Young & Co.’s Brewery, P.L.C. (the “Company”)

Profit sharing scheme – pre-retirement releases of shares

The Company announces that it is making arrangements that are expected to result in a release to current and former employees of all or the vast majority of the A ordinary shares of 12.5p each in the Company’s capital currently allocated to them under the Company’s profit sharing scheme. A full release would see 499,348 shares transferred out of the name of RBT II Trustees Limited to the 72 individuals concerned. RBT II Trustees Limited is the trustee of the Ram Brewery Trust II, an employee benefit trust established by the Company. The release is expected to happen this calendar year.

As explained in the notes below, the scheme is currently effectively in ‘run-off’, with periodic releases of accrued entitlements happening as and when a member reaches his or her normal retirement date. HM Revenue & Customs has, however, agreed that current and former employees may receive their accrued entitlement under the scheme free of tax even though they may not have reached their retirement date at the time of the release.

In the year ended 28 March 2016, the Company recognised a £0.3m capital gains tax charge on the shares held in the scheme - this was reflected within the Company’s operating costs. This charge is expected to be reduced considerably as a result of the release.

Three of the Company’s current directors have an accrued entitlement under the scheme. They and their entitlements are as follows: Patrick Dardis - 6,696 A shares, Torquil Sligo-Young - 31,412 A shares and Stephen Goodyear - 22,680 A shares.

Notes

The profit sharing scheme was introduced in 1964. Under the rules of the scheme, in each year the Company’s directors allocated part of the Company’s profits to the scheme to be divided amongst eligible members. This amount was used to allocate shares to eligible members, with those shares then generally being held in trust until the relevant member’s retirement or death. Members were taxed on their allocation under normal employment tax rules at their marginal rate of tax. Until retirement or death, members received payments equivalent to the dividends that they would have received had they actually bought the shares allocated to them. On retirement or death, the member then received, free of tax, a cash sum equivalent to the market value of his/her then accumulated allocation of shares. This changed in 2005: on retirement or death, the member instead received his/her accrued entitlement in shares, free of tax, with him/her having the choice to retain the shares, sell the shares, or retain some and sell some.

For the years ended 1 April 2006 and 31 March 2007, scheme allocations were settled in actual shares (instead of ‘notional’ shares), with members having actual shares transferred to them. Members were then likewise free to retain the shares, sell the shares, or retain some and sell some.

For the years ended 29 March 2008 and 28 March 2009, members received a cash sum instead of actual shares or ‘notional’ shares.

No further allocations have since been made under the scheme.

In the year ended 29 March 2010, all then current and future participants gave up their rights to receive an annual profit share allocation under the scheme for that year and for future years. As such, the scheme is effectively in 'run-off', with periodic releases of accrued entitlements happening as and when a member reaches his/her normal retirement date.

Anthony Schroeder
Company Secretary
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