Annual Report

for the 52 weeks ended 1 April 2024

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 280 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. There’s always more to discover at Young’s.

Find out how we invest for the future through our pubs.
Pages 8–9

Find out how we nurture and develop our people.
Pages 26–29

Contents

Highlights

for the 52-week period ending 1 April 2024[1]

Revenue (£m)

£388.8

2023: £368.9

Adjusted operating profit (£m)[2]

£57.3

2023: £52.4

Net debt to adjusted EBITDA

3.9x

2023: 1.9x

Operating profit (£m)

£28.6

2023: £43.4

Adjusted profit before tax (£m)[2]

£49.4

2023: £45.2

Net debt (£m)

£359.6

2023: £165.2

Profit before tax (£m)

£20.7

2023: £36.2

Adjusted EBITDA (£m)[2]

£92.2

2023: £85.5

Net assets per share[3]

£12.48

2023: £12.38

Basic earnings per share

18.89p

2023: 50.78p

Adjusted basic earnings per share[2]

62.97p

2023: 64.29p

Net assets (£m)

£775.2

2023: £724.2

Dividend per share

21.76p

2023: 20.52p

1 The prior financial year was a 53-week period.

2 Reference to an 'adjusted' item means that item has been adjusted to exclude a non-underlying cost of £28.7 million (2023: non-underlying cost of £9.0 million) The three main adjusting items relate to a small net downward movement in property revaluation of £12.8 million, purchase costs relating to the acquisition of the City Pub Group totalling £6.2 million, and an impairment of £5.5 million. See notes 9 and 10.

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

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.

1.5m
Number of cocktails sold

Fundraised for charity (above)

We are immensely proud that Young’s has exceeded its fundraising target of £150,000, by raising over £200,000 for the Wooden Spoon, a children’s rugby charity. Through a calendar of events and fundraising activities hosted in our pubs, we have united our community in support of this worthy cause.

Celebrated our history (above)

We celebrated our 192nd birthday in September, and this year our famous dray horses took to the streets of Greenwich and Central London, including a visit to the iconic Marquess of Anglesey in Covent Garden. This nostalgic celebration honours our heritage and longstanding tradition of excellence.

Enjoyed sporting events (left)

Whether you're catching the thrilling matches of Wimbledon tennis or the intense clashes of the Autumn Rugby Internationals, our pubs provide the perfect setting for sports fans to soak up the atmosphere and enjoy some of the excellent food and drink on offer.

Relaunched the 'classics' (below)

This year we were thrilled to re-launch our 'classics' menu, showcasing our beloved all-time favourites. Both made from sustainably sourced dairy cattle beef, we have launched two new burgers, one with double smashed patties, and the other featuring a Young's ale and red onion chutney. Our new fish and chips offering is served with the nostalgic sides of mushy peas and curry sauce, a real crowd pleaser!

97

Apprentices employed

Showcased events (right)

We proudly showcased a series of exciting events throughout the year, bringing our community together. Our supper clubs offer a delightful exploration of our menus, and give our chefs a chance to show off their skills. We also celebrate exciting days in the calendar, including the revelry of St. Patrick's Day to the rich traditions of Burns' Night.

Chairman's statement

Young's is a wonderful and unique company, which continues to thrive and is more than ready to meet the challenges ahead. It's been a privilege to have played a part in its rich history.

Stephen Goodyear Chairman

£388.8m
Revenue

£49.4m
Adjusted profit before tax

At the start of the financial year, I announced my intention to step down after 29 years as a director of Young's. The last 21 years have been spent as CEO and latterly as chairman. During this time, we have seen considerable change, but have never lost sight of how important it is to support and invest in our pubs who all play such an important role in their communities and our financial success.

Our estate comprises some of the very best pubs in the UK. While our food has evolved to a high standard, and we win recognition from awards ceremonies every year to prove it, our pubs are not restaurants. We worked hard to maintain the integrity of our pubs throughout the pandemic and beyond, and today we strike the perfect balance between our drink, food and accommodation offerings.

I am proud Young's is in such good shape having achieved 20 years of successive growth before the pandemic, and quickly returning to pre-covid levels whilst the broader leisure market has continued to struggle. This year, despite the continued volatile economic conditions, has been another good one. On a comparable 52-week basis, total revenue was up 7.4% on last year, with like-for-like sales growth of 3.4% on a comparable 52-week basis. We achieved an adjusted EBITDA of £92.2 million (2023: £85.5 million), an increase of 7.8%.

Over the years there has been considerable change as Young's has evolved into what is now a pure play managed pub company operating in the south of England. The recent acquisition for a total consideration of £158.0 million of the City Pub Group plc ('City Pub Group' and/or 'City Pubs') is an exciting and transformational deal that changes the financial dynamic as we strive to exceed £500 million of turnover for the first time in our history.

This year, putting the City Pub Group acquisition aside, we invested a further £84.5 million, including the acquisition of eight new pubs and the completion of significant projects to revitalise the likes of the Marquess of Anglesey (Covent Garden), Guinea Grill (Mayfair) and Defector's Weld (Shepherd's Bush). Despite our significant investment, the business remains moderately financed, with net debt of £359.6 million and 3.9x times our adjusted EBITDA.

On the back of another successful year, the board is very pleased to recommend a final dividend of 10.88 pence. If approved by shareholders, this will result in a total dividend of 21.76 pence (2023: 20.52 pence),. It is expected to be paid on 2 August 2024, to shareholders on the register at close of business on 5 July 2024.

Steve Cooke is replacing me as chairman after the AGM and I would like to wish him every success for the future. He is an experienced corporate lawyer who joined our board in November 2023 and has recently retired as senior partner of Slaughter & May. Steve has advised companies in the consumer, leisure, media and retail sectors and brings a valuable external perspective to the board.

During the period Ian McHoul stepped down as a non-executive director when he came to the end of his second three-year term in January. On behalf of the board, I would like to thank Ian for the insight and guidance he has provided during his time at Young's, including as a member of the board's audit and remuneration committees.

As a board we are passionate about building a sustainable company and we are committed to driving a positive environmental, social, and governance agenda. We are making great strides here, not only because businesses like ours are quite rightly being held to account by the Climate-Related Financial Disclosures (CFD), but because it is simply the right thing to do for the communities we work in and support.

We are also passionate about our people. I have always believed in allowing people to flourish, if they're happy when they go to work, they'll do the job to the best of their ability. It's something I have tried to instil throughout Young's during my time here, and I would hope that most of our team would agree that we have succeeded in doing so. This approach has been supported by better training, better welfare and stronger recruitment thanks to incredible initiatives like the Ram Agency – a real winner that has provided ultimate flexibility for our teams while cutting unnecessary costs for Young's.

It seems fitting to bid farewell in this, my 50th year as part of the brewing industry. Things have of course changed immeasurably in that time, but we must always remember that we are merely custodians of the Young's name. We are here to secure its success and longevity for generations to come.

I would like to take this opportunity to thank a few people who have shaped my career with Young's and those who will see it into the future. The late John Young, who passed away in 2006 after 40 years as chairman, and his wider family have always been so supportive. Patrick Read, who was CEO when I was recruited and whom I eventually succeeded, gave Young's the managed house platform from which to build. Also, to Chris Sandland and Nick Bryan both chairman during my time as CEO, and Patrick Dardis, who was an exemplary Retail Director and CEO during my time as both CEO and chairman. Finally, Simon Dodd and Mike Owen, our current CEO and CFO, who joined in 2019 and almost immediately took on the unenviable task of, very successfully, guiding us through the pandemic and building a solid platform to take us into a new era.

I would also like to extend my thanks to all our executive directors for their hard work, leadership and dedication this year, to the non-executive directors for their continued wisdom, guidance and encouragement, and finally to our shareholders for their continued support, not only this year but throughout my tenure.

I have enjoyed the most wonderful career at Young's, it's never been dull and I will miss it all terribly. However, it's time for a change, for Young's to move on to the next chapter and no doubt exciting times ahead, which I will follow with great interest.

Stephen Goodyear
Chairman

24 June 2024

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, the south of England and Wales. 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.

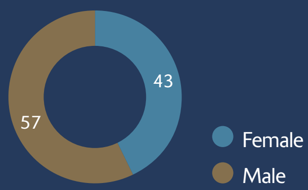
1831
Established

21.6m
Pints sold

7,712
Employees

£12.1m
Cocktail sales

£12.4m
Roast sales



Our locations

47
South West

42
South East

5
East

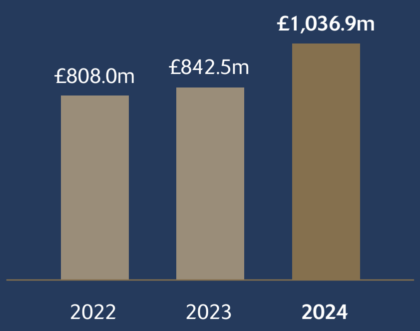
4
Wales

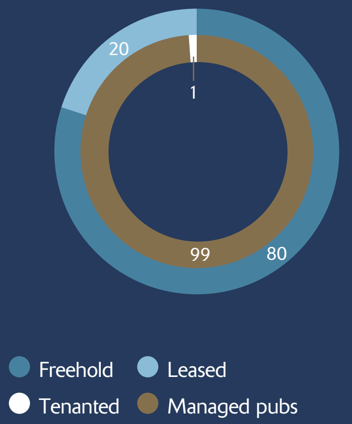
3
Midlands

£1,036.9m
Valuation of our estate

288
Pubs

1,066
Bedrooms





£48.0m
Project spend

63
New acquisitions

187
Greater London

Investing in our estate

A record year of investment in our existing estate, from transformational schemes to smaller sparkles and bedroom upgrades, our estate is set up for future success.

Defector's Weld (below)

A West London stalwart, that's evolved from an ageing local into a spirited pub with a fresh outside courtyard and regular DJ nights. Serving 'pub grub meets street style' food and hoppy ales to rich stouts there is something for all.

Marquess of Anglesey (above)

Standing proud in the heart of Covent Garden, this pub has had a significant refurb including a new roof terrace with a bespoke retractable roof and views over London. The spaces offer something for everyone, from traditional pub ales on the ground floor to sophisticated dining on the first floor and stunning cocktails on the top floor.

Bedford Arms (above)

Nestled in the heart of the Chilterns, this pub has undergone a fantastic renovation upgrading the inside trading space, the garden and the 15 bedrooms. It is now a cherished spot for locals, serving up a new menu of delectable dishes along with an extensive decadent wine list.

Leather Bottle (above)

Famous for its beer garden in South West London, this popular pub has had a big transformation creating a new bar, shepherd's huts and burger shack outside and a cosy Victorian pub inside. There is no better place to host a party!

Clapham North (above)

A standalone favourite amongst Clapham pub goers, this pub has been lovingly restored fast becoming the go-to location for televised sport, craft beers and a vibrant atmosphere.

Guinea Grill (above)

One of London's favourite steakhouses saw a refurbishment that doubled its dining covers, whilst keeping its unique charm and ambiance. A traditional silver service restaurant, specialising in the very best grass-fed, dry-aged British beef and seasonal dishes, alongside a carefully curated drinks menu and wine list. It's no wonder this pub remains a firm favourite of both locals and tourists!

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.

What we do

We manage, acquire and invest in premium, differentiated pubs and pubs with rooms in prime locations across London and the south of England.

Freehold estate

We run a predominantly freehold estate that gives us greater control and opportunities within our business, and enables us to negotiate better terms with lenders, whilst allowing us to also benefit from increases in property values.

Premium pubs

We operate differentiated, premium, mostly drink-led managed pubs in London and the south of England. Our locations are mainly in areas that have a high proportion of affluent customers.

How we do it

Our competitive advantages enable us to deliver sustainable growth and provide the agility needed in the face of unforeseen challenges.

People

- Depth of knowledge and expertise
- Strong customer relationships
- Trusted teams
- Unique culture

Revenue mix

- Our revenue mix is 62.5% drink, 31.5% food and 6.0% accommodation

Diversified estate

- Freehold-rich estate
- Prime locations often within walking distance of public transport links

Buying power

- Buying power of our managed estate to source the best products at the best prices

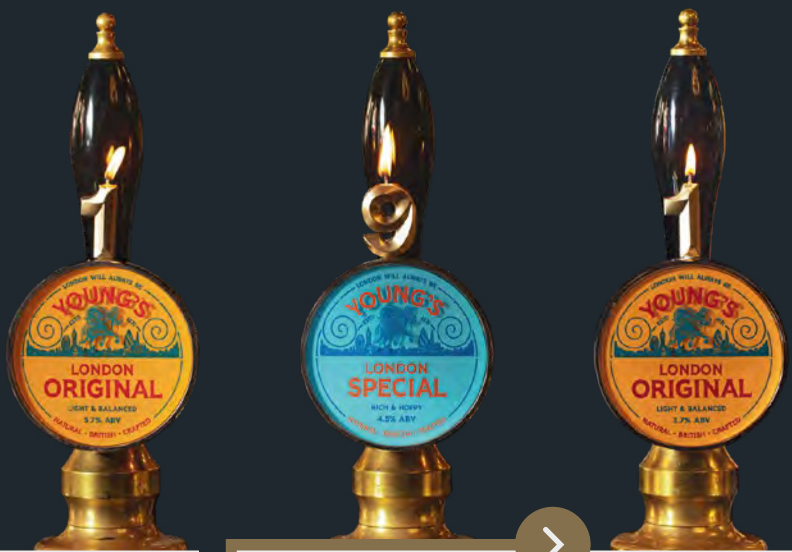
Our values

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

Our long term premium strategy will ensure continued success.

"Once again, I am pleased to announce a positive set of results, driven by our well-invested, premium estate that operates at the highest level in the industry."

Simon Dodd Chief Executive

We continue to evolve and lead the market, delivering a landmark year in which we completed the acquisition of the City Pub Group, despite a challenging macroeconomic landscape.

We were delighted to finalise the City Pub Group acquisition in March, for a total consideration of £158.0 million, the largest in Young's history. This is a significant milestone for Young's, accelerating its expansion and providing a platform for future growth. Following the acquisition, we grew our estate by 55 pubs to 288 pubs, an increase of more than twenty five percent, and added 240 new bedrooms an increase of more than twenty five percent, to 1,066. City Pubs' predominantly freehold portfolio of individual, premium and well-invested pubs & bedrooms, located in affluent towns and cities, is highly complementary to Young's existing estate. It also strategically expands our presence in high-footfall areas across London and the south of England. There will be additional operational and financial benefits from the transaction. These are achieved through purchasing and overhead synergies delivering improved margins, combined with operational benefits at a pub level through leveraging our best-in-class operating practices, booking platforms and digital technology.

As we continue to grow through acquisition and investment in our pubs, it is important that we remain equally focused on our heritage. We are privileged at Young's to have almost 200 years of history to look back on and reflect how the stories of our past have made us the family of people and pubs that we are today. There is real pride in our heritage, and it is very important that every team member in the Young's family understands where Young's has come from and how this supports where we are heading.

On a comparable 52-week basis, total revenue was up 7.4% to £388.8 million, underpinned by a solid like-for-like performance of 3.4%, driven by continued investment in our existing estate, complementary individual acquisitions and four weeks' revenue of City Pub Group. Despite the ongoing challenges related to inflation, consumer uncertainty and significant increases in the National Living Wage, our adjusted operating profit was up 9.4% to £57.3 million (2023: £52.4 million), with adjusted profit before tax up by 9.3% to £49.4 million (2023: £45.2 million). Total profit before tax was £20.7 million (2023: £36.2 million) primarily due to transaction costs related to the City Pub Group acquisition and a small movement in our annual property revaluation. Adjusted operating margin remained strong at 14.7%, (2023: 14.2%), which we are confident will improve further over the coming period as the scale benefits of the City Pub Group acquisition materialise.

Young's is a business that continues to place investment in its people and pubs at the heart of its decision making. We are committed to maintaining a premium estate and our strong financial position has enabled us to invest a total of £84.5 million across our existing pubs and eight individual acquisitions outside of the City Pub Group transaction. During the period we were delighted to welcome The Crooked Billet (Clapton), Ship Inn (Noss Mayo), Tattenham Corner (Epsom Downs), Libertine (Westbourne), White Hart (Ford), White Lion (Tenterden), Huntsman (Brockenhurst) and the Stag (Belsize Park). Within our existing estate we invested £48.0 million, including transformational projects at the Clapham North (Clapham), Bedford Arms (Chenies) and The Constitution (Camden). We also opened our new roof terrace at the Marquess of Anglesey (Covent Garden), introduced new outside space at the Defector's Weld (Shepherd's Bush), and doubled the size of one of our most-loved pubs, the Guinea Grill (Mayfair) by acquiring and knocking through to the site next door.

Our success is ultimately down to our people. Our amazing managers, chefs and their teams are the beating heart of our operations, reinforcing and maintaining the vital position they hold at the heart of their communities. That's why it's so important for us to have the best possible people working throughout the group. 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, and I am extremely proud of the fact that, across our pubs, 65% of general managers and 62% of chefs are developed internally.

As well as nurturing and developing our people, we are committed to making a lasting and positive contribution to the communities we operate in by respecting and protecting 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. Some of the most impactful initiatives last year included starting the roll out of EV chargers, moving all urinals to waterless systems, removing our gas garden heating systems, and launching our first all-electric pub, the Bedford Arms (Chenies).

Recent trading and outlook

Since the period end, trading has been positive with total sales for the last 9 weeks up 24.4% with the inclusion of City Pub Group and like-for-like sales up by 2.4%, this is against the backdrop of last year's excellent late spring and early summer weather which delivered a strong comparative period and little in the way of reasonable weather so far this year. It is also expected that the net debt to adjusted EBITDA ratio will fall back to more historical levels by the end of FY25 once a full year of the additional EBITDA from the City Pub Group acquisition is included.

We are making good progress integrating the brilliant teams from City Pubs, work that has already begun in earnest. As they join the Young's family, we will also reflect on the many things that have brought them success so far and take learnings for the wider Young's estate. I look forward to getting to know all the teams better and working with them to enhance the business over the coming years.

I'd like to take this opportunity, on behalf of everyone at Young's, to extend my thanks and congratulations to our wonderful chairman, Steve Goodyear, who will be standing down at our upcoming AGM. Steve is a legend in our industry who has led our business for over 20 years and overseen its dramatic transformation, characterised by many considerable successes, including the recent City Pubs acquisition. On a personal note, I would like to say a huge thank you to Steve for his wise counsel and support. All at Young's wish him the very best in his retirement, and I expect to find him occasionally enjoying a pint of Young's Original at the Bull's Head in Chislehurst.

I'd also like to welcome our new chairman, Steve Cooke, who joined us from Slaughter and May solicitors where he was most recently senior partner. Steve spent more than 40 years with the firm, where he advised a wide range of businesses including those in the hospitality sector and led its mergers and acquisitions practice for 15 years. Having joined as a Non-Executive Director in November, he has already brought invaluable experience and an external perspective to the board and will take over as Chairman in July following our AGM.

Looking ahead, there is plenty for us to be excited about. This summer we have a festival of sport, starting with EURO 24, Wimbledon and the Olympics, followed by the return of the Autumn Rugby Internationals which provides a fantastic opportunity given our rugby heritage. The recent investments, acquisitions and City Pub Group transaction provide incredible long-term growth potential.

We remain focused on maintaining our premium position within the pub sector and are confident in our winning strategy of operating premium, individual and well invested managed pubs & bedrooms, crucial to our continued success and the delivery of achieving superior returns for our loyal shareholders.

Simon Dodd
Chief Executive

24 June 2024

Discover more at
The Lamb Hindon

At the heart of the local community.

Nestled in the Wiltshire countryside, the Lamb is a classic 12th Century coaching inn that has all the quirks and qualities a country pub needs to be unforgettable. It is a firm favourite with the locals, offering everything from a pint of real ale in the garden to a delicious Sunday roast using only the best local, seasonal produce.

18
Rooms

4.2k
Rooms sold in 2024

THE LAMB
HINDON

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 2024

- Transformational projects at the iconic Guinea Grill and the Leather Bottle. Alongside smaller schemes to ensure our pubs remain premium.
- Long-term strategy to maximise the potential from our remaining tenancies or unlicensed properties, with the work underway to transfer the previously unlicensed property in Farnham into a trading pub.

Our priorities for 2025

- Our project at the recently acquired Tattenham Corner is onsite and is due to complete later this year.
- 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.

£48.0m
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 2024

- On 4 March 2024 we completed on the acquisition of the City Pub Group, a premium pub and hotel operator, accelerating our growth and expanding our presence in London and the South East of England.
- We acquired a further eight individual premium sites, including four pubs with rooms and two popular central London sites.

Our priorities for 2025

- As the City Pub Group was acquired four weeks before the year end, our focus will be on the smooth and effective transition and operation of the City pubs in the coming months.
- Strategically selecting acquisitions that meet our internal investment criteria and possess potential.

£194.5m
Acquisition investment

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 2024

- 510 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 69% of general manager positions with internal candidates, and 62% of head chefs.

Our priorities for 2025

- Our aim is to have over 650 team members registered with the Ram Agency.
- We have recently recruited two cellarmen, with the aim of supporting great beer in our pubs.

97
Current apprentices

10 12

The circled numbers refer to Principal risks and uncertainties on pages 49–53.

Discover more at
The Marquess of Anglesey

At the centre of urban life.

One of Covent Garden's most historic pubs, the Marquess of Anglesey is famous as a meeting point for pre-theatre drinks, a bite to eat, or a rooftop cocktail. The traditional pub is set over three stunning floors, serving a variety of seasonal, British dishes, alongside a pint of our Young's Original, or a selection of our finest wines and spritzes.

Roof terrace

Added in 2023

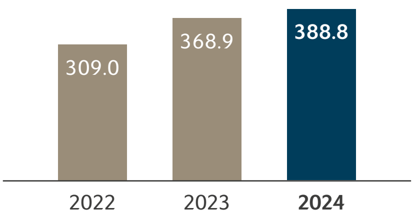
The bespoke retractable roof adds an additional 40 covers whatever the weather!

MARQUESS OF ANGLESEY

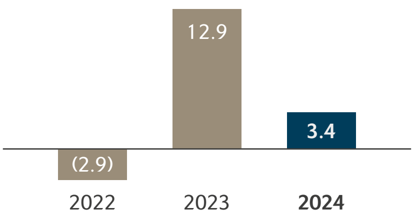
Key Performance Indicators

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.

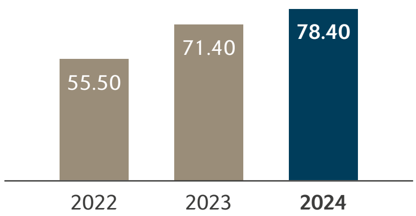
Revenue £m*
This is our group revenue, mainly consisting of our managed pubs.



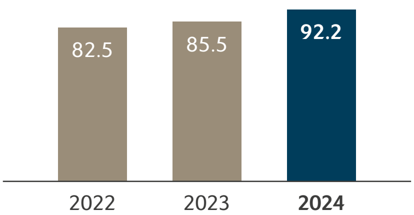
Like-for-like revenue %
This is our revenue movement for this period compared with the previous period for our managed pubs that traded throughout both periods.



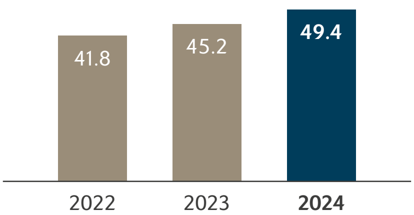
RevPAR £
This is our revenue per available bedroom; it is the average room rate achieved multiplied by the occupancy percentage.



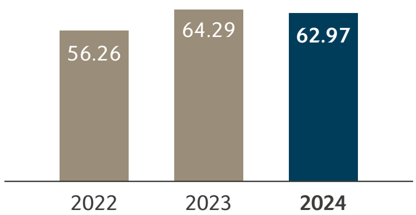
Adjusted EBITDA £m*
This is our earnings before interest, taxes, depreciation and amortisation adjusted to exclude any non-underlying items for the group. (See notes 9 and 10).



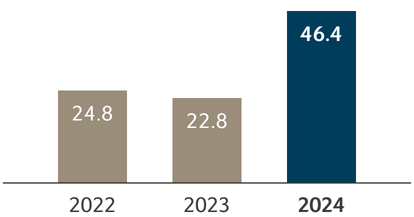
Adjusted profit before tax £m*
This is our profit before tax, adjusted to exclude any non-underlying items for the group. (See notes 9 and 10).



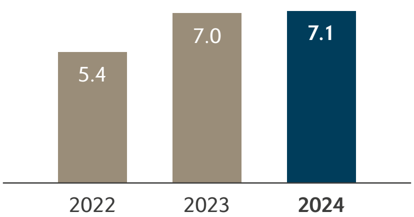
Adjusted earnings per share (p)*
This is our adjusted profit after tax, divided by the weighted average number of ordinary shares in issue. (See notes 9 and 15).



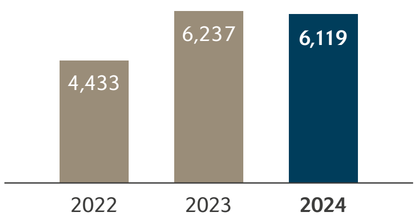
Gearing %
This is our net debt divided by our net assets (expressed as a percentage).



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



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



* Results for 2024 are for a 52-week period, whilst results for 2023 are for a 53-week period.

** Relates to the Young's estate only.

Our latest acquisitions

We seek out new pubs with character and heritage.

Huntsman (below)

Situated in the heart of the enchanting New Forest, the Huntsman is a much-loved traditional pub in a timeless location. With 13 rooms and a stone's throw away from Brockenhurst station, on a mainline direct from London Waterloo, it is the ideal countryside staycation.

White Lion (above)

The White Lion is a country pub that has been at the heart of the community for almost 500 years. The Grade 2 listed pub features 14 bedrooms, cosy open fires and olde-worlde charm by the barrel load.

Crooked Billet, Clapton (left)

In keeping with the Young's portfolio, the Crooked Billet in Clapton has always been more than a pub; it's a lifestyle. Known for its selection of speciality craft beers, local and global food menu, and one of East London's most spacious beer gardens, it is the perfect location for planned get-togethers and spontaneous pints.

Aragon House (right)

Sitting on the edge of idyllic Parson's Green, this historic venue plays host to weddings and events, in addition to its luxurious hotel featuring 15 boutique rooms, premium restaurant, garden and bar. Quality is at the heart of this business, from fresh, seasonal menus, to our fine wines and late night cocktails.

Ship Inn, Noss Mayo (left)

A delightful, traditional waterside pub on the Devonshire coast, the Ship Inn combines traditional character with modern comforts, making it the perfect destination for locals and visitors alike.

The White Hart (below)

A historic pub in the heart of the Wiltshire countryside, dating back to Tudor times. The pub includes 11 unique bedrooms, offering the perfect place to enjoy a hearty meal and a cosy stay surrounded by history.

The Hoste (above)

Situated on the spectacular North Norfolk coastline, this pub, restaurant, hotel & spa is steeped in history and brimming with passion for its local surroundings. With a reputation for excellent food made from fresh, local produce and beer brewed nearby, alongside 47 individual bedrooms, this pub is worth an overnight visit.

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

The board is accountable to its stakeholders and understands the importance of incorporating stakeholder considerations into board discussions and decision-making. The directors continue to ensure they act in a way which is in good faith and most likely to promote the success of the group over the long term for the benefit of its members as a whole, and in doing so, also having regard for the group's key stakeholders and other matters set out in section 172(1) (a) to (f) of the Companies Act 2006, being:

- the likely consequences of any decision in the long term;
- the interests of the group's employees;
- the need to foster the group's business relationships with suppliers, customers and others;
- the impact of the group's operations on the community and the environment;
- the desirability of the group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

Stakeholder engagement

The directors have identified the group's stakeholders to be our customers, people, community, suppliers, investors, lenders and the trustees of the final salary pension scheme. Each stakeholder group has their own individual priorities, of which the directors are aware and have regard to. These priorities are considered, where appropriate, in the board's decision-making. This is not only the right thing to do but is also vital in achieving the group's long-term objectives.

Principal stakeholder groups

The below table details how each of the stakeholder groups were engaged with during the period.

Stakeholder group	How we engaged and the outcomes
Customers The company's source of revenue is from customers in the group's managed houses. 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 50.	Our pub teams encourage and regularly review customer feedback via the Reputation platform. The feedback helps our pubs to understand their local customer preferences and provides actionable insights which allow us to adjust our offer. Further detail can be found within the directors' report, starting on page 88 – *Engagement with suppliers, customers, and others in a business relationship with the company* and the *Our community* section of the sustainability report, starting on page 30.
People The commitment, skills and experience of the people employed throughout the organisation (whether they are in the 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. See also principal risks and uncertainties 10 on page 53.	Our people are our biggest asset, and we strive to develop well-rounded hospitality careers. We take great care to ensure that all employees are kept well informed of developments within the business and encourage employee feedback and engagement through various initiatives. Further detail on how we have engaged with our people can be found within the *Employee engagement* section of the directors' report, starting on page 87, and the *Our people* section of the sustainability report starting on page 26.

Stakeholder group	How we engaged and the outcomes
Community Our pubs are at the heart of their communities, and take great pride fulfilling their role as key hubs. As a company we strive to have a positive and long-lasting impact on the communities in which we operate, supporting local causes, providing employment, acting as a good neighbour and as a responsible business.	Throughout the period, our teams have done tremendous work engaging with the community from hosting charity events, organising local volunteering activities and providing warm and safe spaces to those in need. Further detail can be found in the *Our community* section of the sustainability report, starting on page 30.
Suppliers 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. See also principal risks and uncertainties 4 and 8 on pages 51 and 52.	We maintain trusted partnerships with our key suppliers, alongside the need to ensure that we are achieving value for money for our shareholders, and good service for our customers and pub teams. Further detail on how we have engaged with our suppliers can be found within the directors' report, starting on page 88 – *Engagement with suppliers, customers and others in a business relationship with the company*.
Investors Continued access to capital is of vital importance to the long-term success of the company's business. Through 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 52.	For information on the company's main methods of engagement with investors see the *Shareholder relations* section within the corporate governance report, starting on page 73. During the year, as part of the acquisition of the City Pub Group, the group issued 3,612,240 new A ordinary shares. See Acquisition of the City Pub Group and Equity issue on page 23. The company's investors remain supportive of the company's strategy and business model.
Lenders 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 52.	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. Further discussion took place during the period regarding the additional funding required to complete the acquisition of the City Pub Group. The company's lenders remained supportive of the company's strategy and business model, discussions between them and the company focused on the company's material activities.

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

Stakeholder group	How we engaged and the outcomes
Trustees of the final salary pension scheme 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 51.	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. 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. Discussions primarily focussed on the 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 and a funding target of securing a buy-out policy within the next 10 years. The 2023 triennial valuation was signed ahead of the statutory deadline (to provide greater certainty for the company, trustees and members) on funding. As a result of the triennial valuation the company agreed to increase its annual deficit funding contribution to £1.9m. The trustees' requested a discretionary increase for the year starting 1 April 2024. 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 group.

Approval of capital and revenue budget for FY25

The capital and revenue budget for FY25 was approved by the board in March 2024. 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 invest in the company's estate and 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.

Board changes during the period

On 1 November 2023 Steve Cooke joined the board as an independent non-executive director and will be taking over as chairman when Stephen Goodyear steps down at the company's 2024 AGM. Torquil Sligo-Young was invited to stay for a third three-year term, through to 30 September 2026. Torquil plays an important family liaison role and is also chairman of the trustee company that manages the company's final salary pension scheme. Ian McHoul stepped down from the board in January 2024 following the completion of his second three-year term. Aisling Meany was appointed chair of the audit committee following Ian's departure. 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 diversity 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 FY23 and payment of an interim dividend and final dividend in respect of FY24

Following a board recommendation and shareholder approval of the same at the company's 2023 AGM, a final dividend of 10.26 pence per share was paid to shareholders in July 2023 (at a total cost of £6.0 million), this was followed, in December 2023, by payment of an interim dividend of 10.88 pence per share (at a further total cost of £6.4 million). These payments were anticipated in the revenue and capital budget for FY24 approved by the board in March 2023. Funds to pay these dividends were from the group's distributable reserves. The company will recommend the payment of a final dividend of 10.88 pence per share to shareholders for the financial year ended 1 April 2024 at the company's 2024 AGM.

Extension of key drink supply agreements

The drink supply arrangements with our major beer suppliers were updated with an initial fixed term running until the end of March 2026 or the end of March 2029, depending on supplier. Our Champagne and English sparkling wine supply agreements have also been re-tendered with an initial fixed term running until the end of March 2026. The drink supply arrangements with our spirit suppliers due to run until the end of March 2024, were extended by 12 months with mutual agreement with our suppliers through to the end of March 2025.

Acquisition of the City Pub Group

During the period, the company completed the acquisition of the City Pub Group by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the 'Scheme'). The Scheme became effective on 4 March 2024 and the company took ownership of the entire issued share capital of City Pubs, which added 55 additional pubs and 240 rooms to the company's estate. The acquisition strengthened the company's presence in London and opened the company up to new geographic areas such as Bath, Cambridge and Norfolk. Details of the consideration paid, and the associated costs are set out in note 13 on page 124. The transaction represented a rare opportunity to acquire a high quality pub and bedroom portfolio at scale, allowing the company to increase its managed trading estate by more than 20% and accelerate its growth strategy, and create value for all stakeholders.

Financing and liquidity position

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. The board took the decision to acquire additional funding in order to complete on the acquisition of the City Pub Group.

As part of this, the group entered into a £20.0 million term loan with NatWest, HSBC, and Barclays, due to mature in November 2025, and a £110.0 million term loan with NatWest, HSBC, and Barclays, due to mature in November 2028, but with the option to extend by 1 + 1 years. The board remains comfortable that the company has sufficient financial resources to develop its existing business and exploit opportunities as they arise.

Equity issue

During the period, as part of the acquisition of the City Pub Group, the group issued 3,612,240 new A ordinary shares.

Acquisitions of new managed houses

During the period, the company acquired the following freehold pubs as part of the group's managed house estate: Libertine (Westbourne), White Hart (Ford), White Lion (Tenterden), the Huntsman (Brockenhurst), Crooked Billet (Clapton), Ship Inn (Noss Mayo) and the Tattenham Corner (Epsom). The company also acquired the virtual freehold of The Stag (Belsize Park) as an investment opportunity. The pub is currently being leased to a third party.

Details of the consideration paid, and the associated costs are set out in note 13 starting on page 124. 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.

Property disposal

During the period, the company agreed to sell the Lounge at the John Salt (Islington). The property had been closed for a period of time prior to its sale and team members had been redeployed within the business where possible.

Sustainability report

We are committed to building a sustainable company.

Our sustainability programme focuses on three core areas:

Our people

See pages 26 to 29

- 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.

2024 highlights

- 69% of general managers from internal appointments
- 510 employees registered with the Ram Agency
- Over 100 mental health first aid champions

Our community

See pages 30 to 33

- 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.

2024 highlights

- £200,000 raised for Wooden Spoon
- 400 coats donated to WrapUp London
- Our pubs' average Reputation score of 795 at the period end

Our environment

See pages 34 to 42

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

2024 highlights

- The company's first all-electric pub
- 100% waste diverted from landfill
- 325,271 litres of waste cooking oil collected

Our approach

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.

