Young & Co.'s Brewery, P.L.C.

Preliminary results for the 52 weeks ended 31 March 2014

	2014 £000	2013 £000	% change
Revenue	210,768	193,677	+8.8
Adjusted operating profit(1)	33,255	28,935	+14.9
Operating profit	32,644	27,126	+20.3
Adjusted profit before tax(1) (2)	27,171	23,224	+17.0
Profit before tax(2)	26,560	21,415	+24.0
Adjusted basic earnings per share(1) (2)	42.74p	36.34p	+17.6
Basic earnings per share(2)	45.68p	33.78p	+35.2
Dividend per share (interim and recommended final)	15.52p	14.63p	+6.1
Net assets per share(3)	£7.86	£6.94	+13.3

All of the results above are from continuing operations.
(1) *Reference to an "adjusted" item means that item has been adjusted to exclude exceptional items (see note 3).*

(2) *Where applicable the comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19 Employee benefits (see note 1).*

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

Highlights

- Strong performance for the full year, with further like-for-like growth in second half against strong comparatives and despite the wettest winter on record;
- Managed house revenue increased 9.6% to £199.0 million, with same outlet like-for-like sales up 6.7%; managed house adjusted operating profit up 13.7%;
- Continued growth in accommodation sales driven by both occupancy and room rates resulted in RevPAR of £52.02, up £2.76. Additional rooms set to open in first half will bring the total number of rooms to 443 (2013: 397);
- A record £19.8 million invested in the existing estate; two new managed and three tenanted pubs acquired;
- Net debt reduced both in absolute terms and as a multiple of EBITDA to 2.45 times (2013 2.77 times) along with new banking facilities gives significant flexibility for further investment;
- Continued focus on growing premium managed estate, with ambitions to extend premium offering in London and into cities and market towns in the south and south east;
- Proposed 6.0% increase in final dividend to 8.07 pence, resulting in a total dividend of 15.52 pence (2013: 14.63 pence); 17th consecutive year of dividend growth; and
- Positive trading since the period end; managed house revenue in first seven weeks of current financial year up 8.5% in total, up 7.2% on like-for-like basis.

Stephen Goodyear, Chief Executive of Young's, commented:

"This was another excellent year, with strong revenue and profit growth, particularly when compared with last year which included the Olympics. Our focus on London and the south east is a real advantage, as is our very clear positioning at the premium end of the market. The improving economic picture is increasing customer confidence which we are seeing in both footfall and spending patterns, with customers trading up in both drink and food.

Such is the strength of our cash flow that we have been able to invest £33.6 million during the year, whilst reducing our debt. As a result, there is today real depth and richness to our estate, and we remain ambitious to expand and broaden it further.

Trading since the period end has been positive with managed house revenue in the first seven weeks of the new financial year up 8.5% in total and 7.2% on a like-for-like basis.

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

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PRELIMINARY RESULTS FOR THE 52 WEEKS ENDED 31 MARCH 2014

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

WELL POSITIONED, WELL INVESTED AND GROWING

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

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

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

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

SOUNDLY FINANCED, ASSET BACKED AND PROGRESSIVE DIVIDEND POLICY

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

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

MANAGED HOUSES

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

- **REVENUE AND PROFITS**

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

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

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

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

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

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

- **INVESTMENT**

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

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

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

- **CUSTOMER ENGAGEMENT**

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

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

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

- **INDUSTRY RECOGNITION**

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

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

TENANTED HOUSES

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

- **REVENUE AND PROFITS**

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

- **INVESTMENT**

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

- **TENANT ENGAGEMENT**

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

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

PROPERTY AND TREASURY

- **PROPERTY**

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

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

- **TREASURY**

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

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

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

In our opinion, with the combination of our new long term financing, interest costs being covered 5.6 times by adjusted operating profit, net debt continuing to fall in absolute terms and as a multiple of EBITDA (now 2.45 times) and gearing of 29.5%, the business is soundly financed. The group has a predominantly freehold backed balance sheet and committed facilities of £175 million in place, of which £115 million was drawn down at the period end, none of which needs to be refinanced until March 2018.

- **RETIREMENT BENEFITS**

We have a final salary defined benefit scheme which has been closed to new entrants since 2003. During the course of the year our retirement benefit deficit has reduced by £2.8 million to £6.0 million as a consequence of an improvement in investment returns and slightly higher inflationary expectations offset by marginally higher bond rates used to discount the scheme's liabilities. Our defined contribution schemes which, following the Government's introduction of its Automatic Enrolment scheme - an integral part of its Workplace Pension Reform, are open to all our employees.

