	(4.6)	(4.6)	–	(4.6)
– downward movement in valuation	4.7	–	4.7	4.7	–	4.7
At 28 March 2022	19.7	75.9	95.6	19.1	74.6	93.7
Depreciation charge	1.7	24.5	26.2	1.6	24.4	26.0
Disposals	(0.5)	(0.4)	(0.9)	(0.5)	(0.4)	(0.9)
Fully depreciated assets	(0.2)	(24.2)	(24.4)	(0.2)	(24.2)	(24.4)
Revaluation ²						
– upward movement in valuation	(4.8)	–	(4.8)	(4.8)	–	(4.8)
– downward movement in valuation	12.1	–	12.1	12.1	–	12.1
At 3 April 2023	28.0	75.8	103.8	27.3	74.4	101.7
Net book value						
At 29 March 2021	694.2	79.5	773.7	694.4	74.7	769.1
At 28 March 2022	729.9	78.1	808.0	730.2	73.3	803.5
At 3 April 2023	756.1	86.4	842.5	756.8	81.7	838.5

1 During the prior period, the majority of the disposals related to the sale of 56 tenanted pubs (see note 5)

2 The group's net book value uplift during the period was £8.2 million (2022: £29.5 million). This uplift was recognised either in the revaluation reserve or the income statement, as appropriate

The impact of the property revaluation exercise was as follows:

	Group		Company	
	2023 53 weeks £m	2022 52 weeks £m	2023 53 weeks £m	2022 52 weeks £m
Income statement				
Revaluation loss charged as impairment	(11.8)	(4.7)	(11.8)	(4.7)
Reversal of past impairment	4.8	5.5	4.8	5.5
Net (impairment)/uplift recognised in the income statement	(7.0)	0.8	(7.0)	0.8
Revaluation reserve				
Unrealised revaluation surplus	37.4	39.5	37.4	39.5
Reversal of past surplus	(22.2)	(10.8)	(21.9)	(10.8)
Net uplift recognised in the revaluation reserve	15.2	28.7	15.5	28.7
Net revaluation increase in property	8.2	29.5	8.5	29.5

(a) Revaluation of property and equipment

On an annual basis, 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 valuation is based on information such as current and historical 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. For a small number of properties, a net investment yield valuation approach is considered most appropriate based upon the nature of site operations.

The valuations and assumptions used are reviewed by the board and the independent statutory 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 (2022: Level 3) in the fair value hierarchy.

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

2023	Tenure	EBITDA multiple range		Number of pubs	Value of pubs £m
		Low	High		
Managed houses	Freehold	8.0	12.0	106	569.4
Managed houses	Freehold	Spot	Spot	61	223.2
Tenanted houses	Freehold	Spot	Spot	1	4.9
Segment total				168	797.5
Leasehold properties				59	33.0
Unallocated				–	12.0
Total net book value at 3 April 2023				227	842.5

2022	Tenure	EBITDA multiple range		Number of pubs	Value of pubs £m
		Low	High		
Managed houses	Freehold	8.0	12.0	114	547.0
Managed houses	Freehold	Spot	Spot	46	205.1
Tenanted houses	Freehold	Spot	Spot	3	8.9
Segment total				163	761.0
Leasehold properties				59	35.1
Unallocated				–	11.9
Total net book value at 28 March 2022				222	808.0

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

19. Property and equipment continued

If, at 3 April 2023, the property estate was carried at historical cost less accumulated depreciation and impairment losses, its carrying amount would be approximately £490.7 million (2022: £464.4 million).

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

A sensitivity analysis was 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 total valuation by £56.9 million (2022: £54.7 million). Increasing the EBITDA used in the revaluation model by 10% would increase the total valuation by £56.9 million (2022: £54.7 million).

(b) Disaggregation of property and equipment

The table below sets out the disaggregation of property and equipment between pubs used by the group and pubs leased to tenants.

Land & buildings	Group and company		Total £m
	Used by group £m	Leased to tenants £m	
At 29 March 2021	645.3	48.9	694.2
Additions, disposals and transfers	48.3	(40.5)	7.8
Depreciation charge	(1.6)	–	(1.6)
Revaluation	29.4	0.1	29.5
At 28 March 2022	721.4	8.5	729.9
Additions, disposals and transfers	19.7	–	19.7
Depreciation charge	(1.7)	–	(1.7)
Revaluation	8.2	–	8.2
At 3 April 2023	747.6	8.5	756.1

Fixtures, fittings & equipment	Group and company		Total £m
	Used by group £m	Leased to tenants £m	
At 29 March 2021	73.5	6.0	79.5
Additions, disposals and transfers	26.5	(5.1)	21.4
Depreciation charge	(22.3)	(0.5)	(22.8)
At 28 March 2022	77.7	0.4	78.1
Additions, disposals and transfers	32.8	–	32.8
Depreciation charge	(24.4)	(0.1)	(24.5)
At 3 April 2023	86.1	0.3	86.4

(c) Capital commitments

	2023 £m	2022 £m
Capital commitments not provided for in these financial statements and for which contracts have been placed amounted to:	4.0	4.2

20. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group				Company			
	Property £m	Motor vehicles £m	Other assets £m	Total £m	Property £m	Motor vehicles £m	Other assets £m	Total £m
At 29 March 2021	157.8	0.2	–	158.0	148.9	0.3	–	149.2
Additions	0.8	0.2	–	1.0	0.8	0.2	–	1.0
Business combinations	0.2	–	–	0.2	0.2	–	–	0.2
Lease amendments	0.1	–	–	0.1	0.3	–	–	0.3
Depreciation	(6.9)	(0.2)	–	(7.1)	(6.0)	(0.1)	–	(6.1)
Disposals	(5.2)	–	–	(5.2)	(5.2)	–	–	(5.2)
At 28 March 2022	146.8	0.2	–	147.0	139.0	0.4	–	139.4
Additions	–	0.4	–	0.4	–	0.4	–	0.4
Lease amendments	2.4	–	–	2.4	2.0	–	–	2.0
Depreciation	(6.7)	(0.2)	–	(6.9)	(5.8)	(0.2)	–	(6.0)
At 3 April 2023	142.5	0.4	–	142.9	135.2	0.6	–	135.8

The depreciation charge is recognised within operating costs in the income statement.

In the prior period, disposals of £3.3 million related mostly to the disposal of 7 of the tenanted pubs (note 5) and the remaining disposals related to continuing operations.

Lease amendments in the current and prior period largely represent upwards market rent reviews.

The group tests right-of-use assets for impairment when there are indicators that the assets may have been impaired. An impairment is recognised if the recoverable amount is lower than carrying value. Recoverable amount is calculated by value in use. The inputs to the impairment model are consistent with those applied to the goodwill impairment model (see note 18). No impairment has been recognised in the current period (2022: £nil).

The impairment calculation is most sensitive to the pre-tax discount rate and EBITDA assumptions. Management have performed a sensitivity analysis on the impairment test. A 1% increase in the pre-tax discount rate would result in an impairment loss of £1.6 million. A 10% fall in EBITDA in year one would result in an impairment loss of £1.0 million to the right-of-use assets.

21. Investments in subsidiaries

	Company £m
Cost and net book value	
At 29 March 2021	14.3
Additions	–
Impairment	–
At 28 March 2022	14.3
Additions	–
Impairment	–
At 3 April 2023	14.3

The group financial statements include:

Group subsidiary undertakings	Country of incorporation and registration	% of equity and votes held
580 Limited	England	100
BFI Limited ¹	England	100
Geronimo Inns Limited	England	100
Old Manor Trading Ltd ¹	England	100
Redcomb Pubs & Bars Limited ¹	England	100
Redcomb Pubs Limited	England	100
Smiths of Smithfield Ltd	England	100

¹ The shares in these subsidiary undertakings were previously held indirectly. During the period, applications were made to strike off Old Manor Trading Ltd, Redcomb Pubs & Bars Limited, and Redcomb Pubs Limited. As part of this, BFI Limited is now a direct investment of the company.

The subsidiaries listed above are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act.

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For the 53 weeks ended 3 April 2023

21. Investments in subsidiaries continued

During the current period, applications were made to strike off Old Manor Trading Ltd, Redcomb Pubs & Bars Limited and Redcomb Pubs Limited. As part of this, the company exchanged its investment in Redcomb Pubs Limited for a direct investment in BFI Limited (previously an indirect holding through Redcomb Pubs Limited). There were no gains or losses recognised on this transaction.

Smiths of Smithfield Ltd was struck off and dissolved on 5 January 2021. Before that, it was a wholly owned subsidiary of the company. During the period, Smiths of Smithfield Ltd was restored to the register via court order to allow for a rental deposit to be returned. An application to dissolve Smiths of Smithfield Ltd will be made as soon as the business relating to the rental deposit has been completed.

During the prior period, Spring Pub Company Limited was dissolved on 1 June 2021 and The Canbury Arms Limited was dissolved on 12 October 2021. Before dissolution, both Spring Pub Company Limited and The Canbury Arms Limited were wholly owned subsidiaries of the company.

Each of the company's subsidiary undertakings has its registered office located at Copper House, 5 Garratt Lane, Wandsworth, London SW18 4AQ.

22. Inventories

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Finished goods and raw materials	5.4	4.7	5.4	4.7

23. Trade and other receivables

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade receivables	3.5	3.6	3.5	3.6
Other receivables	1.8	1.7	1.8	1.7
Prepayments	4.2	3.6	4.2	3.3
Amounts due from subsidiaries	—	—	—	1.1
	9.5	8.9	9.5	9.7

Trade receivables are denominated in sterling, are non-interest bearing and are generally on 0-20 days terms. They are carried at amortised cost less expected lifetime credit losses.

Other receivables include £1.6 million (2022: £1.6 million) for fees in respect of project costs.

Prepayments include an amount due from the pension scheme in respect of payments made to beneficiaries on behalf of the scheme. The balance outstanding at 3 April 2023 was £0.1 million (2022: £0.1 million). The amount is non-interest bearing and is repayable on demand.

The 12-month expected credit losses on amounts due from subsidiaries are not material in the current period or prior period.

At 3 April 2023, there were expected lifetime credit losses recognised against the trade receivables of £0.1 million (2022: £0.1 million). The table below provides an indication of movement during the period.