We have a structured approach to sustainability and we have adopted a clear governance framework, which is explained below. 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, which is now included in our training and development programmes and we have embedded initiatives, which encourage behavioural change. We continue to work with external advisors to gain a clear understanding of the steps we need to take to reduce our Scope 1, 2 and 3 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 to provide leadership and ensure that we are taking a coordinated approach to sustainability throughout the business. We recently appointed a property sustainability manager to focus and monitor the trialling and rollout of interventions required to maximise the carbon efficiency of our properties. The management board, which is composed of our executive and leadership teams, regularly discusses ESG issues and members receive regular updates from the sustainability manager and the director of property on various initiatives. 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.

We provide an overview of the company's ESG governance framework and the specific roles and responsibilities across our teams in our Climate-related Financial Disclosures on pages 43 to 48.

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, Scope 2 (our direct company emissions) by 2030 and Scope 3 emissions (our indirect company emissions) by 2040. 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.

Climate-related Financial Disclosures ('CFD')

The company engaged Simply Sustainable to assist the company with its first disclosure under CFD (see pages 43 to 48). A working group which was composed of members of the sustainability, finance, company secretariat and internal audit and risk management teams was set up to work closely with Simply Sustainable. Workshops were held with key stakeholders to identify, debate, and quantify the material climate related risks and opportunities facing the company.

Our people

Realising and developing potential.

Our people are at the heart of everything we do, and we strive to develop well rounded hospitality careers. By offering the chance to build knowledge and skills, we empower our people to reach their career goals through our comprehensive training programmes, two of which are detailed below.

Our Chef Development Programme

Our in-house crafted, fast track development programme focuses on developing the skill set of our chefs. From kitchen porter to commis chef, chef de partie to sous, and sous to head chef, this six month training and development programme has supported our internal succession rate achieving 62% of all head chef appointments during the period coming from within our business.

General Manager Designate Programme

Our General Manager Designate ('GMD') programme has been a key part to our success this year. We have developed 21 internal deputy managers and 14 externally recruited managers into Young's general managers – these 35 programme graduates are now running their own businesses, with many more working their way through the programme.

The programme takes a tailor-made approach, assessing and developing the knowledge of our teams with both on-site development and centrally run courses with our Copper House support teams. Leaving no stone unturned, the programme ensures our GMD's are fully prepared and set up for success in their first pub.

Strategic Report

Our people

Training and development

This year has seen a transformation of the company's 'career pathway' to include more dynamic, in-person training courses, from cocktail master classes to 'Fun with Finance' run by our in-house trainers and support teams. We have transformed the look and feel of our online training with engaging content around 'Glorious Hospitality' and 'Food Glorious Food' accessible to all our teams via The Ram app or desktop interface. The channel and courses available are used to inspire and develop our teams, from team member through to general manager, and then onto operations manager, or from kitchen assistants through to head chefs, and onto executive chefs.

The company has increased its apprenticeship offering this year to include courses on coaching, learning & development, and operations as well as our chef and hospitality apprenticeships. The uptake has in turn increased, and we have seen 97 apprentices over the course of the year which steadily continues to increase.

The company's first graduate programme was launched in September, and we are already seeing great success and promise from our two graduates who are currently working on a two-year rotation across each department in Copper House and operations.

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 69% of our general managers and 62% of our head chefs were internal appointments. These numbers are made up of graduates of a general manager and head chef development programmes, as well as those developing their career further, by moving onto running a larger or more complex pub.

As a result of our internal developments, 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.

Matthew Love, Sous Chef, Dunstan House

Matthew started working as a team member for Young's in 2019 and was promoted to bar supervisor in 2021. From there he started helping in the kitchen during busy periods, which led him to helping with breakfast shifts.

This sparked an interest in cooking, and he discovered the company's commis chef apprenticeship scheme and with the support of his general manager be enrolled on the course. After attending several of the courses master classes his passion for cooking developed and he decided to become a chef. The course gave him access to the company's executive chefs who inspired him and supported him through the course. He also gained experience and knowledge from other Young's head chefs who he met on the course, and he now has a network of people he can speak to within the company.

Matthew has now moved on to the company's fast track to sous chef programme and we look forward to seeing where this takes him.

Charlotte Devereux-Cole, General Manager Designates Trainer, Copper House

Charlotte's journey with the company began nearly nine years ago when she joined as general manager of the Paternoster. She then went on to run two more of our most successful pubs, the Lamb Tavern (Leadenhall Market) and the Leather Bottle (Earlsfield). In 2022, she completed the company's self development programme, its flagship leadership development programme.

The self development programme came at a great time for her and enabled her to see development opportunities beyond working within the pub and wider operations teams.

Her interest in the operations side of the business grew and last year she joined the people team as a trainer for our general manager designates.

She now manages the General Manager Designate programme, supporting the development of our senior deputy managers into their first appointments. She has always been passionate about training our teams and our people and being able to directly impact this impressive programme within Young's has been extremely rewarding for her.

It's not always a linear journey when it comes to progression within a company. The flexible nature of Young's has enabled Charlotte to seamlessly join the people team and have a direct impact on our strong people focused culture.

Our people continued

Lois Sykes, General Manager, Mulberry Bush

Lois started her career with the company as a team member at the King's Arms, Wandsworth in 2019. She worked her way up from team member to deputy manager at the pub within four years. With the support of her general manager, she enrolled on the company's general manager designate programme in early 2023. The course helped give Lois the confidence and the knowledge needed to run her own pub, and following a short hold at the Cock Tavern she was appointed general manager of the Mulberry Bush in 2023.

With the support of her team, she has been able to put her stamp on the Mulberry Bush. After a busy Christmas period and oversight of a capital investment, soon after her appointment as general manager, she is grateful for all the support she has received from the company in what has been a successful first year.

Employee involvement

The importance of good communication with our teams remains a key element in 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 and encourage employee feedback and engagement through various initiatives.

Employees are encouraged to use The Ram app, delivered by the company's e-learning platform, to access the 'Keeping in Touch' and 'Food Glorious Food' 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 communicates directly with every team member across the company, regardless of their location or working pattern which ensures that employees working flexibly receive all communications and can benefit from the information and updates which are shared. 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 shared with 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 more.

We engage with our employees and their elected 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 87 of the directors' report for further details of the workings of the information and consultation committee.

To improve direct access to the executive directors' and management board members, a 'dinner with directors' initiative has continued during the period. Each month, two executive directors or management board members host a dinner with invited general managers, head chefs, area sales and marketing coordinators and head office-based employees, where in a relaxed and informal environment employees can meet and speak with senior company representatives.

To celebrate employee service and retention, we introduced twice yearly 'long-service dinners', hosted by executive directors. All employees who are celebrating service anniversaries in multiples of five are invited to attend a dinner which celebrates their service with the company.

Employee health and wellbeing

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

The ongoing cost-of-living crisis means we have a sustained focus on mental health and wellbeing. We continue to grow our 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?' posts on The Ram app provide a variety of topical content to help with mental and physical health as well as fun activities for employees to do outside of their working day.

We keep a close eye on employee mental health, and we will direct employees who may need it, to fully funded, confidential, one-to-one counselling sessions with a qualified professional. These sessions are provided via a 24/7 free confidential telephone counselling service.

The company's partnership with Salary Finance continues and offers 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 address any financial difficulties they may find themselves in. This includes offering affordable loans which give staff access to their salary as it is earned. During the period, over 650 employees sought their help and advice, and 29 employees took advantage of the loan and debt support they provide, valued at over £80,000.

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 pages 87 to 88 of the directors' report for further details of the company's employee health and wellbeing programme.

Flexible working – Ram Agency

Flexible working and achieving a healthy work-life balance is important to our employees and prospective employees, so in August 2021, the company launched its own internal recruitment platform 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 the company's estate of 231 trading managed Young's pubs, and prospective employees can apply online. The platform encourages a wide pool of people attracting students, actors, travellers, parents, and many more, who might find it difficult to commit to traditional working patterns, to work with us. We receive excellent feedback, such as the snapshot captured below:

"Working with the Ram Agency has been a total lifesaver for us. The agency's general manager runs a tight ship, and it shows in the amazing team they have available, from front of house to back of the house. Our Ram Agency regulars, Pedro, and Ian are absolute rockstars who we couldn't do without! They're always available when we need them, covering holidays, and even jumping in at short notice with smiles on their faces.

What's impressive about the Ram Agency is how well-trained everyone is. It's like they're part of our team, fitting right in and making things happen seamlessly. Honestly, we'd be lost without this flexibility. It's not just an agency, it's like a secret weapon for success."

Tallon Smith
General Manager, The Wheatsheaf, Borough Market

"I joined the agency because I wanted to look after my mental health. I've always struggled with anxiety and dashes of depression, and I found out that I had ADHD on top of that, which was a big blow. Agency work allows me to still do what I do best professionally, while giving me the opportunity to also look after myself, allowing me to have some peace of mind."

Pedro Nogueira
Assistant Manager, Ram Agency

We are proud of the agency's success. At the end of the period, 510 employees were registered with the agency, covering front of house, kitchen, and restaurant roles, with almost 200,000 hours of Ram Agency hours worked.

Diversity and inclusion

We are committed to maintaining an environment where every team member is treated with fairness, dignity and respect and has access to the same rewards and opportunities. This is a key element of our sustainability commitment to our teams. Diversity and inclusivity influence our policies and culture at all levels throughout Young's. We are mindful 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 9.2% and median gender pay gap is 4.6%, which remains substantially better than the national average median gender pay gap of 14.3% (National Office of Statistics' Annual Survey of Hours and Earnings 2023). The group's full gender pay gap report is available on our website.

510

Employees registered with the Ram Agency
(2023: 350)

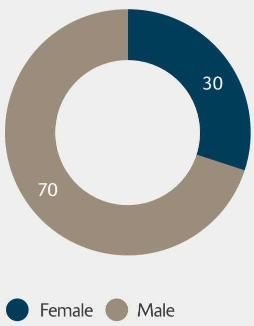
4.6%

Median Gender Pay Gap
(National Average: 14.3%)

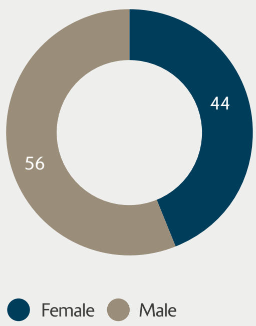
Gender diversity

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 to progress to senior roles.

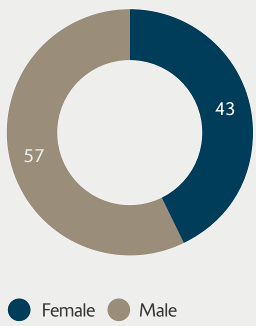
Board (%)



Leadership team (%)



All employees (%)



Our community

Our pubs are at the heart of their communities and play a vital role in bringing people together, helping combat loneliness by providing safe spaces, hosting special occasions with family and friends, to watching sporting events such as the Six Nations rugby. Pubs are an integral part of British life, and we have the power to unite people and make a positive contribution to the communities we operate in.

Wooden Spoon – our charity partner

Our pubs proudly support a number of charity and community activities but this year we were delighted to also be partnering with Wooden Spoon, the children's charity of rugby. We set ourselves an ambitious target for FY24 of raising £150,000 as a company for the charity's locally supported initiatives. In the 200th year of rugby as a sport, Young's utilised opportunities supplied by Wooden Spoon to host events with rugby players and commentators and got involved in volunteering opportunities such as the White Lodge (see feature), who provide support for people with disabilities to lead normal lives.

The partnership has strengthened an already strong affiliation with rugby, and it has allowed our pubs to support and give back throughout an exciting year of events. We successfully achieved our target by November, finishing the period having raised over £200,000, an amazing achievement. We are proud to have received the Corporate Support of the Year award, as part of the Wooden Spoon's 40th anniversary celebrations at the House of Lords.

An overview of the charities and the amounts we raised for each of them is detailed below:

Dogs for Good

Dogs for Good train dogs to help people affected by disability, dementia, autism, and other conditions and mental-health challenges to live happier, healthier, more independent lives. These are dogs that open doors, that connect people, that bring families together; dogs that help make everyday life possible in so many ways.

Amount raised: £35,000

Maddy's Mark

A charity established to remember Maddy Lawrence and raise funds in her name to promote positive mental health and wellbeing in young women, by fostering and building confidence, self-image, and self-belief through the sport of rugby. Focusing on the standards of teamwork, mutual support, and fellowship.

Amount raised: £35,000

Pass the Plate

Wooden Spoon's 'Pass the Plate' campaign provides support for food banks and community schemes up and down the country. The partnership will help people struggling to feed their families in these challenging economic times and will contribute to putting food on the plates of many.

Amount raised: £35,000

Wheelchair Rugby

Wheelchair rugby is a team sport for athletes with a disability. The partnership will supply more rugby wheelchairs which means more children and young people can get involved in this amazing sport and together we can help support tomorrow's superstars. Chairs cost between £3k-£5k.

Amount raised: £20,000

School of Hard Knocks

SOHK delivers life-changing programmes across the UK. The School's programme changes the lives of children and young people using rugby which is supported by a curriculum of powerful life lessons. The partnership will help fund more places for children on the programme in schools across London and the South East.

Amount raised: £35,000

Fusion Community Build

Part of the funds raised will go directly to a Fusion community build project where the pub and support teams who have raised the most funds will be invited to come and help build the project themselves at a school or centre for vulnerable young people.

Amount raised: £30,000.

Central Charity Support

Costs to support the day to day running and support of Wooden Spoon and our partnership.

Amount raised: £10,000

Volunteering at the White Lodge Centre, Chertsey

White Lodge is an incredible charity that helps support those with a range of disabilities, their families and carers, to lead fulfilling lives. Support starts from the early years providing child therapy services and specialist nursery through to youth clubs and short breaks for children and young people and with day activities, fitness, and clubs for adults.

As part of the fundraising efforts centrally supported fundraising included a Scrum Dine with Young's event at the Dog & Fox in Wimbledon. A rugby themed dinner that launched our Year of Rugby campaign, and raised £37k through the ticket purchase, raffle and auction supported by our key partners, with professional players on a panel sharing their predictions for the Rugby World Cup. £9k was raised through Young's Drop Gold, with 20p per pint sold contributed to Wooden Spoon and £12k was raised by participants of the company's Self Development Programme.

An overview of how the money raised was spent by the five charities will be provided in next year's annual report. We are thrilled to continue our partnership with Wooden Spoon and we have set ourselves the target of raising £200,000 during FY25.

Our community continued

A selection of other highlights during the year

WrapUp London

The Christmas period is Young's busiest time of year but it's also the time when we like to give back. During the period, we celebrated the festive season by working with WrapUp London, an initiative started in 2010 to help support men, women, and children in need. The aim is to keep London warm throughout the cold winter months through the collection and distribution of unwanted coats. As London is the birthplace of Young's, we wanted to support our local community by organising drop-off points across several of our pubs and promoting the initiative through social media. In true Young's style we then brought out the dray with several eager volunteers to help collect over 400 coats on behalf of the charity from a selection of our pubs.

Green Christmas

It's always heartwarming to see a beautifully decorated tree taking pride of place across our pubs at Christmas time, although it's sad to think that once they've fulfilled their Christmas destiny that the trees are no more. This year we decided to do something about it and for every tree we purchased we arranged for a new one to be planted in its place. In partnership with Ecologi we planted 263 trees through this initiative.

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 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.

River cleanups and the Ocean Conservation Trust

In association with Plymouth Gin and the Oceans Conversation Trust, a number of our pubs situated along the River Thames organised river cleanups. Combing the riverbanks for litter and removing it from our waterways, whilst raising funds for an incredible charity working to protect and restore our oceans. We've been teaming up with our friends at Plymouth Gin for an annual fundraising event since 2022. With Plymouth Gin promising to pledge 50p for every Plymouth Gin and tonic sold in our pubs between April – June to the Ocean Conservation Trust. To date we've raised £40,000, with the aim of raising another £20,000 during FY25.

During the period, team members from our West Country pubs attended an Oceans Conversation Trust session where they learnt about Oceans Conversation Trust's work and helped make nutrient balls which will be planted in Plymouth Sound, the UK's first national marine park, to support sea grass growth.

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 company's pubs achieved an average Reputation score of 795 at the period end.

2024 Young's Awards – Sustainable Pub of the Year Award

Chris Clatworthy, General Manager, has passionately championed sustainability at the Lass O'Richmond. His endeavours include community wildlife walks on Sundays, upcycling wooden pallets to grow the pubs own seasonal herb wall, creating a propagation station for customers to engage and take home, 'waste not pickles' bar snacks, volunteering to plant trees with Queen's canopy to help maintain the eco system of Richmond Park, and of course, a best of seasonal British menu that boasts ingredients largely sourced within a 90-mile radius.

Our suppliers

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. 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.

Paul Rhodes Bakery

Paul Rhodes bakery is just a stones' throw away from our Cutty Sark pub, nestled on the banks of the River Thames in Greenwich. Founded in 2003 by Paul Rhodes, the bakery was on a mission to bake and deliver fresh bread daily to the hospitality industry.

The bakery prides itself on high quality handcrafted breads and pastries and is constantly evolving to ensure there is a great emphasis on provenance and true artisanal production as well as helping sustain independent British farmers. The flour used in our bespoke recipe burger buns and sourdough bread is all made using 100% British grown wheat varieties which is milled at Marriages flour mill in Chelmsford, Essex.

Particularly with our signature Young's beer sourdough, made using Young's London Special Ale, British barley and the milling by-product bran. Bran is the external layer of the wheat kernel and is typically wasted with over 30% of the grain not having a use through the harvest.

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:

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.

Direct Seafoods

Delivering ethically, sustainable sourced British day boat fish to our guests has always been a mantra we have followed at Young's pubs. We've proudly been working with Direct Seafoods to deliver fresh fish that has been sourced responsibly.

We are proud to champion sustainable products which have links to the marine stewardship council ('MSC') like our haddock, served in our fish and chip recipe across all our pubs.

A significant amount of our seafood is wild caught and that's a big reason why we work with Direct Seafoods, who use the MCS good fish guide, to only deliver landings rated 1 to 3, which provides guidance on which fish species are sustainable and which species should be avoided.

Allergens

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. During the period, under review we partnered with the Natasha Allergy Research Foundation, with the aim of raising the awareness and the importance of effectively communicating and handling allergens. Our 2024 cohort of high performing general managers, head chefs and Copper House team members have just embarked on this year's 'Self Development Programme'. As part of the programme their project will focus on the awareness of handling allergens.

Our drinks offer

Today more than ever, our customers expect an authentic, premium, and interesting drinks range when visiting our pubs, perfectly served every time.

This year, we have added Asahi SuperDry to our beer range, brewed to the authentic Japanese recipe to deliver its dry, crisp taste and quick clean finish. We have also extended our craft beer offer with the introduction of DEYA beers to our bars. DEYA is an independent brewer based in Cheltenham focusing on hoppy beers such as Steady Rolling Man and gluten-free Magazine Cover.

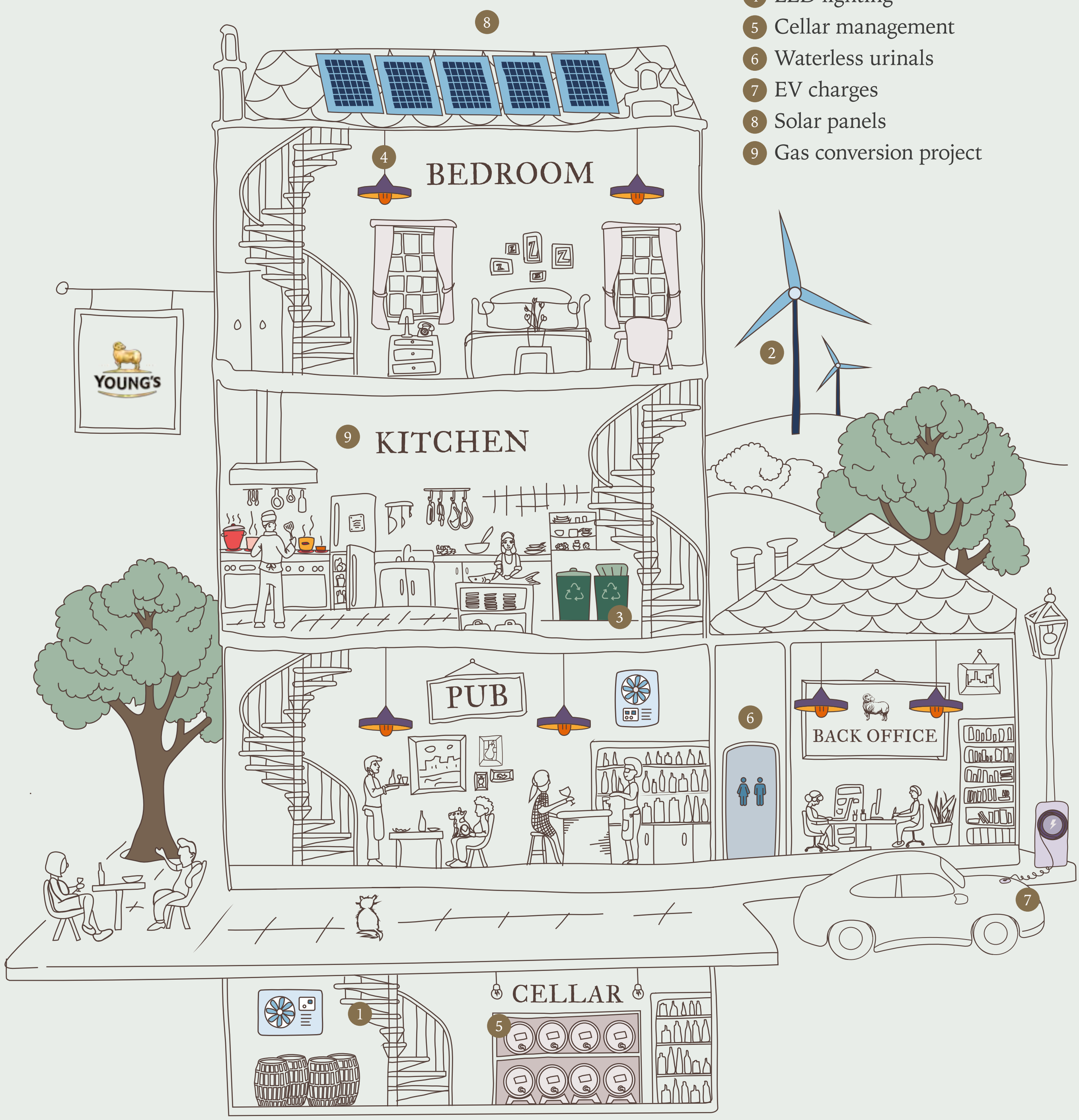
As 1 in 3 pub visits today, does not include the consumption of alcohol, we have put a lot of thought and care into our non-alcoholic offering and our range includes a wide selection of alcohol-free beers and spirits as well as low sugar soft drinks, to suit all needs. A number of which are must stock items in our pubs under our 'soft drink/no and low stocking policy'. Our no and low alcohol drinks range is expanding as our suppliers adapt to the change in customer preferences for different occasions. Estrella Free Damm, our draught alcohol-free lager is available in over 69 pubs complemented by a range of alcohol-free packaged beers and cider. We have also extended our alcohol-free spirits offer and created a range of alcohol free and lower alcohol cocktails and spritz serves.

Our environment

We are committed to building a sustainable company.

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

1. Power Radar
2. Renewable energy
3. Recycling and waste management
4. LED lighting
5. Cellar management
6. Waterless urinals
7. EV charges
8. Solar panels
9. Gas conversion project



Our environment

Our focus during the period has been on looking at ways to reduce our Scope 1 and 2 carbon emissions through behavioural change initiatives and the trialling and evaluation of carbon saving technologies and interventions. During the period we continued to work with suppliers to identify ways to reduce our Scope 3 carbon emissions.

We have also recognised that the data available to us does not allow us to measure and evaluate our progress effectively. In order to address this issue, we have set up an internal working group which is working closely with our energy suppliers and consultants to improve the data available to us so that it can be incorporated directly into our weekly reporting systems. This will allow us to monitor the progress of our pubs and set targets, measure performance, and make more informed decisions going forward. Building the right infrastructure to measure and monitor progress is a priority for us and we aim to be transparent about our progress and include targets and our performance against these targets in future annual reports.

Developing the sustainable Young's pub The Bedford Arms

We continue to implement and evaluate carbon saving technologies and interventions. This year we developed our first all-electric pub as part of the redevelopment of the Bedford Arms, Rickmansworth (see photo above). The pub has its own sub-station, no gas supply and is powered solely by renewable energy.

We continue to partner with a number of organisations including Simply Sustainable, who have helped us develop our first disclosure under CFD (see pages 43 to 48), Suez – our waste partner who is working with us to encourage our pubs to reduce our waste, and Zero Carbon Services, who run our 'Save While You Sleep' initiative. We remain active members of the Zero Carbon Forum who organise action groups and member meetings for hospitality industry specialists to work together, share knowledge and develop ideas of how to tackle the environmental challenges that the industry faces.

Net zero carbon pathway

We worked with Savills Earth to develop our initial net zero implementation plans. We are trialling and testing a range of equipment and working closely with our suppliers to improve the data which is available to the business. This is a significant task, and we appointed a property sustainability manager in April 2024 to manage and report on this process. As our data improves, we will evaluate the interventions and prioritise our investments. This will enable us to set targets which we can monitor and report on year-on-year. Our net zero carbon pathway has three phases.

Phase one:

To review our baseline carbon assessment and benchmark carbon emissions for each property to sense check results. This phase was completed during the 2023 financial year.

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. The categorisation of our properties was completed during the 2023 financial year. Our pubs have been grouped into seven key categories, classifying the potential opportunities and restrictions we face within each category. We are currently trialling various interventions and we are working towards establishing 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 and laying the foundations for phase three.

The challenges we face:

The cost

The required investment will need to be phased and we are conscious that some technology is still 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 Zero Carbon Forum and their Low Carbon Tech Action Group, 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 onsite 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 environment continued

Our pathway to net zero

We are working to reduce our Scope 1, 2 and 3 emissions and we continue to evaluate carbon saving interventions. By understanding where we are with our interventions, we can plan accordingly and allocate the appropriate time and resource required to develop and meet our future targets. Our interventions fall broadly into three groups.

Trial	As carbon reducing technologies develop, we continue to trial various technologies, equipment, and behavioural initiatives to understand how they could impact the business and help drive positive change.
Progressing	There are a number of established technologies that are proven to reduce our environmental impact and once they have been trialled, we will develop a plan to install these technologies throughout the business.
Evolved	These are areas where we are in a more evolved position and the implementation of the interventions or initiatives are well developed throughout the business.

Energy

Removals

Renewable energy
Since April 2021, 100% of the company's electrical supply has flowed from renewable sources. In August 2022, the company entered into a five-year corporate purchase power agreement which took effect in April 2023 and enables the company to source its electricity supply from specific windfarms. Our supply is backed by renewable electricity guarantees of origin and independently verified by EcoAct, a Carbon Disclosure Project accredited provider.

Gas Conversation Project
A key part of our carbon reduction plan is to reduce gas consumption across our estate. This has presented various challenges and has provided significant learning opportunities in the process (see case study on page 35). We now have seven fully electric kitchens across our estate, two sites have transferred to electric heating and we have introduced our first fully electric pub.

Outdoor Gas Heaters
We continue to remove all unnecessary outdoor gas heaters from across our estate. In total we have removed 60 outdoor gas heaters throughout FY24.

Decarbonising our company car fleet
Following on from our 2020 policy to only allow replacement orders to hybrid and electric cars, we reached our target of removing all diesel and petrol cars from our company car fleet by the end of FY24.

Reduction

Cellar Management Systems ('CMS')
We continue to invest and upgrade our cellars. Our cellar management system works by monitoring the surrounding environment and controlling the main cellar cooler which automatically reduces energy usage. Eco Flo systems are installed on top of the beer cooler, adjusting itself to provide optimum performance, reducing energy cost along with extending component life of the cooler and pump.

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

Reduction continued

Fridge Management Systems
We are in the process of trialling fridge management systems in three of our sites with early test results showing an approximate reduction in energy consumption of 30%. The system operates using an infrared detector which turns the fridge off when there is no movement behind the bar. We will continue to monitor this equipment before deciding whether to invest in the technology.

Power Radar
The Power Radar system works by monitoring how much electricity each pub is using, which is then broken down to show energy consumption for individual pieces of equipment, specifically through peak times. This is essential when converting from gas to electric as the system evaluates the total electric load required to operate the site.

EV chargers
Our target for FY24 was to install 28 EV chargers across 10 sites. In total seven chargers have been installed across three sites. This was entirely due to the gas conversion project and the evaluation of each pubs available electrical supply. This has led to a more in-depth analysis to evaluate the best use of available electricity and which equipment to allocate it to. To date the installation of these EV's has saved just over four tonnes of CO_2.

Solar Panels
After an evaluation of a number of potential sites to identify the sunlight availability, capacity required and the probability of satisfying local planning regulations, the installation of solar panels is going ahead at three pubs – Onslow Arms (West Clandon), Chequers (Bristol) and The Park (Teddington) where we have now installed 81 solar panels.

Water

We know that running pubs is thirsty work which is why we have started looking at ways to reduce our onsite water consumption through eco flush toilets and low flow taps in addition to our more established initiatives. We are also exploring the installation of water meters which will help us monitor and reduce consumption.

Waterless Urinals
We continue to invest in waterless urinals and the rollout plan was accelerated during FY24, with 111 sites having waterless urinals installed. In total 216, out of 225 eligible pubs have the water saving equipment. 9 sites have installations scheduled during FY25. The six remaining sites require significant update work, which will be completed when the pub next receives a capital investment.

Recycling Rainwater
Where practical our pubs are encouraged to install their own water butts, which are situated in their outdoors spaces. They recycle rainwater which can then be used to keep their gardens hydrated.

Recycling

Commercial waste diverted from landfill
We are pleased to confirm that through our partnership with Suez 100% of our collected commercial waste is diverted from landfill and given another lifeform. This includes recycled waste and general waste.

Refurbishment waste
Our aim is for all waste produced during any property refurbishment to be recycled and given another lifeform. This is currently a challenge for certain materials and the property team are working closely with our suppliers to overcome these challenges.

Cooking oil
For many years we have been collaborating with our operational partner, Olleco, on the successful initiative to recycle used cooking fat for use in biofuel. In total 325,271 litres of oil was recycled during the period.

Our environment continued

Reducing waste

Remove all single-use plastic from front of house operations
The elimination of unnecessary single-use plastic from our front of house operations has been an area of focus for the last two years. Plastic straws and single-use plastic bottles have been eliminated and in FY23 we rolled out a Young's reusable pint and ½ pint cup which can be found in our outdoor areas. Our Burger Shack menu is now served up on a metal reuseable tray for onsite consumption with our Birchwood cutlery which is 100% FSC certified.

These initiatives have significantly reduced the use of single-use plastics to a very low level. However, there is one product, the single-use plastic pint cup which we have not been able to eliminate. These cups are still used by a small number of pubs where drinks are taken off the premises or are close to large spectator events such as the Boat Race. They are a single use product made from rPET, which is a recycled PET plastic. We have been exploring other options, such as a paper-based pint cup, but this is still being evaluated.

Pubs with Rooms
Ensuring that our guests are part of our sustainability journey, we have implemented some positive changes to the way we operate which we call our 'little acts of planet kindness'. These include removing single-use plastic toiletry bottles from our rooms and replacing them with refillable bottles from our chosen brand Bramley, the bottles are Vegan Society approved and animal cruelty free. We have also made permanent wooden signs to replace paper ones that often need reprinting and we provide free water in glass bottles rather than plastic.

Refill App
The refill app has been launched across our pubs. The app helps people find places to refill their water bottles, helping people to minimise the consumption of plastic water bottles whilst staying hydrated.

Working with our suppliers to reduce their packaging
Through our partnership with Menu Partners, we are looking at ways to reduce our packaging waste and we are currently trialling reusable plastic tray deliveries, helping to reduce the number of cardboard boxes used.

Gas conversion project – the challenge

With competing priorities such as EV chargers, electric kitchens, and electric heating conversions it quickly became apparent that the team had to investigate the energy use of every piece of equipment at different times of the day, so that the peak load capacity could be calculated. Unfortunately, in many cases the amp supply did not meet the capacity requirements for all the equipment, meaning that choices had to be made on a site-by-site basis which maximise the effectiveness of the available capacity. We will continue to install electric kitchens where practicable and they will be considered as part of all major refurbishments. However, in the current climate with the high cost of debt and rising costs, other cost-effective carbon reduction interventions, such as the installation of a cellar management system, may be prioritised.

Behavioural change

Implementing initiatives that encourage behavioural change are key to raising the profile of sustainability throughout the business and help our teams develop better habits and the company reduce its environmental impact.

Save While You Sleep

Our 'Save While You Sleep' initiative was initially launched in May 2022, building upon the success of this initiative we continue to drive behavioural change across the business, setting annual targets to achieve our goals. For FY25 we are aiming to reach a reduction target of 100 tonnes of carbon, which we estimate is equivalent to approximately £150,000.

In order to help our pubs regular 'Agony Aunt' sessions have been introduced which allow our teams to speak with the experts at Zero Carbon Services, who analyse their data, answer questions and help find solutions to their problems. We are looking for ways to enhance the data shared with our pubs to ensure that it is more user friendly.

Waste management

We have adopted the widely user waste hierarchy to assist us in tracking each stage of waste through our business to help identify ways to minimise our impact through prevention, re-use, recycling, recovery, and disposal.

Increasing recycling rates to 70%

Even though 100% of our collected commercial waste is diverted from landfill, we are focused on increasing the recycled element by reducing our general waste. In FY24 we launched the 'Wasteless Pub' initiative in collaboration with Suez, our waste management partners, and set the ambitious goal to increasing our recycling rates from 60% to 70% by the end of FY25. We identified specific areas across the business where we could improve our recycling rates with a focus on the recycling of food waste, which is often incorrectly put into general waste. The aim of the initiative was to create waste awareness and drive behavioural change throughout our estate. In connection with this we also created our first recycling video which went live in October 2023 to help educate our teams and explain what happens to their waste after it is collected. The video is now part of our new employee induction training and provides the framework for areas of focus within their roles. We are currently on track to achieve our target; our pubs successfully increased the company's average recycling rate from 60% to 65% during FY24.

Food waste

Training is provided to our kitchen teams on how to minimise waste and maximise yield, including nose-to-tail cookery, specialised knife skills for our chefs and digital recipe books which feature an array of recipes using ingredients that may otherwise typically be wasted. A number of our pubs are growing a small selection of their produce, incorporating fresh herbs, fruit and vegetables into their seasonal dishes and beverages.

Training

We are working hard to develop sustainability knowledge and awareness across the company. During the year we launched a sustainability induction programme for new joiners to ensure that every new employee is trained on our sustainability purpose, vision, and strategy. We also offer sustainability training at pub level to help engage all teams, providing them with an opportunity to share progress, discuss ideas and receive feedback.