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

SHAREHOLDER RETURNS

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

Adjusted earnings per share have grown by 17.6% to 42.74 pence, a faster rate than the underlying profits as a result of the lower tax charge. Our unadjusted EPS was up 35.2% at 45.68 pence.

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

OUTLOOK

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

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

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

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

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

Stephen Goodyear
Chief Executive
21 May 2014

Group income statement
For the 52 weeks ended 31 March 2014

	Notes	2014 £000	Restated 2013 £000
Revenue		**210,768**	193,677
Operating costs before exceptional items		**(177,513)**	(164,742)
Operating profit before exceptional items		**33,255**	28,935
Operating exceptional items	3	**(611)**	(1,809)
Operating profit		**32,644**	27,126
Finance costs		**(5,941)**	(5,894)
Finance revenue		**250**	543
Other finance charge		**(393)**	(360)
Profit before tax		**26,560**	21,415
Taxation	5	**(4,506)**	(5,066)
Profit for the period		**22,054**	16,349
Attributable to			
Shareholders of the parent		**22,054**	16,292
Non controlling interest		**-**	57
Profit for the period		**22,054**	16,349
		Pence	Pence
Earnings per 12.5p ordinary share			
Basic	7	**45.68**	33.78
Diluted	7	**45.63**	33.76

All of the results above are from continuing operations.

The comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19 Employee benefits (See note 1).

Statements of comprehensive income
For the 52 weeks ended 31 March 2014

	2014 **£000**	Restated 2013 £000
Profit for the period	**22,054**	16,349
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of retirement benefit schemes	**3,001**	(2,198)
Tax on remeasurement of retirement benefit schemes	**(1,377)**	268
Items that will be reclassified subsequently to profit or loss:		
Unrealised gain on revaluation of property	**21,968**	8,547
Fair value movement of interest rate swaps	**5,481**	(1,647)
Tax on components of other comprehensive income	**706**	2,440
	29,779	7,410
Total comprehensive income	**51,833**	23,759
Attributable to		
Shareholders of the parent	**51,833**	23,702
Non controlling interest	**-**	57
Total comprehensive income	**51,833**	23,759

All of the results above are from continuing operations.

The comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19 Employee benefits (See note 1).

Balance sheets
At 31 March 2014

	2014	2013
	£000	£000
Non current assets		
Goodwill	**20,426**	20,426
Property and equipment	**559,230**	515,899
Investment in subsidiaries	**-**	-
Deferred tax assets	**4,735**	7,111
	584,391	543,436
Current assets		
Inventories	**2,554**	2,455
Other financial asset	**-**	4,749
Trade and other receivables	**5,943**	4,261
Cash	**2,435**	6,123
	10,932	17,588
Total assets	**595,323**	561,024
Current liabilities		
Borrowings	**(6)**	(10,006)
Trade and other payables	**(29,310)**	(24,156)
Income tax payable	**(3,165)**	(2,545)
	(32,481)	(36,707)
Non current liabilities		
Borrowings	**(114,422)**	(108,680)
Derivative financial instruments	**(8,389)**	(13,870)
Deferred tax liabilities	**(54,374)**	(58,381)
Retirement benefit schemes	**(5,995)**	(8,841)
	(183,180)	(189,772)
Total liabilities	**(215,661)**	(226,479)
Net assets	**379,662**	334,545
Capital and reserves		
Share capital	**6,036**	6,028
Share premium	**1,675**	1,274
Capital redemption reserve	**1,808**	1,808
Hedging reserve	**(6,711)**	(10,680)
Revaluation reserve	**193,046**	168,860
Retained earnings	**183,808**	167,255
Total equity	**379,662**	334,545

Statements of cash flow
For the 52 weeks ended 31 March 2014

	Notes	**2014 £000**	Restated 2013 £000
Operating activities			
Net cash generated from operations	8	**47,316**	35,118
Interest received		**-**	6
Tax paid		**(6,150)**	(5,393)
Net cash flow from operating activities		**41,166**	29,731
Investing activities			
Sale of property and equipment		**-**	4,161
Sale of discontinued operations		**5,000**	5,000
Purchases of property and equipment		**(22,829)**	(16,793)
Business combinations, net of cash acquired		**(10,785)**	(3,700)
Net cash used in investing activities		**(28,614)**	(11,332)
Financing activities			
Issued share capital		**8**	-
Interest paid		**(5,481)**	(5,808)
Equity dividends paid	6	**(7,267)**	(6,882)
Decrease in borrowings		**(3,500)**	(3,500)
Net cash flow used in financing activities		**(16,240)**	(16,190)
(Decrease)/increase in cash		**(3,688)**	2,209
Cash at the beginning of the period		**6,123**	3,914
Cash at the end of the period		**2,435**	6,123

