YOUNG'S

ANNUAL REPORT

2010

2010

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Financial highlights

	2010 £000	2009 £000	% change
Revenue	127,539	126,091	+1.1
Profit before tax	18,376	4,213	+336.2
Adjusted profit before tax*	19,423	19,157	+1.4
Basic earnings per share	26.00p	2.55p	+919.6
Adjusted basic earnings per share*	28.71p	27.77p	+3.4
Dividend per share (interim + recommended final)	13.00p	12.75p	+2.0

All of the results above are from continuing operations.

**Throughout the annual report, reference to an "adjusted" item refers to continuing operations only and has been adjusted to exclude:*

- *exceptional items for both Company and associate (see notes 10 and 14); and*
- *in the case of after-tax amounts, the tax associated with the exceptional items and, for the period ended 28 March 2009, an adjustment on phasing out of industrial buildings allowances for both Company and associate.*

2010

Chairman's statement

This forms part of the Directors' report on pages 12 to 18.

A year ago we were still getting to grips with the economic storm that blew up in the autumn of 2008. Since that time, we have had to contend with the resulting UK recession and its effects on the confidence and spending patterns of our customers and on our business as a whole.

Against such a background, we are pleased with the outcome for the year. Revenue for the period to 29 March 2010 rose 1.1% to £127.5 million, adjusted profit before tax was up 1.4% at £19.4 million and adjusted basic earnings per share increased 3.4% to 28.71 pence. Profit before tax, before any adjustments, was £18.4 million.

That we have been able to report such resilient results despite the difficulties of the recession, says much about Young's. Our performance has been underpinned by the quality of our estate, the strength of the Young's brand, the long-standing financial prudence which continues to be the Board's policy, the considerable commitment of our people throughout the business and the hard-earned and much-valued loyalty of our customers.

Your Board remains committed to delivering long term, asset backed, dividend growth to shareholders. We are therefore recommending a 2% increase in the final dividend to 6.76 pence per share – resulting in a total dividend for the year of 13 pence (2009: 12.75 pence). The final dividend is expected to be paid on 15 July to shareholders on the register at the close of business on 11 June. If approved, this will be the thirteenth consecutive year in which Young's shareholders have received a dividend increase. We greatly value the positive support we enjoy from our loyal shareholder base and our dividend policy is designed to reward that support.

Whilst the economic environment feels more stable than a year ago, the problems facing the UK economy are formidable. The new coalition Government is clearly very focused on the essential task of reducing our enormous budget deficit and there is bound to be hardship to come in the form of tax rises and spending cuts. Such austerity must inevitably affect our customers and we shall have to work even harder to retain our share of their spending.

The Office of Fair Trading's decision in October last year to take no further action on the beer tie was welcome but there is further work to be done with Government on the critical issues affecting our industry. We will therefore be looking closely at what attitude the new coalition will be taking towards the pub's role in British society, the red tape in which we are increasingly entangled as an industry, the tax assault on responsible drinkers, and the continuing problem of over availability of loss leading and low priced alcohol in supermarkets. In the latter case, we were pleased to hear the Chief Executive of Tesco, Sir Terry Leahy, give his support to any Government action to stop the selling of alcohol as a loss leader; he also pledged to support discussions on a minimum price for alcohol.

In the meantime, at Young's we are very sure about our strengths, our priorities for the current year, and our overall strategic direction.

We are continuing the programme of investment in our existing estate – both managed and tenanted – to ensure that we maintain a premium positioning which appeals to discerning customers who expect a high quality pub experience.

We are also focused on further improving our offering, both in liquor and food. Wells & Young's, the brewing partnership with Charles Wells in which we hold a 40% stake, is known for the excellence of its product and will continue to play an important part in our success. The focus of our food offering will remain on freshly prepared, locally sourced ingredients.

Developing the hotel accommodation within our estate remains an important part of our strategy and we are looking forward to seeing the benefits of recent investment in the management, service offering and branding of this division.

The quality of Young's offering that results from all this work and investment must of course be communicated to our existing and potential customers, and we are therefore working harder on innovative and effective marketing and customer relationship management.

We are very clear that ours is a service business and we remain committed to investing in our people, attracting the best talent available and introducing training programmes to develop further the customer service skills of our team. We are determined to remain a pub company that supports its tenants, offering terms and packages that are both attractive and fair.

We are equally clear that responsibly managed pubs are an integral part of British life and we take our role in the community very seriously through supporting Government and industry schemes and through our own local initiatives.