Supply chain

Environment

- British, seasonal, and local are the main pillars by which Young's follow when it comes to our menu's. Working with farmers and producers to know the origin of our ingredients and how it's been produced providing a clear journey from farm to fork for our customers.
- Young's burgers are made from ex-dairy cattle, meaning that the cattle we use have not been raised purely for meat but instead worked as a dairy cow for several years before being retired for a minimum of 12 months before being used for meat.
- Fish we purchase is rated 1–3 by the MSC Good Fish Guide indicating sustainably caught or responsibly farmed.
- Pork that we buy from Dingley Dell farm is RSPCA assured from third-generation farmers with a genuine love for their animals and the countryside. With 33.8 hectares around the farm used to plant nectar mixes providing food for insects, butterflies and bees allowing for nature ecosystems to thrive.
- Plant-based options are available of every menu showcasing the best of our British seasonal produce.
- Tea and coffee are certified by Rainforest Alliance and/or Fairtrade.
- We continue to work with our food suppliers as part of our food supply chain optimisation project, to implement efficiency measures and reduce their environmental impact. Initiatives include reducing the number of deliveries to our pubs and trialling reusable plastic crates to reduce our packaging waste.

Social

- **Sedex** – we have joined the leading ethical trade organisation who are supporting our supply chain development by providing a platform where we can grow our knowledge on developing matters. Furthermore, we now have several suppliers who are linked to us through the platform, and we can track their supply chain developments, ensuring they are aligned with our own progress.
- **Risk Mapping** our supply chain has allowed us to focus on our higher risk suppliers, following the Global Slavery Index and carrying out analysis on key risk factors including country of origin, industry sector and product type. By undergoing this process, it has provided a clear roadmap of how to approach and track our progress.
- **Responsible Sourcing Statement:** the statement is currently being developed and will be shared with our key suppliers during FY25. The statement will confirm our minimum operating standards which are broken down into four key principles: safe workplaces, human rights, environmental protection, and business transparency. By following these principles, we aim to improve visibility through our entire production process and help drive improvements across our supply chains.

Notable achievements during the period

CDP
DISCLOSURE INSIGHT ACTION

We achieved a CDP 'C' rating in the Climate Change category.

SUSTAINABLE RESTAURANT ASSOCIATION
FOOD MADE GOOD

We maintained our three-star 'Food Made Good' rating awarded by the Sustainable Restaurant Association.

Our environment continued

Streamlined energy and carbon reporting

This report presents the results of the company's Greenhouse Gas ('GHG') emissions and energy use for FY24 under the Streamlined Energy and Carbon Reporting ('SECR') requirements.

Methodology:

We have collated data relating to our Scope 1 and Scope 2 emissions and energy use for activities over which we have financial control. All of our emissions and energy use relate to UK activities. Our GHG emissions were calculated in line with HM Government Environmental Reporting and the GHG Protocol methodology.

The table below summarises our emissions and energy use for FY24:

	2024	% Change from FY2023	2023	% Change from Base Year	Base year
Revenue in £ million	**379.3**	2.8%	368.9	21.7%	311.6
No. of managed houses at the year-end	**231**	1.8%	227	11.6%	207
The annual quantity of emissions in tCO_2e 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	**8,377**	-8.6%	9,163	1.6%	8,247
Scope 1 – kWh Consumed	**36,268,206**	-11.3%	40,890,210	-17.7%	44,073,922
The annual quantity of emissions in tCO_2e resulting from the purchase of electricity by the group for its own use, including for the purposes of transport	**7,928**	8.3%	7,316	-9.4%	8,727
Scope 2 (Location) – kWh Consumed	**38,280,114**	1%	37,910,249	10.8%	34,539,882
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	**74,443,013**	-5.5%	78,800,459	-5.3%	78,613,804
Total Gross Emissions (tCO_2e)	**16,304**	-1.1%	16,479	-3.9%	16,974
The group's annual emissions: ratio of tCO_2e (gross) per £ million of revenue	**42.99:1**	-3.8%	44.67:1	-21.1%	54.47:1
Carbon offsets procured via Green Electricity Tariff (tCO_2e)	**(6,857)**	-5.1%	(6,525)	–	–
Total Net Emissions (tCO_2e)	**9,447**	-5.1%	9,983	-44.3%	16,974
The group's annual emissions: ratio of tCO_2e (net) per £ million of revenue	**24.91:1**	-7.7%	26.98:1	-54.3%	54.47:1

See page 41 for further details and an explanation of the methodologies used to calculate the above quantities.

In line with the 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 an increase of 11.6% vs the base year in our managed house estate, with the addition of 24 new sites since then. There are many steps being taken to mitigate our emissions such as the removal of gas patio heaters, where possible, from our gardens and where heaters are still required, installing electric ones. Additionally, we have embedded energy savings initiatives, such as the 'Save While You Sleep' initiative, which has seen an overall emission saving of 72 tCO_2e throughout the year. Overall emissions have continued to decline year-on-year, which coupled with the increase in annual revenue has a 21.7% energy intensity reduction (ratio of tCO_2e per £ million of revenue).

The disclosure does not include the 55 pubs acquired as part of the acquisition of City Pub Group which completed on 4 March 2024. The company intends to incorporate City Pubs into its FY25 SECR disclosure.

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 group[1] – the kWh figures were then converted to tCO_2e figures using the then current conversion factors published by DEFRA;
- the consumption figures relevant to propane were taken from invoices received by the group[1] – these were either in kilograms or litres delivered and were then converted to kWh and tCO_2e using the then current conversion factors published by DEFRA; and
- the consumption figures relevant to transport were calculated using expensed mileage figures – to calculate tCO_2e for company cars, by engine size and fuel type the conversion was made using figures for an average car per guidance issued by DEFRA – in each case, the resulting tCO_2e 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, which requires that, as a collective, we are aiming to achieve net zero for our Scope 3 emissions by 2040, and we will be working with external advisors to develop our Scope 3 project plan. We commissioned Zero Carbon Services during FY23 to assist us in determining our Scope 3 emissions baseline as FY22, which revealed that these emissions represent just over 80% of our total emissions. This table below summarises the companies Scope 3 emissions for FY23:

As the number of pubs in the company's estate increased to 231 during the period, a rise of 3%, the company's intensity ration has fallen. We estimate that 52.3% of our Scope 3 emissions come from food and beverage, which is the main revenue stream for the business, of which 30.9% is related directly to food.

A key focus of our sustainability strategy is 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. Please see Supply chain on page 39 for details of our current initiatives.

	FY23	% Change	FY22 (Base year)
Scope 3	75,567	5%	72,207
Intensity ratio (tCO_2e/£m)	204.84	-14.1%	233.68

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 SDGs 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 focus

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 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.

Our environment

- 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

Our people	Our communities	Our environment
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.
Provided training to our kitchen teams on how to minimise waste, maximise yield, including nose-to-tail cookery, specialised knife training for our chefs, and digital recipe books which feature an array of recipes using ingredients that may typically be wasted.	Working with our suppliers to develop joint initiatives and provide positive social and environmental messages to share with our customers and wider stakeholders.	Introduced reusable pint cups across our estate for special events, refillable toiletries in our 'pubs with rooms' and permanent wooden signs with guest messages replaced the paper signs which often needed reprinting.

Climate-related Financial Disclosures

Young’s Climate-related Financial Disclosures

With the acceleration of global warming and extreme weather events in the United Kingdom (‘UK’), the hospitality sector is becoming increasingly exposed to climate change directly and through its supply chain. We employed the recommendations of the Task Force on Climate- related Financial Disclosures (‘TCFD’) and UK Climate-related Financial Disclosures (‘CFD’) to identify the climate-related risks and opportunities that could impact our business. Our core objective for employing these recommendations is to reduce our business’s exposure to climate-related risks and enable us to fulfil the associated opportunities.

To develop our first disclosure report, we followed the established TCFD recommendations across four thematic areas: governance, strategy, risk management, and metrics and targets. We have assessed that we fully comply with the mandatory CFD requirements.

Based on our climate risk assessment, we believe our current business strategy is resilient to the impacts of climate change in all time horizons under the physical climate scenarios assessed. We will continue to take steps to ensure Young’s remains agile in addressing its climate-related issues.

Through our work with Savills Earth and Zero Carbon Forum, we are taking a tactical approach to ensure strategic resiliency under the Net Zero Emissions (‘NZE’) scenario. We operate a dynamic supply chain model that reduces our vulnerability to climate-related supply chain disruptions. We will continue to monitor and develop this approach, allocating the necessary resources to ensure our sites and business strategy remain resilient to all the potential impacts of climate change.

Governance

Our governance of climate-related issues is structured per our approach to addressing environmental, social and governance (‘ESG’) issues. Below, we outline the specific roles and responsibilities across our teams.

Board	• Oversees the management of climate-related risks and opportunities. • Updated quarterly on climate-related issues.
Non-Executive Director	• Oversees holistic progress on all ESG-related matters, including climate related targets.
Sustainability Manager	• Coordinates all sustainability efforts and addresses climate-related issues at Young’s. • Works with all areas of the business to advance the sustainability agenda. • Communicates with the board and leadership team on ESG performance and progress against the ESG strategy, including those related to climate change, quarterly.
Audit Committee	• Informed of any material risks to the business three times a year by the internal audit and risk manager.
Audit and Risk Manager	• Supports the business in the identification and management of all business-related risks for Young’s, including those related to the principal risk of climate change and sustainability.
Executive and Leadership Team	• Assigns each risk and opportunity to the relevant director and department. • Manages identified climate-related risks and opportunities through strategic actions and resource allocation to relevant departmental teams. • Works with the sustainability manager to advance the ESG strategy while mitigating climate-related risks and realising opportunities.
Departmental Teams	• Executes climate-related activities across their respective departments.

Climate-related Financial Disclosures continued

Strategy

Our approach to addressing climate-related issues is integrated across our ESG strategy. We strive to be leaders in sustainable hospitality and outline our plans and actions to address environmental and climate-related issues within this report's 'Our environment' section.

Climate scenario analysis

Our climate scenario analysis utilises up-to-date climate science to interpret how we may be affected by potential ranges of climate outcomes and the transition to a lower-carbon economy. Six scenarios were used, enabling us to understand the range of impacts arising from each scenario. Climate-related risks are broadly categorised as physical and transitional.

Three physical scenarios from the Intergovernmental Panel on Climate Change ('IPCC') were selected to understand the physical impacts of climate change on our operations and supply chain. This included an in-depth analysis of projections on land, coasts, cityscapes, and agricultural practices.

Physical scenarios

SSP1-2.6	A low emissions scenario where emissions decline to net zero around 2070. Warming: 1.3°C–2.4°C by 2100.
SSP2-4.5	A medium emissions scenario where emissions remain around current levels until 2050. Warming: 2.1°C–3.5°C by 2100.
SSP5-8.5	A high emissions scenario where emissions roughly double from current levels by 2050. Warming: 3.3°C–5.7°C by 2100.

Three transition scenarios from the International Energy Agency ('IEA') to understand the expected changes as the economy decarbonises under differing emissions pathways. The transition scenarios were selected as the IEA looks at the energy transition required in buildings, which is relevant to our operation of pubs and pubs with rooms.

Transition scenarios

Net Zero Emissions by 2050 Scenario (NZE)	This scenario maps out the energy transition needed to achieve a 1.5°C stabilisation in the rise in global average temperatures.
Announced Pledges Scenario (APS)	This scenario assumes that all aspirational climate-related targets announced by governments are met on time and as a whole.
Stated Policies Scenario (STEPS)	This pragmatic, exploratory scenario shows the trajectory implied by today's policy settings.

To identify and assess the physical and transition risks across these scenarios, we evaluated the projections across three time horizons:

- Short-term time horizon (2023 to 2030; 2030 milestone)
- Medium-term time horizon (2030 to 2040; 2040 milestone)
- Long-term time horizon (2040 to 2050; 2050 milestone)

These time horizons were selected based on the available climate science. The long-term time horizon concludes at the UK Government's target date of net zero by 2050. As such, all risks and opportunities have been assessed in line with these target dates.

Our scenario analysis identified and categorised various climate-related risks and opportunities based on the categories used in the TCFD recommendations. The financial impacts disclosed do not differentiate across the different climate scenarios. However, they may become more severe across different time horizons; for example, physical risks are projected to become more severe over higher emissions scenarios and longer-term time horizons. For transition risks, the significance of the financial impacts across different time horizons and transition scenarios depends on societal factors. As such, the materialisation time horizon disclosed represents the earliest point at which each risk and opportunity could materialise. By acknowledging this, Young's can prepare appropriately to mitigate the projected financial impacts.

Physical climate-related risks:

	Risk 1	Risk 2	Risk 3
	Sea level rise and heavy rainfall may lead to increased flooding of properties and pubs.	Increased heat and reduced rainfall in summer may lead to drought conditions impacting our food and beverage supply chain.	Increased intensity and frequency of summer heatwaves may lead to high cooling requirements and challenging working conditions.
Financial impacts:	• Increased expenditure on repairs for damage to building infrastructure, stock, and fixed asset write-off. • Increased expenditure from increased insurance premiums and excess in high-risk zones. Uninsurable assets in high-risk zones. • Reduced revenue from business disruption resulting from closure of premises. • Reduced value of building assets.	• Increased expenditure of products due to supply chain disruption, leading to smaller margins. • Increased cost of water supply for pubs with rooms. • Scarcity of product supply resulting in reduced revenue and increased expenditure to adapt.	• Increased expenditure on operational costs for the cooling of pubs, rooms, and office spaces. • Increased expenditure from changes in working patterns and hours and reduced productivity. • Product write-off due to spoilage.
Materialisation:	• SSP2-4.5: Long-term • SSP5–8.5: Short-term	• SSP2-4.5: Long-term • SSP5-8.5: Short-term	• SSP2-4.5: Long-term • SSP5-8.5: Short-term
Management response:	Flooding is an issue that Young's faces across a few sites on an annual basis, irrespective of climate change. As a result, we currently have sufficient control measures in place to mitigate the current impacts of flood risks to our sites. We have invested in non-return pump valves and pumps in the cellars of effected pubs to push flood water out of our sites and into discharge and drainage systems. As such, projected increases in the frequency of flooding are not expected to impact our operational expenditure significantly.	Some physical impacts of climate change are currently being felt across the agricultural industry and supply chain and have led to crop shortages. Our menus are flexible, and we change them quarterly to ensure we include the latest seasonal ingredients. We offer seasonal produce, 90% of which is sourced in the UK. We also source organically farmed products as far as possible, which are often more resilient to climate-related impacts. Supply chain disruption is a principal risk for our business, and our approach is outlined on page 52. Further details relating to our approach to sourcing sustainably are outlined on page 39.	Due to the age of the property portfolio, we recognise that some of our premises are not built to tackle extreme weather and regulate internal temperatures well. To manage product spoilage in hot periods, we are trialling new cellar management systems that optimise and regulate temperatures remotely. To manage temperatures, we have HVAC systems installed where building restrictions permit us to do so. We prioritise our workforce's health and safety, raising awareness amongst them to maintain healthy working conditions.

Climate-related Financial Disclosures continued

Transition climate-related risks:

	Risk 4	Risk 5
	Legislative requirements related to the energy efficiency of buildings may result in retrofitting costs to maintain compliance.	The electrification of our operations may result in increased capital and operating costs for our business, and it remains a logistical challenge across many locations.
Financial impacts:	• Increased expenditure on refurbishing properties to align with incoming zero-carbon standards. • Reduced value of assets not at zero-carbon standards.	• Increased expenditure on refurbishing properties to provide electricity infrastructure. • Increased expenditure on electricity for Young's offices, pubs, and rooms.
Materialisation:	• NZE: Short-term • APS: Short-term • STEPS: Medium-term	• NZE: Short-term • APS: Medium-term
Management response:	Over 90% of Young's properties are freeholds and are not exposed to current EPC requirements. However, future legislation may be introduced to reduce energy consumption and embodied carbon within both freehold and leasehold buildings. Whilst over 40% of our properties have Listed status, we are committed to refurbishing our premises to high sustainability standards. In 2022, we engaged Savills Earth to help us develop our Net Zero Carbon pathway across our property portfolio. Our three-phase approach and progress in our pathway development are detailed on page 35.	Through our building decarbonisation strategy, we will identify opportunities to electrify our premises in a phased approach. We are committed to making steady progress that will help buffer our exposure to sudden price fluctuations. We face various barriers that impede our ability to electrify our premises, including the cost of upgrades, listed building status, limited energy infrastructure, and remote pub locations. However, we are working with our energy suppliers, Savills, and local authorities to identify solutions and infrastructure to support electrification cost-effectively. Our building decarbonisation approach is detailed further on page 41.

Climate-related opportunities:

Opportunity 1	Opportunity 2	Opportunity 3
Increased median annual summer temperatures may result in increased visitation to pubs.	Enhancing employee behaviour-change campaigns may improve cost savings across pubs, offices, and rooms.	Diversifying menu offerings may attract and retain an increasingly climate-conscious clientele.
Financial impacts:		
• Increased revenue from increased sales in warmer weather.	• Reduced expenditure on operational energy consumption. • Reduced expenditures from waste collection costs.	• Increased revenue from climate-conscious customers.
Materialisation:		
• SSP1-2.6: Medium-term • SSP2- 4.5: Medium-term • SSP5-8.5: Short-term	• NZE: Short-term • APS: Short-term • STEPS: Medium-term	• NZE: Short-term • APS: Short-term • STEPS: Medium-term
Management response:		
Young's is well positioned to realise this opportunity across all time horizons and emissions scenarios. We optimise our beer gardens all year round, providing heating for winter and shade for summer. We are also exploring retractable roofs for the gardens in some of our properties.	Young's is already realising this opportunity. In FY24, we launched our Save While You Sleep initiative, our first sustainable behaviour change campaign for our employees. In FY24, we saved 72 tCO_2e of carbon emissions throughout the year. Each of our pubs has a designated sustainability champion who promotes new initiatives and raises the sustainability profile throughout our estates. In FY24, we launched our first sustainability award, presented to the pub that performed the best on energy and waste reductions. Further details relating to these initiatives are shared on page 38.	At Young's, we look to source seasonal and local produce where possible. We are delighted to have maintained our three-star rating through the Sustainable Restaurant Association's 'Food Made Good' standard, recognising sustainability excellence across our menus and supply chain. More information about our menus' sustainability is outlined on page 39.

Climate-related Financial Disclosures continued

Risk management

Risk and opportunity evaluation

After completing our climate scenario analysis, we assessed and evaluated our potential climate-related risks and opportunities through two workshops.

The workshops were attended by relevant Young's senior and executive leaders and members from the audit, finance, food, property and ESG teams. In workshop one, each identified risk and opportunity was discussed and evaluated, assessing the probability and consequence of the risk or opportunity materialisation against the time horizons and considering existing control measures in place. We applied a standardised risk scoring methodology to rate the relative materiality of climate-related risks and opportunities to our business.

In the second workshop we reviewed the risks and opportunities, particularly those deemed material in the first workshop, to determine their potential qualitative financial impacts should they materialise. Our evaluation considered the possible effects on our financial performance and financial position for each risk and opportunity.

The most significant risks and opportunities have been disclosed on pages 49 to 53.

The Young's scenario analysis did not incorporate the City Pub Group as it was conducted prior to its acquisition. At the risk and opportunity evaluation phase, the City Pub Group's climate-related risks and opportunities, as identified in its TCFD Report 2022, were compared and assessed with those identified through Young's scenario analysis. The outcome established that the risks and opportunities were aligned, with no significant change in the risk profile. The integration of the City Pub Group climate risk assessment and management will be conducted in FY25.

Risk and opportunity management

'Climate change and sustainability' is a principal risk included in our corporate risk register and managed according to the processes detailed on page 50.

Following the completion of our workshops, we captured the identified risks and opportunities in our climate risk and opportunities register. The findings from this climate risk assessment were shared with our audit committee in June 2024. Our internal audit and risk manager and leadership team will re-evaluate our climate-related risks and opportunities annually and communicate updates to the audit committee. Budgets for managing climate-related issues are allocated annually, with departmental teams responsible for the appropriate risk management or opportunity realisation.

Metrics and targets.

Through our ESG strategy, we have established several critical metrics to monitor climate-related issues. These metrics include carbon emissions (absolute and intensity metrics), the proportion of renewable energy supplies, recycling and waste rates, and energy consumption. For a further breakdown of the metrics and targets that support Young's in addressing climate-related issues, see the 'Our environment' section of the sustainability report on page 34.

In FY25, we will explore further ways to implement metrics, targets, and strategic action on environmental matters, such as water consumption, to support the effective management of our identified material climate-related risks and opportunities. Additionally, we will continue working with Zero Carbon Forum to develop our net-zero strategy and targets.

Principal risks and uncertainties

Introduction

The board recognises that a robust risk management approach is an important part of our ability to maintain stakeholder confidence. Throughout the year we have focussed on formalising our risk management framework and processes, ensuring we can effectively identify, and mitigate, the risks faced by the company.

The board has overall responsibility for risk management, validating the risk management framework, and reviewing its effectiveness.

Risk management is an evolving and continuous process, and our aim is to manage risk in a proportionate and consistent way; helping the company achieve its strategic objectives.

Framework

At a departmental level, each department is responsible for the maintenance of a departmental risk register.

Supported by the internal audit and risk manager, the departmental risk registers are reviewed six monthly. Consideration is given as to whether departmental risks should be escalated to the principal risk register in isolation or aggregation (see pages 50 to 53), and whether current mitigations in place are sufficient.

At the strategic level, the executive team is responsible for the day-to-day maintenance of the principal risk register. This is reviewed six monthly, in line with the departmental process. This register is formally reviewed by the audit committee, and then the board, on an annual basis before inclusion in the annual report and accounts. In recognition that emerging risks can become apparent at any time, the executive team can add, amend, or remove risks on an ad-hoc basis outside of the formal risk management timeline. Risks and opportunities relating to climate change are managed as part of this framework.

The risk registers document the risk, potential impacts faced by the company, and the mitigations in place.

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. The principal risks are grouped thematically, and not presented in the order of which has most impact to the Group.

Further information on the group's financial risk management objectives and policies are set out in note 25 starting on page 137.

Board	• Ultimately responsible for effective risk management within Young's. • Assesses the principal risks.
Audit Committee	• Monitor the integrity, adequacy and effectiveness of the company's systems of risk management. • Provide guidance to the board on the annual principal risk disclosures in the annual report and accounts.
Executive Team	• Responsible for the day-to-day management of risk. • Ownership over the relevant departmental risk registers (where not delegated to the management team). • Considers emerging risks, and their potential impacts. • Accountable to the board and the audit committee.
Management Team	• Responsible for the ownership of relevant departmental risk registers. • Accountable to the executive team.
Internal Audit & Risk Manager	• Responsible for implementing and maintaining the risk management framework. • Maintains departmental risk registers, and the principal risk register.

Principal risks and uncertainties continued

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

Decrease No change Increase

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

Risk 1

No change

Risk Description

Pandemics, natural disaster, or terrorism could have a material and unforeseeable impact on our business due to government enforced hospitality closures or significant customer behavioural change.

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.

Widespread pub closure would materially reduce revenue, and therefore profit.

Mitigations in place

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-19 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

Increase

Risk Description

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.

Impact

Increased occurrence of extreme acute weather events and changes in chronic weather patterns could damage our managed house estate, increasing repair cost, and lead to raw material inflation, increasing costs. In addition, increased regulatory requirements could increase costs to comply. This would reduce profits.

Failure to address these risks could impact trust and reputation amongst customers, employees, investors and other stakeholders.

Mitigations in place

We are developing a comprehensive sustainability strategy and have aligned ourselves with the Zero Carbon Forums roadmap for the industry which requires that, as a collective, we are aiming to achieve 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 stakeholder can monitor progress. We have conducted a climate risk exercise to assess the financial impacts of climate related risks to the business. For further details see our ESG report on pages 24 to 42, and our CFD report on pages 43 to 48.

Consumer related

Risk 3

Increase

Risk Description

Our revenue is 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, 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.

Impact

A reduction in our revenue could result in lower profits.

Mitigations in place

Our pubs and hotels 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 and hotels, we seek to mitigate 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

Risk Description

Various factors, including legislation, conflict, and demand for raw materials, 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) and increased costs of repairs and pub developments. Increased costs could potentially make our offer less attractive to consumers if they are passed on.

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.

Mitigations in place

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

Risk Description

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

Impact

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

Mitigations in place

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

Risk Description

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.

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.

Mitigations in place

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

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

Decrease No change Increase

Financial continued

Risk 7

Risk Description

Our financial structure involves bank borrowings due between November 2025 and 2030 of £300 million and senior secured notes due 2039 of £35 million. The business therefore needs to generate sufficient cash to repay these debts with accrued interest. Interest rates are also subject to change.

In March 2024, we completed the £158 million purchase of the City Pub Group plc. This purchase was funded in part by debt, increasing bank borrowings.

Impact

Our long term ability to trade depends on us generating sufficient cash to meet these repayments.

Mitigations in place

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

Risk Description

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

Impact

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

Mitigations in place

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 – therefore we believe 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 including a review of their financial performance.

Risk 9

Risk Description

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.

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.

Mitigations in place

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. All Copper House staff, General Managers, Deputy Managers, and Head Receptionists are required to undertake cyber security training. 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

Risk Description

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

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.

Mitigations in place

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

Risk Description

Part of our growth plan is based on the successful acquisition and development of additional pubs and rooms.

The acquisition and subsequent integration of the City Pub Group estate does not return the expected synergies, which are key to recognising the value of the acquisition.

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.

Integrating the Young's and City estates without the expected synergies leads to higher than expected head office costs, potentially lower food and drink margins, which ultimately reduces the planned synergy benefits. This could then negatively impact Net debt to EBITDA.

Mitigations in place

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.

In March 2024 we increased our managed estate by 55 pubs and 240 rooms.

An implementation plan is in place, and progressing in line with expectations. The increased size of the group's pub estate will lead to economies of scale when purchasing, supporting improved margins across the group.

Regulatory

Risk 12

Risk Description

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

Impact

A failure to comply with regulatory obligations could lead to fines, reputational damage, and physical injury, illness, or loss of life.

Reputational damage could lead to reduced revenue, and fines will increase costs. In addition, increased costs to comply would result in reduced profits.

Mitigations in place

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.

Business and financial review

Managed houses

It has been a strong year for Young's and having achieved the remarkable feat of exceeding pre-pandemic profit levels last financial year, we have further accelerated our performance with another record adjusted profit before tax of £49.4 million, an increase of 9.1%. The other significant milestone achieved during the period was completing on our acquisition of the City Pub Group on 4 March, adding 55 wet-led pubs and 240 bedrooms to our estate, the largest transaction in our history. We were delighted to welcome a portfolio so closely aligned with our own and are excited to see what we can achieve together in the years ahead.

On a comparable 52-week basis, total managed house revenue was up 7.5% to £388.2 million (2023: £361.1 million), and up 3.4% on a like-for-like basis. It was a strong start to the year, with the King's coronation adding an extra bank holiday in May and customers flocking to our gardens and outdoor spaces to make the most of an exceptionally hot June. However, disappointing weather and further rail strikes put a dampener on the rest of the summer months, despite the excitement of Wimbledon and the Lionesses' progress in the Women's World Cup. Following this, sales were boosted by the return of the Rugby World Cup in September, which was supported in great numbers by our customers, especially in our heartland of south-west London.

The Christmas period saw both our best week ever for sales just before Christmas itself, and our best ever single day on 15 December. We dusted off the January blues by delivering a strong performance throughout the Guinness Six Nations in February and Cheltenham festival in March, and topped things off at the end of March with the second Easter weekend of the financial year.

During the period we continued to invest significantly in digital and technology within the business, ultimately aiming to improve understanding of our customers and making it easier and more rewarding for them to engage with us. We now have more than 4.4 million customers registered on our internal database and continue to evolve our use of our Acteol system to better understand customer behaviour. We started the journey on converting all our pubs to a new 'headless' website template which seeks to reinforce the individuality of our pubs, resulting in strong visit and conversion uplifts, already showing a 3-percentage point improvement on conversion rates. The Young's Rooms booking journey, and ultimately the guests experience when arriving at our pubs with rooms, has been improved greatly with the introduction of Guestline (a hotel property management system) and Profitroom booking platform.

In addition, we are now using an online reputation management tool to measure and assess our customer feedback across popular platforms including Google Reviews and Tripadvisor, giving us further valuable new customer insights. By the end of the period 135 Young's pubs had a Reputation score of 800 or higher, which is considered gold standard, with the industry average sitting at around 710.

Total room revenue on a comparable 52-week basis was up 10.2% for the period to £23.7 million. On a like-for-like basis over 52 weeks, room revenue was up by 7.7%, while our like-for-like occupancy increased by 0.5% points and average room rates grew by £3.89. In total, RevPar (revenue per available room) was up £7.00 to £78.40. Accommodation has become a major revenue driver for Young's and by adding City Pubs to our estate, we now have 1,066 rooms, with a presence in new geographical areas including Norwich and Cambridge, affluent student towns where we have not previously played. At the start of the period, we launched our new 'Young's Rooms' strategy, yet again leading the way in how to celebrate the enjoyment and unique experience of staying in a pub. This strategy has landed well with our guests, and we also plan to launch a new loyalty programme for our rooms, to further strengthen our relationship with our guests.

We have now published three editions of our in-room newspaper, The Fold, which showcases our range of beautifully designed rooms at pubs across our estate.

During the period, our drink sales continued to perform well, ahead of last year by 8.0% on a comparable 52-week basis, and up by 3.9% on a like-for-like basis over 52 weeks. We strive to be at the forefront of innovation, introducing new and exciting beers while staying true to our cask heritage. We have added new beers including Beavertown Lunar Haze, Deya Steady Rolling Man and Jubel peach beer, whilst continuing with our 'local hero' casks such as Harvey's Sussex Best Bitter that sit alongside our excellent Young's Original and Young's Special.

We launched our rugby-themed cask ale, 'Drop Gold', to coincide with the Rugby World Cup and our 'The Rugby Love' marketing campaign in partnership with the inspiring Wooden Spoon charity, further strengthening our affiliation with rugby and giving back to our communities throughout an exciting year of tournament opportunities. We wanted to fundraise £150,000 through locally supported initiatives, and in the 200th year of rugby as a sport and Wooden Spoon's 40th anniversary year, we smashed that target by raising more than £200,000. Activity throughout the year included hosting events with key players and commentators and getting involved in volunteering opportunities.

The growth in Guinness, no longer seen as just a rugby fans' drink, continues to lead the way in our overall sales growth. Always a strong performer in the winter months, and this year no different as it made up 10% of all drinks sales for the Christmas period. Guinness defied the impact of seasonality by maintaining its popularity year-round, with sales up by 29% on last year, overtaking top sellers like Estrella and Peroni.

Our activity during the Rugby World Cup was also successful in terms of pre-booked sales, securing a total of £1.1m worth of bookings across the estate.

Business and financial review continued

The seasonal Summer Spritz campaign, rolled out earlier than usual this year in May, championed the trend of premium long cocktails with a spritz twist. From the fresh and herbaceous G&T to the spicy and vibrant Margarita spritz, we capitalised on the booming cocktail trend, resulting in a 14.5% increase in sales. Summer classics like Aperol Spritz also remained popular, with sales increasing by 23.2% while also boosting sales of its alcohol-free sibling, the Amalfi Spritz, which ranked among our best-selling spritzes.

Our food sales continue to grow, up 5.9% for the comparable 52 weeks and 1.5% on a like-for-like 52-week basis. Our Executive Chef team continues to support our pubs, helping to mitigate food inflation, delivery and distribution costs as far as possible by taking a proactive approach to using seasonal and locally sourced British ingredients. We have continued to see this pressure ease, with recent food costs flat versus this time last year and, because we are flexible with our menus based on location and local tastes, we have managed to further reduce costs.

A major focus this year was the 'Sunday Best' campaign which saw pubs pushing to improve the quality of traditional Sunday roasts. Inspiring our teams to go above and beyond for our guests to deliver an exemplary offer, from the best-in-class double egg yorkies, goose fat roasties and premium cuts of meat to plentiful Yorkshire puddings & gravy. The shining example was the Alma (Wandsworth) with the introduction of their sharing roasts, which has captured our guest's attention, particularly with the TikTok influencer, Eating with Tod, and his review of the Alma roast receiving 2 million views. We also launched our new reworked Burger Shack menu for the summer. Focusing on bold flavours, new additions included the buttermilk fried chicken 'Hot Chick' burger, and the Louisiana 'Hot Beef' burger plus exciting new sides and our first sweet treat, delicious mini cinnamon doughnuts. Whilst the core of the offer remains consistent across the estate our pubs adapt the offer to include bespoke evolving specials in-line with the pub's individuality and the Burger Shack brand ethos.

Our strength in both food and drink was once again recognised by the wider industry, with the Guinea Grill (Mayfair) maintaining its place in Estrella Damm's Top 50 Gastropubs and winning a spot in the World's 101 Best Steak Restaurants, the Oyster Shed (Bank) winning City Pub of the Year for the second year running at the National Pub & Bar Awards as well as retaining its AA rosette, Smiths of Smithfield (Farringdon) also retained its AA rosette, and finally the Lamb (Bloomsbury) featuring in TimeOut's Top 50 London Pubs.

Investment in our people has never been so important. Through training and development, and access to the Young's career pathway, we can provide our teams with the necessary skills to help them reach their career goals. The Ram Agency, which gives team members added flexibility to choose shifts that suit their requirements, while helping us manage our cost base by reducing our reliance on agency staff, is playing an important role. Launched in 2022, the in-house agency brings together people with the necessary skills across a range of roles, from general managers to chefs, front-Young's and back-of-house team members, trained in the Young's way of working and now has more than 500 active employees.

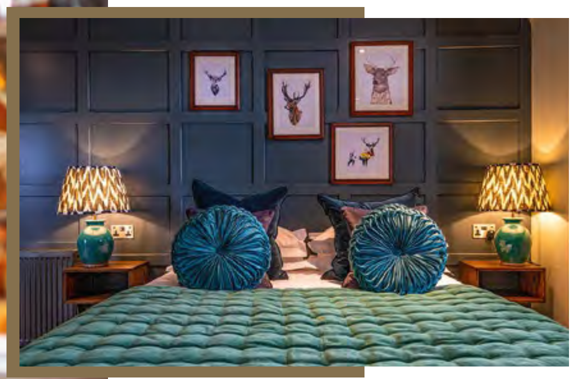
We have also introduced a new, two-year graduate programme. The two graduates started at our head office in September 2023 and will rotate around our different departments, including marketing, finance, food and property, getting the most comprehensive experience of what it means to work at Young's. Our apprenticeship scheme has been running since 2015 and we now have 97 apprentices in teams across both our head office and our pubs.

Investment

Our focus on maintaining, developing and enhancing our pubs continues and it has been one of our busiest years in this respect, with an investment of £48.0 million in our existing Young's estate, ensuring our pubs remain premium, individual and well-invested. Projects were completed in a total of 35 pubs, with standout schemes at the iconic Clarence (Whitehall), the Clapham North (Clapham), the Bedford Arms (Chenies) and The Constitution (Camden) where we have restored iconic features while simultaneously enhancing its trading space with the addition of a roof terrace. We are committed to elevating every Young's pub to the very highest standard and have completed other eye-catching smaller schemes at the Crown (Twickenham), the Mitre (Shaftesbury), the Paternoster (St Paul's), the Coach & Horses (Isleworth) and the Chelsea Ram (Chelsea). All are fine examples of what can be achieved on a smaller scale.