	2023 53 weeks £m	2022 52 weeks £m
Opening balance	0.1	0.5
Amounts written off	—	(0.4)
	0.1	0.1

Management have applied the provision matrix to identify expected credit losses in the current period as follows:

	Total £m	Neither past due nor impaired £m	<31 days £m	31–60 days £m	61–90 days £m	91+ days £m
2023	3.6	3.5	–	–	–	0.1
Percentage loss rate		1%	6%	6%	1%	18%
Expected lifetime credit loss	0.1	0.1	–	–	–	–
2022	3.7	2.6	0.2	0.2	0.2	0.5
Percentage loss rate		1%	14%	6%	22%	27%
Expected lifetime credit loss	0.1	–	–	–	–	0.1

The expected lifetime credit loss has reduced due to the disposal of 56 of the pubs within the tenanted segment (note 5) in the prior period. The tenanted pubs historically recognised receivable balances at a higher percentage loss rate than other receivable categories. The overall percentage loss rate has therefore declined accordingly.

24. Trade and other payables

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade payables	13.4	14.5	13.4	14.5
Other tax and social security	11.7	5.7	11.7	5.7
Other creditors	7.7	9.5	6.0	8.4
Accruals and deferred income	13.8	14.0	13.8	14.0
Amounts due to subsidiaries	–	–	11.3	13.2
	46.6	43.7	56.2	55.8

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.

25. 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. All covenants in relation to bank loans are prepared on a pre-IFRS 16 basis. The covenants reference net debt/EBITDA, gearing % and PBIT/borrowing costs. The group finances the business with a mixture of equity (note 29) and debt (note 32).

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. Other sources of funding arise directly from trading activities, such as trade and other payables. The right-of-use assets are funded by lease liabilities.

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 uncertainties section starting on page 44. 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 facilities 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.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

25. Capital management and financial instruments continued

The following table demonstrates the current 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
2023	+1.0	(0.00)
	-0.5	0.00
2022	+1.0	(0.00)
	-0.5	0.00

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. This is assessed with regard to historical credit losses experienced, the current economic climate, expected changes in forecasts and specific other factors of future events.

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 a provision is made for any irrecoverable balances. The group's maximum credit risk is considered to be limited to its trade receivables (note 23). The company is not considered to have any material 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 to be breached, funding could be withdrawn, leaving the group with insufficient working capital. 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 group has considered the effects of its latest forecasts on its compliance with bank covenants, which are tested each quarter on a twelve-month rolling basis. 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 (see note 1).

(a) Derivative financial instruments: interest rate swaps

	Group and company	
	2023 £m	2022 £m
Current liabilities	—	(0.3)
Current assets	2.7	—
Non-current liabilities	—	—
Non-current assets	2.3	2.2
Total financial assets	5.0	1.9
Net movement of interest rate swaps recognised in other comprehensive income	3.1	5.2

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 SONIA (previously LIBOR). The secured loans and the interest rate swaps have the same critical terms over their relevant period.

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

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

2023	Term or expiry date	Group and company			Fair value 2023	Book value 2023
		Effective interest rate when hedged	Variable interest rate when unhedged ¹	Period rate fixed	£m	£m
Secured						
£10 million loan swapped into fixed rate	May 2024	3.27%	S+1.85%	2 years	9.6	10.0
£10 million loan swapped into fixed rate	May 2024	2.71%	S+1.50%	2 years	9.6	10.0
£25 million loan swapped into fixed rate ²	May 2026	2.05%	S+1.85%	4 years	22.7	24.8
£25 million loan swapped into fixed rate ²	May 2026	2.05%	S+1.85%	4 years	22.7	24.8
£35 million private placement at fixed rate ³	July 2039	Fixed	Fixed	17 years	34.7	34.7
£100 million revolving credit facility ⁴	March 2025	Variable	S+1.25%	None	(0.1)	(0.1)
Financial liabilities					99.2	104.2

1 For variable rate loans, the interest rate payable is SONIA (S) plus the margin shown.

2 During the current period, the £50 million syndicated facility with NatWest and HSBC was extended by one year (the first of a two-year option to extend) to 19 May 2026.

3 £35.0 million private placement has a fixed rate of interest at 3.3%.

4 Fair value and book value represent unamortised arrangement fees only due to the balance of £nil drawn as at 3 April 2023.

The following table represents the carrying values and nominal amounts of the group's interest rate swaps as at 3 April 2023:

Hedge	Nominal Amount	Maturity	At 28 March 2022 £m	Gain/(loss) OCI £m	Gain/(loss) P&L £m	At 3 April 2023 £m
£10 million loan swapped into fixed rate	£10m	May 2024	0.1	0.3	—	0.4
£10 million loan swapped into fixed rate	£10m	May 2024	0.2	0.2	—	0.4
£30 million loan swapped into fixed rate	£20m	March 2023	(0.7)	0.7	—	—
£30 million loan swapped into fixed rate	£10m	March 2023	(0.3)	0.3	—	—
£25 million loan swapped into fixed rate	£25m	May 2025	1.3	0.7	—	2.0
£25 million loan swapped into fixed rate	£25m	May 2026	—	0.1	—	0.1
£25 million loan swapped into fixed rate	£25m	May 2025	1.3	0.7	—	2.0
£25 million loan swapped into fixed rate	£25m	May 2026	—	0.1	—	0.1
			1.9	3.1	—	5.0

As at 3 April 2023, the group had committed borrowing facilities of £205.0 million, of which £105.0 million was drawn down, net of arrangement fees of £0.8 million.

	Group 2023 £m	Company 2023 £m
Current borrowings	—	—
Non-current borrowings	104.2	104.2
Financial liabilities	104.2	104.2
Unsecured current lease liabilities	4.8	4.0
Unsecured non-current lease liabilities	66.9	61.9
Financial liabilities	175.9	170.1

2022	Group and company				Fair value 2022 £m	Book value 2022 £m
	Term or expiry date	Effective interest rate	Variable interest rate when unhedged ¹	Period rate fixed		
Secured						
£30 million loan swapped into fixed rate	March 2023	5.97%	S+0.95%	1 Year	31.0	30.0
£10 million loan swapped into fixed rate	May 2024	5.02%	S+3.60%	3 years	9.8	9.9
£10 million loan swapped into fixed rate	May 2024	3.71%	S+2.50%	3 years	9.8	9.9
£25 million loan swapped into fixed rate	May 2025	2.05%	S+1.85%	4 years	23.5	24.8
£25 million loan swapped into fixed rate	May 2025	2.05%	S+1.85%	4 years	23.5	24.8
£35 million private placement at fixed rate ²	July 2039	Fixed	Fixed	18 years	34.7	34.7
£100 million revolving credit facility ³	March 2025	Variable	S+1.25%	None	(0.3)	(0.3)
Financial liabilities					132.0	133.8

1 For variable rate loans, the interest rate payable is either 1-month or 3-month LIBOR (L) plus the margin shown.

2 £35.0 million private placement has a fixed rate of interest at 3.3%.

3 Fair value and book value represent unamortised arrangement fees only due to the balance of £nil drawn as at 28 March 2022.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

25. Capital management and financial instruments continued

As at 28 March 2022, the group had committed borrowing facilities of £235.0 million, of which £135.0 million was drawn down, net of arrangement fees of £1.2 million.

	Group 2022 £m	Company 2022 £m
Current borrowings	30.0	30.0
Non-current borrowings	103.8	103.8
Financial liabilities	133.8	133.8
Unsecured current lease liabilities	4.9	4.1
Unsecured non-current lease liabilities	69.1	63.6
Financial liabilities	207.8	201.5

The secured borrowings are secured on the freehold assets of the group (other than two pubs, broadly up to a value of £9.8 million, which provide security to the Young & Co.'s Brewery, P.L.C. Pension Scheme).

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. The group enters into interest rate derivatives with various banks; these counterparties each have investment grade credit ratings. Interest rate swaps are valued using Level 2 valuation techniques, which employ the use of market observable inputs. The valuation techniques include swap models using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, discount factors and interest rate curves. As at 3 April 2023, the marked-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

Bank overdrafts

Bank overdrafts are used for day-to-day cash management. The group has a £10.0 million overdraft facility with interest linked to the Bank of England base rate. No amounts were drawn down at 3 April 2023 or 28 March 2022.

Bank loans

The group has a bilateral £10.0 million term loan with Barclays Bank plc and a bilateral £10.0 million term loan with HSBC Bank plc, both repayable on 23 May 2024.

The group also has a £50.0 million syndicated facility with NatWest and HSBC. During the current period, the group exercised the first of its two-year option to extend the term of the loan by 12 months. The syndicated loan is now repayable on 19 May 2026. This extension did not meet the criteria to be classified as a substantial modification, and therefore was accounted for as a modification to the existing liability, and not as a derecognition of the original loan facility. No gain or loss was recognised within the statement of comprehensive income as a result of this modification. 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 on the previous page.

The group had a lateral £30.0 million term loan with NatWest which was repaid during the year upon maturity.

In July 2019, the group completed the addition of a private placement debt facility, raising £35.0 million at a fixed rate of 3.3% repayable in July 2039.

Revolving credit facility

The group has a £100.0 million revolving credit facility, split evenly with Barclays and HSBC, which matures in March 2025.

At 3 April 2023, the facility was undrawn (2022: undrawn). Final repayment of the total drawn down balance is due as one payment on 20 March 2025. This is a committed facility which permits drawings of different amounts and for different periods. These drawings carry interest at a margin above SONIA 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

The below maturity tables include contractual gross undiscounted cash flows of the borrowings, related interest, net derivatives, finance leases, trade and other payables and contractual accruals.