Analysis of net debt

	2014 £000	2013 £000
Cash	**2,435**	6,123
Loan capital and finance leases	**(114,428)**	(118,686)
Net debt	**(111,993)**	(112,563)

Group statement of changes in equity
At 31 March 2014

	Share Capital (1)	Capital redemption reserve	Hedging reserve	Revaluation reserve	Retained earnings	Total equity attributable to equity shareholders	Non controlling interest	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
At 2 April 2012	**7,302**	**1,808**	**(9,290)**	**158,731**	**159,134**	**317,685**	**(42)**	**317,643**
Total comprehensive income								
Profit for the period (2)	-	-	-	-	16,292	16,292	57	16,349
Other comprehensive income								
Unrealised gain on revaluation of property	-	-	-	8,547	-	8,547	-	8,547
Remeasurement of retirement benefit schemes(2)	-	-	-	-	(2,198)	(2,198)	-	(2,198)
Fair value movement of interest rate swaps	-	-	(1,647)	-	-	(1,647)	-	(1,647)
Tax on above components of other comprehensive income (2)	-	-	257	2,183	268	2,708	-	2,708
	-	-	(1,390)	10,730	(1,930)	7,410	-	7,410
Total comprehensive income	-	-	(1,390)	10,730	14,362	23,702	57	23,759
Transactions with owners recorded directly in equity								
Dividends paid on equity shares	-	-	-	-	(6,882)	(6,882)	-	(6,882)
Revaluation reserve realised on disposal of properties	-	-	-	(601)	601	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	(15)	(15)
Share based payments	-	-	-	-	33	33	-	33
Tax on share based payments	-	-	-	-	7	7	-	7
	-	-	-	(601)	(6,241)	(6,842)	(15)	(6,857)
At 1 April 2013	**7,302**	**1,808**	**(10,680)**	**168,860**	**167,255**	**334,545**	**-**	**334,545**
Total comprehensive income								
Profit for the period	-	-	-	-	22,054	22,054	-	22,054
Other comprehensive income								
Unrealised gain on revaluation of property	-	-	-	21,968	-	21,968	-	21,968
Remeasurement of retirement benefit schemes	-	-	-	-	3,001	3,001	-	3,001
Fair value movement of interest rate swaps	-	-	5,481	-	-	5,481	-	5,481
Tax on above components of other comprehensive income	-	-	(1,512)	2,218	(1,377)	(671)	-	(671)
	-	-	3,969	24,186	1,624	29,779	-	29,779
Total comprehensive income	-	-	3,969	24,186	23,678	51,833	-	51,833
Transactions with owners recorded directly in equity								
Share capital issued	409	-	-	-	-	409	-	409
Dividends paid on equity shares	-	-	-	-	(7,267)	(7,267)	-	(7,267)
Share based payments	-	-	-	-	104	104	-	104
Tax on share based payments	-	-	-	-	38	38	-	38
	409	-	-	-	(7,125)	(6,716)	-	(6,716)
At 31 March 2014	**7,711**	**1,808**	**(6,711)**	**193,046**	**183,808**	**379,662**	**-**	**379,662**

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

(2) The comparative figures for 2013 have been restated as a result of the adoption of the revisions to IAS 19 Employee benefits (See note 1).

1. Accounts

This preliminary announcement was approved by the board on 21 May 2014. The financial statements in it are not the group's statutory financial statements. The statutory financial statements for the period ended 1 April 2013 have been delivered to the Registrar of Companies. The auditor has reported on those financial statements (and on the statutory financial statements for the period ended 31 March 2014, which are expected to be delivered to the Registrar of Companies shortly). Both audit reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain any statement under s.498(2) or (3) of the Companies Act 2006.

This preliminary announcement has been agreed with the company's auditor for release.

The audited financial information in this statement has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. The accounting policies used have been consistently applied and are described in full in the statutory financial statements for the period ended 31 March 2014, which are expected to be mailed to shareholders on or before 11 June 2014. The financial statements will also be available on the group's website, www.youngs.co.uk.