We finished our major refurbishment of the Marquess of Anglesey (Covent Garden), which reopened in May with a stunning new roof terrace adding 40 covers, allowing customers the opportunity to escape the densely populated streets below. This project was the brainchild of the general manager, who spotted the potential for the previously unused roof area, and this investment has paid off, with sales up 65% this year.

The Guinea Grill (Mayfair) reopened in February with a capacity double its previous size including two new private dining rooms, developed with a deep sensitivity in staying close to the original look and feel of the pub. In negotiating our lease for a further 30 years we took on the adjacent art studio, allowing us to expand the iconic 500-year-old pub that is truly a cornerstone of our estate. We also introduced a transformational new design at the Defector's Weld (Shepherd's Bush), investing £2.3 million in making better, more relevant use of outside space for the locality.



Besides our acquisition of the City Pub Group for a total consideration of £158.0 million (see note 13), our biggest ever acquisition, we added eight new pubs in the period, a mixture of new geographies, new bedrooms and much-loved pubs in our heartland. In London we added the iconic Crooked Billet (Clapton), The Stag (Belsize Park) and Tattenham Corner (Epsom Downs), a stone's throw from the Epsom Downs racecourse and currently undergoing a major refurbishment before its planned reopening later this year. We also acquired four strongly performing pubs from Marston's: the Libertine (Westbourne), the White Hart (Ford), the White Lion (Tenterden) and the Huntsman (Brockenhurst), another new location for Young's, finally our acquisition of the beautiful Ship Inn (Noss Mayo) gives us a prime location on the south Devon coast, right on the waterfront.

Including the acquisition of the City Pub Group, we finished the period with a total of 288 pubs (2023: 227), including 56 pubs providing a total of 1,066 bedrooms.

Other key areas

Property

Our balance sheet strength continues to underpin the ongoing development of our predominantly freehold estate in many highly desirable locations across London and the South of England. We have continued to add value to this estate during the year, through a record number of major projects at existing sites as well as a number of individual freehold acquisitions. The acquisition of the City Pub Group towards the end of the period brings the value of our total freehold estate to £1,036.9 million (2023: £842.5 million).

231 of our 288 pubs are freehold or are long leaseholds with peppercorn rents. The carrying value of property leases, including long leaseholds, is separately recognised as right-of-use assets in note 19. 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 UK-adopted international accounting 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.

Business and financial review continued

Despite the ongoing challenges facing the industry, the pub property market has remained buoyant, as evidenced by the level of activity through the year and current property prices. As a result of this, and the strong year of trade within the Young's estate, we have seen a net upward revaluation movement of £10.1 million (2023: upward revaluation movement of £8.2 million). This comprises an upward movement of £22.9 million (2023: £15.2 million) reflected in the revaluation reserve, and a downward movement of £12.8 million (2023: £7.0 million) as a result of movements in pub EBITDA multiples, recognised as an adjusting item in the income statement.

Treasury and going concern

At 1 April 2024, the group had cash in bank of £16.9 million and committed borrowing facilities of £335.0 million, and in addition to these we maintain a £10.0 million overdraft facility with HSBC. Our net debt including lease liabilities has risen to £359.6 million (2023: £165.2 million) as a result of the additional funding obtained in relation to the acquisition of the City Pub Group, on the back of this, our net debt to adjusted EBITDA ratio has risen to 3.9 times (2023: 1.9 times).

While our pubs continue to trade well, it remains prudent to recognise a small degree of uncertainty ahead due to any potential slowdown in consumer spending influenced by 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 a base case and two sensitised scenarios for the going concern period (12 months ending 30 June 2025). The key judgements applied are the extent of any influence on trade because of the economic uncertainty and its impact on consumers, and the 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 15% in sales and c.30% 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 5% increase in the food cost base, c.5% increase in labour and 10% increase in general pub operating costs for the period with no retail price increases. 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). There would need to be a sales reduction of c.33% and profit reduction of c.47% between May 2024 and June 2025 compared to the base case, a reduction far more than those experienced historically (except for 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.

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 can manage its business risks and therefore continue in operational existence or the going concern period. For this reason, the group continues to adopt the going concern basis in preparing its 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 £3.6 million to £0.1 million, driven by a decrease in the return on the scheme's assets. 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 £28.7 million in the period (2023: £9.0 million), which relates to a small net downward movement in property revaluation of £12.8 million, and purchase costs relating to the acquisition of the City Pub Group totalling £6.2 million. Purchase costs relating to other individual acquisitions within the period were £2.2 million, and an impairment charge of £5.5 million related to both goodwill and right-of-use assets, £1.3 million related to the disposal of one freehold property and three leasehold properties during the period, with the leasehold properties signing new replacement leases, and the remaining £0.7 million is tenant compensation and restructuring costs.

Tax

A tax charge of £9.6 million (2023: £6.5 million) was recognised for the year. The effective tax rate was 46.6% (2023: 18.0%) compared to the statutory rate of 25%, with the difference primarily driven by adjusting items not deductible for tax purposes. Further detail can be found in note 6.

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 is 62.97 pence (2023: 64.29 pence). On an unadjusted basis, the earnings per share was 18.89 pence (2023: 50.78 pence). Reflecting our strong profit performance and positive outlook, we are pleased to recommend a final dividend of 10.88 pence and, if approved by shareholders, this will give a total dividend for the year of 21.76 pence, up 6% on last year (2023: 20.52 pence).

Simon Dodd
Chief Executive

24 June 2024

Corporate Governance

Chairman's corporate governance statement

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 board has continued to follow the principles set out in the 2018 edition of the Quoted Company Alliance Corporate Governance Code (the '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, and there were no significant areas where our governance structures and practices differ from the QCA Code's expectations.

The board notes the publication of the 2023 QCA Code which will apply to the company for its FY25 annual report. The company will work towards complying with the updated principles in due course.

The board continues to evolve and there have been a number of changes during the year. In November, Steve Cooke joined the board as an independent non-executive director. Steve will take over from me as chair in July when I step down at the conclusion of the company's 2024 AGM. In January, Ian McHoul stepped down as an independent non-executive director and chair of the audit committee. We are grateful for Ian's contribution over the years and wish him all the best for his future endeavours. Aisling Meany replaced Ian as chair of the audit committee.

In February, we started the process to recruit a new independent non-executive director and the process is currently ongoing. Further information on the search process can be found on page 70.

I can also report that in July 2023, the board agreed to extend the terms of office for Torquil Sligo-Young through to September 2026. In deciding to do this, the board determined that Torquil made an effective and valuable contribution to the board, demonstrated commitment to his role, gave sufficient time to the company and provided a valuable link to the Young's family, who retain a significant stake in the company.

During the year, the board considered and made an offer to acquire the City Pub Group. The board reached agreement with the City Pubs board in November 2023 and a 2.7 announcement was released on 16 November outlining the terms of our recommended offer. The acquisition was implemented by means of a scheme of arrangement under part 26 of the Companies Act 2006 and it completed on 4 March 2024. The acquisition of City Pubs will allow Young's to grow in areas we have not historically had a presence such as Bath, Cambridge and Norfolk, and has resulted in a growth in our estate by 20%, with the addition of 55 pubs and 240 rooms. Further details on the acquisition can be found throughout the annual report.

The board's strategy and model to grow the business and drive shareholder value are set out on pages 10, 11 and 15. It is usually against that background, and a mission statement of 'delighting our customers with stylish pubs and rooms', 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.

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 honestly, professionally, fairly and with integrity at all times. 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 is published on our corporate website and 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-focused, 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: we were 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, messages and at events. Being out in our pubs unannounced and 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 encourage customer feedback (both directly to the pubs and via online booking review platforms) and we also appraise our staff and review their performance. 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 2018 edition of the QCA Code is fully reflected and observed in our business.

To finish, I remain ever aware of the importance of ensuring that we regularly engage with you, our shareholders. On page 73 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, 25 July 2024.

Stephen Goodyear
Chairman

24 June 2024

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.

Key milestones during the period

25 May 2023
Full-year results
The company released its full-year results

6 July 2023
AGM
The company's shareholder AGM was held at Wandsworth Town Hall

13 July 2023
Final dividend
A final dividend of 10.26 pence per share was paid to shareholders

1 November 2023
Board changes
Steve Cooke was appointed to the board as an independent non-executive director

16 November 2023
Acquisition
The company announced its recommended offer to acquire the City Pub Group plc

8 December 2023
Interim dividend
An interim dividend of 10.88 pence per share was paid to shareholders

23 January 2024
Board changes
Ian McHoul stepped down from the board

4 March 2024
Acquisition
The acquisition of the City Pub Group plc completed

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.

Simon Dodd
Chief Executive

E D

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 (2013–14) and commercial director (2006–13) at the Orchid Pub Company.

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

Mike Owen
Chief Financial Officer

E D

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). Mike is a qualified accountant.

Other relevant external appointments
Liveryman for the Brewers' Company

Tracy Dodd
People Director

E D

Commenced role
September 2016

Skills and experience
Tracy is responsible for all things people including HR, recruitment, training development, succession planning, internal communications and health and safety. 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, diversity and team wellbeing.

Other relevant external appointments
Hospitality Apprenticeship Board (member)

Mark Loughborough
Retail Director

E D

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 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.

Other relevant external appointments
The company's UKHospitality representative

Nick Miller
Senior Independent
Non-Executive Director

R A

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 managing director 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.

Steve Cooke
Independent
Non-Executive Director

Commenced role
November 2023

Skills and experience
Steve is an experienced adviser, helping companies in a variety of sectors including consumer, leisure, media, retail and real estate. He is a partner at Brunswick – the international advisory firm. Before that, he spent 41 years at the law firm Slaughter and May, including 33 as a partner and was head of mergers and acquisitions from 2001–16 and the senior partner of the firm from 2016–24. He will take over as chairman of Young's in July 2024.

Other relevant external appointments
Brunswick Group (Partner)

Aisling Meany
Independent
Non-Executive Director

A R

Commenced role
September 2021

Skills and experience
Aisling took over as chair of the Audit Committee in January 2024. She has considerable investment banking, capital markets and financial services experience. At Rothschild & Co, she is currently Co-CEO of Redburn Atlantic, 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 14 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 holds a Master's in Finance from the London Business School and qualified as a chartered accountant with PricewaterhouseCoopers.

Other relevant external appointments
Kiftsgate Court Gardens and Estate (trustee)

Board of directors continued

Sarah Sergeant
Independent
Non-Executive Director
A R

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 was recently 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)

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, being a member of the founding family, helps the company keep in touch with family shareholders.

Other relevant external appointments
William Allen Young Charitable Trust (chairman of the trustees)

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, and is a member of the leadership team. 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.

Committee Membership
- A Audit committee
- D Disclosure committee
- E Executive committee
- R Remuneration committee
- A Chair of committee

Leadership team

Kara Alderin
Director of Operations

Kara leads the operations of Young's rooms division, stretching from Wandsworth to the Cotswolds and across the South of England.

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 and estate management.

Jon Falarczyk
Director of Operations

Jon leads the operations in South West London, Central London, the City and the home counties.

Gail Khan
Director of HR

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

Gillian McLaren
Director of Sales & Marketing

Gillian heads up the group sales and marketing function and is also responsible for commercial procurement of our premium drink offer and maximising commercial value.

Chris Knights
Director of Foods

Chris has responsibility for the group's food operations and the development of the kitchen teams.

Aly Neale
Director of Operations

Aly leads the pub operations in the North, West and South London regions.

Grant MacFarlane
Director of IT

Grant heads up the technology function and manages the relationships with our external software, hardware and support partners.

Chris Taylor, the company secretary, is a member of the leadership team.

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 62 to 64.

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 74 to 79.	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 80 to 85.	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	**Chair**	**Chair**	**Chair**
Simon Dodd	Aisling Meany[1]	Nick Miller	Mike Owen
Other members	**Other members[2]**	**Other members[2]**	**Other members**
Mike Owen Tracy Dodd Mark Loughborough	Nick Miller Sarah Sergeant	Aisling Meany Sarah Sergeant	Simon Dodd Tracy Dodd Mark Loughborough

1 Aisling Meany assumed the role of chair of the audit committee on 24 January 2024.

2 Ian McHoul stepped down as a member of the audit committee and remuneration committee on 23 January 2024.

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.

Board meetings and reserved matters

Meetings

The board meets every two months, with additional meetings arranged as required. It met six times for scheduled board meetings during the period, excluding the strategy meeting held in October. 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 food, director of marketing, director of property, the directors of operations, the head of sales and ESG updates from the sustainability manager.

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, food and accommodation for the periods; and the group's financial position and cash flow. The non-executives also met with the chairman 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 and Slaughter and May 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;
- a market update;
- the group's acquisition strategy and capital investment; and
- consumer trends and insight.

Acquisition of the City Pub Group plc

In addition to the six scheduled board meetings held during the period, referenced earlier, the board met a further four times solely in relation to the potential acquisition of the City Pub Group plc (the 'Proposed Transaction'). On 15 November 2023, the board approved the formation of a committee comprising the chairman, chief executive and chief financial officer to be granted all powers, authorities, and discretions of the board to deal with all matters relating to the Proposed Transaction.

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.

Corporate governance report continued

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 66 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.

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.

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.

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.

Executive directors

They are responsible for the day-to-day running of the business. See pages 62 and 63 for their particular roles and areas of responsibility.

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.

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	10	3	4
Stephen Goodyear	10/10	–	–
Simon Dodd	10/10	–	–
Mike Owen	10/10	–	–
Tracy Dodd	10/10	–	–
Mark Loughborough	10/10	–	–
Nick Miller[1]	9/10	3/3	4/4
Ian McHoul[2]	9/9	2/2	3/3
Torquil Sligo-Young	10/10	–	–
Aisling Meany	10/10	3/3	4/4
Sarah Sergeant	10/10	3/3	4/4
Steve Cooke[3]	7/7	–	–

1 Nick Miller missed an unscheduled board meeting due to a personal commitment. He received a board pack and shared his views on the business of the meeting with the chairman prior to the meeting.

2 Ian McHoul stepped down as an independent non-executive director on 23 January 2024 – he attended all meetings of the board that he was eligible to attend.

3 Steve Cooke was appointed as an independent non-executive director on 1 November 2023 – he attended all meetings of the board that he was eligible to attend.

Corporate governance report continued

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 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 62 to 64) 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 but following the 2022 board evaluation it was agreed that 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.

On 1 November 2023, Steve Cooke was appointed as an independent non-executive director. Steve will take over as chair when Stephen Goodyear steps down at this year's annual general meeting in July.

In February 2024, the board started a search for an additional independent non-executive director, and agreed that two independent non-executive directors, Steve Cooke and Aisling Meany, would lead the process, as the current chairman, Stephen Goodyear, will be stepping down from the board at the conclusion of the 2024 AGM. The chairman, senior independent director and chief executive will be involved in the second stage of the interview process. 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 on the date of this report the recruitment process was ongoing.

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 director & officer 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.

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 Steve Cooke at this year's AGM. Directors are then subject to a further re-appointment vote at every third AGM after that – this applies to Torquil Sligo-Young at this year's AGM. Both Steve Cooke and Torquil Sligo-Young 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 he was willing to continue to serve as a non-executive director, the board agreed to extend the terms of office for Torquil Sligo-Young through to September 2026. In June this year Aisling Meany confirmed that she is willing to continue to serve, and the board has extended her term of office through to August 2027. In deciding to do this, the board determined that they both 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:

Non-executive director	Fixed term expiry date
Stephen Goodyear	3 April 2026
Nick Miller	3 April 2026
Torquil Sligo-Young	30 September 2026
Aisling Meany	31 August 2027
Sarah Sergeant	28 February 2026
Steve Cooke	31 October 2026

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 15–25 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.

Corporate governance report continued

In relation to the appointment of Simon Dodd to the board, 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.

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 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, 2020 and 2022.

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, appointed Lintstock Limited ('Lintstock'), to undertake the evaluation exercise. Lintstock has no other connection with the company or any of its directors. The evaluation exercise involved the completion of a series of questionnaires by each director and the company secretary as well as individual interviews.

Lintstock presented their findings to the board at a meeting held in January 2023 and the recommendations were reviewed and discussed by the board. The board agreed a list of actions which have since been implemented.

The 2024 evaluation exercise will take place later in the year and will again be undertaken by Lintstock. Once again, the exercise will involve the completion of a series of questionnaires by each director and the company secretary. Details of the outcome and actions following the review will be disclosed 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 the chief financial officer and the retail director as part of his regular one-to-one meetings with them. The chairman regularly appraised the performance of the people director on a one-to-one basis during the period. Individual development needs were discussed, as well as areas in which the executives could seek mentoring guidance.

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 49 to 53). 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 74.

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. 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

Aisling Meany
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.

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:

- ☑ acquisition accounting and integration timetable for the City Pub Group acquisition;
- ☑ the group's unaudited 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 consolidated 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 Stag (Belsize Park), Libertine (Westbourne), White Hart (Ford), White Lion (Tenterden), the Huntsman (Brockenhurst), Crooked Billet (Clapton), Ship Inn (Noss Mayo) and the Tattenham Corner (Epsom);
- ☑ Climate-Related Financial Disclosures ('CFD') reporting requirements;
- ☑ 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 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.

Aisling Meany was appointed chair in January 2024 following Ian McHoul's retirement from the board. After ensuring it was aligned to the key risks of the company's business, the committee agreed an internal audit plan for FY25 in March 2024.

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

Committee membership

The committee, chaired by Aisling Meany, comprises of three of the board's independent non-executive directors, all of whom served on the committee throughout the period. 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 69 sets out each member's attendance record. Stephen Goodyear, Torquil Sligo-Young and Steve Cooke have a standing invitation to attend committee meetings. However, their attendance is as observers and in a non-voting capacity. The chief financial officer joined all the meetings to report on his area and the chief executive joined two meetings in the period. 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.

Audit committee report continued

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 FY24 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	Approval of the internal audit charter governing the role of the internal audit function
Financial year-end audit planning report prepared by EY	Introduction of an information security policy with key third party contractors	An internal audit plan for FY25
Schedules of non-audit work performed by EY		
Consolidation and financial reporting for the City Pub Group		
FRC corporate reporting review regarding disclosures of fair value measurements		
The committee reviewed the annual report and other financial statements during the year to ensure that they were fair, balanced and understandable. It then recommended those reports to the board for approval.		

2023 financial statements – Financial Reporting Council ('FRC') letter

During the period, the company received a letter from the FRC confirming that it had carried out a review of the company's annual report and accounts for the year ended 3 April 2023. The FRC raised a question regarding our disclosures of fair value measurements under IFRS 13. We responded to the letter outlining the improvements that we intended to make to our disclosures and have incorporated these changes into this year's annual report and accounts. No further correspondence has been received from the FRC. The scope of the review performed by the FRC was to consider the group's compliance with UK reporting requirements. Due to their inherent limitations these reviews are not intended to provide assurance that corporate accounts are correct in all material aspects. The FRC's review does not benefit from a detailed knowledge of the business or an understanding of the underlying transactions entered into. The FRC's letters are written on the basis that the FRC accepts no liability for reliance on them by the company or any third party.

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 consolidated 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 consolidated 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 138 sets out the banking facilities that the group has available. The group expects, by the end of June 2025 (the 'going concern' period), to have available facilities of £335.0 million. Management reported to the committee on the cash flow models prepared and outlined how they considered the assumptions to be 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.

Matter	How this is addressed
Value of the group's pub estate	This number is by far the largest number on the balance sheet at 1 April 2024; note 17 on page 132 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 was supported by the company's valuation experts, using several inputs including the sustainable level of trade of each pub. The committee also took into account the guidance provided by the FRC in relation to the fair value disclosures. 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 1 April 2024.
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 a small impairment of goodwill required. The committee acknowledged that certain adverse changes to the assumptions in the goodwill impairment tests could result in further future impairment, and the disclosures reflected those sensitivities – note 16 on page 127 sets out further information on these sensitivities. After working through the future forecast numbers in the right-of-use assets model, an impairment was posted relating to a small number of leasehold properties – see note 19 on page 133 for further detail.
Pub acquisitions	During the period the group purchased eight individual pubs for a total cost of £36.5 million. Seven 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. The committee ultimately concluded that the disclosures made in the balance sheet at 1 April 2024 are in accordance with IFRS 3.
City Pub Group acquisition	As part of the acquisition of the City Pub Group, a detailed purchase price allocation ('PPA') was prepared, outlining the consideration paid, fair value of the net assets acquired, and the subsequent goodwill recognised on acquisition – note 13 on page 124 sets out further information on these numbers. The committee was provided with the report outlining the numbers in detail and were comfortable with the conclusions reached. At the 1 April 2024, the City Pub Group's results were consolidated into the group numbers. As part of this, Haysmacintyre, the City Pub Group's auditors, completed testing on the City balances and reported in to EY as group auditors. Throughout the acquisition process, RSM were engaged as consultants to assist with the technical aspects of accounting for the acquisition and subsequent consolidation.

EY's independent auditor's report on pages 92 to 101 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 FY24 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 £137k being 12% of total fees paid to EY during the period (2023: £48k and 9.0%). 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.

Audit committee report continued

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 1 April 2024 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 2023 audit quality inspection report in respect of EY and a copy of EY's published audit quality and transparency reports for the UK;
- ☑ 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 1 April 2024 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 1 April 2024 were £0.9 million (2023: £0.5 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 previous audit partner rotated off the engagement following the conclusion of the FY22 audit, and their successor was 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 to put the group's statutory audit out for tender for FY20 as EY had been in office, as auditor, for more than 15 years. This was a matter of good corporate governance and the tender process followed best practice guidance issued by the FRC. 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 pages 49 to 53. 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.

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 Copper House 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. Some minor changes were required during the year following the acquisition of the City Pub Group.

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 group's internal audit and risk manager, the company secretary or the chair of the committee. 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

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 a directors' remuneration 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.

Committee membership, meetings and attendance

The committee is made up of three independent non-executive directors. It is chaired by Nick Miller; the other members are Aisling Meany and Sarah Sergeant. Nick, Aisling and Sarah served on the committee throughout the period; Ian McHoul served on the committee until 23 January, when he stepped down from the board. The committee met four times during the period and the table on page 69 sets out each member's attendance record.

Advice, guidance and information

During the period, Deloitte LLP were engaged to help the committee in its review of the remuneration of the executive directors. For further details, see the *executive director's basis salary (effective 1 April 2024)* section of this report. 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 principles

The company's remuneration policy is designed to:

- attract, retain, and motivate executive management of the quality required to run the company;
- incentivise and fairly reward our executive directors; and
- support the delivery of the group's strategic objectives and promote its long-term sustainable success.

Activities during the year:

- Carried out a market review of executive director remuneration and approved an increase in the salaries of the executive directors, implemented with effect from 1 April 2024;
- Reviewed the FY23 directors' remuneration report prior to its approval by the board;
- Reviewed performance against the FY24 annual bonus plan targets and resulting awards and agreed the metrics and targets for the FY25 bonus plan;
- Reviewed LTIP award levels and performance metrics/targets for the 2023 LTIP award;
- Noted remuneration proposals for the wider workforce for FY24, implemented with effect from 1 April 2024; and
- Conducted an annual review of the remuneration committee terms of reference.

Annual statement to shareholders

Dear shareholder

On behalf of the board, I am pleased to present our remuneration report for FY24. This report provides a summary of the group's remuneration policy for executive directors, explains how this policy was applied during the year and how it will be applied during the following year.

Business performance

The company continues to evolve and lead the market, delivering a landmark year in which the acquisition of City Pubs was completed, despite a challenging macroeconomic landscape. On a comparable 52-week basis, total revenue was up to £388.8 million, driven by continued investment in the company's existing estate, complementary individual acquisitions and four weeks' revenue of City Pubs. Despite the ongoing challenges related to inflation and consumer uncertainty, the group's adjusted operating profit was up 9.4% to £57.3 million, with adjusted profit before tax up by 9.3% to £49.4 million on the prior period.

Pay and performance outcomes for FY24

Our remuneration policy focuses executive directors on driving the performance of the business. Pay outcomes continue to be linked directly to the achievement of stretching performance targets which are the key drivers of our performance.

Annual bonus for FY24

The annual bonus for FY24 was based on stretching targets which were set at the start of the year, based on a mix of adjusted profit before tax and performance against individual personal objectives and an ESG objective. Following a review of performance against the targets, bonuses of between 52% and 56% of salary were awarded to the executive directors. Further details are set out in the *Annual bonus in respect of FY24* section of this report.

Long-term incentives

No long-term incentive awards were granted in 2021 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 FY24.

Awards under the long-term incentive plan were granted to the executive directors in June 2023. The awards are subject to performance conditions measured over a three-year performance period. The performance measures are the company's growth in earnings per share (two-thirds weighting); and total shareholder return relative to a comparator group of the company's peers (one-third weighting).

Impact of the acquisition of the City Pub Group

During the year the committee reviewed the remuneration policy in-light of the acquisition of the City Pub Group plc ('City Pubs'). The committee determined that the broad structure of the policy and the incentive opportunities continued to appropriately incentivise the delivery of the group's long-term strategy. However, the committee has identified two enhancements to the policy which are intended to recognise the increased scale and complexity of the business and incentivise the delivery of integration synergies during FY25 which will be key to recognising the value of the acquisition and delivering value to shareholders. Therefore, the committee considered it appropriate to make the following two changes for FY25:

- Having carefully considered market data provided by Deloitte in the context of the acquisition and recognising the strong performance of the company during the period under review, the remuneration committee has increased the salaries of the CEO and CFO with effect from 1 April 2024 by 13% and 11% respectively. The committee notes that the revised salaries continue to be positioned below a number of the company's direct sector peers and similarly sized companies in the wider market;
- For FY25 only the executive directors will be eligible for an integration bonus of up to 50% of basic salary. The payment of the integration bonus will be subject to stretching synergy targets in excess of those presented to shareholders, and a threshold level of adjusted profit before tax. 50% of any integration bonus received will be integration into A ordinary shares for a three-year holding period.

Implementing the remuneration policy for FY25

With the exception of the changes set out earlier to reflect the acquisition, there are no significant changes to the implementation of the remuneration policy for FY25:

- Following a review of their salary levels the remuneration committee has increased the basic salaries of the people director and retail directors by 4%, which was below the average increases awarded to the wider workforce;
- Pension contributions will continue at 6% of basic salary in line with the wider workforce, and for non-managerial staff in the company's pubs, whose increase was determined in line with changes to the National Living Wage, which increased by 9.7% in April 2024;
- The annual bonus will continue to be 125% of basic salary for the CEO and CFO and 100% of basic salary for the people director and the retail director. The annual bonus will continue to be measured on the group's adjusted profit before tax, individual personal objectives and an ESG objective; and
- LTIP awards will continue to be measured with reference to the company's growth in earnings per share (two-thirds weighting) and total shareholder return relative to a comparator group of the company's peers (one-third weighting).

The committee will continue to keep the company's remuneration policy under review, and it notes the publication of the 2023 QCA Code which will apply to the company for its FY25 annual report. The committee is committed to working towards complying with the updated principles in due course.

Nick Miller
Committee Chair

Remuneration committee report continued

Executive director remuneration at a glance

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

Component	Purpose and link strategy	Operation	Maximum	Performance measures for FY25
Basic salary	Attracts and retains executive directors taking account of their personal contribution and size of the role.	Reviewed annually, after considering pay levels of comparably sized quoted and listed companies and sector peers. The performance, role, skills, experience, and responsibility of each director is also considered along with the economic climate, company performance and the level of pay across the group as a whole.	n/a	n/a
Benefits	To provide a market-competitive benefits package.	Offered in line with market practice, and currently includes a car allowance, regular medical check-ups, private medical insurance, and life assurance.	n/a	n/a
Pension	To provide an appropriate level of retirement benefit.	Executive directors are eligible to participate in the group's defined contribution pension plan. Employer contributions to the pension plan or an equivalent cash supplement (or a combination thereof) are capped at 6% of basic salary in line with the approach for the workforce.	6% of salary	n/a
Deferred annual bonus scheme	Drives and rewards the delivery of stretching annual performance targets and objectives aligned with the company's overall business strategy.	Awards are based on annual performance measures. Awards are delivered in cash with 50% of any bonus over 50% of maximum being invested in shares and held for three years (net of tax, duties, and social security). Awards may be subject to malus/clawback provisions at the discretion of the committee.	125% of salary	Financial, personal and ESG targets and objectives
LTIP	Rewards longer-term value creation and aligns executive directors' interests with those of shareholders.	Conditional shares and/or nil cost or nominal cost share options. Vesting is normally subject to the achievement of challenging performance conditions, normally over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus and clawback provisions at the discretion of the committee.	100% of salary	Earnings per share and total shareholder return

Annual remuneration implementation report

This section sets out how the directors' remuneration policy was implemented during the year ended 1 April 2024 and how it will be implemented for the coming year.

Directors' emoluments for FY24

Details of all directors' emoluments paid during the period are set out in note 8 on page 120.

Annual bonus in respect of FY24

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 effectively managed supply chain challenges, a volatile economy, rising energy costs, rail strikes, the cost-of-living crisis and the acquisition of City Pubs. Despite these challenging circumstances the company performed strongly during the period, and relative to its industry peer group.

The maximum annual bonus opportunity for FY24 was 125% of basic salary for Simon Dodd and Mike Owen, and 100% of basic salary for Tracy Dodd and Mark Loughborough. The table below sets out the key performance conditions to which the FY24 bonus awards were dependent, expressed as a percentage of basic salary. The inclusion of personal objectives recognises the specific executive roles and responsibilities each executive director has.

Following an assessment of the performance conditions, the performance of the company and the performance of each of the executive directors, the committee determined the following:

- The adjusted profit before tax ('APBT') element of the annual bonus be awarded at between 26% and 35% of maximum, to reflect the level of APBT achieved;
- The ESG and personal objectives were met in full in respect of Simon Dodd, Mike Owen and Tracy Dodd, and partially met in respect of Mark Loughborough. The committee determined overall bonus awards of 52%, 52%, 56% and 54% of maximum for Simon Dodd, Mike Owen, Tracy Dodd, and Mark Loughborough.

In line with the DAB scheme rules Simon Dodd, Mike Owen, Tracy Dodd and Mark Loughborough are required to defer 50% of any annual bonus award over 50% of maximum into shares, which are held for at least three years.

Shares awards vesting in FY24

No long-term incentive awards were granted in 2021, due to the pandemic and its impact on the performance of the company. As a result, there were no share awards due to vest in respect of FY24.

Shares awards granted in FY24

The committee granted the 2023 LTIP award on 29 June 2023. The awards were in the form of a nil cost option and no monetary consideration was paid for the awards. The awards were equivalent to 100% of basic salary for Simon Dodd and Mike Owen, and 75% of basic salary for Tracy Dodd and Mark Loughborough.

The committee decided that the awards would be based on the following performance conditions:

- growth in the company's adjusted earnings per share (two-thirds); and
- total shareholder return relative to a comparator group of the company's peers (one-third).

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 will vest and become exercisable subject to continued employment with the company and the extent to which the performance conditions are met.

	Adjusted profit before tax	ESG objective	Personal objectives	Maximum
Simon Dodd	95%	10%	20%	125%
Mike Owen	95%	10%	20%	125%
Tracy Dodd	70%	10%	20%	100%
Mark Loughborough	70%	10%	20%	100%

Implementation of the remuneration policy for FY25

Executive directors' basic salary (effective 1 April 2024)

During the year, the remuneration committee reviewed the salaries of the executive directors, giving particular consideration to the impact of the company's acquisition of City Pubs and the performance of the company. Taking into account the increased scale and complexity of the group the committee determined that the chief executive and chief financial officer's basic salaries should be increased by 13% and 11% to £500,000 and £350,000 respectively, in order to appropriately recognise the roles they will play in delivering the group's strategic priorities.

The committee carefully considered a range of reference points provided by Deloitte LLP, and notes that the revised salaries continue to be positioned below a number of the company's direct sector peers and similarly sized companies in the wider market. Although above the rate for the wider workforce, the committee concluded that the proposed pay rises were justifiable and aligned with shareholders' interests.

As part of the review the committee also considered the basic salaries of the people director and the retail director, and it was felt that their basic salaries were in line with the market for their specific roles. Therefore they have received basic salary increases of 4%, below the 4.8% 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 2024.

In the future, it is intended that, with the exception of significant changes in role, basic salary increases will be either at or below the average awarded to the Copper House team.

Remuneration committee report continued

Benefits

There were no material changes to benefit provisions during the year.

Pension

The executive directors will continue to receive an employer contribution of 6% of salary or an equivalent cash supplement (or a combination thereof).

Annual bonus FY25

The annual bonus for FY25 will operate on broadly the same basis as for FY24. 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 weightings of the performance conditions for the FY25 annual bonus will be the same as outlined for the FY24 bonus.

Acquisition integration bonus

The integration of City Pubs into the group is a very important strategic objective for FY25. The business case synergies are a crucial part of the acquisition business case and the overall success of the transaction. The committee acknowledged the complexity of integrating two businesses and felt that it was important to incentivise the executive directors to not only achieve the business case synergies but stretch them to exceed the business case, by setting a stretch synergies target over and above the business case.

The committee approved a one-off acquisition integration bonus opportunity of up to 50% of basic salary for the executive directors. 50% of any integration bonus received will be deferred into A ordinary shares for a three-year holding period. The bonus will be subject to the achievement to synergies approved by the board in the acquisition business case linked to a threshold level of adjusted profit before tax, and a stretch integration synergies target.

2024 LTIP grant

The 2024 LTIP 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 below and the financial period will run from 1 April 2024 to on or around 31 March 2027:

- growth in the company's adjusted earnings per share (two-thirds); and
- total shareholder return relative to a comparator group of the company's peers (one-third).

Outstanding share awards

	Type of award	Date of award	At 3 April 2023	Granted during the period	Lapsed during the period	At 1 April 2024	Share price on date of award	Option price	Date from which exercisable	Expiry date
Simon Dodd	LTIP	29.06.22	15,127	–	–	**15,127**	1,140p	Nil	29.06.25	28.06.32
	LTIP	29.06.23	–	36,597	–	**36,597**	1,215p	Nil	29.06.26	28.06.33
	SAYE	13.12.21	1,530	–	–	**1,530**	1,515p	1,176p	01.02.25	31.07.25
Mike Owen	LTIP	29.06.22	25,548	–	–	**25,548**	1,140p	Nil	29.06.25	28.06.32
	LTIP	29.06.23	–	26,090	–	**26,090**	1,215p	Nil	29.06.26	28.06.33
	SAYE	13.12.21	1,530	–	–	**1,530**	1,515p	1,176p	01.02.25	31.07.25
Tracy Dodd	LTIP	29.06.22	13,823	–	–	**13,823**	1,140p	Nil	29.06.25	28.06.32
	LTIP	29.06.23	–	14,116	–	**14,116**	1,215p	Nil	29.06.26	28.06.33
	SAYE	13.12.21	1,071	–	–	**1,071**	1,515p	1,176p	01.02.25	31.07.25
Mark Loughborough[1]	LTIP	29.06.22	3,118	–	–	**3,118**	1,140p	Nil	29.06.25	28.06.32
	LTIP	29.06.23	–	14,116	–	**14,116**	1,215p	Nil	29.06.26	28.06.33
	SAYE	13.12.21	765	–	–	**765**	1,515p	1,176p	01.02.25	31.07.25
	SAYE	18.12.23	–	847	–	**847**	1,075p	876p	01.02.27	31.07.27

1 Mark Loughborough joined the board on 30 September 2022.

Directors' interests in the company's shares

Details of all directors' interests as at the end of the period are set out in the Directors' report on page 86.