	Group				Total £m
	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	
2023					
Borrowings	0.9	21.0	53.0	48.9	123.8
Derivative financial instruments	0.4	0.1	1.4	–	1.9
Lease liabilities	7.1	6.8	19.1	66.8	99.8
Trade and other payables	34.9	–	–	–	34.9
	43.3	27.9	73.5	115.7	260.4

	Company				Total £m
	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	
2023					
Borrowings	0.9	20.9	53.0	48.9	123.7
Derivative financial instruments	0.3	0.1	1.4	–	1.8
Lease liabilities	6.1	5.9	16.8	64.4	93.2
Trade and other payables	33.2	–	–	–	33.2
Amounts due to subsidiaries	11.3	–	–	–	11.3
	51.8	26.9	71.2	113.3	263.2

	Group				Total £m
	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	
2022					
Borrowings	31.2	1.3	72.4	51.2	156.1
Derivative financial instruments	(1.9)	0.3	0.2	–	(1.4)
Lease liabilities	7.3	6.7	18.6	71.5	104.1
Trade and other payables	38.0	–	–	–	38.0
	74.6	8.3	91.2	122.7	296.8

	Company				Total £m
	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	
2022					
Borrowings	31.2	1.3	72.4	51.2	156.1
Derivative financial instruments	(1.9)	0.3	0.2	–	(1.4)
Lease liabilities	6.3	5.8	16.2	68.6	96.9
Trade and other payables	36.9	–	–	–	36.9
Amounts due to subsidiaries	13.2	–	–	–	13.2
	85.7	7.4	88.8	119.8	301.7

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

	Group and company			
	Fair value 2023 £m	Level 1 2023 £m	Level 2 2023 £m	Level 3 2023 £m
Interest rate swaps				
Financial assets at fair value	5.0	–	5.0	–
Financial liabilities at fair value	–	–	–	–
	5.0	–	5.0	–

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

25. Capital management and financial instruments continued

	Fair value 2022 £m	Level 1 2022 £m	Level 2 2022 £m	Level 3 2022 £m
Interest rate swaps				
Financial assets at fair value	2.2	–	2.2	–
Financial liabilities at fair value	(0.3)	–	(0.3)	–
	1.9	–	1.9	–

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 fair value approximates their carrying value.

(f) Changes in assets and liabilities arising from financing activities

Group					
	At 28 March 2022 £m	Additions £m	Cash flow £m	Other £m	At 3 April 2023 £m
Bank loans	133.8	–	(30.0)	0.4	104.2
Lease liabilities	74.0	0.4	(7.6)	4.9	71.7
Derivative financial instruments	(1.9)	–	–	(3.1)	(5.0)
Total net liabilities from financing activities	205.9	0.4	(37.6)	5.3	170.9

Company					
	At 28 March 2022 £m	Additions £m	Cash flow £m	Other £m	At 3 April 2023 £m
Bank loans	133.8	–	(30.0)	0.4	104.2
Lease liabilities	67.7	0.4	(6.6)	4.4	65.9
Derivative financial instruments	(1.9)	–	–	(3.1)	(5.0)
Total net liabilities from financing activities	199.6	0.4	(39.7)	4.8	165.1

Group					
	At 29 March 2021 £m	Additions £m	Cash flow £m	Other £m	At 28 March 2022 £m
Bank loans	173.2	–	(39.9)	0.5	133.8
Lease liabilities	80.2	1.2	(6.6)	(0.8)	74.0
Derivative financial instruments	1.8	–	–	(3.7)	(1.9)
Total net liabilities from financing activities	255.2	1.2	(46.5)	(4.0)	205.9

Company					
	At 29 March 2021 £m	Additions £m	Cash flow £m	Other £m	At 28 March 2022 £m
Bank loans	173.2	–	(39.9)	0.5	133.8
Lease liabilities	73.2	1.2	(5.9)	(0.8)	67.7
Derivative financial instruments	1.8	–	–	(3.7)	(1.9)
Total net liabilities from financing activities	248.2	1.2	(45.8)	(4.0)	199.6

26. Deferred tax

Deferred tax relates to the following:

	Group		Company	
	2023 £m	Restated 2022 £m	2023 £m	Restated 2022 £m
Deferred tax assets				
Decelerated capital allowances	4.6	3.9	4.6	3.9
Share based payments	0.1	0.2	0.1	0.2
Deferred tax assets	4.7	4.1	4.7	4.1
Deferred tax liabilities				
Rollled over gains on property revaluations	(107.2)	(104.8)	(107.0)	(104.6)
Retirement benefit schemes	(0.9)	(3.0)	(0.9)	(3.0)
Interest rate swaps – cash flow hedge	(1.2)	(0.5)	(1.2)	(0.5)
Deferred tax liabilities	(109.3)	(108.3)	(109.1)	(108.1)
Net deferred tax liabilities	(104.6)	(104.2)	(104.4)	(104.0)

Reconciliation of net deferred tax liabilities:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Opening balance	(104.2)	(65.0)	(104.0)	(64.8)
Tax credit/(charge) in the income statement	0.5	(13.6)	0.5	(13.6)
Tax charge in the statement of comprehensive income	(2.0)	(26.4)	(2.0)	(26.4)
Adjustment in respect of deferred tax of prior periods	1.1	0.8	1.1	0.8
Closing balance	(104.6)	(104.2)	(104.4)	(104.0)

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	Trade losses £m	Total £m
Deferred tax assets							
Balance as at 29 March 2021	0.6	1.2	4.8	0.7	0.3	1.0	8.6
Charged to the income statement	–	–	(0.9)	(0.7)	(0.1)	(1.0)	(2.7)
Charged to other comprehensive income	(1.1)	–	–	–	–	–	(1.1)
Brought forward balance transferred out to DTL	0.5	(1.2)	–	–	–	–	(0.7)
Balance as at 28 March 2022	–	–	3.9	–	0.2	–	4.1
Charged to the income statement	–	–	–	–	–	–	–
Charged to other comprehensive income	–	–	–	–	–	–	–
Brought forward balance transferred out to DTL	–	–	(3.9)	–	(0.2)	–	(4.1)
Balance as at 3 April 2023	–	–	–	–	–	–	–

On 3 March 2021, the Chancellor confirmed in his Budget statement that the UK rate of corporation tax would increase to 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Accordingly, the deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 25%. This amount has been recognised as an adjusting item (see note 11).

The group has realised capital losses of £1.5 million (2022: £1.5 million), which are available indefinitely to offset against future capital gains. A deferred tax asset has not been recognised in respect of £1.5 million (2022: £1.5 million) of these losses because at present it is unclear whether suitable gains will arise in the foreseeable future to utilise them. The company utilised its realised capital losses in full in the year and has no realised capital losses remaining. The group's tax losses can be carried forward for an unlimited period.

The group has unrealised capital losses of £6.9 million (2022: £5.8 million). No deferred tax asset has been recognised in respect of these losses (2022: £nil) because it is uncertain whether they will be utilised.

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For the 53 weeks ended 3 April 2023

27. 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 defined benefit scheme is closed to new entrants.

The aggregate contribution to the defined contribution scheme was £1.5 million (2022: £1.6 million) which is recognised as an expense in the income statement.

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 44.

The employer contribution to the defined benefit scheme for the period ended 3 April 2023 was £1.4 million of which £1.2 million were special contributions (2022: £1.4 million of which £1.2 million were special contributions) plus premiums of £0.2 million (2022: £0.2 million) to the post-retirement health care scheme. The current arrangement as regards contribution rates specifies that annual special contributions of £1.2 million will be payable until October 2034.

Future employee contribution rates are projected to be between 8% and 11% 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 2024 financial period are expected to be £1.4 million which includes a special contribution of £1.2 million. The total contributions to the post-retirement health care scheme in the 2024 financial period are expected to be £0.2 million.

Financial assumptions

	Pension		Health care	
	2023 %	2022 %	2023 %	2022 %
Discount rate	4.70	2.80	4.70	2.80
Inflation	3.20	3.60	N/A	N/A
Rate of increase in salaries	2.50	2.50	N/A	N/A
Discretionary pension increases	3.20	3.60	N/A	N/A
Rate of revaluation of deferred pensions	2.70	3.10	N/A	N/A
General medical expenses inflation	N/A	N/A	6.00	6.00

Mortality assumptions

The life expectancies underlying the valuation are as follows:

	2023 Years	2022 Years
Current pensioners (at age 65) – males	21.9	21.9
Current pensioners (at age 65) – females	24.1	24.3
Future pensioners (at age 65) – males	23.2	23.3
Future pensioners (at age 65) – females	25.5	25.8

At the period end date, the average age of current pensioners was 76 years (2022: 75 years) and for future pensioners was 58 years (2022: 57 years).

The weighted average duration of liabilities for the current period was 14 years (2022: 17 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 the defined benefit obligation	0.1	(0.1)

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 7.2%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 5.7%
Rate of increase in salary	Increase/decrease by 0.5%	Increase/decrease by nil
Discretionary pension increases	Increase/decrease by 0.5%	Increase/decrease by 3.4%
Rate of revaluation of deferred pensions	Increase/decrease by 0.5%	Increase/decrease by 0.9%
Life expectations	Increase by 1 year	Increase by 4.7%

Pension scheme and health care scheme assets and liabilities

	Group and company	
	Assets and liabilities	
	2023 £m	2022 £m
Equities	18.9	40.4
Diversified growth fund	9.2	19.9
Corporate bonds	—	—
Liability Driven Investment and Asset Backed Securities	55.2	56.4
Insured pensions	6.3	7.7
Other	0.4	4.7
Total fair value of assets	90.0	129.1
Present value of retirement benefit liabilities	(86.3)	(116.9)
Scheme surplus	3.7	12.2

The company has an unconditional right to the surplus on the scheme and therefore has recognised the pension surplus.

The pension scheme assets include some of the company's A shares with a fair value of £3.6 million (2022: £4.9 million). There are no property assets of the scheme occupied by the company.

Of the above assets, £28.1 million (2022: £60.2 million) are quoted securities.