We continue to run a tight ship in an environment where costs are under relentless upward pressure, not helped by the ever increasing regulatory burden, but without compromising on the quality of the offering that our customers have come to expect.

Much of the above represents a continuation of what has gone before. I make no apology for this, both because consistency of approach has been central to our long term success, and because we are confident that we can generate further growth from our existing assets. In his report on pages 5 to 9, Stephen Goodyear, our Chief Executive, lays out more detail on what we have been, and will be, doing in this respect.

As a cash generative business that is blessed with one of the strongest balance sheets in the sector, we remain keen to use our financial strength to bring new pubs into our predominantly London estate. We regularly look at opportunities to do so, but we apply strict criteria to ensure that we will get an acceptable return on any investment. To date, despite the economic climate, asking prices for many London pubs have remained surprisingly firm.

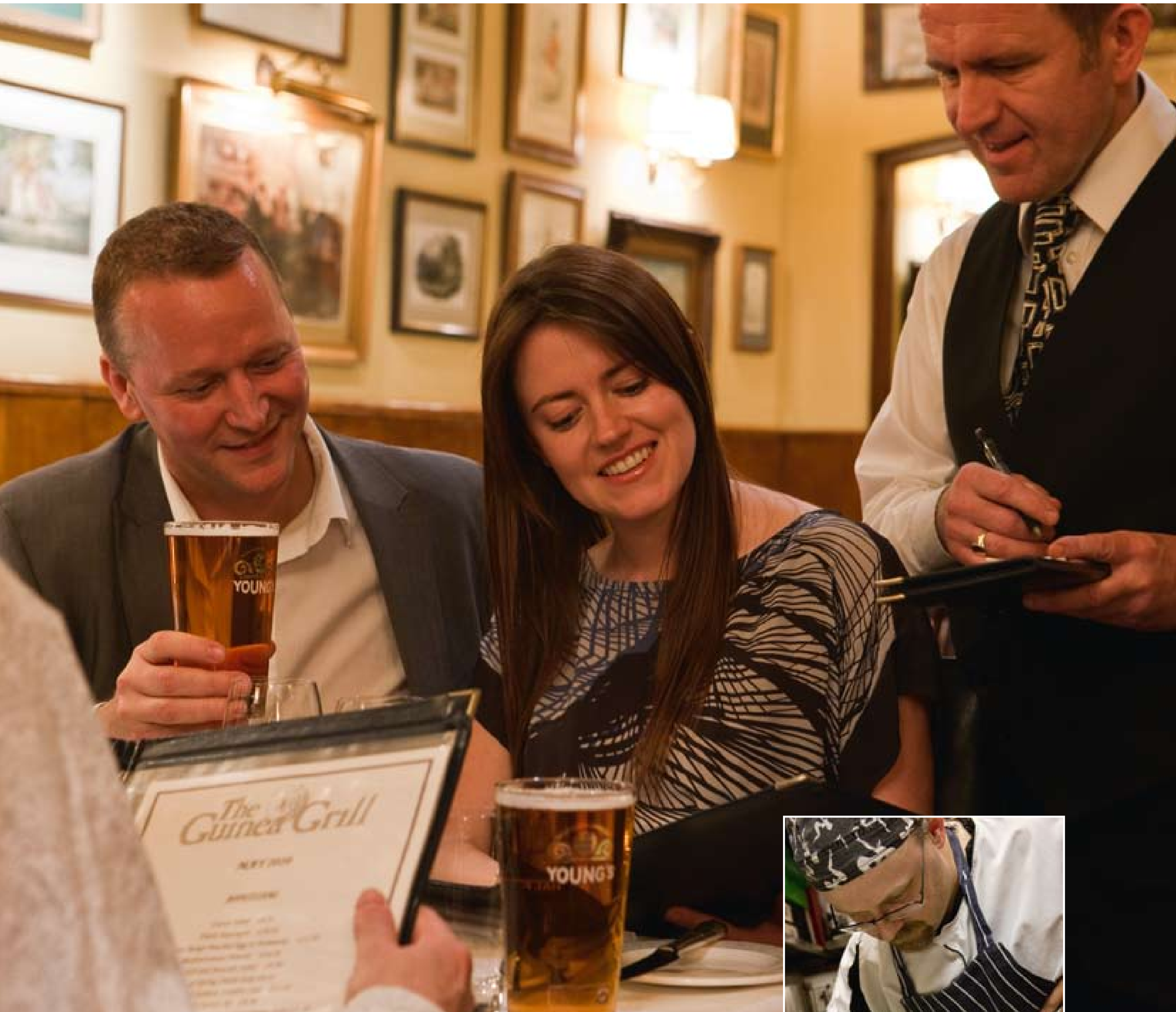
Although the economic outlook remains uncertain, we are optimistic about making further progress over the new year as a whole, albeit tempered by the knowledge that financial pressures on our customers are going to increase, that we have to overcome the effects of recent tax and duty increases and that any unwelcome shocks could push us back into recession. We know how we want to develop the business in the new year, and trading in the early weeks has been encouraging, with our managed house sales up 1.9% in total and up 2.2% on a same outlet like-for-like basis.