Directors' service contracts and letters of appointment

Executive directors have rolling service contracts terminable on no more than one year's notice served by the company or director. In the event of early termination, executive directors are entitled to a payment equal to the salary due for the unexpired period of their notice.

The chairman and non-executive directors serve the company on the basis of renewable letters of appointment which can be terminated by written notice by either party. No compensation is awarded on termination.

The following table sets out the date of the executive directors' service contracts and non-executive directors' dates of appointment:

Executive directors	Date of contract	Notice period
Simon Dodd	17 July 2019	12 months
Mike Owen	8 May 2019	12 months
Tracy Dodd	28 September 2016	12 months
Mark Loughborough	30 September 2022	12 months
Non-executive directors	**Date of appointment**	**Term expires**
Stephen Goodyear[1]	4 April 2017	3 April 2026
Nick Miller	4 April 2017	3 April 2026
Steve Cooke	1 November 2023	31 October 2026
Torquil Sligo-Young[1]	1 October 2020	30 September 2026
Aisling Meany	1 September 2021	31 August 2027
Sarah Sergeant	1 March 2023	28 February 2026

1 Stephen Goodyear and Torquil Sligo-Young served as executive directors of the company prior to being appointed non-executive directors.

Service contracts and letters of appointment are available for inspection at the AGM and at the company's registered office.

Chairman and non-executive director remuneration

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 and Torquil Sligo-Young are pensioner members of the group's defined benefit pension scheme. 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 4% basic fee increase for FY25, which was below both general inflation and the 4.8% 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 chairman's fee was increased from £131,250 to £136,500, and the non-executive directors basic fee was increased from £48,300 to £50,232 with effect from 1 April 2024.

Independent advisors

Deloitte LLP (Deloitte) provides advice to the committee as and when required in respect of remuneration quantum and structure and developments in governance and best practice more generally. Deloitte is a member and signatory of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK, details of which can be found at remunerationconsultantsgroup.com.

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.

By order of the board

Chris Taylor
Company Secretary

24 June 2024

Directors' report
For the 52 weeks ended 1 April 2024

Directors

Details of our directors appear on pages 62 to 64. All of them served throughout the period except for Steve Cooke who was appointed as a director on 1 November 2023. No other person was a director during the period other than Ian McHoul who stepped down as a director on 23 January 2024.

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 8(e) on page 121.

		As at	A shares	Non-voting shares
Stephen Goodyear[1, 2]	Beneficial	1 April 2024	200,424	3,265
		3 April 2023	200,424	3,265
Simon Dodd[3]	Beneficial	1 April 2024	7,817	3,087
		3 April 2023	6,439	–
Mike Owen[1, 2]	Beneficial	1 April 2024	8,098	2,040
		3 April 2023	6,922	2,040
Tracy Dodd[1, 2, 4]	Beneficial	1 April 2024	9,156	–
		3 April 2023	8,041	–
Mark Loughborough[1, 2]	Beneficial	1 April 2024	–	–
		3 April 2023	–	–
Nick Miller	Beneficial	1 April 2024	58,587	408
		3 April 2023	58,587	408
Torquil Sligo-Young[1, 2, 5, 6]	Beneficial	1 April 2024	268,976	15,081
		3 April 2023	269,476	15,081
	Trustee	1 April 2024	4,053,100	499,591
		3 April 2023	4,053,100	499,591
Aisling Meany	Beneficial	1 April 2024	1,299	–
		3 April 2023	1,299	–
Sarah Sergeant	Beneficial	1 April 2024	–	–
		3 April 2023		
Steve Cooke[7]	Beneficial	1 April 2024	–	–

1 Also interested in 10,810 (2023: 14,479) A shares held in trust by RBT II Trustees Limited – see note 32 on page 154.

2 Also interested in 337,067 (2023: 337,067) A shares held in trust by Young's Pension Trustees Limited – see note 32 on page 154.

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 Torquil Sligo-Young and various members of his immediate family are discretionary beneficiaries under trusts holding 836,368 (2023: 836,368) of the A shares and 453,543 (2023: 453,543) of the non-voting shares in respect of which Torquil Sligo-Young is shown as trustee in the above table.

6 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 32 on page 154).

7 Steve Cooke was appointed to the board in November 2023.

Profit and dividends

The profit for the period attributable to shareholders was £11.1 million. The directors recommend a final dividend for the period of 10.88 pence per share (which, subject to approval at the AGM, is expected to be paid on 2 August 2024 to shareholders on the register at the close of business on 5 July 2024). When added to the interim dividend of 10.88 pence per share paid in December 2023, this would produce a total dividend for the period of 21.76 pence per share (see note 14 for further details).

Disclosure of information to the auditor

Each of the directors shown on pages 62 to 64 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(11) of the Companies Act 2006, the directors have chosen to include in the strategic report (on pages 2 to 58) 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 137, 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

We work hard to communicate effectively with our teams. 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 team member changes.

We encourage all employees to use The Ram app, delivered by the company's e-learning platform, to access the 'Keeping in Touch' and 'Food Glorious Food' pages which include a range of information and resources to enhance and maintain mental, physical and financial wellbeing of our employees. We also encourage our employees to celebrate working for us by sharing their photos on 'Keeping in Touch'. 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 whether they are at work, 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. In addition, we circulate a regular e-magazine called The Ram Pages which starts off with a message from Simon Dodd or an executive director and showcases stories from pubs, updates from Copper House teams, sustainability achievements, internal vacancies and much more.

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 at Copper House, for periods of two years at a time. Team members in the group's managed pubs have 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 one of these meetings to present an update to committee members on trading, operational and team member matters.

A briefing sheet, summarising the outcomes from each meeting, is shared across the business – initially emailed to all employees based at Copper House, with the group's operations managers then being responsible for cascading that information to the pub managers within their area via area meetings and the pub managers then having to pass it along 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, the 'dinner with directors' initiative continues to be successful and valued by those who attend. Each month, a dinner is hosted by two executive directors or management board members with invited general managers, head chefs, area sales and marketing co-ordinators and Copper House 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 to engage employees. Twice yearly 'long-service dinners', hosted by executive directors, were introduced during the period. All employees who complete service anniversaries in a multiple of five are invited to attend a dinner which celebrates their service with us.

To encourage further involvement and interest in the group's performance, the company continued to operate 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 to pub teams to ensure all employees were fully informed about the scheme.

Directors' report continued
For the 52 weeks ended 1 April 2024

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 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 650 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 the business, with more than 100 Mental Health First Aiders and Mental Health First Aid Champions employed across the company. The training has been extended to our head chefs to recognise particular risks in kitchen teams generally. Mental Health First Aid Champions support their colleagues across the business and signpost them to further mental health support, as appropriate. In addition, information on supporting mental health was published via the 'Keeping in Touch' posts on The Ram app, which is available to every employee, signposting employees who may be experiencing mental health crises to appropriate services. The company's corporate social media accounts also supported the company's positive stance on mental health and a number of messages 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 directly to employees and via The Ram app, The Ram Pages and social media accounts. Employees 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, the LTC received over 40 calls from individuals who identified themselves as the company's employees. In addition, financial grants of over £23,000 were made to the company's employees – mainly educational and housing support grants.

The company continued to actively support and promote the Ram Agency, which gives 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 500 Ram Agency employees which cover front of house, kitchen, and management roles as well as some roles within Copper House. The success of this flexible strategy is consistently demonstrated, such as the 21,843 Ram Agency hours worked across more than 2,460 shifts in December 2023 alone. In total, nearly 200,000 hours were worked during the period. In addition, the Ram Agency attracts employees who would otherwise leave our employment but remain with the Ram Agency in a flexible and autonomous role. We also celebrate the many former employees who return to work for us through the Ram Agency.

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 *'Streamlined energy and carbon reporting'* 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 40 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, 11 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.

We work with Atreemo, a dynamic customer relationship management platform to build personalised and trackable digital campaigns. 24 million personalised emails were sent during the year (2023: 17 million): these kept our customers informed, for example, about events in the pubs, Young's Rooms, On Tap treats, menu launches and new openings. In September 2023, in line with our agreed data retention policy, we cleansed our database of contacts who had not interacted with us over the last 3 years. Following the data cleanse, we retained 4 million customer contacts in Atreemo. Over one million customers have opted in for email marketing and 873,000 opted in for push notifications via Young's On Tap. 443,000 customers used the On Tap app in the period with 260,000 new On Tap app users. Together, they placed orders to a value of £17 million.

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, X (formerly Twitter), Instagram, TikTok and LinkedIn exceeds 100,000. Impressions (the number of times content is seen) for the Young's brand have achieved over 18.5 million during the period. Obtaining social media followers remains a core part of the company's social marketing strategy whilst continuing to focus on retaining our existing audience. Having an engaged audience where people like, share and comment on content is of high value to the brand and our social channels have achieved over 267,000 engagements. 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 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.

'Spring into Summer' was the focus of our Young's Rooms customer marketing campaign throughout April to September, with a 'Cosy Nights' campaign running over the Autumn and Winter months. 'Our One More Sleep' campaign further gifted guests with an additional complimentary night when they booked with us in January and February 2024. 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 63% 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 Ecologi, planting an actual tree for every 'cocktail tree' sold in our pubs during December. The Ecologi platform helps businesses (and individuals) fund the best climate solutions worldwide from forest restoration to verified carbon avoidance projects. In just three years, Ecologi has avoided over 2.8 million tonnes of CO_2e and funded the planting of over 72 million trees;
- In 2023, we pledged a little something extra, to celebrate every new Christmas tree bringing the festive cheer to our pubs, we further partnered with Ecologi to plant a replacement tree right here in the UK. Ecologi work with partners across the UK to plant native, diverse, and ecologically appropriate trees where needed. The aim is to benefit biodiversity including some of Britain's most loved wildlife species who call these habitats home. In total the company planted 263 trees;
- In conjunction with tournament partners, Asahi UK, Diageo plc and Sipsmith, we supported last year's major sporting events such as the Rugby World Cup 2023, the Guinness Six Nations and The Championships, Wimbledon;
- As part of our Rugby Love campaign for 2023/24, we collaborated with Carlsberg Marston's Brewing Company to create a celebratory cask ale, Young's Drop Gold with 20 pence from every pint sold being donated to Wooden Spoon, the Children's Charity of Rugby resulting in a total donation of £9,300; and
- We launched our summer Spritz campaign in conjunction with Fever-Tree, our premium mixer partner, creating a range of interesting and innovative long drinks such as the Hugo Spritz and our non-alcoholic Amalfi Spritz, which proved hugely popular across our pubs and gardens from April to September.

Corporate governance arrangements

The report on the company's corporate governance arrangements is set out on pages 60 to 73. 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.

Directors' report continued
For the 52 weeks ended 1 April 2024

AGM

Notice convening the AGM is set out on pages 156 to 160; notes explaining the resolutions being proposed are on pages 161 and 162.

Notifications of major holdings of voting rights

As at 1 April 2024, the company had been notified of the following holdings of 3% or more of the voting rights in the company:

Octopus Investments Nominees Ltd	**12.21%**
Torquil Sligo-Young	**11.26%**
James Young	**10.12%**
Caroline Chelton	**9.12%**
BlackRock Investment Management (UK) Ltd	**5.94%**
Canaccord Genuity Group Inc.	**5.55%**

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 2 April 2024 and 17 June 2024, both dates inclusive.

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 2 to 58) and the financial statements for the period ended 1 April 2024 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 June 2024

Financial Statements

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 1 April 2024 and of the group's profit for the 52 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 52 weeks ended 1 April 2024 which comprise:

Group	Parent company
Balance sheet at 1 April 2024	Company Balance sheet at 1 April 2024
Group income statement for the 52 weeks then ended	Company statement of changes in equity for the 52 weeks then ended
Group statement of comprehensive income for the 52 weeks then ended	Statement of cash flow for the 52 weeks then ended
Group statement of changes in equity for the 52 weeks then ended	Related notes 1 to 35 to the financial statements including material accounting policy information
Statement of cash flow for the 52 weeks then ended	
Related notes 1 to 35 to the financial statements, including material accounting policy information	

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:

- confirming our understanding of the director's going concern assessment process, including the controls over the review and approval of the business plan and cash flow forecasts covering the period through to 30 June 2025;
- assessing the appropriateness of the duration of the going concern assessment period through to 30 June 2025 and considering the existence of any significant events or conditions beyond this period based on our procedures on the Group's business plan, cash flow forecasts and from knowledge arising from other areas of the audit;
- verifying inputs against the board-approved business plan, cash flow forecasts and debt facility terms and reconciling the opening liquidity position to the period end position as at 1 April 2024;
- reviewing borrowing facilities to confirm both their availability to the group and the forecast debt repayments through the going concern assessment period and to validate that there are only three financial covenants in relation to the financing arrangements;
- evaluating management's historical forecasting accuracy and the consistency of the going concern assessment with information obtained from other areas of the audit, such as our audit procedures on the business plan and cash flow forecasts which underpin management's goodwill impairment assessments;
- testing the assessment, including forecast liquidity under base and downside scenarios, for clerical accuracy;
- assessing whether assumptions made, including those relating to current economic challenges, were reasonable and, in the case of downside scenarios, appropriately severe, in light of the group's relevant principal risks and uncertainties and our own independent assessment of those risks;

- assessing management's conclusion that there are no material climate changes impacting the going concern assessment period;
- evaluating the amount and timing of identified mitigating actions available to respond to a severe but plausible downside scenario, and whether those actions are feasible and within the group's control;
- performing independent stress testing on management's assumptions including applying incremental adverse cash flow sensitivities;
- performing reverse stress testing on management's base case scenario to understand how severe conditions would have to be to breach liquidity and financial covenants and whether the reduction in EBITDA that results in breaches to liquidity or financial covenants has no more than a remote possibility of occurring;
- assessing the appropriateness of the going concern disclosures within Note 1 to the financial statements.

Our key observations

- The directors' assessment forecasts that the Group will maintain sufficient liquidity throughout the going concern assessment period in the base case scenario and will not breach banking covenants. Management considered two severe but plausible downside scenarios, including a general reduction in trade scenario (which reduced sales and profit by 15% and 30% respectively from the base case scenario) and a cost inflation scenario (which increased food by 5% and labour and general pub operating costs by 5% and 10% respectively from the base scenario, with no associated uplift in sales prices). We note in both scenarios no covenants are breached. Under the reverse stress test scenario, which includes a permanent reduction in sales of 33% and profit of 47%, covenants would be breached in June 2025. This scenario is not considered plausible. We have not identified any climate-related risks that would materially impact the group's forecasts to 30 June 2025.
- Controllable mitigating actions available to management over the going concern assessment period, including reductions to non-declared dividend payments and reductions to enhancement capital expenditure on the pub estate, are sufficient to ensure liquidity in both management's plausible downside scenarios and the audit team's additional downside sensitivities.

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 30 June 2025.

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	• We performed an audit of the complete financial information of one component and audit procedures on specific balances for a further one component. • The components where we performed full or specific audit procedures accounted for 100% of adjusted profit before taxation, 100% of Revenue and 100% of Total assets.
Key audit matters	• Purchase price allocation (in relation to the City Pub Group acquisition) • Valuation of the freehold pub estate • Asset impairment • Deferred taxation on the pub estate • Management override in the recognition of revenue via topside journals
Materiality	• Overall group materiality of £2.4m which represents 5% of adjusted profit before taxation.

An overview of the scope of the parent company and group

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.

We take into account size, risk profile, the organisation of the group and effectiveness of group wide controls, the potential impact of climate change, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

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, of the 3 reporting components of the Group, we have selected 2 components, covering entities in the UK and which represent the principal business units within the Group.

Independent auditor's report continued

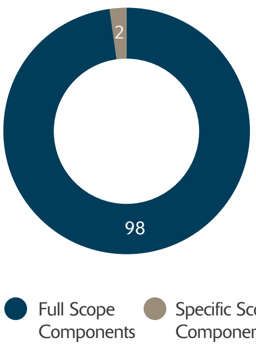
Of the 2 components selected, we performed an audit of the complete financial information of 1 component ("full scope component") which was selected based on its size. For the other 1 component ("specific scope component"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% (2023: 100%) of the Group's Profit before taxation, 100% (2023: 100%) of the Group's Revenue and 100% (2023: 100%) of the Group's Total assets. For the current 52 weeks, the full scope component contributed 98% (2023: 100%) of the Group's Profit before taxation, 98% (2023: 100%) of the Group's Revenue and 89% (2023: 100%) of the Group's Total assets. The specific scope component contributed 2% (2023: 0%) of the Group's Profit before taxation, 2% (2023: 0%) of the Group's Revenue and 11% (2023: 0%) of the Group's Total assets. The audit scope of this component may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

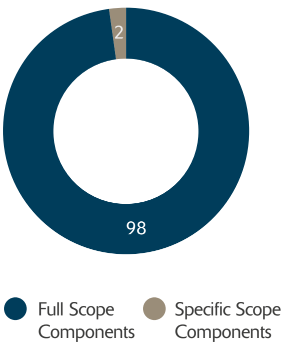
The remaining 1 component represents 0.1% of the Group's Profit before taxation . For this component, we performed other procedures, including analytical review, testing of consolidation journals and intercompany eliminations to respond to any potential risks of material misstatements to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

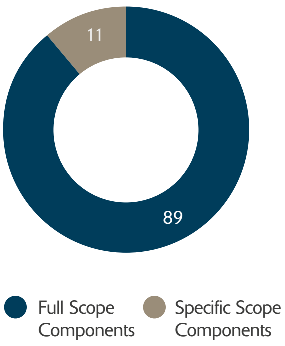
Profit before tax (%)



Revenue (%)



Total assets (%)



Changes from the prior period

Changes relate to the acquisition of The City Pub Group plc ('City') on 4 March 2024 which has resulted in an update to the group audit scope with a specific scope component for City in addition to the full scope component for the Young's legacy estate.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms, or external firms, operating under our instruction. For the single full scope component, audit procedures were performed directly by the primary audit team. For the single specific scope component, where the work was performed by component auditors at Haysmacintyre LLP, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team followed a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits our component auditor, Haysmacintyre LLP, during the current audit cycle, with two physical visits and regular progress meetings on Microsoft Teams that were undertaken between the primary audit team and the component team in the United Kingdom. These visits involved attending planning and closing meetings, discussing the audit approach with the component team and any issues arising from their work, meeting with local management and reviewing relevant audit working papers. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. At critical periods of the audit, we increased the use of online collaboration tools to facilitate team meetings, information sharing and evaluation, review and oversight of the component team's audit file. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

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 their operations will be from the impact of extreme weather on estate repair costs and on raw material costs, as well as increased regulatory requirements. These are explained on page 50 in the principal risks and uncertainties. All of these disclosures form 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.

The group has explained in the basis of preparation note, how they have reflected the impact of climate change in their financial statements, however, there are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on page 50 and the significant judgements and estimates disclosed in note 4, and whether these have been appropriately reflected in asset values where these are impacted by future cash flows and associated sensitivity disclosures (see notes 16 and 19) following the requirements of UK adopted international accounting standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern, valuation of freehold pub estate, and impairment of assets, and associated disclosures. Where considerations of climate change were relevant to our assessment in these areas, these are described above.

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.

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
Purchase price allocation (in relation to the acquisition of The City Pub Group plc)		
Refer to the Audit Committee Report (page 77); Accounting policies (page 111); and Note 13 of the Consolidated Financial Statements (page 124) Young's acquired 100% of share capital of The City Pub Group plc (and City's share of all JVs, associates and subsidiaries) on 4 March 2024, with enterprise value of c. £158 million, funded c.75% debt and c.25% equity. Accounting for the business combination involves determining the fair value of assets and liabilities acquired, which requires the use of valuation methodologies and significant assumptions. This risk involves consideration of how the purchase price of the acquisition was allocated to the assets and liabilities acquired, and the quantum of goodwill to be recognized, as of the acquisition date. The valuation of these assets is materially sensitive to changes in assumptions. The fair value of the freehold property assets acquired was £134.5m, the right-of-use (ROU) assets acquired was £33.5m, lease liabilities was £16.7m and goodwill recognized was £46.6m. Key estimates in the purchase price allocation included: • Freehold property valuation and deferred taxation thereon; and • Fair value adjustments to determine the ROU assets and lease liabilities for leasehold properties. This is a new key audit matter for the current year and affects the Group financial statements.	• Our audit of the fair values of the assets and liabilities acquired was performed by the Group audit team, with specified procedures performed by Haysmacintyre LLP over working capital balances in the acquisition date balance sheet. • We reviewed the key offer documentation (including the Rule 2.7 Announcement and Scheme Document), and tested consideration for the acquisition. • We obtained an understanding of management's process to identify and value the assets and liabilities acquired, including their use of external specialists. • We assessed the independence, objectivity and competence of management's specialists. • We focused our testing on the key estimates in the purchase price allocation, namely the fair valuation of freehold property and adjustments to leasehold assets and liabilities, completed by management's specialists, including the methodology and key assumptions utilized. • We engaged internal specialists from our valuation teams, including property (real estate), and business valuations when auditing the freehold valuation and tax specialists, to assist with auditing of the deferred and current tax considerations arising from the acquisition. • We challenged the inputs and assumptions to developing the key estimates, including prospective financial information ('PFI'), property valuation 'multiples', assumptions for 'spot' valuations, lease terms, incremental borrowing rates, market rent values and tax base costs of the property, plant and equipment acquired. • We tested the clerical accuracy of the fair value calculations. • We evaluated the adequacy of the business combination disclosures to the requirements in IFRS 3.	We concluded that the valuation of the assets and liabilities acquired as part of the City acquisition and recognition of goodwill thereon is reasonable and the methodology used is in accordance with IFRS 3 Business Combinations and consistent with existing Young's policies. We reviewed the disclosures in Note 13 of the consolidation financial statements, and consider them to provide the level of detail required by IFRS 3 and appropriately reflect the level of estimation.

Independent auditor's report continued

Valuation of the freehold pub estate (2024: £984.7m, 2023: £797.5m)

Risk

Refer to the Audit Committee Report (page 77); Accounting policies (page 112); and Note 17 of the Consolidated Financial Statements (page 129)

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 £984.7 million as at 1 April 2024 (3 April 2023: £797.5 million). As permitted by IAS 16 and in common with other listed pub operators in the UK, this revaluation was achieved through:

- 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 management specialist, 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 management specialist 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.

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.

The risk on this key audit matter has not increased or decreased from the prior year. This key audit matter affects the Group and Company financial statements.

Our response to the risk

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, valuation multiples and the approach to the various spot valuations.

We assessed the competence and objectivity of the external valuer, including consideration of its qualifications and expertise.

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.

Of the group's 205 freehold pubs, with support from our property valuation specialists we tested a sample of 51 pub valuations. We performed testing over the underlying valuation assumptions, with a particular focus on pubs valued using a spot valuation, pubs not physically inspected by management's specialist 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.

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.

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.

We considered the appropriateness of the valuation disclosures in note 17 of the financial statements and whether they were compliant with the fair value information required under IFRS 13.

Key observations communicated to the Audit Committee

We concluded that the values of the sample of 51 properties tested, with the assistance of our internal property valuations specialists, were within the reasonable range of values as assessed by them.

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.

We reviewed the disclosures in note 17 to the financial statements, and consider them to be appropriate.

Asset impairment

Risk

Refer to the Audit Committee Report (page 77); Accounting policies (page 112); and Note 16, 17 and 19 of the Consolidated Financial Statements (page 127, 129 and 133)

In addition to its freehold property portfolio, the group has significant other assets connected with its pub estate, including goodwill of £77.4m (FY23: £32.5m), leasehold improvements, fixtures, fittings and equipment in leasehold properties of £34.4m (FY23: £33.0m) and right of use assets of £183.2m (FY23: £142.9m).

The changes in consumer spending habits arising from the 'cost of living' crisis and suppressed market capitalization of the group in line with similar trends across the pub industry, has been identified as an indicator of impairment.

- 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.
- 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.
- Significant judgement is required in forecasting the future cash flows of each pub, together with the rate at which they are discounted.

The risk on this key audit matter has not increased or decreased from the prior year. This key audit matter affects the Group and Company financial statements.

Our response to the risk

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.

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.

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.

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 controllable events and management's historical forecasting accuracy.

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.

In respect of the impact of changes in consumer spending habits and trading volatility for specific CGUs or groups, we compared management's assumptions against external economic forecasts and actual performance against prior periods and against management's historical forecasts.

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 volatility and long-term growth rate. We then determined whether adequate headroom remained in our independent assessment and whether impairment was required to be recognised.

We assessed the disclosures in notes 16 and 19 of the financial statements against the requirements of IAS 36 Impairment of Assets, in particular the requirement to disclose impairment charges recognised and further sensitivities for CGUs where a reasonably possible change in a key assumption would cause an impairment.

Key observations communicated to the Audit Committee

We concluded that the impairment recognised in the group financial statements as of 1 April 2024 was appropriate based on our procedures performed.

The impairment test for specific CGU groups continues to be sensitive to adverse changes that could arise given the uncertainties surrounding future trading, including those arising from changes in consumer spending habits, operational factors and non-controllable external events.

Management describes these sensitivities appropriately in notes 16 and 19 to the financial statements, in accordance with IAS 36.

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

Risk

Refer to the Audit Committee Report (page 75); Accounting policies (page 114); and Note 26 of the Consolidated Financial Statements (page 143)

As of 1 April 2024, the group had net deferred tax liabilities of £129.9 million, including £18.7 million net deferred tax liability from the City Pub Group acquisition (2023: £104.6 million).

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 on the valuation of each freehold pub.

These judgements are focused on:

- 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.

The risk on this key audit matter has not increased or decreased from the prior year. This key audit matter affects the Group and Company financial statements.

Our response to the risk

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.

In conjunction with our tax team members with specialist skills we tested the deferred tax calculations based on the valuation of freehold pubs. 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.

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.

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.

With support from our tax specialised team members, we tested the deferred tax recognised on the balance sheet from the fair valuation of assets and liabilities acquired as part of the acquisition of City Pub Group plc.

We considered whether the related deferred tax disclosures, included in note 26 to the group financial statements, were in line with IAS 12 requirements.

Key observations communicated to the Audit Committee

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.

Risk | Our response to the risk | Key observations communicated to the Audit Committee

Management override in the recognition of revenue

Risk

Refer to the Audit Committee Report (page 75); Accounting policies (page 111); and Note 6 of the Consolidated Financial Statements (page 119)

- The group recorded revenue from continuing operations of £388.8 million in the year (2023: £368.9 million). The vast majority of the group's revenue transactions are non-complex, with no judgement applied over the amount recorded.
- We consider the significant and fraud risk relating to revenue to be around management override of controls and topside journals to revenue.

The risk on this key audit matter has not increased or decreased from the prior year. This key audit matter affects the Group and Company financial statements.

Our response to the risk

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.

We applied correlation data analysis and cash anchor testing 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.

Key observations communicated to the Audit Committee

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.

The key audit matter in relation to the purchase price allocation is new this year due to the acquisition of The City Pub Group plc during the year.

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 £2.4 million (2023: £2.2 million), which is 5% (2023: 5%) of adjusted profit before taxation. We believe that adjusted profit before taxation(as set out in note 10) is considered to be the focus of the group's stakeholders.

Starting basis
- Profit before tax – £20.7m

Adjustments
- Adjusting items – £28.7m

Materiality
- Totals – £49.4m
- Materiality of £2.4m (5% of Adjusted profit before taxation)

During the course of our audit, we reassessed initial materiality and the movement between planning phase and year end is minimal, and is considered immaterial.

Since this movement is highly immaterial, we have elected not to update our materiality at year end, keeping our planning materiality as originally calculated.

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 50% (2023: 75%) of our planning materiality, namely £1.2m (2023: £1.7m). We have set performance materiality at this percentage due to various considerations including the past history of misstatements, our ability to assess the likelihood of misstatements, and other factors affecting the entity and its financial reporting.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current period the range of performance materiality allocated to components was £375k to £1.2m.

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 £124,000 (2023: £110,000), 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 90, 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.

Independent auditor's report continued

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 52 weeks 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 90, 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 frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK adopted international accounting standards, the UK Companies Act 2006, QCA Code and AIM Rules) and the relevant tax laws and regulation, including UK Corporate tax legislation. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, relating to health and safety, employee matters and right to work checks per the guidance from Home Office and UK Visas and Immigration.
- 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, papers provided to the Audit Committee and attendance at those meetings and consideration of the results of our audit procedures across the group.

- 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 and reports to the group's internal whistleblowing hotline. We also considered performance targets and their influence on efforts made by management to manage earnings and influence the perceptions of analysts. We considered the programmes and controls that the group has established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud and error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making inquiries of group management, those charged with governance and legal counsel, as well as journal entry testing, with a focus on manual consolidation journals and journals indicating significant or unusual transactions based on our understanding of the business. Through our testing we challenged the assumptions and judgements made by management in respect of significant one-off transactions in the 52 week period and significant accounting estimates as referred to in the key audit matters section above. At a component team level, our specific scope component team's procedures included inquiries of component management, journal entry testing, and focused testing , including in respect of the key audit matter of revenue recognition. We also leveraged our data analytics platform when performing our work on the order to cash process to assist in identifying higher risk transactions for testing.

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 June 2024

Group income statement

For the 52 weeks ended 1 April 2024

	Notes	2024 52 weeks £m	2023 53 weeks £m
Revenue	6	**388.8**	368.9
Operating costs before adjusting items	7	**(331.5)**	(316.5)
Adjusted operating profit		**57.3**	52.4
Adjusting items	9	**(28.7)**	(9.0)
Operating profit		**28.6**	43.4
Finance income		**–**	0.1
Finance costs	11	**(8.1)**	(7.6)
Finance income for pension obligations	27	**0.2**	0.3
Profit before tax		**20.7**	36.2
Income tax expense	12	**(9.6)**	(6.5)
Profit for the period attributable to shareholders of the parent company		**11.1**	29.7

		Pence	Pence
Earnings per 12.5p ordinary share			
Basic	15	**18.89**	50.78
Diluted	15	**18.88**	50.74

The notes on pages 109 to 155 form part of these financial statements.

Group statement of comprehensive income

For the 52 weeks ended 1 April 2024

	Notes	2024 52 weeks £m	2023 53 weeks £m
Profit for the period		**11.1**	29.7
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Unrealised gain on revaluation of property	17	**22.9**	15.2
Remeasurement of retirement benefit schemes	27	**(5.3)**	(10.1)
Tax on above components of other comprehensive income	12	**(6.1)**	(1.2)
Items that will be reclassified subsequently to profit or loss:			
Fair value movement of interest rate swaps	25	**(2.1)**	3.1
Tax on fair value movement of interest rate swaps	12	**0.5**	(0.8)
		9.9	6.2
Total comprehensive income attributable to shareholders of the parent company		**21.0**	35.9

Financial Statements

The notes on pages 109 to 155 form part of these financial statements.

Group balance sheet
At 1 April 2024

	Notes	Group 2024 £m	Group 2023 £m
Non-current assets			
Goodwill	16	**77.4**	32.5
Property and equipment	17	**1,036.9**	842.5
Investment properties	18	**4.3**	–
Right-of-use assets	19	**183.2**	142.9
Derivative financial instruments	25	**2.9**	2.3
Retirement benefit schemes	27	**1.8**	5.4
		1,306.5	1,025.6
Current assets			
Inventories	21	**6.5**	5.4
Trade and other receivables	22	**15.9**	9.5
Income tax receivable		**5.0**	–
Derivative financial instruments	25	**0.2**	2.7
Cash		**16.9**	10.7
		44.5	28.3
Asset held for sale	23	**2.2**	–
		46.7	–
Total assets		**1,353.2**	1,053.9
Current liabilities			
Borrowings	25	**(71.5)**	–
Lease liabilities	28	**(6.8)**	(4.8)
Income tax payable		**–**	(0.9)
Trade and other payables	24	**(69.7)**	(46.6)
		(148.0)	(52.3)
Non-current liabilities			
Borrowings	25	**(213.2)**	(104.2)
Lease liabilities	28	**(85.0)**	(66.9)
Derivative financial instruments	25	**(0.2)**	–
Deferred tax liabilities	26	**(129.9)**	(104.6)
Retirement benefit schemes	27	**(1.7)**	(1.7)
		(430.0)	(277.4)
Total liabilities		**(578.0)**	(329.7)
Net assets		**775.2**	724.2
Capital and reserves			
Share capital	29	**7.8**	7.3
Share premium		**7.8**	7.8
Other reserves		**38.0**	1.8
Hedging reserve		**2.4**	4.0
Revaluation reserve		**277.6**	260.9
Retained earnings		**438.0**	442.4
		771.6	724.2
Non-controlling interests		**3.6**	–
Total equity		**775.2**	724.2

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

Simon Dodd
Chief Executive

Michael Owen
Chief Financial Officer

24 June 2024

The notes on pages 109 to 155 form part of these financial statements.
Young & Co.'s Brewery, P.L.C. Registered in England number 32762.

Company balance sheet
At 1 April 2024

	Notes	Company 2024 £m	2023 £m
Non-current assets			
Goodwill	16	**29.3**	31.0
Property and equipment	17	**900.1**	838.5
Right-of-use assets	19	**145.1**	135.8
Investment in subsidiaries	20	**164.5**	14.3
Derivative financial instruments	25	**2.9**	2.3
Retirement benefit schemes	27	**1.8**	5.4
Trade and other receivables		**22.2**	–
		1,265.9	1,027.3
Current assets			
Inventories	21	**5.3**	5.4
Trade and other receivables	22	**11.6**	9.5
Income tax receivable		**5.0**	–
Derivative financial instruments	25	**0.2**	2.7
Cash		**5.5**	10.7
		26.6	28.3
Asset held for sale	23	**2.2**	–
		28.8	–
Total assets		**1,294.7**	1,055.6
Current liabilities			
Borrowings	25	**(71.5)**	–
Lease liabilities	28	**(4.0)**	(4.0)
Income tax payable		**–**	(0.8)
Trade and other payables	24	**(60.1)**	(56.2)
		(135.6)	(61.0)
Non-current liabilities			
Borrowings	25	**(212.2)**	(104.2)
Lease liabilities	28	**(67.2)**	(61.9)
Derivative financial instruments	25	**(0.2)**	–
Deferred tax liabilities	26	**(110.9)**	(104.4)
Retirement benefit schemes	27	**(1.7)**	(1.7)
		(392.2)	(272.2)
Total liabilities		**(527.8)**	(333.2)
Net assets		**766.9**	722.4
Capital and reserves			
Share capital	29	**7.8**	7.3
Share premium		**7.8**	7.8
Capital redemption reserve		**38.0**	1.8
Hedging reserve		**2.4**	4.0
Revaluation reserve		**268.8**	252.0
Retained earnings		**442.1**	449.5
Total equity		**766.9**	722.4

As permitted by section 408(3) of the Companies Act 2006, the income statement of the company is not presented. The company's profit after tax for the period was £8.2 million (2023: £31.6 million).