Movement within the schemes in the period

(a) Changes in the present value of the schemes are as follows:

	Group and company					
	Pension scheme £m	2023 Health care scheme £m	Total £m	Pension scheme £m	2022 Health care scheme £m	Total £m
Opening surplus/(deficit)	14.3	(2.1)	12.2	(2.2)	(3.9)	(6.1)
Current service cost	(0.3)	—	(0.3)	(0.4)	—	(0.4)
Contributions	1.4	0.2	1.6	1.4	0.2	1.6
Other finance income/(charge)	0.4	(0.1)	0.3	—	(0.1)	(0.1)
Remeasurement through other comprehensive income	(10.4)	0.3	(10.1)	15.5	1.7	17.2
Closing surplus/(deficit)	5.4	(1.7)	3.7	14.3	(2.1)	12.2

(b) Recognised in the income statement

	Group and company					
	Pension scheme £m	2023 Health care scheme £m	Total £m	Pension scheme £m	2022 Health care scheme £m	Total £m
Current service cost included in operating costs	(0.3)	—	(0.3)	(0.4)	—	(0.4)
Net interest income/(charge)	0.4	(0.1)	0.3	—	(0.1)	(0.1)

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27. Retirement benefit schemes continued

(c) Recognised in the statement of comprehensive income

	Group and company					
	Pension scheme £m	2023 Health care scheme £m	Total £m	Pension scheme £m	2022 Health care scheme £m	Total £m
Experience gains arising on the schemes' liabilities	(1.4)	(0.1)	(1.5)	(0.8)	0.9	0.1
Changes in demographic assumptions underlying the schemes' liabilities	0.6	–	0.6	6.3	–	6.3
Changes in financial assumptions underlying the schemes' liabilities	30.6	0.3	30.9	13.5	0.8	14.3
Remeasurement of obligations	29.8	0.2	30.0	19.0	1.7	20.7
Return on schemes' assets (less amounts included in the net interest expense)	(40.1)	–	(40.1)	(3.5)	–	(3.5)
Net remeasurement recognised	(10.3)	0.2	(10.1)	15.5	1.7	17.2

(d) Movements in the present value of schemes' obligations during the period

	Group and company					
	Pension scheme £m	2023 Health care scheme £m	Total £m	Pension scheme £m	2022 Health care scheme £m	Total £m
Opening defined benefit obligations	(114.8)	(2.1)	(116.9)	(134.9)	(3.9)	(138.8)
Current service cost	(0.3)	–	(0.3)	(0.4)	–	(0.4)
Interest on obligations	(3.2)	(0.1)	(3.3)	(2.6)	(0.1)	(2.7)
Contributions by schemes' members	(0.1)	–	(0.1)	(0.1)	–	(0.1)
Remeasurement of obligations	29.8	0.3	30.1	19.0	1.7	20.7
Benefits paid	4.0	0.2	4.2	4.2	0.2	4.4
Present value of schemes' liabilities	(84.6)	(1.7)	(86.3)	(114.8)	(2.1)	(116.9)

(e) Change in fair value of schemes' assets

	Group and company					
	Pension scheme £m	2023 Health care scheme £m	Total £m	Pension scheme £m	2022 Health care scheme £m	Total £m
Opening fair value of schemes' assets	129.1	–	129.1	132.7	–	132.7
Interest on schemes' assets	3.6	–	3.6	2.6	–	2.6
Return on schemes' assets (less amounts included in the net interest expense)	(40.1)	–	(40.1)	(3.5)	–	(3.5)
Contributions by employer	1.3	0.2	1.5	1.4	0.2	1.6
Contributions by schemes' members	0.1	–	0.1	0.1	–	0.1
Benefits paid	(4.0)	(0.2)	(4.2)	(4.2)	(0.2)	(4.4)
Fair value of schemes' assets	90.0	–	90.0	129.1	–	129.1

28. Lease liabilities

(a) Group as lessee

At inception, the group has lease contracts for various items of property and vehicles used in its operations. Leases of property generally have lease terms between 20 and 999 years, while motor vehicles generally have lease terms between 3 and 5 years.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group £m	Company £m
At 29 March 2021	80.2	73.2
Additions	1.0	1.0
Business combinations	0.2	0.2
Lease amendments	0.1	0.3
Accretions of interest	2.5	2.3
Payments	(6.6)	(5.9)
Lease disposals	(3.4)	(3.4)
At 28 March 2022	74.0	67.7
Current	4.9	4.1
Non-current	69.1	63.6
At 28 March 2022	74.0	67.7
Additions	0.4	0.4
Lease amendments	2.4	2.0
Accretions of interest	2.5	2.4
Payments	(7.6)	(6.6)
At 3 April 2023	71.7	65.9
Current	4.8	4.0
Non-current	66.9	61.9

Group cash flow benefits arising from rent concessions totalled £nil in the period (2022: £0.2 million), this includes £nil of rent deferrals. In the prior period, this also included £0.1 million of rent holidays which were offset against £0.1 million of rent amendments. There were no rent holidays recognised in the current period.

Under the practical expedient introduced by the amendments to IFRS 16, the lease liability was remeasured using the remeasured consideration arising out of the rent concession, with a corresponding adjustment to the right-of-use asset. The discount rate was not updated.

Note 25(c) summarises the maturity profile of the group's lease liability based on contractual undiscounted payments.

The following amounts have been recognised in the income statement:

	Group 2023 53 weeks £m	Company 2023 53 weeks £m
Depreciation expense of right-of-use assets (note 20)	6.9	6.0
Interest expense on lease liabilities (note 13)	2.5	2.4
Expense relating to short-term leases and low-value assets	0.9	0.9
Variable lease payments	0.3	0.2
Total amount recognised in the income statement	10.6	9.5
	Group 2022 52 weeks £m	Company 2022 52 weeks £m
Depreciation expense of right-of-use assets (note 20)	7.1	6.1
Interest expense on lease liabilities (note 13)	2.5	2.3
Expense relating to short-term leases and low-value assets	0.6	0.6
Variable lease payments	0.1	0.1
Total amount recognised in the income statement	10.3	9.1

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For the 53 weeks ended 3 April 2023

28. Lease liabilities continued

During the current period the group had total cash outflows for leases of £7.6 million (2022: £6.6 million). The group also had non-cash additions to right-of-use assets and lease liabilities of £0.4 million (2022: £1.2 million).

The group has lease contracts for properties that contain variable payments based on turnover levels achieved. The following provides information on the group's variable lease payments, including the magnitude in relation to fixed payments:

	Group			Company		
	Fixed payments 53 weeks £m	Variable payments 53 weeks £m	Total payments 53 weeks £m	Fixed payments 53 weeks £m	Variable payments 53 weeks £m	Total payments 53 weeks £m
2023						
Fixed rent	6.2	–	6.2	5.8	–	5.8
Variable rent with minimum payment	1.4	–	1.4	0.8	–	0.8
Variable rent only	–	0.3	0.3	–	0.2	0.2
	7.6	0.3	7.9	6.6	0.2	6.8

	Group			Company		
	Fixed payments 52 weeks £m	Variable payments 52 weeks £m	Total payments 52 weeks £m	Fixed payments 52 weeks £m	Variable payments 52 weeks £m	Total payments 52 weeks £m
2022						
Fixed rent	5.6	–	5.6	5.2	–	5.2
Variable rent with minimum payment	1.0	–	1.0	0.7	–	0.7
Variable rent only	–	0.1	0.1	–	0.1	0.1
	6.6	0.1	6.7	5.9	0.1	6.0

The group has several lease contracts that include termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the group's business needs. As at 3 April 2023 the group was not expecting to exercise any lease termination options.

(b) Group as lessor

During the period, the group received lease income from tenants outside of the managed segment, which were designated as operating leases. Most of these pubs were disposed of in the prior period and were classified as a discontinued operation (see note 5). The following amounts have been recognised in the income statement in the current and prior period:

	2023 53 weeks Group and company			2022 52 weeks Group and company		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Lease income	0.3	–	0.3	0.6	0.4	1.0
Sublease income	–	–	–	0.1	–	0.1
Total lease income	0.3	–	0.3	0.7	0.4	1.1

All lease income is fixed rent. Other revenue received within the tenanted houses operating segment was generated from sales of drink and accounted for under IFRS 15 Revenue from contracts with customers.

In the prior period, the group offered a rent concession to the majority of the tenanted estate. It was communicated to the tenants that any rent concessions would be treated as variable rent payments, under which the variable element of rent is taken directly to the profit and loss statement in the period that it relates to. For the prior period, the rent concessions granted to tenants resulted in foregone rental income of £0.4 million.

	Within one year £m	One to two years £m	Two to three years £m	Three to four years £m	Four to five years £m	More than five years £m	Total £m
2023							
Undiscounted lease income	0.2	0.2	0.2	0.2	0.1	–	0.9
2022							
Undiscounted lease income	0.4	0.4	0.3	0.3	0.3	0.2	1.9

29. Share capital and reserves

	2023 53 weeks Shares	2023 53 weeks £000	2022 52 weeks Shares	2022 52 weeks £000
Issued and fully paid shares – 12.5p each				
Opening balance	58,476,641	7,310	58,475,560	7,310
Issued under employee share schemes	7,961	1	1,081	–
Closing balance	58,484,602	7,311	58,476,641	7,310

Of the opening balance, 34,405,886 are A shares and 24,070,755 are non-voting shares (2022: 34,404,805 A shares, 24,070,755 non-voting shares). Of the closing balance, 34,413,847 are A shares and 24,070,755 are non-voting shares (2022: 34,405,886 A shares, 24,070,755 non-voting shares).

For details of the shares issued in the current period under employee share schemes, see share awards (note 30).

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, or to attend, speak or vote at general meetings.

Share premium account

The share premium account represents the excess of proceeds received over the nominal value of new shares issued.

Capital redemption reserve

The capital redemption reserve arose from the repurchase and subsequent cancellation of ordinary share capital. The balance represents the nominal amount of the share capital cancelled.

Hedging reserve

Hedging reserve adjustments arise from the movement in fair value of the group's derivative instruments used as an effective hedge.

Revaluation reserve

The revaluation reserve represents unrealised gains generated on the property estate from annual property valuations. It arises from the surplus of fair value over the original cost, net of any associated deferred taxation.

Retained earnings

Retained earnings consists of cumulative historic realised gains and losses net of dividends paid. It also includes a non-distributable reserve of £17.1 million (2022: £16.4 million) arising on the transfer of assets from subsidiaries to the parent at consolidated book value, and a non-distributable reserve of £33.6 million (2022: £33.6 million) arising from the transfer of revaluation reserves relating to leasehold assets following the adoption of IFRS 16.

30. Share awards

The group operated three types of share based payment arrangements during the period ended 3 April 2023: an executive director/senior management employee deferred annual bonus ('DAB') scheme; a long term incentive plan ('LTIP'); and a Save-As-You-Earn ('SAYE') scheme.

(a) DAB scheme

This scheme is designed to incentivise the executive directors to deliver long-term superior shareholder returns.

During the period ended 3 April 2023, the remuneration committee decided that in view of the introduction of the LTIP (see (b) LTIP) the operation of the DAB scheme would change for that period and for future awards. The DAB scheme operated as an annual bonus scheme, which requires executive directors to defer up to 25% of their annual bonus (net of tax, duties, or social security contributions) subject to certain thresholds being met. During the prior period, Mike Owen, Simon Dodd and Tracy Dodd were required to defer 25% of their annual bonus (net of tax, duties or social security contributions) into shares which are subject to a holding period of three years. Patrick Dardis, who retired as an executive director on 30 September 2022, received his annual bonus in cash. Matching shares will no longer be awarded under the DAB scheme.