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

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

2. Segmental reporting

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

The group has three operating segments: Young's managed houses, Geronimo managed houses and Tenanted houses. Both Young's and Geronimo managed houses operate pubs. Revenue is derived from sales of drink, food and, also for Young's managed houses, accommodation. Due to common economic characteristics, similar product offerings and customers, the Young's managed houses and Geronimo managed houses operating segments have been reported below as a single reportable segment, managed houses. Tenanted houses consists of pubs owned or leased by the company and leased or sub leased to third parties. Revenue is derived from rents payable by, and sales of drink made to, tenants. Unallocated relates to head office costs.

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

Income statement **2014**	**Managed houses £000**	**Tenanted houses £000**	**Segments total £000**	**Unallocated £000**	**Total £000**
External revenue	**199,032**	**11,383**	**210,415**	**353**	**210,768**
Intersegment revenue	**-**	**-**	**-**	**-**	**-**
Total segment revenue	**199,032**	**11,383**	**210,415**	**353**	**210,768**
Operating profit/(loss) before exceptional items	**44,994**	**3,844**	**48,838**	**(15,583)**	**33,255**
Operating exceptional items	**33**	**(376)**	**(343)**	**(268)**	**(611)**
Operating profit/(loss)	**45,027**	**3,468**	**48,495**	**(15,851)**	**32,644**
2013					
External revenue	181,558	11,623	193,181	496	193,677
Intersegment revenue	-	-	-	511	511
Total segment revenue	181,558	11,623	193,181	1,007	194,188
Operating profit/(loss) before exceptional items	39,560	4,245	43,805	(14,870)	28,935
Operating exceptional items	(977)	(114)	(1,091)	(718)	(1,809)
Operating profit/(loss)	38,583	4,131	42,714	(15,588)	27,126

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

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

3. Exceptional items

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

The movement on the revaluation of properties relates to the revaluation exercise which was completed during the period. The revaluation was conducted at an individual pub level and identified a net upward movement of £259,000 (2013: £958,000 net downward) which has been taken to the income statement. The upward movement for the period ended 31 March 2014 is all within land and buildings. In the previous period the downward movement was split between land and buildings £228,000 and fixtures and fittings £730,000. See note 2 for segmental information.

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

The capital gains tax on ESOP Trust allocated shares relates to the shares held within the Ram Brewery Trust II on behalf of the closed profit sharing scheme. A liability is recognised at each balance sheet date for the potential capital gains tax that could arise on the disposal of shares to the members of the scheme on retirement.

In the prior period, the following properties were sold realising a profit: the Plough Inn (Lambeth), Marble Hill (Twickenham), Mitre (Richmond), Gorringe Park (Tooting), Chequers (Cassington), Prince of Wales (Merton) and the Old Anchor (Twickenham). Restructuring costs relate to a reorganisation of the group's head office functions and compensation was paid to former tenants to terminate leases so they could be moved to the managed house division.

4. Adjusted profit before tax

The table below shows how adjusted group profit before tax has been arrived at. This alternative performance measure has been provided as the board believes that it gives a useful additional indication of the group's underlying performance. All the results below are from continuing operations.

	2014 £000	Restated 2013 £000
Profit before tax	**26,560**	21,415
Operating exceptional items (note 3)	**611**	1,809
	27,171	23,224

5. Taxation

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

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

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

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

6. Dividends on equity shares

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

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

7. Earnings per ordinary share

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

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

(b) Basic earnings per share

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

(c) Diluted earnings per share

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

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

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

Adjusted earnings per share are presented to eliminate the effect of the exceptional items and the tax attributable to those items on basic and diluted earnings per share.

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

	2014 £000	Restated 2013 £000
Profit before tax on continuing operations	**26,560**	21,415
Net finance cost	**5,691**	5,351
Other finance charge	**393**	360
Operating profit on continuing operations	**32,644**	27,126
Depreciation	**12,510**	11,684
Movement on revaluation of properties	**(259)**	958
Profit on sale of properties	**-**	(765)
Difference between pension service cost and cash contributions paid	**(238)**	(2,007)
Amounts due from subsidiaries waived	**-**	-
Share based payments	**104**	33
Provision for capital gains tax on ESOP Trust allocated shares	**268**	168
Movements in working capital		
- Inventories	**(99)**	(113)
- Receivables	**(1,682)**	184
- Payables	**4,068**	(2,150)
Net cash generated from operations	**47,316**	35,118