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

Simon Dodd
Chief Executive

Michael Owen
Chief Financial Officer

24 June 2024

The notes on pages 109 to 155 form part of these financial statements.
Young & Co.'s Brewery, P.L.C. Registered in England number 32762.

Statements of cash flow

For the 52 weeks ended 1 April 2024

	Notes	Group 2024 52 weeks £m	Group 2023 53 weeks £m	Company 2024 52 weeks £m	Company 2023 53 weeks £m
Operating activities					
Net cash generated from operations	32	**86.0**	83.8	**71.2**	82.6
Tax paid		**(12.6)**	(0.9)	**(12.6)**	(0.9)
Net cash flows from operating activities		**73.4**	82.9	**58.6**	81.7
Investing activities					
Proceeds from disposal of property and equipment[1]		**3.3**	6.1	**–**	6.1
Purchase of property and equipment	17	**(48.5)**	(40.2)	**(47.9)**	(40.2)
Business combinations, net of cash acquired	13	**(144.5)**	(18.2)	**(25.8)**	(18.2)
Direct costs incurred in acquisition of leases		**(9.9)**	–	**(9.9)**	–
Acquisition of subsidiary, net of cash acquired		**–**	–	**(134.8)**	–
Net cash used in investing activities		**(199.6)**	(52.3)	**(218.4)**	(52.3)
Financing activities					
Interest paid		**(7.5)**	(6.9)	**(7.3)**	(6.6)
Issued equity, net of transaction costs		**–**	0.1	**–**	0.1
Equity dividends paid	14	**(12.4)**	(12.0)	**(12.4)**	(12.0)
Payment of principal portion of lease liabilities		**(6.1)**	(5.1)	**(5.2)**	(4.2)
Repayment of borrowings[2]		**(41.1)**	(30.0)	**(20.0)**	(30.0)
Transaction costs incurred on borrowings		**(2.0)**	–	**(2.0)**	–
Proceeds from borrowings[3]		**201.5**	–	**201.5**	–
Net cash flows used in financing activities		**132.4**	(53.9)	**154.6**	(52.7)
Net increase in cash		**6.2**	(23.3)	**(5.2)**	(23.3)
Cash at the beginning of the period		**10.7**	34.0	**10.7**	34.0
Cash at the end of the period		**16.9**	10.7	**5.5**	10.7

1 During the current period to 1 April 2024, £3.3 million related to the sale of the Salt Room (Islington). During the prior period to 3 April 2023, £6.1 million related to the sale of the Bridge (Greenford).

2 During the current period to 1 April 2024, the group repaid their £20.0 million term loan with Barclays and HSBC, and the City Pub Group's £21.1 million term loan. During the prior period to 3 April 2023, the group repaid the £30.0 million bilateral term loan with NatWest.

3 During the current period to 1 April 2024, the group entered into a new £110.0 million term loan with HSBC, NatWest, and Barclays. The group also drew down £91.5 million on the Revolving Credit Facility.

The notes on pages 109 to 155 form part of these financial statements.

Group statement of changes in equity
For the 52 weeks ended 1 April 2024

	Notes	Share capital[1] £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Non-controlling interest £m	Total equity £m
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	17	–	–	–	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	12	–	–	(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	14	–	–	–	–	(12.0)	–	(12.0)
Share based payments	30	–	–	–	–	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**
Total comprehensive income								
Profit for the period		–	–	–	–	11.1	–	11.1
Other comprehensive income								
Unrealised gain on revaluation of property	17	–	–	–	22.9	–	–	22.9
Remeasurement of retirement benefit schemes	27	–	–	–	–	(5.3)	–	(5.3)
Net movement of interest rate swaps – cash flow hedge	25	–	–	(2.1)	–	–	–	(2.1)
Tax on above components of other comprehensive income	12	–	–	0.5	(6.1)	–	–	(5.6)
		–	–	(1.6)	16.8	(5.3)	–	9.9
Total comprehensive income		–	–	(1.6)	16.8	5.8	–	21.0
Transactions with owners recorded directly in equity								
Share capital issued[2]		0.5	–	–	–	–	–	0.5
Other reserves[2]		–	36.2	–	–	–	–	36.2
IFRIC 14 adjustment		–	–	–	–	1.4	–	1.4
Non-controlling interests on acquisition of subsidiary		–	–	–	–	–	3.6	3.6
Dividends paid on equity shares	14	–	–	–	–	(12.4)	–	(12.4)
Revaluation reserve realised on disposal of properties		–	–	–	(0.1)	0.1	–	–
Share based payments	30	–	–	–	–	0.7	–	0.7
		0.5	36.2	–	–	(10.2)	3.6	30.0
At 1 April 2024		**15.6**	**38.0**	**2.4**	**277.6**	**438.0**	**3.6**	**775.2**

1 Total share capital comprises the nominal value of the share capital issued and fully paid of £7.8 million (2023: £7.3 million) and the share premium account of £7.8 million (2023: £7.8 million). Share capital issued in the period comprises the nominal value of £0.5 million (2023: £nil million) and share premium of £nil (2023: £0.1 million).

2 During the period, 3,612,240 shares were issued as part of the acquisition of the City Pub Group. The group recognised £0.5 million increase in share capital. As the acquisition was eligible for merger relief, £36.2 million was recognised in other reserves to reflect the value of the share premium that would otherwise have been generated on the issuing of the shares.

The notes on pages 109 to 155 form part of these financial statements.

Parent company statement of changes in equity

For the 52 weeks ended 1 April 2024

	Notes	Share capital[1] £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
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	17	–	–	–	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	12	–	–	(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	14	–	–	–	–	(12.0)	(12.0)
Share based payments	30	–	–	–	–	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**
Total comprehensive income							
Profit for the period[2]		–	–	–	–	8.2	8.2
Other comprehensive income							
Unrealised gain on revaluation of property	17	–	–	–	22.9	–	22.9
Remeasurement of retirement benefit schemes	27	–	–	–	–	(5.3)	(5.3)
Net movement of interest rate swaps – cash flow hedge	25	–	–	(2.1)	–	–	(2.1)
Tax on above components of other comprehensive income	12	–	–	0.5	(6.1)	–	(5.6)
		–	–	(1.6)	16.8	(5.3)	9.9
Total comprehensive income		–	–	(1.6)	16.8	2.9	18.1
Transactions with owners recorded directly in equity							
Share capital issued[3]		0.5	–	–	–	–	0.5
Other reserves[3]		–	36.2	–	–	–	36.2
IFRIC 14 adjustment		–	–	–	–	1.4	1.4
Dividends paid on equity shares	14	–	–	–	–	(12.4)	(12.4)
Share based payments	30	–	–	–	–	0.7	0.7
		0.5	36.2	–	–	(10.3)	26.4
At 1 April 2024		**15.6**	**38.0**	**2.4**	**268.8**	**442.1**	**766.9**

1 Total share capital comprises the nominal value of the share capital issued and fully paid of £7.8 million (2023: £7.3 million) and the share premium account of £7.8 million (2023: £7.8 million). Share capital issued in the period comprises the nominal value of £0.5 million (2023: £nil) and share premium of £nil (2023: £0.1 million).

2 The company's profit after tax from operations for the period was £8.2 million (2023: £31.6 million).

3 During the period, 3,612,240 shares were issued as part of the acquisition of the City Pub Group. The group recognised £0.5 million increase in share capital. As the acquisition was eligible for merger relief, £36.2 million was recognised in other reserves to reflect the value of the share premium that would otherwise have been generated on the issuing of the shares.

The notes on pages 109 to 155 form part of these financial statements.

Notes to the financial statements

For the 52 weeks ended 1 April 2024

1. General information

The group and parent company financial statements of Young & Co.'s Brewery, P.L.C. for the period ended 1 April 2024 were authorised for issue by the board of directors on 24 June 2024. Young & Co.'s Brewery, P.L.C. is a public limited company incorporated and domiciled in England and Wales. The company's shares are listed on the Alternative Investment Market of the London Stock Exchange. The nature of the group's operations and its principal activities are set out in note 5 and in the strategic report on pages 4 to 59.

The current period and prior period relate to the 52 weeks ended 1 April 2024 and the 53 weeks ended 3 April 2023 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 1 April 2024, the group had cash in bank of £16.9 million and committed borrowing facilities of £335.0 million, of which £286.5 million was drawn down, net of arrangement fees totalling £2.8 million. The group expects, by 30 June 2025 (the 'going concern' period), to have available facilities of £335.0 million. 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 two sensitised scenarios for the going concern period. The base case is the board approved budget to March 2025 as well as the board approved strategic plan covering April to June 2025. The key judgements applied are the extent of any influence on trade because of the economic uncertainty and its impact on consumers, and the 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 15% in sales and c.30% 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 5% increase in the food cost base, c.5% increase in labour and 10% increase in general pub operating costs for the period with no retail price increases. 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). There would need to be a sales reduction of c.33% and profit reduction of c.47% between May 2024 and June 2025 compared to the base case, a reduction far more than those experienced historically (except for 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.

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 can 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 (IFRS) 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. Accordingly, no separate income statement or statement of comprehensive income are presented for the company.

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'.

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.

Notes to the financial statements continued
For the 52 weeks ended 1 April 2024

2. Basis of preparation continued

New Accounting Standards, Amendments, Interpretations and New Accounting Policies

The group applied for the first time certain standards and amendments which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the group's consolidated financial statements.

Amendments to IAS 8 – Definition of Accounting Estimates

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the group's consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the group's financial statements.

IFRS 17 – Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects.

The new standard had no impact on the group's consolidated financial statements.

Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

The amendments require an entity to disclose that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense related to Pillar Two income taxes, in the periods when the legislation is effective.

The amendments require, for periods in which Pillar Two legislation is substantively enacted but not yet effective, disclosure of known or reasonably estimable information that helps readers understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Tow income taxes at the end of the reporting period.

The amendment had no impact on the consolidated financial statements of the group as there were no tax expenses within the scope of these amendments that arose during the period.

Other standards

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

New Standard	Amendment	Effective date
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements	1 January 2024

3. Summary of significant accounting policies

The 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) Finance costs

Finance costs include the cost of borrowing from third parties and are recognised on an effective interest rate basis, resulting from the financial liability being recognised on an amortised cost basis, including arrangement fees. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

(f) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred 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.

Notes to the financial statements continued

For the 52 weeks ended 1 April 2024

3. Summary of significant accounting policies continued

(g) 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(j)).

The gain or loss 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.

(h) Investment properties

Investment properties 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 and deficits which arise from the revaluation exercise are included in profit or loss in the period in which they arise.

(i) Asset held for sale

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.

(j) 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.

(k) 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.

(l) 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.

(2) Where the group is the lessor

Assets leased out under operating leases are included within property and equipment or right-of-use assets 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. These leases are not considered to be investment properties due to significant involvement of the group in the underlying operation of the properties as pubs and pubs with rooms, rather than as a passive investor.

(m) 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.

Notes to the financial statements continued
For the 52 weeks ended 1 April 2024

3. Summary of significant accounting policies continued

(n) 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.

(o) 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.

(p) 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.

(q) 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 or substantively enacted under UK law and that are applicable to the period.

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint arrangements, when 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 tax assets and 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.

The group has applied the exception in IAS 12 Income Taxes to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

(r) Derivative financial instruments and hedging

The group uses derivative financial instruments such as interest rate swaps to hedge its risk associated with interest rate fluctuations. 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 reclassified to the income statement as a reclassification adjustment. If the related transaction is not expected to occur, the amount held in equity is immediately reclassified to the income statement as a reclassification adjustment.

(s) 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.

The group has recognised a net defined benefit pension surplus for the Young & Co's Brewery, P.L.C. Pension Scheme under IAS 19 of £1.8 million at 1 April 2024 (2023: £5.4 million). Judgement has been applied when interpreting the scheme rules to determine whether the group can recognise this surplus asset amount on the statement of financial position or whether any economic benefits available as a refund are contingent upon factors beyond the group's control and instead require an adjustment to be made to restrict the amount of the surplus recognised and reflect a liability arising from future committed contributions to the Young & Co's Brewery, P.L.C. Pension Scheme under IFRIC 14. The group has determined that it has an unconditional right to a refund of the surplus assuming the gradual settlement of liabilities over time and therefore has recognised the full amount of the net defined benefit pension surplus.

(t) 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.

Notes to the financial statements continued
For the 52 weeks ended 1 April 2024

3. Summary of significant accounting policies continued

(u) 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 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.

(v) 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.

(w) 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.

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 13 and 17.

(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(j). 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(j) and 16.

(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(t) 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. See notes 3(f), 13, 16 and 17.

(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(q), 12 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.

Notes to the financial statements continued
For the 52 weeks ended 1 April 2024

5. Segmental reporting
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. The remaining tenanted houses are grouped together with the unallocated segment and reported as 'all other segments'.

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

Income statement

2024	Managed houses 52 weeks £m	All other segments 52 weeks £m	Total 52 weeks £m
Drink sales	**242.9**	–	**242.9**
Food sales	**120.1**	–	**120.1**
Accommodation sales	**23.7**	–	**23.7**
Total revenue from contracts with customers	**386.7**	–	**386.7**
Other income	**1.5**	**0.6**	**2.1**
Total revenue recognised	**388.2**	**0.6**	**388.8**
Adjusted operating profit/(loss)	**79.1**	**(21.8)**	**57.3**
Adjusting items	**(28.6)**	**(0.1)**	**(28.7)**
Operating profit/(loss)	**50.5**	**(21.9)**	**28.6**

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	366.5	0.3	366.8
Other income	1.5	0.6	2.1
Total revenue recognised	368.0	0.9	368.9
Adjusted operating profit/(loss)	73.3	(20.9)	52.4
Adjusting items	(8.5)	(0.5)	(9.0)
Operating profit/(loss)	64.8	(21.4)	43.4

£0.4 million of total revenue (2023: £0.6 million) was related to tenanted houses. £0.3 million of operating profit (2023: £0.4 million) was related to tenanted houses. £0.1 million of all other segments rental income (2023: £0.2 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:

	2024 52 weeks £m	2023 53 weeks £m
Operating profit	**28.6**	43.4
Finance income	–	0.1
Finance costs	**(8.1)**	(7.6)
Finance charge for pension obligations	**0.2**	–
Profit before tax	**20.7**	36.2

Balance sheet

2024	Managed houses £m	All other segments £m	Total £m
Segment assets	**1,295.8**	**40.5**	**1,336.3**
Cash	**–**	**16.9**	**16.9**
Total assets from continuing operations	**1,295.8**	**57.4**	**1,353.2**
Other segmental information			
Depreciation of property, equipment and right-of-use assets (note 17, note 18)	**(33.7)**	**(1.2)**	**(34.9)**
Additions to non-current assets[1]	**316.2**	**9.5**	**325.7**
Net movements in property valuation through income statement (note 9, note 17)	**(13.1)**	**0.3**	**(12.8)**
Impairment of goodwill and right-of-use assets (note 16, note 19)	**(5.5)**	**–**	**(5.5)**

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	1,011.2	42.7	1,053.9
Other segmental information from continuing operations			
Depreciation of property, equipment and right-of-use assets (note 17, note 18)	(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 9, note 17)	(6.8)	(0.2)	(7.0)

1 Non-current assets for this purpose consist of property and equipment, right-of-use asset, investment properties and goodwill.

6. Revenue

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

	2024 52 weeks £m	2023 53 weeks £m
Drink sales	**242.9**	229.4
Food sales	**120.1**	115.5
Accommodation sales	**23.7**	21.9
Total revenue from contracts with customers	**386.7**	366.8
Other income[1]	**2.1**	2.1
Total revenue recognised	**388.8**	368.9

1 Other income includes rental income and room hire.

7. Operating costs before adjusting items

The table below shows operating costs before adjusting items:

	2024 52 weeks £m	2023 53 weeks £m
Changes in inventories of finished goods and raw materials	**(1.1)**	(0.7)
Raw materials, consumables and finished goods used	**83.6**	79.0
Employment costs (note 8(a))	**137.4**	129.7
Depreciation of properties (note 17)	**27.6**	26.2
Depreciation of right-of-use assets (note 19)	**7.3**	6.9
Expense relating to short-term, low value or variable rent payments (note 28)	**0.5**	1.2
Other operating costs	**76.2**	74.2
	331.5	316.5
Auditor's remuneration in respect of audit of the consolidated financial statements	**0.8**	0.4
Auditor's remuneration in respect of audit-related assurance services	**0.1**	0.1

Notes to the financial statements continued
For the 52 weeks ended 1 April 2024

8. Employment
(a) Costs and employee numbers

	Group		Company	
	2024 52 weeks £m	2023 53 weeks £m	**2024 52 weeks £m**	2023 53 weeks £m
Wages and salaries	**124.8**	117.8	**122.4**	117.8
Social security	**9.9**	9.6	**9.9**	9.6
Pension and health care schemes	**2.7**	2.3	**2.6**	2.3
Employment costs	**137.4**	129.7	**134.9**	129.7

The group's and the company's average monthly number of employees was 6,166 and 6,082 respectively (2023 group and company: 5,603 and 5,603 respectively). The number of employees at the period end was 7,172 and 6,044 respectively (2023 group and company: 5,654 and 5,654 respectively).

The group's and the company's average monthly number of operational employees was 6,037 and 5,957 respectively (2023 group and company: 5,484 and 5,484 respectively). The number of operational employees at the period end was 6,989 and 5,916 respectively (2023 group and company 5,535 and 5,535 respectively).

The group's and the company's average monthly number of administration employees was 129 and 125 respectively (2023 group and company: 119 and 119 respectively). The number of administration employees at the period end was 183 and 128 respectively (2023 group and company: 119 and 119 respectively).

(b) Directors' emoluments

	Basic salary and fees[1] 2024 £000	Basic salary and fees[1] 2023 £000	**Benefits[2] 2024 £000**	Benefits[2] 2023 £000	**Bonus[3] 2024 £000**	Bonus[3] 2023 £000	**Total excluding pension costs 2024 £000**	Total excluding pension costs 2023 £000
Stephen Goodyear	**133**	125	**–**	–	**–**	–	**133**	125
Simon Dodd	**447**	378	**17**	17	**287**	275	**751**	670
Mike Owen	**332**	317	**2**	2	**205**	240	**539**	559
Tracy Dodd	**233**	221	**4**	4	**127**	158	**364**	383
Mark Loughborough[4]	**232**	105	**4**	1	**122**	64	**358**	170
Nick Miller	**53**	51	**–**	–	**–**	–	**53**	51
Ian McHoul[5]	**44**	51	**–**	–	**–**	–	**44**	51
Torquil Sligo-Young	**50**	48	**–**	–	**–**	–	**50**	48
Aisling Meany	**49**	46	**–**	–	**–**	–	**49**	46
Sarah Sergeant[6]	**48**	4	**–**	–	**–**	–	**48**	4
Steve Cooke[7]	**20**	–	**–**	–	**–**	–	**20**	–
Patrick Dardis[8]	**–**	479	**–**	2	**–**	147	**–**	628
Total	**1,641**	1,825	**27**	26	**741**	884	**2,409**	2,735

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 FY24, the remuneration committee determined that performance related bonuses were payable, at 52%, 52%, 56% and 54% of maximum to Simon Dodd, Mike Owen, Tracy Dodd, and Mark Loughborough, respectively, pursuant to the bonus award letters issued in respect of FY24. For FY23, 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 FY23. Mark Loughborough and Patrick Dardis received pro-rated bonuses for the six months of the financial year they served as executive directors.

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

5 Ian McHoul stepped down from the board on 23 January 2024.

6 Sarah Sergeant was appointed to the board on 1 March 2023.

7 Steve Cooke was appointed to the board on 1 November 2023.

8 Patrick Dardis stepped down from the board on 30 September 2022.

(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 1 April 2024. Further, no director accrued any defined benefit under the scheme during the period. Stephen Goodyear and Torquil Sligo-Young are pensioner members of the scheme.

Defined contribution pension scheme

The company operates a defined contribution pension scheme. As at 1 April 2024, 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 £205,200 with figures impacted by the tapered annual allowance: for Mike Owen – £9,996 (2023: £4,000), for Simon Dodd – £6,756 (2023: £5,454), for Tracy Dodd – £5,014 (2023: £10,908) and for Mark Loughborough – £12,312 (2023: £6,046). Following a change of policy approved by the remuneration committee and implemented by the company, the executive directors are eligible to receive a cash allowance in lieu of company contributions. During the period cash allowances were paid to Simon Dodd £14,464 (2023: £nil), Mike Owen £7,789 (2023: £nil) and Tracy Dodd £3,171 (2023: £nil). The company contribution rates for the executive directors 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).

(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 (2023: nil). As at 1 April 2024, an accrued entitlement effectively remained in respect of 712 A shares (2023: 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 124,956 A shares were granted under the scheme at an exercise price of 876 pence per share. The options will generally be exercisable between 1 February 2027 and 31 July 2027.

Of the directors who served throughout or during the period, only the following have an entitlement to A shares under the scheme:

	At 3 April 2023	Granted	Exercised	Lapsed	At 3 April 2024	Exercise price (pence per share)[1]	Ordinarily exercisable from	Ordinarily exercisable to	Gains made on exercise of share options (£)
Tracy Dodd	**1,071**	–	–	–	**1,074**	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	**765**	–	–	–	**765**	1,176	01.02.25	31.07.25	–
Mark Loughborough	**–**	847	–	–	**847**	876	01.02.27	31.07.27	–

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8. Employment continued
(e) Savings-related share option scheme continued

	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 (£)
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	**765**	–	–	–	**765**	1,176	01.02.25	31.07.25	–

1 The exercise prices of 1,176 pence and 876 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 1,470 pence per share and 1,095 pence per share, respectively.

9. Adjusting items
During the period the cash flow impact of adjusting items was £5.8 million (2023: £3.9 million), of which £5.1 million related to investing activities and £0.7 million related to operating activities (2023: £3.0 million and £0.9 million respectively).

	2024 52 weeks £m	2023 53 weeks £m
Amounts included in operating profit:		
Upward movement on the revaluation of properties (note 17)[1]	**2.9**	4.8
Downward movement on the revaluation of properties (note 17)[1]	**(15.7)**	(11.8)
Purchase costs – City Pub Group[2]	**(6.2)**	–
Impairment loss[3]	**(5.5)**	–
Purchase costs[4]	**(2.2)**	(1.1)
Net profit on disposal of properties[5]	**(1.3)**	–
Tenant compensation[6]	**(0.6)**	(0.6)
Restructuring costs[7]	**(0.1)**	(0.3)
	(28.7)	(9.0)
Tax on adjusting items:		
Tax attributable to adjusting items	**2.8**	1.2
Impact of change in corporation tax rate[8]	**–**	(0.1)
	2.8	1.1
Total adjusting items after tax	**(25.9)**	(7.9)

1 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 £2.9 million (2023: £4.8 million) representing reversals of previous impairments recognised in the income statement, and a downward movement of £15.7 million (2023: £11.8 million), representing downward movements in excess of amounts recognised in equity. These resulted in a net downward movement of £12.8 million (2023: a net downward movement of £7.0 million) which has been recognised in the income statement. The downward movement for the period ended 1 April 2024 was split between land and buildings of £12.8 million (2023: £7.0 million downward) and fixtures and fittings of £nil (2023: £nil). See note 5 for segmental information and note 17 for information on the revaluation of properties.

2 Purchase costs related to professional fees and stamp duty land tax arising on the acquisition of City Pub Group. See note 13.

3 Impairment losses were recognised in relation to goodwill and right-of-use assets (£1.7 million and £3.8 million respectively). See notes 16 and 19.

4 Purchase costs related to professional fees and stamp duty land tax arising on the acquisition of the Libertine (Westbourne), White Hart (Ford), White Lion (Tenterden), Huntsman (Brockenhurst), Ship Inn (Noss Mayo) and the Tattenham Corner (Epsom). In the prior period, 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). These included legal and professional fees and stamp duty land tax (note 12).

5 The profit on disposal of properties related to the difference between cash, less disposal costs, received from the sale of the Salt Room (Islington) and the carrying value of its assets, including goodwill, at the date of disposal. In addition, the loss on disposal of properties related to the difference between the value of right-of-use assets and lease liabilities of the old leases of the Guinea Grill (Mayfair), Wheatsheaf (Esher), Coat & Badge (Putney) and the Fellow (King's Cross), which were replaced with new leases in the period. The profit on disposal of properties also included the loss on reclassification of two properties to asset held for sale (note 23).

6 Tenant compensation was paid to the tenants of the Clapham North (Clapham) and the King's Head Theatre (Islington) and related to the termination of their leases. In the prior period, tenant compensation of £0.6 million was paid to previous tenants of an unlicensed property (Ealing) and the Bishop's Vaults (Bishopsgate) to terminate their lease agreements early.

7 Restructuring costs related to severance costs paid to employees of one of the acquired business combinations. In the prior period, 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.

8 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. In the prior period, this 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 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 was recognised as an exceptional item in the tax charge for the prior period as it was unrelated to the underlying trading activities of the group.

10. 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, in management's view 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 9.

	2024 52 weeks			2023 53 weeks		
	Unadjusted £m	**Adjusting items £m**	**Adjusted £m**	Unadjusted £m	Adjusting items £m	Adjusted £m
EBITDA	**76.3**	**15.9**	**92.2**	83.5	2.0	85.5
Depreciation and net movement on the revaluation of properties	**(47.7)**	**12.8**	**(34.9)**	(40.1)	7.0	(33.1)
Operating profit	**28.6**	**28.7**	**57.3**	43.4	9.0	52.4
Finance income	**–**	**–**	**–**	0.1	–	0.1
Finance costs	**(8.1)**	**–**	**(8.1)**	(7.6)	–	(7.6)
Finance charge for pension obligations	**0.2**	**–**	**0.2**	0.3	–	0.3
Profit before tax	**20.7**	**28.7**	**49.4**	36.2	9.0	45.2

During the period, £112.9 million (2023: £105.2 million) of adjusted EBITDA related to managed houses and £0.4 million (2023: £0.5 million) related to tenanted houses. Adjusted negative EBITDA of £21.1 million (2023: negative £20.2 million) related to head office costs and was unallocated.

11. Finance costs

All the results below are from continuing operations.

	2024 52 weeks £m	2023 53 weeks £m
Bank loans and overdrafts	**5.3**	5.1
Interest on lease liabilities (note 28)	**2.8**	2.5
	8.1	7.6

12. Taxation

The major components of income tax expense for the periods ended 1 April 2024 and 3 April 2023 are:

Tax charged in the group income statement	**2024 52 weeks £m**	2023 53 weeks £m
Current income tax		
Current tax expense	**8.4**	7.3
Adjustment in respect of current income tax of prior periods	**(1.4)**	0.9
	7.0	8.2
Deferred tax		
Relating to origin and reversal of temporary differences	**1.5**	(0.3)
Adjustment in respect of deferred tax of prior periods	**1.1**	(1.1)
Deferred tax measured at higher rate	**–**	(0.3)
	2.6	(1.7)
Income tax charged in the income statement	**9.6**	6.5

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12. Taxation continued

Deferred tax in the group income statement	2024 52 weeks £m	2023 53 weeks £m
Property revaluation and disposals	**(1.6)**	(1.7)
Capital allowances	**4.0**	(0.5)
Retirement benefit schemes	**–**	0.4
Share based payments	**(0.1)**	0.1
Trade losses	**0.3**	–
Deferred tax charged/(credited) in the income statement	**2.6**	(1.7)

Deferred tax in the group statement of other comprehensive income	2024	2023
Property revaluation and disposals	**6.1**	3.7
Retirement benefit schemes	**–**	(2.5)
Interest rate swaps – cash flow hedge	**(0.5)**	0.8
Deferred tax charged to other comprehensive income	**5.6**	2.0

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 1 April 2024 and 3 April 2023 respectively is as follows:

	2024 52 weeks £m	2023 53 weeks £m
Accounting profit before income tax	**20.7**	36.2
At the group's statutory income tax rate of 25% (2023: 19%)	**5.2**	6.9
Tax effects of:		
Expenses not deductible for tax purposes[1]	**4.7**	1.0
Non-taxable income	**–**	(0.9)
Deferred tax measured at higher rate	**–**	(0.3)
Prior period adjustment – current tax	**(1.4)**	0.9
Prior period adjustment – deferred tax	**1.1**	(1.1)
Total tax expense	**9.6**	6.5

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 9).

13. Business combinations

Acquisitions in 2024

The City Pub Group plc

On 4 March 2024, the group acquired the entire issued share capital of the City Pub Group plc ('City Pub Group'); a premium pub and hotel operator. The total consideration was £158.0 million, of which £121.3 million was paid in cash and £36.7 million was settled in shares. The fair value of the shares is calculated with reference to the quoted price of the shares of the company at the date of acquisition, which was 1,015 pence per share. The fair value of the consideration given was therefore £36.7 million. The City Pub Group operates a predominantly freehold portfolio of individual, premium, and well-invested pubs and bedrooms located in affluent towns and cities, complementing the group's existing estate and expanding its presence in London and the south of England.

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 17)	135.9
Investment properties (note 18)	4.3
Inventories	1.2
Right-of-use assets (note 19)	33.5
Trade and other receivables	7.0
Cash	9.9
Trade and other payables	(19.6)
Borrowings	(21.9)
Lease liabilities (note 28)	(16.7)
Deferred tax on fair value adjustments	(18.6)
Net assets	**115.0**
Goodwill	46.6
Non-controlling interest	(3.6)
Cash consideration on acquisition of the City Pub Group business	**158.0**

Goodwill of £46.6 million was recognised on the acquisition. Goodwill relates to the expected synergies that will arise in future periods due to the acquisition.

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 sites, 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 fair values of trade and other receivables, and other classes of assets, and their gross contractual amount are the same.

The group incurred £6.2 million of costs associated with the acquisition, which were recorded within operating adjusting items (note 9).

In the period between the date of acquisition and the balance sheet date, City Pub Group contributed £7.2 million of revenue and £1.0 million of operating profit. If the acquisition had taken place at the beginning of the period, group revenue would have been expected to increase by £75.6 million and group operating profit would have been expected to increase by £17.8 million. This includes adjusting items of £7.0 million as disclosed in the City Pub Group's financial statements for the year ended 31 December 2023.

An £18.6 million deferred tax liability was recognised on acquisition of the City Pub Group. None of the goodwill recognised is expected to be deductible for income tax purposes.

Crooked Billet

On 31 October 2023, the group acquired the entire issued share capital of Crooked Billet Limited, a subsidiary company which owns and operates the Crooked Billet (Clapton) for a total cash consideration of £7.3 million. The Crooked Billet (Clapton) is a popular pub in East London, with a large outside trading space, and the site complements the group's existing London presence.

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 17)	7.3
Net assets	**7.3**
Goodwill	–
Cash consideration on acquisition of the Crooked Billet business	**7.3**

Notes to the financial statements continued
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13. Business combinations continued
No goodwill was recognised on the acquisition as the fair value of the net assets acquired was equal to the cash consideration exchanged.

The group incurred £0.7 million of costs associated with the acquisition, which have been recorded within adjusting items (see note 9).

Between the date of acquisition and the balance sheet date, the Crooked Billet contributed £0.9 million of revenue and £0.2 million of operating profit. If the acquisition had taken place at the beginning of the period, group revenue would have been expected to increase by £1.9 million and group operating profit would have increased by £0.6 million.

Other business combinations
During the period, the group acquired the Libertine (Westbourne), White Hart (Ford), White Lion (Tenterden), Huntsman (Brockenhurst), Ship Inn (Noss Mayo) and the Tattenham Corner (Epsom), which formed business combinations for a total cash consideration of £25.8 million, which was settled during the period. Each pub was purchased individually and did not form part of a group acquisition.

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 £25.8 million. The group incurred £1.5 million of costs associated with the acquisitions, which have been recorded within adjusting items (see note 9). No goodwill was recognised on the acquisitions as the fair value of the net assets acquired were equal to the cash consideration exchanged.

Between the date of acquisition and the balance sheet date, the Libertine, White Hart, White Lion, Huntsman, Ship Inn and the Tattenham Corner contributed £3.9 million of revenue and £nil 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 £2.2 million and group operating profit would have been expected to decrease by £0.2 million.

Acquisitions in 2023
In the prior 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 prior period. 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 9).

In the prior period 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.

Cash flow from business combinations

	2024 52 weeks £m	2023 53 weeks £m
City Pub Group plc	**(111.4)**	–
Crooked Billet	**(7.3)**	–
Other business combinations	**(25.8)**	(18.2)
Total net cash outflow	**(144.5)**	(18.2)

14. Dividends on equity shares

	2024 52 weeks Pence per share	2023 53 weeks Pence per share	2024 52 weeks £m	2023 53 weeks £m
Final dividend paid (previous period)	**10.26**	10.26	**6.0**	6.0
Interim dividend paid (current period)	**10.88**	10.26	**6.4**	6.0
	21.14	20.52	**12.4**	12.0

The table above sets out dividends that have been paid. In addition, the board is proposing a final dividend in respect of the period ended 1 April 2024 of 10.88 pence per share at a cost of £6.8 million. If approved, it is expected to be paid on 2 August 2024 to shareholders who are on the register of members at the close of business on 5 July 2024.

15. Earnings per ordinary share

(a) Weighted average number of shares

	2024 52 weeks Number	2023 53 weeks Number
Basic weighted average number of ordinary shares in issue	**58,762,467**	58,483,336
Dilutive potential ordinary shares from outstanding employee share options	**36,547**	51,928
Diluted weighted average number of shares	**58,799,013**	58,535,264

(b) Earnings attributable to the shareholders of the parent company

	£m	£m
Profit for the period	**11.1**	29.7
Adjusting items	**28.7**	9.0
Tax attributable to above adjustments	**(2.8)**	(1.1)
Adjusted earnings after tax	**37.0**	37.6

Basic earnings per share

	Pence	Pence
Basic earnings per share	**18.89**	50.78
Effect of adjusting items	**44.08**	13.51
Adjusted basic earnings per share	**62.97**	64.29

Diluted earnings per share

	Pence	Pence
Diluted earnings per share	**18.88**	50.74
Effect of adjusting items	**44.05**	13.49
Adjusted diluted earnings per share	**62.93**	64.23

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 36,547 (2023: 51,928) dilutive potential shares under the SAYE and LTIP schemes (see notes 8(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.

16. Goodwill

Goodwill is recognised in respect of the following acquisitions:

	Group		Company	
	2024 £m	2023 £m	2024 £m	2023 £m
City Pub Group plc	**46.6**	–	**–**	–
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	**2.2**	3.3	**2.2**	3.3
Smiths of Smithfield Ltd	**0.5**	1.1	**0.5**	1.1
580 Limited	**0.9**	0.9	**0.9**	0.9
At 1 April 2024	**77.4**	32.5	**29.3**	31.0

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16. Goodwill continued

	Group £m	Company £m
Cost		
At 28 March 2022	**34.7**	**31.4**
Acquisitions	–	–
At 3 April 2023	**34.7**	**31.4**
Acquisitions	46.6	–
At 1 April 2024	**82.1**	**31.4**
Amortisation		
At 28 March 2022	**2.2**	**0.4**
Disposals	–	–
At 3 April 2023	**2.2**	**0.4**
Disposals	–	–
Impairment	1.7	1.7
At 1 April 2024	**3.9**	**2.1**
Carrying amount		
At 28 March 2022	32.5	31.0
At 3 April 2023	32.5	31.0
At 1 April 2024	**77.4**	**29.3**

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. On 4 March 2024 the group acquired the City Pub Group, and £46.6 million of goodwill was recognised on acquisition.