The following table summarises, at 28 March 2022 and at 3 April 2023, the outstanding entitlements to A shares under the DAB scheme of the directors who served during the period ended 3 April 2023 and other senior management employees. All shares listed in the table are registered in the relevant individual's name and, save for those shares which were transferred during the period, are fully vested. In total, 7,961 A shares were awarded during the period, and the weighted fair value of the A shares awarded during the period was 1,304 pence per share.

Notes to the financial statements continued

For the 53 weeks ended 3 April 2023

30. Share awards continued

	Date of award	Matching shares (Y/N)	At 28 March 2022	Awarded during the period	Restrictions ceased to apply during the period	Transferred during period ¹	At 3 April 2023	Issue price (pence per share) ²
Patrick Dardis	June 2019	N	21,671	–	(21,671)	–	–	1,765.0
	June 2019	Y	10,835	–	(5,417)	(5,418)	–	12.5
Torquil Sligo-Young	June 2019	N	6,371	–	(6,371)	–	–	1,765.0
	June 2019	Y	3,185	–	(1,592)	(1,593)	–	12.5
Tracy Dodd	June 2019	N	4,682	–	(4,682)	–	–	1,765.0
	June 2019	Y	780	–	(390)	(390)	–	12.5
	May 2022	N	–	2,080	–	–	2,080	1,304.0
Simon Dodd	May 2022	N	–	2,276	–	–	2,276	1,304.0
Mike Owen	May 2022	N	–	3,605	–	–	3,605	1,304.0
Senior management ³	June 2019	N	3,586	–	(3,586)	–	–	1,765.0
	June 2019	Y	5,143	–	(2,569)	(2,574)	–	12.5

¹ These shares were transferred to the Ram Brewery Trust II, an employee benefit trust designated by the company

² For 'matching' shares, the price shown is the nominal value

³ Mark Loughborough was appointed to the board on 30 September 2022, which was after the date of any transfers.

(b) LTIP

In order to incentivise and retain executive directors and other senior management employees, the company adopted the LTIP during the period ended 3 April 2023. The LTIP is designed to align remuneration with both the company's long-term financial performance and the interests of shareholders, and has replaced the DAB scheme.

The LTIP enables the company to make awards of shares to selected employees which then vest at a later date, subject to the achievement of specified performance or other conditions determined by the remuneration committee at the time of grant, with the performance conditions to be satisfied over a specified performance period. Any employee (including an executive director) of the group may be selected to participate in the LTIP. Awards may be granted under the LTIP in the form of nil cost options over the company's ordinary shares. Participants are not required to make any payment in exchange for the grant of an award under the LTIP.

The first and only grant of awards under the LTIP during the period ended 3 April 2023 took place on 29 June 2022. In total, 122,719 A shares were granted in the form of nil cost options and no monetary consideration was paid for the awards. The awards are subject to performance conditions which are based: (1) two-thirds on the extent to which the company's adjusted earnings per share in respect of the financial year ended on or around 31 March 2025 exceed the same measure for the financial period ended 28 March 2022; and (2) one-third on total shareholder return (TSR) relative to a comparator group of the company's peers. The awards will vest and become exercisable subject to continued employment with the company and the extent to which performance conditions are met. Ordinarily, the awards will vest on 29 June 2025.

The awards granted to the executive directors were equivalent to 100% of basic salary for Patrick Dardis and Mike Owen, and 75% of basic salary for Simon Dodd and Tracy Dodd. Mark Loughborough's award was granted when he was a member of the senior management team, prior to him being appointed as an executive director. His award was equivalent to 50% of his basic salary at the time.

	Date of award	At 28 March 2022	Granted during the period	Lapsed during the period	At 3 April 2023	Share price on date of award	Exercise price	Date from which exercisable	Expiry date
Simon Dodd	29.06.22	–	15,127	–	15,127	1,172p	0p	29.06.25	29.06.32
Mike Owen	29.06.22	–	25,548	–	25,548	1,172p	0p	29.06.25	29.06.32
Tracy Dodd	29.06.22	–	13,823	–	13,823	1,172p	0p	29.06.25	29.06.32
Mark Loughborough	29.06.22	–	3,118	–	3,118	1,172p	0p	29.06.25	29.06.32
Patrick Dardis ¹	29.06.22	–	39,241	–	39,241	1,172p	0p	29.06.25	29.06.32

¹ The committee determined at its meeting on 17 May 2023 that the award granted to Patrick Dardis be pro-rated to 31 March 2023, the date he retired from the company as a good leaver. His 2022 LTIP award has been pro-rated and reduced from 39,241 A shares to 13,139 A shares, and 26,102 A shares have lapsed. His award will ordinarily be exercisable from 29 June 2025, subject to the extent to which the performance conditions are met.

The following table summarises, at 28 March 2022 and at 3 April 2023, the outstanding entitlements to A shares under the LTIP:

	LTIP Number
At 28 March 2022	–
Granted	122,719
Exercised	–
Lapsed	–
At 3 April 2023	122,719

The fair value of the share options was estimated at the grant date based on the performance conditions in place. One-third of the award is subject to a market based performance condition, and the probability of meeting this performance condition has been incorporated into the calculation of the estimated fair value at the grant date using a Monte Carlo valuation model. Two-thirds of the award are subject to a non-market based performance condition. This portion of the award has been valued at the market price of shares at the grant date of 1,140 pence per share. The company has made an estimate of the likelihood of meeting this performance condition and incorporated this into the number of awards expected to vest. This estimate will be updated at each reporting date.

The following information is relevant in the determination of the fair value of share options granted during the year under the equity-settled LTIP scheme operated by the group:

	2023 LTIP – TSR portion
Valuation model used	Monte Carlo
Fair values at the measurement date (pence)	860.0
Dividend yield (%)	nil
Expected volatility (%)	43.6
Risk-free interest rate (%)	2.1
Expected life of share options (years)	3
Weighted average share price (pence)	1,047.0

The expected volatility reflects the assumption that the company's daily historical volatility over a three year period prior to the date of grant is indicative of expected future volatility.

The share based payment expense recognised during the year is shown in the following table:

	2023 £m	2022 £m
Expense arising from equity-settled share based payment transactions	0.4	–

There were no cancellations or modifications to the awards during the period.

(c) SAYE scheme

This scheme enables eligible directors and employees to acquire options over the company's A shares. The options can be granted 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. During the period ended 3 April 2023, the company adopted a new set of rules for its SAYE scheme, to bring it into line with the latest legislation. The adoption of the new set of rules has not materially altered the operation of the SAYE.

In the current period, 119,284 options over A shares (2022: 130,746 A shares) were granted under the scheme at an exercise price of 931 pence per share.

Options over 143,429 A shares were outstanding at the beginning of the period. During the period, options over 86,587 A shares lapsed, options over 263 A shares were exercised at 1,412p per share. The weighted average share price of options exercised during the period was 1,412 pence (2022: 1,526 pence). The options that were exercised (and in respect of which new shares were issued) resulted in an increase in share capital of £nil (2022: £135,125) and an increase in share premium of £nil (2022: £14,728,995). A charge of £0.1 million (2022: £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. The cumulative fair value of the share options outstanding at 3 April 2023 was £0.5 million (2022: £0.1 million). Options over 175,863 A shares were outstanding at the end of the period.

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For the 53 weeks ended 3 April 2023

30. Share awards continued

Valuation assumptions

Assumptions used in the Black-Scholes model to determine the fair value of share options at grant date for the period ending 3 April 2023 were as follows:

	Group and company			
	2023 plan	2022 plan	2019 plan	2018 plan
Share price at grant date (pence)	1,164.0	1,470.0	1,765.0	1,705.0
Exercise price (pence)	931.0	1,176.0	1,412.0	1,364.0
Expected volatility (%)	53.3	51	24.9	21.0
Option life (years)	3	3	3	3
Expected dividends (expressed as dividend yield %)	1.9	1.3	0.9	1.3
Risk-free interest rate (%)	3.1	1.7	0.3	0.7
Probability of forfeiture (%)	7.0	47.9	72.8	64.0

Volatility is based on the standard deviation of an 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.

31. Related party transactions

Directors

Directors' emoluments and retirement benefits are disclosed in notes 9(b) and (c). Directors' interests in the company's share capital are disclosed or referred to on page 82 and in notes 9(e) and 30. No other transactions requiring disclosure have been entered into with the directors.

Pension scheme and other trust

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. Torquil Sligo-Young, a non-executive director of the company, and two other individuals, neither of whom are a director of the company, are the directors of the pension trustee company. At 3 April 2023, the scheme held 337,067 A shares (2022: 337,067), being 0.98% of the class. In March 2018, the company granted a charge over two of its pubs as security for its obligation to make payments to the scheme: the company felt it was appropriate to agree to this so as to demonstrate its commitment to the scheme and to provide the pension trustee company with greater comfort as to the security of the scheme. The charge was based on a standard form document issued by the Pension Protection Fund.

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. During the period, three individuals, neither of whom were a director of the company, were the directors of the employee benefit trustee company. At 3 April 2023, the trust held 14,479 A shares (2022: 5,819), being 0.02% of the class. During the period:

- 3,429 A shares (2022: 18,486) were transferred from the trust in connection with the company's savings-related share option scheme (see note 9(d));
- 12,089 A shares (2022: 15,639) were transferred to the trust in connection with the company's deferred annual bonus scheme (see note 30(a)).

Neither the pension trustee company nor the employee benefit trustee company is a related party of the company for the purposes of the AIM Rules for Companies.

Key management

The group considers key management personnel to be solely the directors of the company as they are the only ones with authority and responsibility for planning, directing and controlling the activities of the group. The compensation provided to the directors is detailed in note 9; in addition, the group made employers' national insurance contributions of £0.5 million (2022: £0.2 million) and incurred a share based payment charge of £0.5 million (2022: £0.1 million).

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

	Group		Company	
	2023 53 weeks £m	2022 52 weeks £m	2023 53 weeks £m	2022 52 weeks £m
Profit before tax from continuing operations	36.2	42.1	38.2	42.0
Profit before tax from discontinued operations	–	9.8	–	9.8
Profit before tax	36.2	51.9	38.2	51.8
Net finance cost	7.5	9.5	7.3	9.6
Finance charge for pension obligations	(0.3)	0.1	(0.3)	0.1
Operating profit	43.4	61.5	45.2	61.5
Depreciation of property and equipment (note 19)	26.2	24.4	26.0	24.2
Depreciation of right-of-use assets (note 20)	6.9	7.1	6.0	6.1
Movement on revaluation of properties (note 19)	7.0	(0.8)	7.0	(0.8)
Net profit on disposal of property	–	(11.4)	–	(11.4)
Difference between pension service cost and cash contributions paid	(1.3)	(1.2)	(1.3)	(1.2)
Share based payments	(0.5)	(0.1)	(0.5)	(0.1)
Movements in working capital				
~ Inventories	(0.7)	(2.0)	(0.7)	(2.0)
~ Receivables	(0.6)	1.5	0.2	1.6
~ Payables	3.4	28.0	0.7	28.4
Net cash generated from operations	83.8	107.0	82.6	106.3

Analysis of net debt

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Cash	10.7	34.0	10.7	34.0
Current borrowings and loan capital	–	(30.0)	–	(30.0)
Current lease liability	(4.8)	(4.9)	(4.0)	(4.1)
Non-current borrowings and loan capital	(104.2)	(103.8)	(104.2)	(103.8)
Non-current lease liability	(66.9)	(69.1)	(61.9)	(63.6)
Net debt	(165.2)	(173.8)	(159.4)	(167.5)

33. Post balance sheet events

There were two post balance sheet events: the exchange of contracts and completion of the Stag (Belsize Park) for a total cash consideration of £3.3 million, and the final extension of the £50.0 million syndicated facility with NatWest and HSBC by a further year (the second year of a two-year option to extend) to 19 May 2027.

34. Contingent liabilities

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

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Registered in England number 00032762

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 the action you should take, you should immediately consult your stockbroker, solicitor, accountant or other duly authorised professional adviser. If you have sold or otherwise transferred all your shares, please forward this annual report and any accompanying documents (except any personalised proxy form, if applicable) to the purchaser or transferee, or to the person through whom the sale or transfer was arranged, so they can forward this to the person who now holds the shares.

If you hold any A shares, you should have received a proxy form for use in respect of 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 Tuesday, 4 July 2023. Appointing a proxy does not stop you from attending the meeting and voting. An attendance and poll 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 134th annual general meeting ('AGM') 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 Thursday, 6 July 2023 at 11.30am. Resolutions 1 to 13 will be proposed as ordinary resolutions, and resolutions 14 to 16 will be proposed as special resolutions. All A shareholders are asked to vote on these resolutions in advance of the AGM by filling in the accompanying proxy form.

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 and unanimously recommend that all A shareholders vote in favour of them as they intend to do in respect of their beneficial holdings.

Annual accounts and reports

1. To receive the Company's annual accounts for the financial year ended 3 April 2023, together with the strategic report, directors' report and the auditor's report on those accounts and reports.

Final dividend

2. To declare a final dividend of 10.26p per share for the financial year ended 3 April 2023.

Auditor appointment

3. To resolve that Ernst & Young LLP be, and is hereby, re-appointed as the Company's auditor to hold office 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.

Auditor remuneration

4. To resolve that the directors be, and are hereby, authorised to determine the remuneration of the Company's auditor.

Re-appointment of directors

5. To resolve that Simon Dodd be, and is hereby, re-appointed as a director.

6. To resolve that Mike Owen be, and is hereby, re-appointed as a director.
7. To resolve that Tracy Dodd be, and is hereby, re-appointed as a director.
8. To resolve that Nick Miller be, and is hereby, re-appointed as a director.
9. To resolve that Mark Loughborough be, and is hereby, re-appointed as a director.
10. To resolve that Sarah Sergeant be, and is hereby, re-appointed as a director.

Political donations and expenditure

11. To resolve 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 11.59pm on 30 September 2024) 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.

Increased limit on the amount payable in respect of directors' fees

12. That, for the purposes of article 52(A) of the Company's articles of association, a higher sum of £500,000 be, and is hereby, decided.

Directors' authority to allot shares etc.

13. To resolve that the directors be, and are hereby, generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

(a) up to a nominal amount of £2,436,858 (such amount to be reduced by any allotments or grants made 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 £4,873,716 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of a rights issue:

(i) to ordinary shareholders 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 authority to apply until the end of next year's annual general meeting (or, if earlier, until 11.59pm on 30 September 2024) 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 convert securities into shares to be granted after the authority ends and the directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

Disapplication of pre-emption rights

14. To resolve that, if resolution 13 is passed, the directors be, and are hereby, given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell 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 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 13, by way of a rights issue only):

(i) to ordinary shareholders 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 13 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above of this resolution 14) up to a nominal amount of £731,057; and

(c) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or (b) above of this resolution 14) up to a nominal amount equal to 20 per cent. of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above of this resolution 14, such authority to be used only for the purposes of making a 'follow-on offer' which the directors determine to be of a kind contemplated by paragraph 3 of Section 28 of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such power to apply until the end of the next annual general meeting (or, if earlier, until 11.59pm on 30 September 2024) but, in each case, 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.

15. To resolve that, if resolution 13 is passed, the directors be, and are hereby, given the power in addition to any power granted by resolution 14, to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by paragraph (a) of resolution 13 and/or to sell 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:

(a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £731,057, such power to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the directors determine to be an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights

Notice of meeting continued

most recently published by the Pre-Emption Group prior to the date of this notice; and

- (b) limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount equal to 20 per cent. of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a 'follow-on offer' which the directors determine to be of a kind contemplated by paragraph 3 of Section 28 of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such power to apply until the end of next year's annual general meeting (or, if earlier, until 11.59pm on 30 September 2024) but, in each case, 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.

Authority to purchase own shares

16. To resolve 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 shares of 12.5p each, provided that:

- (a) the maximum number of shares hereby authorised to be purchased (which may be all A shares, all Non-Voting shares or a mix) is 5,858,460;
- (b) the minimum price, exclusive of expenses, which may be paid for a share is 12.5p; and
- (c) the maximum price, exclusive of expenses, which may be paid for a share is the highest of:

- (i) an amount equal to 5% above the average of the middle market quotations for a share of that class 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; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time,

such authority to apply until the end of next year's annual general meeting (or, if earlier, until 11.59pm on 30 September 2024) but during this period the Company may enter into a contract to purchase shares which would, or might, be completed or executed wholly or partly after the authority ends and the Company may purchase shares pursuant to any such contract as if the authority had not ended.

By order of the board

Chris Taylor
Company Secretary

24 May 2023

Registered office:
Copper House
5 Garratt Lane
Wandsworth
London
SW18 4AQ

Registered in England and Wales
No. 32762

Important notes regarding your general rights as a shareholder and your right to appoint a proxy and voting can be found in the next column and on pages 149 to 150 of this document.

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 close of business on Tuesday, 4 July 2023 (or, in the event of any adjournment, at close of business 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 attendance 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 or its registrar. To be valid, your proxy form must be received by the Company's registrar no later than 11.30 am on Tuesday, 4 July 2023.

Who to appoint as a proxy

A proxy does not have to be a member of the Company but must attend the meeting to represent you and for your vote to be counted. Your proxy could be the chair of the meeting, a director of the Company or another person who has agreed to attend the meeting to represent you. If you appoint a proxy, you may still attend the meeting and vote in person, but in that case your proxy appointment will automatically terminate.

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 or its registrar 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 conflicting appointments being 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 registrar 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 or its registrar. 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 registrar or your stockbroker, solicitor, accountant or other duly authorised professional adviser.

Termination of proxy appointments

If you wish to revoke your proxy instruction, you must send to the Company's registrar 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 registrar 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.

Notice of meeting continued

CREST electronic proxy appointments

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.eurodear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with the specifications of Eurodear UK & International Limited ('Eurodear') and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by no later than 11:30 am on Tuesday, 4 July 2023 or, in the event of an adjournment, 48 hours before the adjourned time. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner required by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Eurodear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed

a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

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 registrar

The Company's registrar is Computershare Investor Services PLC. They can be contacted via post at the following address: The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ. Their telephone number is 0370 707 1420.

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 10.00 am 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 10.00 am on the day of the meeting, these documents will be available for inspection at the meeting venue until the end of the meeting.

Total voting rights

As at 19 May 2023, the Company's issued share capital comprised 34,413,847 A shares with voting rights and 24,070,755 non-voting shares with no voting rights. The Company holds no shares in treasury. The total number of voting rights in the Company is therefore 34,413,847.

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 2023 annual report or any proxy form for the Company's 134th 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 134th annual general meeting of Young & Co.'s Brewery, P.L.C. (the 'Company') to be held on Thursday, 6 July 2023 is set out on pages 146 to 150.

Resolutions 1 to 13 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 10.26 pence per share was paid on 2 December 2022. The directors are recommending a final dividend of 10.26 pence per share for the year ended 3 April 2023, bringing the total dividend for the year to 20.52 pence per share. Subject to approval being given, the final dividend is expected to be paid on 13 July 2023 to shareholders on the register at the close of business on 9 June 2023.

Resolution 3: auditor appointment

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 their re-appointment is therefore being proposed.

Resolution 4: auditor remuneration

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

Resolutions 5 to 10: re-appointment of directors

Simon Dodd, Mike Owen, Tracy Dodd and Nick Miller are retiring as directors at this meeting; this is because they were directors at the last two annual general meetings and did not retire at either of them. Mark Loughborough and Sarah Sergeant will also each be retiring from the office of director at the meeting; this is because each of them was appointed by the board since the last annual general meeting. All of these individuals are seeking re-appointment; their brief biographical and other details are on pages 58 and 60.

Resolution 11: political donations and expenditure

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 12: 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 £375,000 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. Following the appointment of two additional independent non-executive directors since the last ordinary resolution was put to shareholders in 2021, the board would like 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 £500,000. The directors may consider making further board appointments and the increased amount provides the board with the flexibility to allow it to do so should it be considered appropriate.

Resolution 13: directors' authority to allot shares etc.