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. An impairment of £1.7 million was recognised in the current period (2023: £nil), £1.1 million to Spring Pub Company Limited and £0.6 million to Smiths of Smithfield Ltd. The recoverable amount for the City Pub Group has been determined based on fair value less costs to sell as a result of the recent determination of fair values at the acquisition date.

For Geronimo Group Limited and 580 Limited, cash flows assume 1.8% growth (2022: 1.4%) from a base of expected FY25 EBITDA, derived from the board approved FY25 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 2027 and Smithfield Market in 2028, and then revert back to a long-term growth rate of 1.8% 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 1.8% 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 1.8% thereafter. The pre-tax discount rate applied to all cash flow projections is 10.1% (2022: 9.7%).

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, there is limited headroom in the model and therefore any changes to the pre-tax discount rate or EBITDA assumptions would result in impairment. For Spring Pub Company Limited, the headroom would be eliminated as a result of increasing the pre-tax discount rate to 12.1% or reducing EBITDA by 17.7% from forecast levels. For Redcomb Pubs Limited, the headroom would be eliminated as a result of increasing the pre-tax discount rate to 10.3% or reducing EBITDA by 2.6% 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.

17. Property and equipment

Cost or valuation	Group Land & buildings £m	Group Fixtures, fittings & equipment £m	Group Total £m	Company Land & buildings £m	Company Fixtures, fittings & equipment £m	Company Total £m
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[1]						
– 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**
Additions	8.3	40.2	48.5	8.2	39.7	47.9
Business combinations	146.3	22.7	169.0	22.9	2.9	25.8
Disposals	(3.0)	(0.4)	(3.4)	–	(0.3)	(0.3)
Transfers in from subsidiary companies	–	–	–	6.7	1.0	7.7
Transfers out to asset held for sale	(2.5)	(0.5)	(3.0)	(2.5)	(0.5)	(3.0)
Fully depreciated assets	(2.3)	(21.9)	(24.2)	(2.3)	(21.8)	(24.1)
Revaluation[1]						
– upward movement in valuation	42.8	–	42.8	42.8	–	42.8
– downward movement in valuation	(20.4)	–	(20.4)	(20.4)	–	(20.4)
At 1 April 2024	**953.3**	**202.3**	**1,155.6**	**839.5**	**177.1**	**1,016.6**
Depreciation and impairment						
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[2]	(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[1]						
– 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**
Depreciation charge	1.6	26.0	27.6	1.5	25.8	27.3
Disposals	–	(0.1)	(0.1)	–	–	–
Transfers in from subsidiary companies	–	–	–	0.5	0.1	0.6
Transfers out to asset held for sale	(0.5)	(0.2)	(0.7)	(0.5)	(0.2)	(0.7)
Fully depreciated assets	(2.3)	(21.9)	(24.2)	(2.3)	(21.8)	(24.1)
Revaluation[1]						
– upward movement in valuation	(3.4)	–	(3.4)	(3.4)	–	(3.4)
– downward movement in valuation	15.7	–	15.7	15.7	–	15.7
At 1 April 2024	**39.1**	**79.6**	**118.7**	**38.3**	**78.2**	**116.5**
Net book value						
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
At 1 April 2024	**914.2**	**122.7**	**1,036.9**	**801.2**	**98.9**	**900.1**

1 The group's net book value uplift during the period was £10.1 million (2023: £8.2 million). This uplift was recognised either in the revaluation reserve or the income statement, as appropriate.

2 Included within disposals are £3.0 million in relation to assets classified as held for sale and disposed of during the period.

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17. Property and equipment continued

The impact of the property revaluation exercise was as follows:

	Group		Company	
	2024 52 weeks £m	2023 53 weeks £m	**2024 52 weeks £m**	2023 53 weeks £m
Income statement				
Revaluation loss charged as impairment	**(15.7)**	(11.8)	**(15.7)**	(11.8)
Reversal of past impairment	**2.9**	4.8	**2.9**	4.8
Net impairment recognised in the income statement	**(12.8)**	(7.0)	**(12.8)**	(7.0)
Revaluation reserve				
Unrealised revaluation surplus	**43.3**	37.4	**43.3**	37.4
Reversal of past surplus	**(20.4)**	(22.2)	**(20.4)**	(21.9)
Net uplift recognised in the revaluation reserve	**22.9**	15.2	**22.9**	15.5
Net revaluation increase in property	**10.1**	8.2	**10.1**	8.5

(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.

A spot valuation reflects the value of the property if it were to be sold in an open market. A spot valuation is applied when historic EBITDA would underrepresent the underlying property value. This largely relates to recent closures for major refurbishments, and recent or current underperformers.

The inputs used in applying a spot value include surrounding residential values, the approximate capital value per sq. ft., and any evidence of sale of vacant public houses. The valuer will also consider current projected trade for the next three years.

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 (2023: Level 3) in the fair value hierarchy.

In certain circumstances, the highest and best use of a property may differ from current use, and instead a spot valuation is applied. At the period end date, 57 (2023: 64) properties were valued using a spot valuation. 4 (2023: 4) of these properties were acquisitions from the last 12 months and therefore held at acquisition value, 5 (2023: 7) properties were closed for major refurbishment during the period, and the remaining 48 (2023: 53) were properties showing recent or current underperformance. 19 (2023: 9) properties which were previously valued using a spot valuation were moved to an EBITDA valuation, and 11 (2023: 33) properties which were previously valued using an EBITDA valuation were moved to a spot valuation, due to the factors outlined above.

The significant unobservable inputs used under the EBITDA valuation approach are EBITDA and the multiple applied. These have been quantified below. Typically smaller sites are at the lower end of the range of multiples applied, and pubs with rooms are at the higher end of the range.

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

2024	Tenure	EBITDA multiple range Low	EBITDA multiple range High	Number of pubs	Weighted average EBITDA £m	Value of pubs £m
Managed houses	Freehold	**8.0**	**7.0**	**58**	**0.7**	**334.8**
Managed houses	Freehold	**9.5**	**11.0**	**79**	**0.5**	**380.1**
Managed houses	Freehold	**12.0**	**13.0**	**8**	**0.8**	**81.0**
Managed houses	Freehold	**Spot**	**Spot**	**56**		**183.7**
Tenanted houses	Freehold	**Spot**	**Spot**	**1**		**4.9**
Segment total				**205**		**984.5**
Leasehold properties				**83**		**40.3**
Unallocated				**–**		**12.1**
Total net book value at 1 April 2024				**288**		**1,036.9**

2023	Tenure	EBITDA multiple range Low	EBITDA multiple range High	Number of pubs	Weighted average EBITDA £m	Value of pubs £m
Managed houses	Freehold	8.0	9.0	45	0.6	254.6
Managed houses	Freehold	10.0	11.0	60	0.5	305.4
Managed houses	Freehold	12.0	12.0	1	0.8	9.7
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

The leasehold property assets comprise leasehold improvements, and fixtures, fittings and equipment within those sites. They are measured at cost on recognition and stated as such less any accumulated depreciation. 'Unallocated' assets comprise any unlicensed properties, including a small number of residential flats. The majority of this category is valued under the net investment yield valuation approach.

A sensitivity analysis was conducted on the property estate valued using an EBITDA valuation approach to give an indication of the impact of movements in the most sensitive assumptions, EBITDA and the multiple applied. 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. Changes in the EBITDA or the multiple could materially impact the overall fair value measurement. Sensitivities to changes in these key unobservable inputs are disclosed below:

	EBITDA		Multiple	
2024	+10% £m	-10% £m	+1.0 £m	-1.0 £m
EBITDA valuation	**81.6**	**(78.0)**	**84.4**	**(80.8)**
2023				
EBITDA valuation	56.9	(56.9)	59.1	(59.1)

	Price per sq. ft.	
2024	+10% £m	-10% £m
Spot valuation	**19.5**	**(19.5)**
2023		
Spot valuation	23.0	(23.0)

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17. Property and equipment continued

	Rent		NIY	
2024	+10% £m	-10% £m	+0.5 £m	-0.5 £m
Spot valuation	**0.4**	**(0.4)**	**(0.3)**	**0.4**
2023				
Spot valuation	0.4	(0.4)	(0.3)	0.4

If, at 1 April 2024, the property estate was carried at historical cost less accumulated depreciation and impairment losses, its carrying amount would be approximately £675.0 million (2023: £490.7 million).

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

(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.

	Group			Company		
Land & buildings	Used by group £m	Leased to tenants £m	Total £m	Used by group £m	Leased to tenants £m	Total £m
At 28 March 2022	**721.4**	**8.5**	**729.9**	**725.5**	**4.7**	**730.2**
Additions, disposals and transfers	19.7	–	19.7	19.7	–	19.7
Depreciation charge	(1.7)	–	(1.7)	(1.6)	–	(1.6)
Revaluation	8.2	–	8.2	8.5	–	8.5
At 3 April 2023	**747.6**	**8.5**	**756.1**	**752.1**	**4.7**	**756.8**
Additions, disposals and transfers	**149.6**	**–**	**149.6**	**35.8**	**–**	**35.8**
Depreciation charge	**(1.6)**	**–**	**(1.6)**	**(1.5)**	**–**	**(1.5)**
Revaluation	**10.1**	**–**	**10.1**	**10.1**	**–**	**10.1**
At 1 April 2024	**905.7**	**8.5**	**914.2**	**796.5**	**4.7**	**801.2**

	Group			Company		
Fixtures, fittings & equipment	Used by group £m	Leased to tenants £m	Total £m	Used by group £m	Leased to tenants £m	Total £m
At 28 March 2022	**77.7**	**0.4**	**78.1**	**73.0**	**0.3**	**73.3**
Additions, disposals and transfers	32.8	–	32.8	32.8	–	32.8
Depreciation charge	(24.4)	(0.1)	(24.5)	(24.3)	(0.1)	(24.4)
At 3 April 2023	**86.1**	**0.3**	**86.4**	**81.5**	**0.2**	**81.7**
Additions, disposals and transfers	**62.3**	**–**	**62.3**	**43.0**	**–**	**43.0**
Depreciation charge	**(26.0)**	**–**	**(26.0)**	**(25.8)**	**–**	**(25.8)**
At 1 April 2024	**122.4**	**0.3**	**122.7**	**98.7**	**0.3**	**98.9**

(c) Capital commitments

	2024 £m	2023 £m
Capital commitments not provided for in these financial statements and for which contracts have been placed amounted to:	**8.4**	4.0

Capital commitments related to ongoing property refurbishment projects at 1 April 2024.

18. Investment properties

	Group 2024 £m	2023 £m
At 3 April 2023	**–**	–
Additions	**4.3**	–
Disposals	**–**	–
At 1 April 2024	**4.3**	–

The group's investment properties consist of one site on Bateman Street, Soho. As at 1 April 2024, the fair value of the property has been based on a valuation provided by Savills, an independent property adviser. Savills have used an investment method of valuation for this site, capitalising the current rent of £0.3 million per annum at a net initial yield of 5.75%. This value represents the site's highest and best use.

	Group 2024 52 weeks £m	2023 53 weeks £m
Rental income derived from investment properties	**–**	–

A sensitivity analysis was conducted to give an indication of the impact of movements in the most sensitive assumptions, the current rent and the net initial yield. The analysis considers this single change with other assumptions unchanged. This information should not be taken as a projection of likely future valuation movements. Sensitivities to changes in these key unobservable inputs are disclosed below:

	Rent		NIY	
2024	+10% £m	-10% £m	+0.5 £m	-0.5 £m
Investment properties	**0.4**	**(0.4)**	**(0.3)**	**0.4**
2023				
Investment properties	–	–	–	–

19. 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 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**
Additions	22.9	0.9	–	**23.8**	22.9	0.9	–	**23.8**
Business combinations	33.5	–	–	**33.5**	–	–	–	**–**
Lease amendments	1.4	–	–	**1.4**	1.4	–	–	**1.4**
Impairments	(3.8)	–	–	**(3.8)**	(3.8)	–	–	**(3.8)**
Lease terminations	(7.0)	(0.1)	–	**(7.3)**	(5.8)	(0.1)	–	**(5.9)**
Depreciation	(7.2)	(0.3)	–	**(7.3)**	(5.9)	(0.3)	–	**(6.2)**
At 1 April 2024	**182.3**	**0.9**	**–**	**183.2**	**144.2**	**0.9**	**–**	**145.1**

The depreciation charge is recognised within operating costs in the income statement.

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 16). An impairment of £0.4 million was recognised in the current period (2023: £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 £0.3 million. A 10% fall in EBITDA in year one would result in an impairment loss of £0.6 million to the right-of-use assets.

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20. Investments in subsidiaries

Cost and net book value	Company £m
At 28 March 2022	**14.3**
Additions	–
Impairment	–
At 3 April 2023	**14.3**
Additions	171.5
Impairment	(21.3)
At 1 April 2024	**164.5**

The group financial statements include:

Group subsidiary undertakings	Registered number	Country of incorporation and registration	% of equity and votes held
Subsidiaries			
580 Limited[1]	05186199	England	100
BFI Limited[1]	06603994	England	100
Geronimo Inns Limited[1]	02979146	England	100
Smiths of Smithfield Ltd[2]	03704349	England	100
Crooked Billet Holdings Limited[1 3]	15145198	England	100
Crooked Billet Limited[1 3]	15070964	England	100
The City Pub Group plc[4]	07814568	England	100
The City Pub Company (West) Limited[1 5]	07814571	England	100
BNB Leisure Limited[1 5]	02450551	England	100
Gresham Collective Ltd[1 5]	01508725	England	100
Randall & Zacharia Limited[1 5]	08465216	England	100
Barts Pub Ltd[1 5]	09996432	England	98.6
The Galaxy (City) Pub Company Limited[1 5]	09359693	England	53
The Pioneer (City) Pub Company Limited[1 5]	09359735	England	53
The Sovereign (City) Pub Company Limited[1 5]	09359669	England	53
Joint ventures and associates[6]			
The Brading Group Limited[1 5]	12350310	England	50
The Barsham Brewery Limited[1 5]	10758341	England	25
Bupp Limited[1 5]	12876988	England	32.9

1 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.

2 Smiths of Smithfield Ltd was dissolved on 2 April 2024.

3 During the period, Crooked Billet Holdings Limited and its subsidiary Crooked Billet Limited were acquired by the company.

4 During the period, the company acquired the entire issued share capital of the City Pub Group and its subsidiaries. The subsidiaries are held indirectly by the company.

5 The shares are held indirectly by the company.

6 The total carrying value under equity accounting method and fair value of the joint ventures and associates are not material to be disclosed separately on the balance sheet.

During the period, the company acquired the entire issued share capital of the City Pub Group plc and its subsidiaries, as listed in the table above. This created an additional investment of £158.0 million.

During the period, the company acquired the entire issued share capital of Crooked Billet Holdings Limited, the parent company of Crooked Billet Limited. This created an additional investment of £7.3 million.

Impairments recognised in the period of £21.3 million arose following distributions of assets made from subsidiary undertakings, and transaction costs included within additions that were not considered recoverable.

During the period, Old Manor Trading Ltd, Redcomb Pubs & Bars Limited and Redcomb Pubs Limited were dissolved. Before dissolution, Redcomb Pubs Limited was a wholly owned subsidiary of the company and Old Manor Trading Ltd and Redcomb Pubs & Bars Limited were indirectly owned.

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 was made on 16 January 2024 and this was subsequently dissolved on 2 April 2024.

The company's subsidiary undertakings' registered addresses are listed below:

Group subsidiary undertakings	Registered address
Subsidiaries	
580 Limited	Copper House, 5 Garratt Lane, Wandsworth, London, SW18 4AQ
BFI Limited	Copper House, 5 Garratt Lane, Wandsworth, London, SW18 4AQ
Geronimo Inns Limited	Copper House, 5 Garratt Lane, Wandsworth, London, SW18 4AQ
Smiths of Smithfield Ltd	Copper House, 5 Garratt Lane, Wandsworth, London, SW18 4AQ
Crooked Billet Holdings Limited	Copper House, 5 Garratt Lane, Wandsworth, London, SW18 4AQ
Crooked Billet Limited	Copper House, 5 Garratt Lane, Wandsworth, London, SW18 4AQ
The City Pub Group plc	Essel House 2nd Floor, 29 Foley Street, London, England, W1W 7TH
The City Pub Company (West) Limited	Essel House 2nd Floor, 29 Foley Street, London, England, W1W 7TH
BNB Leisure Limited	Essel House 2nd Floor, 29 Foley Street, London, England, W1W 7TH
Gresham Collective Ltd	29 Foley Street, London, England, W1W 7TH
Randall & Zacharia Limited	Essel House 2nd Floor, 29 Foley Street, London, England, W1W 7TH
Barts Pub Ltd	C/O External Services Limited, Central House 20 Central Avenue, St Andrews Business Park, Norwich, England, NR7 0HR
The Galaxy (City) Pub Company Limited	27 Britton Street, London, England, EC1M 5UD
The Pioneer (City) Pub Company Limited	27 Britton Street, London, England, EC1M 5UD
The Sovereign (City) Pub Company Limited	27 Britton Street, London, England, EC1M 5UD
Joint ventures and associates	
The Brading Group Limited	Bcl House 2 Pavilion Business Park, Royds Hall Road, Leeds, West Yorkshire, England, LS12 6AJ
The Barsham Brewery Limited	Greenwood House, Greenwood Court, Bury St Edmunds, Suffolk, United Kingdom, IP32 7GY
Bupp Limited	Pit House, Church Grove, Fleet, England, GU51 4LA

21. Inventories

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Finished goods and raw materials	**6.5**	5.4	**5.3**	5.4

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22. Trade and other receivables

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Non-current assets				
Amounts due from subsidiaries	–	–	21.1	–
	–	–	21.1	–
Current assets				
Trade receivables	5.5	3.5	4.4	3.5
Other receivables	4.1	1.8	2.3	1.8
Prepayments	6.3	4.2	3.8	4.2
Amounts due from subsidiaries	–	–	1.1	–
	15.9	9.5	11.6	9.5
Total trade and other receivables	15.9	9.5	32.7	9.5

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.

Amounts due from subsidiaries are unsecured, non-interest bearing and are not expected to be settled within 12 months.

Prepayments and other receivables include £2.2 million (2023: £1.6 million) for fees in respect of project costs.

Also included are amounts due from the pension scheme in respect of payments made to beneficiaries on behalf of the scheme. The balance outstanding at 1 April 2024 was £nil (2023: £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 1 April 2024, there were expected lifetime credit losses recognised against the trade receivables of £0.1 million (2023: £0.1 million). The table below provides an indication of movement during the period.

	2024 52 weeks £m	2023 53 weeks £m
Opening balance	0.1	0.1
Amounts written off	–	–
	0.1	0.1

Management have applied the provision matrix to identify expected credit losses in the current period as follows:

	Group and company					
	Total £m	Neither past due nor impaired £m	<31 days £m	31–60 days £m	61–90 days £m	91+ days £m
2024	4.4	3.4	0.4	0.1	–	0.5
Percentage loss rate		0%	7%	7%	8%	9%
Expected lifetime credit loss	0.1	–	–	–	–	0.1
2023	3.6	3.5	–	–	–	0.1
Percentage loss rate		1%	6%	6%	1%	18%
Expected lifetime credit loss	0.1	0.1	–	–	–	–

23. Asset held for sale

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Property and equipment	2.2	–	2.2	–
Property held for sale	2.2	–	2.2	–

At 1 April 2024 two properties were classified as held for sale based on their fit with the remaining group's estate. Sale is expected within 12 months from the reporting date. On reclassifying the property as held for sale a charge of £0.1 million was recognised within adjusting items (see note 9).

24. Trade and other payables

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Trade payables	**21.3**	13.4	**16.3**	13.4
Other tax and social security	**14.7**	11.7	**7.8**	11.7
Other creditors	**20.0**	7.7	**13.2**	6.0
Accruals and deferred income	**13.7**	13.8	**10.9**	13.8
Amounts due to subsidiaries	**–**	–	**11.9**	11.3
	69.7	46.6	**60.1**	56.2

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

Other creditors mainly consist of employee and property related creditors.

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 post-IFRS 16 basis, with the exception of the £35M private placement. 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 49. The board seeks to manage the financial risks in the following manner:

Interest rate risk

The objective is to minimise the group and company'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. The group and company is not considered to have any material exposure to changes in interest rates as a result of the hedges performed.

Credit risk

The objective is to minimise the group and company'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 22). The company is not considered to have any material exposure to credit risk from amounts due from subsidiaries.

Notes to the financial statements continued
For the 52 weeks ended 1 April 2024

25. Capital management and financial instruments continued
Liquidity and cash flow risk
The objective is to ensure that the group and company have 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	
	2024 £m	2023 £m
Current assets	**0.2**	2.7
Non-current assets	**2.9**	2.3
Non-current liabilities	**(0.2)**	–
Total financial assets	**2.9**	5.0
Net movement of interest rate swaps recognised in other comprehensive income	**(2.1)**	3.1

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

	Group					
2024	Term or expiry date	Effective interest rate when hedged	Variable interest rate when unhedged[1]	Period rate fixed	**Fair value 2024 £m**	**Book value 2024 £m**
Secured						
£20 million loan swapped into fixed rate[2]	May 2024	3.07%	S+1.75%	1 years	**19.7**	**19.8**
£20 million loan variable rate	Nov 2025	Variable	S+1.75%	2 years	**19.9**	**19.9**
£25 million loan swapped into fixed rate[3]	May 2027	2.05%	S+1.85%	4 years	**23.4**	**24.9**
£25 million loan swapped into fixed rate[3]	May 2027	2.05%	S+1.85%	4 years	**23.4**	**24.9**
£110 million loan swapped into fixed rate	Nov 2028	5.92%	S+2.00%	5 years	**109.2**	**109.0**
£35 million private placement at fixed rate[4]	July 2039	Fixed	Fixed	16 years	**32.9**	**34.7**
£120 million revolving credit facility[2]	Nov 2028	Variable	S+1.75%	None	**50.6**	**50.6**
£1 million loan variable rate	Oct 2030	Fixed	S+2.80	7 years	**1.0**	**1.0**
Financial liabilities					**280.1**	**284.8**

1 For variable rate loans, the interest rate payable is SONIA (S) plus the margin shown.

2 Of the £71.5 million drawn down from the revolving credit facility, £51.5 million is subject to variable interest rates and £20 million swapped to a fixed rate. The fair value and book value of these items include unamortised arrangement fees.

3 During the current period, the £50 million syndicated facility with NatWest and HSBC was extended by one year (the second of a two-year option to extend), to 19 May 2027.

4 £35.0 million private placement has a fixed rate of interest at 3.3%.

All of the loans listed above are in the group and company, except for the £1 million loan which is held indirectly through the group.

The following table represents the carrying values and nominal amounts of the group's interest rate swaps as at 1 April 2024:

Hedge	Nominal Amount	Maturity	At 3 April 2023 £m	Gain/(loss) OCI £m	Gain/(loss) P&L £m	At 1 April 2024 £m
£10 million loan swapped into fixed rate	£10m	May 2024	0.4	(0.3)	–	**0.1**
£10 million loan swapped into fixed rate	£10m	May 2024	0.4	(0.3)	–	**0.1**
£25 million loan swapped into fixed rate	£25m	May 2025	2.0	(0.7)	–	**1.3**
£25 million loan swapped into fixed rate	£25m	May 2026	0.1	0.1	–	**0.2**
£25 million loan swapped into fixed rate	£25m	May 2025	2.0	(0.8)	–	**1.2**
£25 million loan swapped into fixed rate	£25m	May 2026	0.1	0.1	–	**0.2**
£55 million loan swapped into fixed rate	£55m	Nov 2028	–	(0.1)	–	**(0.1)**
£55 million loan swapped into fixed rate	£55m	Nov 2028	–	(0.1)	–	**(0.1)**
			5.0	(2.1)	–	**2.9**

As at 1 April 2024, the group had committed borrowing facilities of £336.0 million, of which £287.5 million was drawn down, net of arrangement fees of £2.8 million.

	Group 2024 £m	Company 2024 £m
Current borrowings	**71.5**	**71.5**
Non-current borrowings	**213.2**	**212.2**
Financial liabilities	**284.7**	**283.7**
Unsecured current lease liabilities	**6.8**	**4.0**
Unsecured non-current lease liabilities	**85.0**	**67.2**
Financial liabilities	**376.5**	**354.9**

	Group and company					
2023	Term or expiry date	Effective interest rate	Variable interest rate when unhedged[1]	Period rate fixed	Fair value 2023 £m	Book value 2023 £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 prior 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

Both £10 million interest rate swaps listed above became ineffective upon settlement of the two £10 million term loans in November 2023.

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For the 52 weeks ended 1 April 2024

25. Capital management and financial instruments continued
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

The secured borrowings are secured on the freehold assets of the group (other than two pubs, broadly up to a value of £10.6 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 1 April 2024, 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. £0.1 million (2023: £nil) was drawn down at 1 April 2024.

Bank loans
During the current period the group repaid a bilateral £10.0 million term loan with Barclays Bank plc and a bilateral £10.0 million term loan with HSBC Bank plc as part of a wider re-financing of the groups' facilities.

As part of that re-financing, the group entered into two syndicated loans. The first is a £20.0 million term loan with Natwest, HSBC and Barclays respectively, due to mature in November 2025. The second is a £110.0 million term loan with Natwest, HSBC and Barclays respectively, due to mature in November 2028, but with the option to extend by 1 + 1 years, taking the potential maturity date out to November 2030. This loan is partially amortising and the balance outstanding at the maturity date will be £93.3 million. Interest rate swaps have been entered into in respect of the £110.0 million amortising term loan which result in the effective interest charge being fixed at the rates disclosed on the previous page.

The group also has a £50.0 million syndicated facility with NatWest and HSBC. During the prior period, the group exercised the second of its two-year options to extend the term of the loan by 12 months. The syndicated loan is now repayable on 19 May 2027. 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.

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
During the period, the group terminated a £100.0 million revolving credit facility, split evenly with Barclays and HSBC, and replaced it with a £120.0 million revolving credit facility, split evenly with Natwest, HSBC and Barclays.

At the period end, the facility was drawn down by £71.5 million (2023: undrawn). Final repayment of the total drawn down balance is due as one payment in November 2028. 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					
2024	**Within one year £m**	**Between one and two years £m**	**Between two and five years £m**	**After five years £m**	**Total £m**	**Book value £m**
Borrowings	**80.8**	**28.5**	**176.3**	**50.3**	**335.9**	**284.7**
Derivative financial instruments	**4.5**	**5.4**	**10.4**	**–**	**20.3**	**–**
Lease liabilities	**9.7**	**9.5**	**26.0**	**94.8**	**140.0**	**91.8**
Trade and other payables	**55.0**	**–**	**–**	**–**	**55.0**	**55.0**
	150.0	**43.4**	**212.7**	**145.1**	**551.2**	**431.5**

	Company					
2024	**Within one year £m**	**Between one and two years £m**	**Between two and five years £m**	**After five years £m**	**Total £m**	**Book value £m**
Borrowings	**80.8**	**28.5**	**175.3**	**50.3**	**334.9**	**283.7**
Derivative financial instruments	**4.5**	**5.4**	**10.4**	**–**	**20.3**	**–**
Lease liabilities	**6.9**	**6.7**	**18.6**	**78.6**	**110.8**	**71.2**
Trade and other payables	**40.4**	**–**	**–**	**–**	**40.4**	**40.4**
Amounts due to subsidiaries	**11.9**	**–**	**–**	**–**	**11.9**	**11.9**
	144.5	**40.6**	**204.3**	**128.9**	**518.3**	**407.2**

	Group					
2023	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	Total £m	Book value £m
Borrowings	0.9	21.0	53.0	48.9	123.8	104.2
Derivative financial instruments	0.4	0.1	1.4	–	1.9	–
Lease liabilities	7.1	6.8	19.1	66.8	99.8	71.7
Trade and other payables	34.9	–	–	–	34.9	34.9
	43.3	27.9	73.5	115.7	260.4	205.8

	Company					
2023	Within one year £m	Between one and two years £m	Between two and five years £m	After five years £m	Total £m	Book value £m
Borrowings	0.9	20.9	53.0	48.9	123.7	104.2
Derivative financial instruments	0.3	0.1	1.4	–	1.8	–
Lease liabilities	6.1	5.9	16.8	64.4	93.2	65.9
Trade and other payables	33.2	–	–	–	33.2	33.2
Amounts due to subsidiaries	11.3	–	–	–	11.3	11.3
	51.8	26.9	71.2	113.3	263.2	209.6

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25. Capital management and financial instruments continued
(d) Fair value hierarchy for instruments measured at fair value

	Group and company			
	Fair value 2024 £m	Level 1 2024 £m	Level 2 2024 £m	Level 3 2024 £m
Interest rate swaps				
Financial assets at fair value	**3.1**	**–**	**3.1**	**–**
Financial liabilities at fair value	**(0.2)**	**–**	**(0.2)**	**–**
	2.9	**–**	**2.9**	**–**

	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	–

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 3 April 2023 £m	Additions £m	Business combinations £m	Cash flow £m	Other[1] £m	At 1 April 2024 £m
Bank loans	104.2	–	21.9	160.6	(1.9)	**284.8**
Lease liabilities	71.7	13.9	16.7	(8.9)	(1.6)	**91.8**
Derivative financial instruments	(5.0)	–	–	–	2.1	**(2.9)**
Total net liabilities from financing activities	**170.9**	**13.9**	**38.6**	**151.7**	**(1.4)**	**373.7**

1 Other changes in liabilities related to the period movement in bank loans arrangement fees and amendments, terminations and interest on leases, and marked to market valuation of hedging instruments.

	Company					
	At 3 April 2023 £m	Additions £m	Business combinations £m	Cash flow £m	Other[1] £m	At 1 April 2024 £m
Bank loans	104.2	–	–	181.5	(1.9)	**283.8**
Lease liabilities	65.9	13.9	–	(7.7)	(0.9)	**71.2**
Derivative financial instruments	(5.0)	–	–	–	2.1	**(2.9)**
Total net liabilities from financing activities	**165.1**	**13.9**	**–**	**173.8**	**(0.7)**	**352.1**

1 Other changes in liabilities related to the period movement in bank loans arrangement fees and amendments, terminations and interest on leases, and marked to market valuation of hedging instruments.

	Group				
	At 28 March 2022 £m	Additions £m	Cash flow £m	Other[1] £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

1 Other changes in liabilities related to the period movement in bank loans arrangement fees and amendments, terminations and interest on leases.

	Company				
	At 28 March 2022 £m	Additions £m	Cash flow £m	Other[1] £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

1 Other changes in liabilities related to the period movement in bank loans arrangement fees and amendments, terminations and interest on leases.

26. Deferred tax

Deferred tax relates to the following:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Deferred tax assets				
Decelerated capital allowance	**0.6**	4.6	**0.6**	4.6
Retirement benefit schemes	**0.4**	–	**0.4**	–
Tax losses	**3.2**	–	**–**	–
Share based payments	**0.3**	0.1	**0.3**	0.1
Deferred tax assets	**4.5**	4.7	**1.3**	4.7
Deferred tax liabilities				
Rolled over gains on property revaluations	**(111.6)**	(107.2)	**(111.5)**	(107.0)
Retirement benefit schemes	**–**	(0.9)	**–**	(0.9)
Accelerated capital allowance	**(2.5)**	–	**–**	–
Interest rate swaps – cash flow hedge	**(0.7)**	(1.2)	**(0.7)**	(1.2)
Fair value gains on acquisition of subsidiaries	**(19.6)**	–	**–**	–
Deferred tax liabilities	**(134.4)**	(109.3)	**(112.2)**	(109.1)
Net deferred tax liabilities	**(129.9)**	(104.6)	**(110.9)**	(104.4)

Reconciliation of net deferred tax liabilities:

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Opening balance	**(104.6)**	(104.2)	**(104.4)**	(104.0)
Tax (charge)/credit in the income statement	**(1.5)**	0.5	**(1.3)**	0.5
Tax charge in the statement of comprehensive income	**(5.6)**	(2.0)	**(5.6)**	(2.0)
Adjustment in respect of deferred tax of prior periods in the income statement	**(1.1)**	1.1	**(1.1)**	1.1
Recognised on acquisition	**(18.6)**	–	**–**	–
Credited directly in equity	**1.5**	–	**1.5**	–
Closing balance	**(129.9)**	(104.6)	**(110.9)**	(104.4)

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26. Deferred tax continued
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 9).

The group has realised capital losses of £1.5 million (2023: £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 (2023: £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 2023 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 £27.8 million (2023: £6.9 million). No deferred tax asset has been recognised in respect of these losses (2023: £nil) because it is uncertain whether they will be utilised.

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 £1.6 million (2023: £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 49.

The employer contribution to the defined benefit scheme for the period ended 1 April 2024 was £1.4 million of which £1.2 million were special contributions (2023: £1.4 million of which £1.2 million were special contributions) plus premiums of £0.2 million (2023: £0.2 million) to the post-retirement health care scheme. The Actuarial 2023 triennial Valuation of the Scheme as at 6 April 2023 revealed a funding shortfall of £18.8 million. To eliminate this funding shortfall, the Trustee and the group have agreed that additional contributions of £0.7 million will be paid to the Scheme annually from April 2024 to December 2035, resulting in total special contributions of £1.9 million per year.

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.

Financial assumptions

	Pension		Health care	
	2024 %	2023 %	2024 %	2023 %
Discount rate	**4.85**	4.70	**4.85**	4.70
Inflation	**3.20**	3.20	**N/A**	N/A
Rate of increase in salaries	**2.50**	2.50	**N/A**	N/A
Discretionary pension increases	**3.20**	3.20	**N/A**	N/A
Rate of revaluation of deferred pensions	**2.75**	2.70	**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:

	2024 Years	2023 Years
Current pensioners (at age 65) – males	**21.4**	21.9
Current pensioners (at age 65) – females	**23.6**	24.1
Future pensioners (at age 65) – males	**22.6**	23.2
Future pensioners (at age 65) – females	**25.1**	25.5

At the period end date, the average age of current pensioners was 77 years (2023: 76 years) and for future pensioners was 59 years (2023: 58 years).

The weighted average duration of liabilities for the current period was 13 years (2023: 14 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 6.3%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 4.7%
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 2.7%
Rate of revaluation of deferred pensions	Increase/decrease by 0.5%	Increase/decrease by 0.9%
Life expectations	Increase by 1 year	Increase by 4.6%

Pension scheme and health care scheme assets and liabilities

	Group and company	
	Assets and liabilities	
	2024 £m	2023 £m
Equities	**20.7**	18.9
Diversified growth fund	**6.6**	9.2
Liability Driven Investment and Asset Backed Securities	**48.7**	55.2
Insured pensions	**6.2**	6.3
Other	**0.3**	0.4
Total fair value of assets	**82.5**	90.0
Present value of retirement benefit liabilities	**(81.8)**	(86.3)
Scheme surplus	**0.7**	3.7
IFRIC 14 adjustment	**(0.6)**	–
Net scheme surplus	**0.1**	3.7

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27. Retirement benefit schemes continued
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 £3.3 million (2023: £3.6 million). There are no property assets of the scheme occupied by the company.

Of the above assets, £27.3 million (2023: £28.1 million) are quoted securities.

The recoverable surplus on the Young & Co's Brewery P.L.C. Pension Scheme has been recognised in line with the annual refunds expected from the scheme and the residual surplus recognised net of applicable UK taxes. The pension scheme was in a surplus position of £2.4 million at 1 April 2024 of which a recoverable surplus of £1.8 million is recognised on the balance sheet.

The Young & Co's Brewery P.L.C. Pension Scheme moved into an IAS 19 surplus position during 2022. The group has an unconditional right to a refund of the surplus (net of withholding taxes) assuming the gradual settlement of the liabilities over time and therefore no additional minimum funding requirement has been recognised.

As at 1 April 2024, the group determined that the accounting surplus should be recognised after deducting withholding tax, which would be levied prior to the future refunding of any surplus and would be payable by the Trustees of the Scheme. The pension surplus has been presented on a net basis at 1 April 2024.

In the prior period to 3 April 2023 no withholding tax had been recognised and instead a deferred tax liability had been recognised. Taxation on pension movements in other comprehensive income in the period includes reversal of deferred tax liability of £1.4 million (2023: £2.6 million) in application of IFRIC 14. We do not consider this to be material in accordance with IAS 8.

Movement within the schemes in the period

(a) Changes in the present value of the schemes are as follows:

	Group and company					
	2024			2023		
	Pension scheme £m	Health care scheme £m	Total £m	Pension scheme £m	Health care scheme £m	Total £m
Opening surplus/(deficit)	**5.4**	**(1.7)**	**3.7**	14.3	(2.1)	12.2
Current service cost	**(0.1)**	**–**	**(0.1)**	(0.3)	–	(0.3)
Contributions	**1.4**	**0.2**	**1.6**	1.4	0.2	1.6
Other finance income/(charge)	**0.3**	**(0.1)**	**0.2**	0.4	(0.1)	0.3
Remeasurement through other comprehensive income	**(4.6)**	**(0.1)**	**(4.7)**	(10.4)	0.3	(10.1)
	2.4	**(1.7)**	**0.7**	5.4	(1.7)	3.7
IFRIC 14 adjustment	**(0.6)**	**–**	**(0.6)**	–	–	–
Closing surplus/(deficit)	**1.8**	**(1.7)**	**0.1**	5.4	(1.7)	3.7

(b) Recognised in the income statement

	Group and company					
	2024			2023		
	Pension scheme £m	Health care scheme £m	Total £m	Pension scheme £m	Health care scheme £m	Total £m
Current service cost included in operating costs	**(0.1)**	**–**	**(0.1)**	(0.3)	–	(0.3)
Net interest income/(charge)	**0.3**	**–**	**0.3**	0.4	(0.1)	0.3

(c) Recognised in the statement of comprehensive income

	Group and company					
	2024 Pension scheme £m	2024 Health care scheme £m	2024 Total £m	2023 Pension scheme £m	2023 Health care scheme £m	2023 Total £m
Actual return less expected return on plan assets	**(9.1)**	**–**	**(9.1)**	–	–	–
Experience gains arising on the schemes' liabilities	**(1.0)**	**(0.1)**	**(1.1)**	(1.4)	(0.1)	(1.5)
Changes in demographic assumptions underlying the schemes' liabilities	**2.5**	**0.1**	**2.6**	0.6	–	0.6
Changes in financial assumptions underlying the schemes' liabilities	**2.9**	**–**	**2.9**	30.6	0.3	30.9
Remeasurement of obligations	**(4.7)**	**–**	**(4.7)**	29.8	0.2	30.0
Return on schemes' assets (less amounts included in the net interest expense)	**–**	**–**	**–**	(40.1)	–	(40.1)
	(4.7)	**–**	**(4.7)**	(10.3)	0.2	(10.1)
IFRIC 14 adjustment	**(0.6)**	**–**	**(0.6)**	–	–	–
Net remeasurement recognised	**(5.3)**	**–**	**(5.3)**	(10.3)	0.2	(10.1)

(d) Movements in the present value of schemes' obligations during the period

	Group and company					
	2024 Pension scheme £m	2024 Health care scheme £m	2024 Total £m	2023 Pension scheme £m	2023 Health care scheme £m	2023 Total £m
Opening defined benefit obligations	**84.6**	**1.7**	**86.3**	(114.8)	(2.1)	(116.9)
Current service cost	**0.1**	**–**	**0.1**	(0.3)	–	(0.3)
Interest on obligations	**3.7**	**0.1**	**3.8**	(3.2)	(0.1)	(3.3)
Contributions by schemes' members	**0.1**	**–**	**0.1**	(0.1)	–	(0.1)
Remeasurement of obligations	**(4.4)**	**0.1**	**(4.3)**	29.8	0.3	30.1
Benefits paid	**(4.0)**	**(0.2)**	**(4.2)**	4.0	0.2	4.2
Present value of schemes' liabilities	**80.1**	**1.7**	**81.8**	(84.6)	(1.7)	(86.3)

(e) Change in fair value of schemes' assets

	Group and company					
	2024 Pension scheme £m	2024 Health care scheme £m	2024 Total £m	2023 Pension scheme £m	2023 Health care scheme £m	2023 Total £m
Opening fair value of schemes' assets	**90.0**	**–**	**90.0**	129.1	–	129.1
Interest on schemes' assets	**–**	**–**	**–**	3.6	–	3.6
Return on schemes' assets (less amounts included in the net interest expense)	**4.2**	**–**	**4.2**	(40.1)	–	(40.1)
Actuarial losses on plan assets	**(9.2)**	**–**	**(9.2)**			
Contributions by employer	**1.4**	**0.2**	**1.6**	1.3	0.2	1.5
Contributions by schemes' members	**0.1**	**–**	**0.1**	0.1	–	0.1
Benefits paid	**(4.0)**	**(0.2)**	**(4.2)**	(4.0)	(0.2)	(4.2)
Fair value of schemes' assets	**82.5**	**–**	**82.5**	90.0	–	90.0

A potentially landmark judgement was handed down in the High Court case of Virgin Media vs NTL Trustees in June 2023. The judge in this case ruled that, where benefit changes were made without a valid 'section 37' certificate from the scheme actuary, those changes could be considered void. It is anticipated that the ruling will be appealed. The Young & Co.'s Brewery, P.L.C. Pension Scheme was contracted out of the additional state pension between 1997 and 2016 and made scheme amendments during this period.
The Scheme trustees have not yet investigated the scheme's historic documentation to confirm whether they hold the relevant s37 certificates, until this review has been completed we are unable to determine the impact of this judgement.

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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 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
At 3 April 2023	**71.7**	**65.9**
Additions	13.9	13.9
Business combinations	16.7	–
Lease amendments	1.4	1.4
Accretions of interest	2.8	2.5
Payments	(8.9)	(7.7)
Lease terminations	(5.8)	(4.8)
At 1 April 2024	**91.8**	**71.2**
Current	6.8	4.0
Non-current	85.0	67.2

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 2024 52 weeks £m	**Company 2024 52 weeks £m**
Depreciation expense of right-of-use assets (note 19)	**7.3**	**6.2**
Interest expense on lease liabilities (note 11)	**2.8**	**2.5**
Expense relating to short-term leases and low-value assets	**0.2**	**0.2**
Variable lease payments	**0.3**	**0.3**
Total amount recognised in the income statement	**10.6**	**9.2**

	Group 2023 53 weeks £m	Company 2023 53 weeks £m
Depreciation expense of right-of-use assets (note 19)	6.9	6.0
Interest expense on lease liabilities (note 11)	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

During the current period the group had total cash outflows for leases of £9.2 million (2023: £7.6 million). The group also had cash additions to right-of-use assets relating to direct costs in acquiring leases of £9.9 million (2023: £nil), in addition to £13.9 million of non-cash additions to both right-of-use assets and lease liabilities (2023: to right-of-use assets £0.4 million and to lease liabilities £0.4 million).

During the current period the company had total cash outflows for leases of £8.0 million (2023: £6.6 million). The company also had non-cash additions to right-of-use assets of £23.9 million and to lease liabilities of £13.9 million (2023: to right-of-use assets £0.4 million and to lease liabilities £0.4 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		
2024	**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**
Fixed rent	7.5	–	**7.5**	7.1	–	**7.1**
Variable rent with minimum payment	1.2	–	**1.2**	0.6	–	**0.6**
Variable rent only	–	0.3	**0.3**	–	0.3	**0.3**
	8.7	**0.3**	**9.0**	**7.7**	**0.3**	**8.0**

	Group			Company		
2023	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
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

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 1 April 2024 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. The following amounts have been recognised in the income statement in the current and prior period:

	Group and company	
	2024 52 weeks £m	2023 53 weeks £m
Lease income	**0.3**	0.3
Sublease income	**0.2**	–
Total lease income	**0.5**	0.3

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.

2024	**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**
Undiscounted lease income	**0.6**	**0.6**	**0.6**	**0.5**	**0.4**	**5.5**	**8.2**

2023	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
Undiscounted lease income	0.2	0.2	0.2	0.2	0.1	–	0.9

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For the 52 weeks ended 1 April 2024

29. Share capital and reserves

	2024 52 weeks Shares	2024 52 weeks £000	2023 53 weeks Shares	2023 53 weeks £000
Issued and fully paid shares – 12.5p each				
Opening balance	**58,484,602**	**7,311**	58,476,641	7,310
Share issue – acquisition of City Pub Group	**3,612,240**	**451**	–	–
Issued under employee share schemes	**–**	**–**	7,961	1
Closing balance	**62,096,842**	**7,762**	58,484,602	7,311

Of the opening balance, 34,413,847 are A shares and 24,070,755 are non-voting shares (2023: 34,405,886 A shares, 24,070,755 non-voting shares). Of the closing balance, 38,026,087 are A shares and 24,070,755 are non-voting shares (2023: 34,413,847 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.

Other reserves

Other reserves represent the nominal amount of the share capital cancelled related to the repurchase and cancellation of ordinary share capital ('capital redemption reserve'); and the share premium of shares issued on acquisition of subsidiaries on a share for share transaction ('merger relief reserve'). As part of the acquisition of the City Pub Group, a merger relief reserve of £36.2 million was recognised, representing the difference between the fair value and nominal value of the shares acquired.

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 (2023: £17.1 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 (2023: £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 1 April 2024: 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 by deferring a proportion of their annual bonus into A shares which are subject to a holding period.

Following the introduction of the LTIP scheme in 2022 the rules of the DAB scheme were amended to remove the matching share element. Since then, the DAB scheme has 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 and Simon Dodd were required to defer 7% of their annual bonus and Tracy Dodd was required to defer 11.5% of her annual bonus (all net of tax, duties or social security contributions) into shares which are subject to a holding period of three years.

The following table summarises, at 3 April 2023 and at 1 April 2024, the outstanding entitlements to A shares under the DAB scheme of the directors who served during the period ended 1 April 2024. All shares listed in the table are registered in the relevant individual's name. In total, 3,669 A shares were awarded during the period, and the weighted fair value of the A shares awarded during the period was 1,180 pence per share.

	Date of award	At 3 April 2023	Awarded during the period	Restrictions ceased to apply during the period	**At 1 April 2024**	Issue price (pence per share)
Tracy Dodd	May 2022	2,080	–	–	**2,080**	1,304.0
	May 2023	–	1,115	–	**1,115**	1,180.0
Simon Dodd	May 2022	2,276	–	–	**2,276**	1,304.0
	May 2023	–	1,378	–	**1,378**	1,180.0
Mike Owen	May 2022	3,605	–	–	**3,605**	1,304.0
	May 2023	–	1,176	–	**1,176**	1,180.0

(b) LTIP

In order to incentivise and retain executive directors and other senior management employees, the company adopted the LTIP during the prior period. The LTIP is designed to align remuneration with both the company's long-term financial performance and the interests of shareholders.

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 grant of awards under the LTIP took place on 29 June 2022. In total, 122,721 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 second grant of awards under the LTIP took place on 29 June 2023. In total, 121,850 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 2026 exceed the same measure for the financial period ended 3 April 2023; 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 2026.

The awards granted during the period to the executive directors were equivalent to 100% of basic salary for Simon Dodd and Mike Owen, and 75% of basic salary for Tracy Dodd and Mark Loughborough.

Outstanding LTIP share awards for the current executive directors at 3 April 2023 and at 1 April 2024 were as follows:

	Date of award	At 3 April 2023	Granted during the period	Lapsed during the period	**At 1 April 2024**	Share price on date of award	Exercise price	Date from which exercisable	Expiry date
Simon Dodd	29.06.22	15,127	–	–	**15,127**	1,140p	0p	29.06.25	28.06.32
	29.06.23	–	36,597	–	**36,597**	1,215p	0p	29.06.26	28.06.33
Mike Owen	29.06.22	25,548	–	–	**25,548**	1,140p	0p	29.06.25	28.06.32
	29.06.23	–	26,090	–	**36,090**	1,215p	0p	29.06.26	28.06.33
Tracy Dodd	29.06.22	13,823	–	–	**13,823**	1,140p	0p	29.06.25	28.06.32
	29.06.23	–	14,116	–	**14,116**	1,215p	0p	29.06.26	28.06.33
Mark Loughborough[1]	29.06.22	3,118	–	–	**3,118**	1,140p	0p	29.06.25	28.06.32
	29.06.23	–	14,116	–	**14,119**	1,215p	0p	29.06.26	28.06.33

1 Mark Loughborough joined the board on 30 September 2022.

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30. Share awards continued
The following table summarises, at 3 April 2023 and at 1 April 2024, the outstanding entitlements to A shares under the LTIP:

	LTIP Number
At 28 March 2022	–
Granted	122,721
Exercised	–
Lapsed	–
At 3 April 2023	**122,721**
Granted	121,850
Exercised	–
Lapsed	(30,670)
At 1 April 2024	**213,901**

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 1,215 pence per share (2023: 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.

Valuation assumptions
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:

	2024 LTIP – TSR portion	2023 LTIP – TSR portion
Valuation model used	**Monte Carlo**	Monte Carlo
Fair values at the measurement date (pence)	**943.0**	860.0
Dividend yield (%)	**nil**	nil
Expected volatility (%)	**42.2**	43.6
Risk-free interest rate (%)	**5.1**	2.1
Expected life of share options (years)	**3**	3
Weighted average share price (pence)	**1,124.0**	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:

	2024 £m	2023 £m
Expense arising from equity-settled share based payment transactions	**0.5**	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.

	At 3 April 2023	Granted during the period	Grant price per share	Lapsed during the period	Exercised during the period	Exercised price per share	Weighted average share price	At 1 April 2024
2019 plan	445	–	1412p	(445)	–	–	–	**–**
2022 plan	64,483	–	1176p	(22,082)	–	–	–	**42,401**
2023 plan	110,935	–	931p	(37,077)	–	–	–	**73,858**
2024 plan	–	124,956	876p	(3,895)	–	–	–	**121,061**
	175,863	**124,956**	–	**(63,499)**	–	–	–	**237,320**

	At 28 March 2022	Granted during the period	Grant price per share	Lapsed during the period	Exercised during the period[1]	Exercised price per share	Weighted average share price	At 3 April 2023
2017 plan	270	–	1066p	(270)	–	–	–	**–**
2018 plan	1,846	–	1364p	(1,583)	(263)	1412p	1412p	**–**
2019 plan	17,512	–	1412p	(17,067)	–	–	–	**445**
2022 plan	123,801	–	1176p	(59,318)	–	–	–	**64,483**
2023 plan	–	119,284	931p	(8,349)	–	–	–	**110,935**
	143,429	**119,284**	–	**(86,587)**	**(263)**	–	–	**175,863**

1 The options that were exercised (and in respect of which new shares were issued) resulted in an increase in share capital of £nil and an increase in share premium of £nil.

A charge of £nil (2023: £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 1 April 2024 was £0.2 million (2023: £0.5 million).

Valuation assumptions

Assumptions used in the Black-Scholes model to determine the fair value of share options at grant date for the period ending 1 April 2024 were as follows:

	Group and company		
	2024 plan	2023 plan	2022 plan
Share price at grant date (pence)	**1,095.0**	1,164.0	1,470.0
Exercise price (pence)	**876.0**	931.0	1,176.0
Expected volatility (%)	**36.9**	53.3	51.0
Option life (years)	**3**	3	3
Expected dividends (expressed as dividend yield %)	**2.2**	1.9	1.3
Risk-free interest rate (%)	**4.3**	3.1	1.7
Probability of forfeiture (%)	**3.1**	38.1	67.6

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.

Notes to the financial statements continued
For the 52 weeks ended 1 April 2024

31. Non-controlling interests
Set out below is the financial information for the non-controlling interests of the group.

Income statement	2024 52 weeks £m
Revenue	0.8
Profit for the period	0.1
Profit allocated to non-controlling interests	**–**

Balance sheet	2024 £m
Current assets	0.9
Current liabilities	(3.2)
Current net assets	**(2.3)**
Non-current assets	13.1
Non-current liabilities	(3.2)
Non-current net assets	**9.9**
Net assets	**7.6**
Accumulated non-controlling interests	**3.6**

Cash flows	2024 52 weeks £m
Cash flows from operating activities	(0.1)
Cash flows from investing activities	–
Cash flows from financing activities	(0.1)
Net decrease in cash and cash equivalents	**(0.2)**

32. Related party transactions

Transactions with group undertakings
During the period, the company received a dividend from Geronimo Inns Limited for £2.5 million, and from BFI Limited for £2.0 million. The Crooked Billet Limited also distributed the Crooked Billet (Clapton) to the company at its fair value of £7.3 million.

Details of amounts receivable and payable from group undertakings are included within notes 22 and 24 respectively.

Directors
Directors' emoluments and retirement benefits are disclosed in notes 8(b) and (c). Directors' interests in the company's share capital are disclosed or referred to on page 86 and in notes 8(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 directors of the company, are the directors of the pension trustee company. At 1 April 2024, the scheme held 337,067 A shares (2023: 337,067), being 0.89% 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 1 April 2024, the trust held 10,810 A shares (2023: 14,479), being 0.03% of the class. During the period:

- nil A shares (2023: 3,429) were transferred from the trust in connection with the company's savings-related share option scheme (see note 8(d));
- 3,669 A shares (2023: 12,089) were transferred to the trust in connection with the company's deferred annual bonus scheme (see note 30).

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 8; in addition, the group made employers' national insurance contributions of £0.3 million (2023: £0.5 million) and incurred a share based payment charge of £0.4 million (2023: £0.5 million).

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

	Group		Company	
	2024 52 weeks £m	2023 53 weeks £m	**2024 52 weeks £m**	2023 53 weeks £m
Profit before tax	**20.7**	36.2	**17.3**	38.2
Net finance cost	**8.1**	7.5	**7.7**	7.3
Finance charge for pension obligations	**(0.2)**	(0.3)	**(0.2)**	(0.3)
Operating profit	**28.6**	43.4	**24.8**	45.2
Depreciation of property and equipment (note 19)	**27.6**	26.2	**27.3**	26.0
Depreciation of right-of-use assets (note 20)	**7.3**	6.9	**6.2**	6.0
Impairment of goodwill and right-of-use assets	**5.5**	–	**5.5**	–
Movement on revaluation of properties (note 19)	**12.8**	7.0	**12.8**	7.0
Net profit on disposal of property	**1.3**	–	**1.6**	–
Difference between pension service cost and cash contributions paid	**(1.4)**	(1.3)	**(1.4)**	(1.3)
Investment impairment	**–**	–	**21.3**	–
Share based payments	**(0.7)**	(0.5)	**(0.7)**	(0.5)
Movements in working capital				
– Inventories	**0.1**	(0.7)	**0.1**	(0.7)
– Receivables	**0.5**	(0.6)	**(23.3)**	0.2
– Payables	**4.4**	3.4	**(3.0)**	0.7
Net cash generated from operations	**86.0**	83.8	**71.2**	82.6

Analysis of net debt

	Group		Company	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Cash	**16.9**	10.7	**5.5**	10.7
Current borrowings and loan capital	**(71.5)**	–	**(71.5)**	–
Current lease liability	**(6.8)**	(4.8)	**(4.0)**	(4.0)
Non-current borrowings and loan capital	**(213.2)**	(104.2)	**(212.2)**	(104.2)
Non-current lease liability	**(85.0)**	(66.9)	**(67.2)**	(61.9)
Net debt	**(359.6)**	(165.2)	**(349.4)**	(159.4)

34. Post balance sheet events

There was one post balance sheet event: the sale of the Plough (Beddington) for a total cash consideration of £1.1 million, which was classified as asset held for sale at the period end date.

35. Contingent liabilities

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

Young & Co.'s Brewery, P.L.C.
Copper House, 5 Garratt Lane
Wandsworth, London SW18 4AQ

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

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, 23 July 2024. 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 135th 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, 25 July 2024 at 11.30am. Resolutions 1 to 8 will be proposed as ordinary resolutions, and resolutions 9 to 11 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 1 April 2024, 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 10.88p per share for the financial year ended 1 April 2024.

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 Steve Cooke be, and is hereby, re-appointed as a director.
6. To resolve that Torquil Sligo-Young be, and is hereby, re-appointed as a director.

Political donations and expenditure

7. 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 2025) 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.

Directors' authority to allot shares etc.

8. 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 £2,587,368 (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 £5,174,736 (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 2025) 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

9. To resolve that, if resolution 8 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 8, 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 8 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 9) up to a nominal amount of £776,210; and

(c) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) or (b) above of this resolution 9) 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 9, 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 2B 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 2025) 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.

10. To resolve that, if resolution 8 is passed, the directors be, and are hereby, given the power in addition to any power granted by resolution 9, to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by paragraph (a) of resolution 8 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 £776,210, 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 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 2B 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 2025) 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.

Notice of meeting continued

Authority to purchase own shares

11. 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 6,209,684;

    (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 2025) 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 June 2024

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 below and on pages 159 to 160 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, 23 July 2024 (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 11.30am on Tuesday, 23 July 2024.

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.euroclear.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 Euroclear UK & International Limited ('Euroclear') 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 11.30am on Tuesday, 23 July 2024 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 Euroclear 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 their 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 10.00am 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 10.00am 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 13 June 2024, the Company's issued share capital comprised 38,026,087 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 38,026,087.

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 2024 annual report or any proxy form for the Company's 135th 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 135th annual general meeting of Young & Co.'s Brewery, P.L.C. (the 'Company') to be held on Thursday, 25 July 2024 is set out on pages 156 to 160.

Resolutions 1 to 8 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 10.88 pence per share was paid on 8 December 2023. The directors are recommending a final dividend of 10.88 pence per share for the year ended 1 April 2024, bringing the total dividend for the year to 21.76 pence per share. Subject to approval being given, the final dividend is expected to be paid on 2 August 2024 to shareholders on the register at the close of business on 5 July 2024.

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 6: re-appointment of directors

Torquil Sligo-Young is retiring as a director at this meeting; this is because he was a director at the last two annual general meetings and did not retire at either of them. Steve Cooke will also be retiring from the office of director at the meeting; this is because he was appointed by the board since the last annual general meeting. Both of these individuals are seeking re-appointment; their brief biographical and other details are on pages 63 and 64.

Resolution 7: 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 8: 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 £2,587,368 (representing 20,698,944 shares of 12.5p each). This amount represents approximately one-third of the Company's issued share capital as at 13 June 2024. 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 £5,174,736 (representing 41,397,888 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 13 June 2024. 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 2025). 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.

Resolutions 9, 10 and 11 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 9 and 10: 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 9 and 10 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 9 and 10 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 9 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;

Shareholder Information

Explanatory notes to the notice of meeting

(b) otherwise, allotments or sales up to an aggregate nominal value of £776,210 (representing 6,209,680 shares and approximately 10 per cent of the nominal value of the issued share capital of the Company as at 13 June 2024); 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 £155,242 as at 13 June 2024), 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 10 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 10 is in addition to that proposed by resolution 9 and would be limited to:

(i) allotments or sales of up to an aggregate nominal amount of £776,210 (representing 6,209,680 shares and approximately an additional 10 per cent of the issued share capital of the Company as at 13 June 2024); 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 9 and 10 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 9 or 10. If the powers sought by resolutions 9 or 10 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 2025).

Resolution 11: 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 June 2024, the Company had options outstanding over 438,070 A shares, representing 0.71% 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 0.88% 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 2025).

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

Steve Cooke
Independent Non-Executive Director

Aisling Meany
Independent Non-Executive Director

Sarah Sergeant
Independent Non-Executive Director

Torquil Sligo-Young
Non-Executive Director

Company Secretary

Chris Taylor

Audit committee

Aisling Meany (Chair)
Nick Miller
Sarah Sergeant

Remuneration committee

Nick Miller (Chair)
Aisling Meany
Sarah Sergeant

Banks

HSBC Bank plc
8 Canada Square
London E14 5HQ

NatWest Bank plc
250 Bishopsgate
London EC2M 4RB

Barclays Bank plc
1 Churchill Place
London E14 5HP

Auditor

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

Nominated adviser

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

Stockbrokers

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

Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

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 countries.

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 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?

- Adam and Eve, Fitzrovia
- Albans Well, St Albans
- Albert, Kingston-upon-Thames
- Albion, City of London
- Alexander Pope, Twickenham
- Alexandra, Wimbledon
- Alma, Wandsworth
- Angel & Greyhound, Oxford
- Bear Inn Hotel, Esher
- Bear, Cobham
- Bear, Oxshott
- Beaufort, Hendon
- Bedford Arms, Chenies
- Bell Hotel, Stow-on-the-Wold
- Bell, Fetcham
- Betjeman Arms, St Pancras
- Bickley, Chislehurst
- Bishop, Kingston-upon-Thames
- Bishop's Vaults, Bishopsgate
- Blue Boar, Chipping Norton
- Boathouse, Instow
- Boathouse, Putney
- Brewers Inn, Wandsworth
- Bridge Hotel, Chertsey
- Britannia, Kensington
- Brook Green Hotel, Hammersmith
- Buckingham Arms, Westminster
- Bull and Gate, Kentish Town
- Bull, Bracknell
- Bull, Ditchling
- Bull, Streatham
- Bull, Westfield, Shepherd's Bush
- Bulls Head, Barnes
- Bulls Head, Chislehurst
- Bunch of Grapes, London Bridge
- Canbury Arms, Kingston-upon-Thames
- Candlemaker, City of London
- Canford Hotel, Poole
- Canonbury, Islington
- Carnarvon Arms, Newbury
- Carpenter's Arms, Tonbridge
- Castle, Islington
- Castle, Tooting
- Chelsea Ram, Chelsea
- Chequers Inn, Hanham Mills
- Chequers, Walton-on-the-Hill
- Cherry Tree, East Dulwich
- City Gate, Exeter
- Clapham North, Clapham
- Clarence, Westminster
- Clock House, East Dulwich
- Coach & Horses, Barnes
- Coach & Horses, Greenwich
- Coach & Horses, Isleworth
- Coach & Horses, Kew
- Coat and Badge, Putney
- Coborn, Mile End
- Cock Tavern, Fulham
- Constitution, Camden
- Coopers Arms, Chelsea
- County Arms, Wandsworth
- Cow, Westfield, Stratford
- Crooked Billet, Clapton
- Crooked Billet, Wimbledon
- Crown & Anchor, Chichester
- Crown Hotel, Chertsey
- Crown Inn, Minchampton
- Crown, Bow
- Crown, Lee
- Crown, Twickenham
- Curtains Up, West Kensington
- Cutty Sark, Greenwich
- Defector's Weld, Shepherd's Bush
- Devonshire, Balham
- Dial Arch, Woolwich
- Dirty Dicks, Bishopsgate
- Dog & Fox, Wimbledon
- Dolphin, Betchworth
- Double Locks, Exeter
- Duchess of Kent, Islington
- Duke of Cambridge, Battersea
- Duke of Clarence, Kensington
- Duke of Wellington, Notting Hill
- Duke on the Green, Parsons Green
- Duke's Head, Putney
- Duke's Head, Wallington
- Dunstan House Inn, Burnham-on-Sea
- Eagle, Shepherd's Bush
- East Hill, Wandsworth
- Elgin, Notting Hill
- Enderby House, Greenwich
- Fellow, King's Cross
- Fentiman Arms, Oval
- Finch's, Moorgate
- Fire Stables, Wimbledon
- Flask, Hampstead
- Foley, Claygate
- Founders Arms, Southbank
- Fox & Anchor, Smithfield Market
- George Hotel, Cheltenham
- Grand Junction Arms, Harlesden
- Grange, Ealing
- Grantley Arms, Wonersh
- Green Man, Putney
- Greyhound, Carshalton
- Griffin Inn, Fletching
- Grocer, Spitalfields
- Grove, Balham
- Grove, Exmouth
- Guard House, Woolwich
- Guinea, Mayfair
- Half Moon, Putney
- Half Moon, Windlesham
- Halfway House, Earlsfield
- Hammersmith Ram, Hammersmith
- Hand and Spear, Weybridge
- Hand in Hand, Wimbledon
- Hare & Hounds, East Sheen
- Highbury Vaults, Bristol

- Hollow Bottom, Guiting Power
- Hollywood Arms, Chelsea
- Home Cottage, Redhill
- Hope and Anchor, Brixton
- Hort's Townhouse, Bristol
- Huntsman, New Forest
- Kings Arms, Chelsea
- Kings Arms, Oxford
- Kings Arms, Wandsworth
- Kings Head, Islington
- Kings Head, Roehampton
- Kings Head, Winchmore Hill
- Lamb Tavern, Leadenhall Market
- Lamb, Bloomsbury
- Lamb, Hindon
- Lass O'Richmond Hill, Richmond
- Leather Bottle, Earlsfield
- Leman Street Tavern, Aldgate
- Libertine, Bournemouth
- Lion and Unicorn, Kentish Town
- Lock Keeper, Keynsham
- Lockhouse, Paddington
- Lord Palmerston, Tufnell Park
- Manor Arms, Streatham
- Marlborough, Richmond
- Marquess of Anglesey, Covent Garden
- Merlin's Cave, Chalfont St Giles
- Mitre, Lancaster Gate
- Mitre, Shaftesbury
- Morpeth Arms, Westminster
- Mulberry Bush, Southwark
- Narrowboat, Islington
- Naturalist, Hackney
- New Inn, Ealing
- Nightingale, Balham
- Nine Elms Tavern, Battersea
- No 38 Park Hotel, Cheltenham
- Northcote, Battersea
- Old Brewery, Greenwich
- Old Manor, Potters Bar
- Old Shades, Westminster
- Old Ship, Hammersmith
- Old Ship, Richmond
- One Tun, Fitzrovia
- Onslow Arms, West Clandon
- Orange Tree, Richmond
- Owl & Pussycat, Shoreditch
- Oyster Shed, Bank
- Park Hotel, Teddington
- Paternoster, St Paul's
- Penny Black, Leatherhead
- Peoples Park Taven, Hackney (Tenanted)
- Pheasant Inn, Lambourn
- Phoenix, Chelsea
- Phoenix, Victoria
- Plough, Beddington
- Plough, Clapham Junction
- Porchester, Westbourne Grove
- Prince Albert, Battersea
- Prince Alfred, Maida Vale
- Princess of Wales, Clapton
- Queen Adelaide, Wandsworth
- Queens, Primrose Hill
- Red Barn, Lingfield
- Red Lion, Radlett
- Richard the First, Greenwich
- Riverside, Vauxhall
- Riverstation, Bristol
- Roebuck, Hampstead
- Rose and Crown, Wimbledon
- Royal Oak, Bethnal Green
- Seagate Hotel, Appledore
- Shaftesbury, Richmond
- Ship Inn, East Grinstead
- Ship Inn, Noss Mayo
- Ship, Wandsworth
- Smiths of Smithfield, Smithfield Market
- Spotted Horse, Putney
- Spread Eagle, Camden
- Spread Eagle, Wandsworth
- Spring Grove, Kingston-upon-Thames
- Stag, Belsize Park (Tenanted)
- Station Hotel, Hither Green
- Station Tavern, Cambridge
- Swan, Walton-on-Thames
- Tattenham Corner, Epsom (closed – not trading)
- Tavern, Cheltenham
- Tellers Arms, Farnham (closed – not trading)
- The Depot, Kidbrooke Village
- Theodore Bullfrog, Charing Cross
- Trafalgar Arms, Tooting
- Trinity Arms, Brixton
- Victoria, Kingston-upon-Thames
- Village Inn, Ealing
- Waterfront, Wandsworth
- Waterside, Fulham
- Weyside, Guildford
- Wheatsheaf Hotel, Northleach
- Wheatsheaf, Borough Market
- Wheatsheaf, Esher
- White Bear, Kennington
- White Bear, Tunbridge Wells
- White Cross, Richmond
- White Hart, Barnes
- White Hart, Ford
- White Hart, Littleton-on-Severn
- White Hart, Sherfield On Loddon
- White Horse, Hascombe
- White Horse, Tenterden
- Wild Duck, near Cirencester (closed – not trading)
- Windmill, Clapham
- Windmill, Mayfair
- Wood House, Dulwich
- Woolpack, Bermondsey
- Worplesdon Place, Guildford

Young's pubs and hotels continued
How many have you visited?

City Pubs

- Alfies, Winchester
- Althorp, London
- Aragon House, London
- Bath Brew House, Bath
- Bath Cider House, Bath
- Belle Vue, London
- Bow Street Tavern, London
- Bridge, London
- Button Factory, Birmingham
- Cambridge Brew House, Cambridge
- Case is Altered, Middlesex
- Cat and Mutton, Broadway Market
- Chapel 1877, Cardiff (Closed)
- Cliftonville Hotel, Cromer
- Cock and Bottle, Notting Hill
- Cork, Bath
- Daly's Wine Bar, Temple
- Distillery, Birmingham
- Frederick St, Birmingham
- Garrison, Bermondsey
- George Street Social, Oxford
- Georgian Townhouse, Norwich
- Green Goose, Bow
- Hoste, King's Lynn
- King Street Brew House, Bristol
- Kings House, Chelsea (Closed)
- Larkshall, Chingford
- Lighthouse, Battersea
- Market House, Reading
- Mill, Cambridge
- Nell Gwynne Tavern, Covent Garden
- Old Bicycle Shop, Cambridge
- Old Firehouse, Exeter
- Old Ticket Office, Cambridge
- Oyster House, Swansea
- Petersfield, Cambridge
- Phene, Chelsea
- Plough Oxford, Oxford
- Pontcanna Inn, Cardiff
- Potters, Newport
- Pride of Paddington, Paddington
- Red Lion, Cambridge
- Rising Sun, Richmond
- Roundhouse, Wandsworth
- Simmons Bar, Soho
- St Aldates Tavern, Oxford
- St Andrews Brew House, Norwich
- Tell Your Friends, Chelsea (Closed)
- Temple Brew House, Temple
- Three Crowns, Shoreditch
- Tivoli, Cambridge
- Turks Head, Exeter
- Walkers of Whitehall, Westminster
- Waterman, Cambridge
- Westgate, Winchester

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ESTD 1831

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