Paragraph (a) of this resolution would give the directors the authority to allot shares or grant rights to subscribe for or convert any securities into shares up to an aggregate nominal amount equal to £2,436,858 (representing 19,494,864 shares of 12.5p each). This amount represents approximately one-third of the Company's issued share capital as at 19 May 2023. 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 convert any securities into shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £4,873,716 (representing 38,989,728 shares), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents approximately two-thirds of the Company's issued share capital as at 19 May 2023. The directors are aware of the latest Investment Association Share Capital Management Guidelines published in February 2023, which update the previous guidance to incorporate all pre-emptive offers, not just rights issues. The directors have decided that they will limit the relevant limb of the allotment authority to rights issues in line with past practice but will keep *emerging market practice under review*. The authority sought under this resolution will expire at the end of next year's annual general meeting (or, if earlier, at 11.59pm on 30 September 2024). The directors have no present intention to exercise the authority sought under this resolution. As at the date of the notice, no shares are held by the Company in treasury.

Explanatory notes to the notice of meeting continued

Resolutions 14, 15 and 16 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 14 and 15: disapplication of pre-emption rights

If the directors wish to allot new shares or other equity securities for cash, the Companies Act 2006 requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holdings. Resolutions 14 and 15 would give the directors the power to allot shares for cash without first offering them to existing shareholders in proportion to their existing holdings. The allotment of equity securities as referred to in Resolutions 14 and 15 includes the sale of any shares which the Company holds in treasury following a purchase of its own shares.

The power set out in resolution 14 would be limited to:

- (a) rights issues and offers to holders of other equity securities if required by the rights of those securities, or as the directors otherwise consider necessary;
- (b) otherwise, allotments or sales up to an aggregate nominal value of £731,057 (representing 5,848,456 shares and approximately 10 per cent. of the nominal value of the issued share capital of the Company as at 19 May 2023); and
- (c) allotments or sales up to an additional aggregate nominal amount equal to 20 per cent. of any allotments or sales made under (b) above (so a maximum of 2 per cent. of the Company's issued ordinary share capital, up to an aggregate of £146,211 as at 19 May 2023), such power to be used only for the purposes of making a follow-on offer of a kind contemplated by Section 2B of the Pre-Emption Group's Statement of Principles 2022 ('PEG's Statement of Principles').

Resolution 15 is intended to give the Company flexibility to make non-pre-emptive issues of ordinary shares in connection with acquisitions and specified capital investments as contemplated by PEG's Statement of Principles. The power under resolution 15 is in addition to that proposed by resolution 14 and would be limited to:

- (i) allotments or sales of up to an aggregate nominal amount of £731,057 (representing 5,848,456 shares and approximately an additional 10 per cent. of the issued share capital of the Company as at 19 May 2023); and
- (ii) allotments or sales up to an additional aggregate nominal amount equal to 20 per cent. of any allotments or sales made under (i) above (so a maximum of 2 per cent.), such power to be used only for the purposes of making a follow-on offer of a kind contemplated by Section 2B of PEG's Statement of Principles.

The limits in resolutions 14 and 15 are in line with those set out in PEG's Statement of Principles. The directors have no present intention to exercise the powers sought by resolutions 14 or 15. If the powers sought by resolutions 14 or 15 are used in relation to a non-pre-emptive offer, the directors confirm their intention to follow the shareholder protections in paragraph 1 of Part 2B of PEG's Statement of Principles and, where relevant, follow the expected features of a follow-on offer as set out in paragraph 3 of Part 2B of PEG's Statement of Principles.

The powers sought under these resolutions will expire at the end of next year's annual general meeting (or, if earlier, at 11.59pm on 30 September 2024).

Resolution 16: authority to purchase own shares

This resolution would give the Company the authority to purchase up to 10% of the Company's issued shares (excluding any treasury shares). The directors have no present intention to exercise 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.

Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Company currently has no shares in treasury. The minimum price, exclusive of expenses, which may be paid for a share is 12.5p. The maximum price, exclusive of expenses, which may be paid for a share is the highest of (i) an amount equal to 5% above the average of the middle market quotations for a share of that class as derived from the AIM appendix to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time.

As at 1 May 2023, the Company had options outstanding over 292,749 A shares, representing 0.5% of the Company's issued share capital at that date. If the Company were to purchase (and cancel) its own shares to the fullest possible extent of its existing authority and of the authority sought by this resolution, these options would then represent 0.63% of the Company's issued share capital. No warrants to subscribe for shares are outstanding. The authority sought under this resolution will expire at the end of next year's annual general meeting (or, if earlier, at 11.59pm on 30 September 2024).

Senior personnel, committees, banks, advisers and others

Directors

Stephen Goodyear
Non-Executive Chairman

Simon Dodd
Chief Executive

Mike Owen
Chief Financial Officer

Tracy Dodd
People Director

Mark Loughborough
Retail Director

Nick Miller
Senior Independent Non-Executive Director

Ian McHoul
Independent Non-Executive Director

Torquil Sligo-Young
Non-Executive Director

Aisling Meany
Independent Non-Executive Director

Sarah Sergeant
Independent Non-Executive Director

Company Secretary

Chris Taylor

Audit committee

Ian McHoul (Chair)
Nick Miller
Aisling Meany
Sarah Sergeant

Remuneration committee

Nick Miller (Chair)
Ian McHoul
Aisling Meany
Sarah Sergeant

Banks

HSBC Bank plc
8 Canada Square
London E14 5HQ

NatWest Bank plc
250 Bishopsgate
London EC2M 4RB

Bardays Bank plc
1 Churchill Place
London E14 5HP

Auditor

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London SE1 2AF

Nominated adviser

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

Stockbrokers

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

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

Solicitors

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Shareholder information

Registrar

The company's registrar is Computershare Investor Services PLC ('Computershare'). They can be contacted at The Pavilions, Bridgwater Road, Bristol BS13 8AE. Their telephone number is 0370 707 1420.

Managing your shareholding online

Computershare operates an online service, Investor Centre, for holders of shares in the company. Investor Centre allows shareholders to manage their shareholding online, enabling shareholders to:

- update personal details and provide address changes;
- update dividend bank mandate instructions and review dividend payment history;
- register to receive company communications electronically; and
- international shareholders can register payment instructions to benefit from

payments directly into a local bank account. This service is not available in all counties.

Shareholders with any queries regarding their holding should contact Computershare using the above contact details.

Shareholder fraud

Fraud is on the increase and many shareholders are targeted every year. If you suspect that you have been approached by fraudsters, please inform the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk.

Lost Shareholders

The Company has recently appointed Georgeson, to help find 'lost' or 'gone away' shareholders, their dependents,

descendants or any other named beneficiary, to help reunite shareholders with their unclaimed entitlements. Further information is available on the company's website at: www.youngs.co.uk/investors under shareholder information.

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 shown below.

Registered office and company number

Copper House
5 Garratt Lane
Wandsworth
London SW18 4AQ

Registered number: 32762

Further information

Please visit: www.youngs.co.uk

Young's pubs and hotels How many have you visited?

- | | | |
|--|---|--|
| <input type="checkbox"/> Adam and Eve, Fitzrovia | <input type="checkbox"/> Carnarvon Arms, Newbury | <input type="checkbox"/> Duchess of Kent, Islington |
| <input type="checkbox"/> Albans Well, St Albans | <input type="checkbox"/> Carpenter's Arms, Tonbridge | <input type="checkbox"/> Duke of Cambridge, Battersea |
| <input type="checkbox"/> Albert, Kingston-upon-Thames | <input type="checkbox"/> Castle, Islington | <input type="checkbox"/> Duke of Clarence, Kensington |
| <input type="checkbox"/> Albion, City of London | <input type="checkbox"/> Castle, Tooting | <input type="checkbox"/> Duke of Wellington, Notting Hill |
| <input type="checkbox"/> Alexander Pope, Twickenham | <input type="checkbox"/> Chelsea Ram, Chelsea | <input type="checkbox"/> Duke on the Green, Parsons Green |
| <input type="checkbox"/> Alexandra, Wimbledon | <input type="checkbox"/> Chequers Inn, Hanham Mills | <input type="checkbox"/> Duke's Head, Putney |
| <input type="checkbox"/> Alma, Wandsworth | <input type="checkbox"/> Chequers, Walton-on-the-Hill | <input type="checkbox"/> Duke's Head, Wallington |
| <input type="checkbox"/> Angel & Greyhound, Oxford | <input type="checkbox"/> Cherry Tree, Dulwich | <input type="checkbox"/> Dunstan House Inn, Burnham-on-Sea |
| <input type="checkbox"/> Bear Inn Hotel, Esher | <input type="checkbox"/> City Gate, Exeter | <input type="checkbox"/> Eagle, Shepherd's Bush |
| <input type="checkbox"/> Bear, Cobham | <input type="checkbox"/> Clapham North, Clapham | <input type="checkbox"/> East Hill, Wandsworth |
| <input type="checkbox"/> Bear, Oxshott | <input type="checkbox"/> Clarence, Westminster | <input type="checkbox"/> Elgin, Notting Hill |
| <input type="checkbox"/> Beaufort, Hendon | <input type="checkbox"/> Clock House, East Dulwich | <input type="checkbox"/> Enderby House, Greenwich |
| <input type="checkbox"/> Bedford Arms, Chenies | <input type="checkbox"/> Coach & Horses, Barnes | <input type="checkbox"/> Fellow, King's Cross |
| <input type="checkbox"/> Bell Hotel, Stow-on-the-Wold | <input type="checkbox"/> Coach & Horses, Greenwich | <input type="checkbox"/> Fentiman Arms, Oval |
| <input type="checkbox"/> Bell, Fetcham | <input type="checkbox"/> Coach & Horses, Isleworth | <input type="checkbox"/> Finch's, Moorgate |
| <input type="checkbox"/> Betjerman Arms, St Pancras | <input type="checkbox"/> Coach & Horses, Kew | <input type="checkbox"/> Fire Stables, Wimbledon |
| <input type="checkbox"/> Bickley, Chislehurst | <input type="checkbox"/> Coat and Badge, Putney | <input type="checkbox"/> Flask, Hampstead |
| <input type="checkbox"/> Bishop, Kingston-upon-Thames | <input type="checkbox"/> Coborn, Mile End | <input type="checkbox"/> Foley, Claygate |
| <input type="checkbox"/> Bishop's Vaults, Bishopsgate | <input type="checkbox"/> Cock Tavern, Fulham | <input type="checkbox"/> Founders Arms, Southbank |
| <input type="checkbox"/> Blue Boar, Chipping Norton | <input type="checkbox"/> Constitution, Camden
(closed – not trading) | <input type="checkbox"/> Fox & Anchor, Smithfield Market |
| <input type="checkbox"/> Boathouse, Instow | <input type="checkbox"/> Coopers Arms, Chelsea | <input type="checkbox"/> George Hotel, Cheltenham |
| <input type="checkbox"/> Boathouse, Putney | <input type="checkbox"/> County Arms, Wandsworth | <input type="checkbox"/> Grand Junction Arms, Harlesden |
| <input type="checkbox"/> Brewers Inn, Wandsworth | <input type="checkbox"/> Cow, Westfield, Stratford | <input type="checkbox"/> Grange, Ealing |
| <input type="checkbox"/> Bridge Hotel, Chertsey | <input type="checkbox"/> Crooked Billet, Wimbledon | <input type="checkbox"/> Grantley Arms, Womersley |
| <input type="checkbox"/> Britannia, Kensington | <input type="checkbox"/> Crown & Anchor, Chichester | <input type="checkbox"/> Green Man, Putney |
| <input type="checkbox"/> Brook Green Hotel, Hammersmith | <input type="checkbox"/> Crown Hotel, Chertsey | <input type="checkbox"/> Greyhound, Carshalton |
| <input type="checkbox"/> Buckingham Arms, Westminster | <input type="checkbox"/> Crown Inn, Minchamptons | <input type="checkbox"/> Griffin Inn, Fletching |
| <input type="checkbox"/> Bull and Gate, Kentish Town | <input type="checkbox"/> Crown, Bow | <input type="checkbox"/> Grocer, Spitalfields |
| <input type="checkbox"/> Bull, Bracknell | <input type="checkbox"/> Crown, Lee | <input type="checkbox"/> Grove, Balham |
| <input type="checkbox"/> Bull, Ditchling | <input type="checkbox"/> Crown, Twickenham | <input type="checkbox"/> Grove, Exmouth |
| <input type="checkbox"/> Bull, Streatham | <input type="checkbox"/> Curtains Up, West Kensington | <input type="checkbox"/> Guard House, Woolwich |
| <input type="checkbox"/> Bull, Westfield, Shepherd's Bush | <input type="checkbox"/> Cutty Sark, Greenwich | <input type="checkbox"/> Guinea, Mayfair |
| <input type="checkbox"/> Bulls Head, Chislehurst | <input type="checkbox"/> Defector's Weld, Shepherd's Bush | <input type="checkbox"/> Half Moon, Putney |
| <input type="checkbox"/> Bulls Head, Barnes | <input type="checkbox"/> Devonshire, Balham | <input type="checkbox"/> Half Moon, Windlesham |
| <input type="checkbox"/> Bunch of Grapes, London Bridge | <input type="checkbox"/> Dial Arch, Woolwich | <input type="checkbox"/> Halfway House, Earlsfield |
| <input type="checkbox"/> Canbury Arms,
Kingston-upon-Thames | <input type="checkbox"/> Dirty Dicks, Bishopsgate | <input type="checkbox"/> Hammersmith Ram, Hammersmith |
| <input type="checkbox"/> Candlemaker, City of London | <input type="checkbox"/> Dog & Fox, Wimbledon | <input type="checkbox"/> Hand and Spear, Weybridge |
| <input type="checkbox"/> Canford Hotel, Poole | <input type="checkbox"/> Dolphin, Betchworth | <input type="checkbox"/> Hand in Hand, Wimbledon |
| <input type="checkbox"/> Canonbury, Islington | <input type="checkbox"/> Double Locks, Exeter | <input type="checkbox"/> Hare & Hounds, East Sheen |

- | | | |
|--|---|---|
| <input type="checkbox"/> Highbury Vaults, Bristol | <input type="checkbox"/> No 38 Park Hotel, Cheltenham | <input type="checkbox"/> Ship, Wandsworth |
| <input type="checkbox"/> Hollow Bottom, Guiting Power | <input type="checkbox"/> Northcote, Battersea | <input type="checkbox"/> Smiths of Smithfield, Smithfield Market |
| <input type="checkbox"/> Hollywood Arms, Chelsea | <input type="checkbox"/> Old Brewery, Greenwich | <input type="checkbox"/> Spotted Horse, Putney |
| <input type="checkbox"/> Home Cottage, Redhill | <input type="checkbox"/> Old Manor, Potters Bar | <input type="checkbox"/> Spread Eagle, Camden |
| <input type="checkbox"/> Hope and Anchor, Brixton | <input type="checkbox"/> Old Shades, Westminster | <input type="checkbox"/> Spread Eagle, Wandsworth |
| <input type="checkbox"/> Hort's Townhouse, Bristol | <input type="checkbox"/> Old Ship, Hammersmith | <input type="checkbox"/> Spring Grove, Kingston-upon-Thames |
| <input type="checkbox"/> Kings Arms, Oxford | <input type="checkbox"/> Old Ship, Richmond | <input type="checkbox"/> Station Hotel, Hither Green |
| <input type="checkbox"/> Kings Arms, Chelsea | <input type="checkbox"/> One Tun, Fitzrovia | <input type="checkbox"/> Station Tavern, Cambridge |
| <input type="checkbox"/> Kings Arms, Wandsworth | <input type="checkbox"/> Onslow Arms, West Clendon | <input type="checkbox"/> Swan, Walton-on-Thames |
| <input type="checkbox"/> Kings Head, Islington | <input type="checkbox"/> Orange Tree, Richmond | <input type="checkbox"/> Tavern, Cheltenham |
| <input type="checkbox"/> Kings Head, Roehampton | <input type="checkbox"/> Owl & Pussycat, Shoreditch | <input type="checkbox"/> The Depot, Kidbrooke Village |
| <input type="checkbox"/> Kings Head, Winchmore Hill | <input type="checkbox"/> Oyster Shed, Bank | <input type="checkbox"/> Theodore Bullfrog, Charing Cross |
| <input type="checkbox"/> Lamb Tavern, Leadenhall Market | <input type="checkbox"/> Park Hotel, Teddington | <input type="checkbox"/> Trafalgar Arms, Tooting |
| <input type="checkbox"/> Lamb, Bloomsbury | <input type="checkbox"/> Paternoster, St Paul's | <input type="checkbox"/> Trinity Arms, Brixton |
| <input type="checkbox"/> Lamb, Hindon | <input type="checkbox"/> Penny Black, Leatherhead | <input type="checkbox"/> Victoria, Kingston-upon-Thames |
| <input type="checkbox"/> Lass O'Richmond Hill, Richmond | <input type="checkbox"/> Pheasant Inn, Lambourn | <input type="checkbox"/> Village Inn, Ealing |
| <input type="checkbox"/> Leather Bottle, Earlsfield | <input type="checkbox"/> Phoenix, Chelsea | <input type="checkbox"/> Waterfront, Wandsworth |
| <input type="checkbox"/> Leman Street Tavern, Aldgate | <input type="checkbox"/> Phoenix, Victoria | <input type="checkbox"/> Waterside, Fulham |
| <input type="checkbox"/> Lion and Unicorn, Kentish Town | <input type="checkbox"/> Plough, Beddington | <input type="checkbox"/> Weyside, Guildford |
| <input type="checkbox"/> Lock Keeper, Keynsham | <input type="checkbox"/> Plough, Clapham Junction | <input type="checkbox"/> Wheatsheaf Hotel, Northleach |
| <input type="checkbox"/> Lockhouse, Paddington | <input type="checkbox"/> Porchester, Westbourne Grove | <input type="checkbox"/> Wheatsheaf, Borough Market |
| <input type="checkbox"/> Lord Palmerston, Tufnell Park | <input type="checkbox"/> Prince Albert, Battersea | <input type="checkbox"/> Wheatsheaf, Esher |
| <input type="checkbox"/> Lounge at The Salt Room, Islington (closed – not trading) | <input type="checkbox"/> Prince Alfred, Maida Vale | <input type="checkbox"/> White Bear, Kennington |
| <input type="checkbox"/> Manor Arms, Streatham | <input type="checkbox"/> Princess of Wales, Clapton | <input type="checkbox"/> White Bear, Tunbridge Wells |
| <input type="checkbox"/> Marlborough, Richmond | <input type="checkbox"/> Queen Adelaide, Wandsworth | <input type="checkbox"/> White Cross, Richmond |
| <input type="checkbox"/> Marquess of Anglesey, Covent Garden | <input type="checkbox"/> Queens, Primrose Hill | <input type="checkbox"/> White Hart, Barnes |
| <input type="checkbox"/> Merlin's Cave, Chalfont St Giles | <input type="checkbox"/> Red Barn, Lingfield | <input type="checkbox"/> White Hart, Littleton-on-Severn |
| <input type="checkbox"/> Mitre, Lancaster Gate | <input type="checkbox"/> Red Lion, Radlett | <input type="checkbox"/> White Hart, Sherfield On Loddon |
| <input type="checkbox"/> Mitre, Shaftesbury | <input type="checkbox"/> Richard the First, Greenwich | <input type="checkbox"/> White Horse, Broadgate |
| <input type="checkbox"/> Morpeth Arms, Westminster | <input type="checkbox"/> Riverside, Vauxhall | <input type="checkbox"/> White Horse, Hascombe |
| <input type="checkbox"/> Mulberry Bush, Southwark | <input type="checkbox"/> Riverstation, Bristol | <input type="checkbox"/> Wild Duck, near Cirencester (closed – not trading) |
| <input type="checkbox"/> Narrowboat, Islington | <input type="checkbox"/> Roebuck, Hampstead | <input type="checkbox"/> Windmill, Clapham |
| <input type="checkbox"/> Naturalist, Hackney | <input type="checkbox"/> Rose and Crown, Wimbledon | <input type="checkbox"/> Windmill, Mayfair |
| <input type="checkbox"/> New Inn, Ealing | <input type="checkbox"/> Royal Oak, Bethnal Green | <input type="checkbox"/> Wood House, Dulwich |
| <input type="checkbox"/> Nightingale, Balham | <input type="checkbox"/> Seagate Hotel, Appledore | <input type="checkbox"/> Woolpack, Bermondsey |
| <input type="checkbox"/> Nine Elms Tavern, Battersea | <input type="checkbox"/> Shaftesbury, Richmond | <input type="checkbox"/> Worplesdon Place, Guildford |
| | <input type="checkbox"/> Ship Inn, East Grinstead | |

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Registered in England number 32762