Whatever the wider environment throws at us, we will focus on continuing to achieve profitable revenue growth from our existing estate of pubs and hotels and seek out opportunities to expand that estate where we are able.

I will finish by offering my sincere thanks, and those of the Board, to everyone who has contributed to Young's continued success over the past year – our loyal customers, our hard-working managers, tenants and staff throughout the estate and those at our head office, the partners and suppliers with whom we work and, of course, our highly supportive shareholders.

I look forward to seeing as many shareholders as possible at the AGM which is to be held on 13 July 2010 in the Civic Suite in Wandsworth Town Hall, London SW18. The formal notice of that meeting is set out on pages 58 to 63 of this report.

Christopher Sandland
Chairman
2 June 2010


The Guinea Grill
YOUNG'S

2010

Chief Executive's report

This forms part of the Directors' report on pages 12 to 18.

Overview

This has been a year during which we have continued to drive the performance of the business in what was a very challenging market with revenues up 1.1% at £127.5 million and adjusted profit before tax* up 1.4% at £19.4 million. Profit before tax, before any adjustments, was £18.4 million.

We have a total estate of 219 pubs, with 163 in London and 56 outside the M25 in the home counties, Oxford and the West Country. 120 of these pubs are managed houses, including 16 hotels with 348 rooms; the remainder are tenancies. Our estate is well invested, with a premium drinks range supplied by Wells & Young's, our brewing partnership with Charles Wells in which we hold a 40% stake. Our enviable portfolio of pubs is targeted at discerning customers who value our quality offering of first-class food set alongside a diverse drinks range, encompassing cask ales and leading lager brands, in a welcoming ambience.

Managed houses

The largest part of our business, our managed house estate, accounts for 88.5% of total revenues.

We are pleased with this year's performance given the very tough market conditions that we have faced throughout the year. Revenue increased 1.3% to £112.9 million, with same outlet like-for-like revenues* unchanged on last year. Operating profit was 1.4% ahead of last year at £26.3 million and EBITDA* was 1.5% better at £33.0 million, with average EBITDA* before rents per same outlet managed house of £308,800.

Liquor and food sales were both up on last year on a like-for-like basis. This growth was driven by targeted and innovative sales and marketing initiatives including "Dine with Wine", which continues to go from strength to strength. Combined gross profit margin was also healthier, with better food margins offsetting slightly lower liquor ones, as a result of absorbing some of the tax and supplier price increases. We have not indulged in extensive discounting tactics, something that we feel would sit uncomfortably with the premium positioning that gives us a clearly defined position in today's crowded market.

Our focus on e-marketing has put us in a position of strength to communicate directly with customers. Our databases now have over 300,000 individual registered addresses. With an email being sent out on average once a month to each registered address, this gave us some four million customer "touch points" during the year, transforming our ability to reach out into local communities and create an online dialogue. This helped us to build both loyalty and footfall.

Our premium strategy is supported by a market leading drinks range and high quality food offering.

*Details of the key performance indicators that the Board uses to measure development, performance and position of the Company's business can be seen on page 12 of the Directors' report.

Chief Executive's report (continued)

Young's pubs have always been synonymous with excellent cask ales, reflected in the fact that they account for 35.4% of our total draught beer volumes. Through our associate, Wells & Young's, we sourced a wide range of own brewed cask ale brands, complemented by guest ales from a variety of other regional brewers. Our lager range, supplied by world-leading brewers, kept us in step with the latest consumer fashions. Estrella Damm and Kirin, which are Wells & Young's agency brands, provide an exciting addition to the range. Cockburn & Campbell, the wine and spirit arm of Wells & Young's, continued to provide us with a unique choice of wines.

Being local is more important to consumers than ever before and demand for British produce is rising fast. We place great emphasis on the provenance of our food offer and continue to promote our "Best of British" range. In September we were proud participants in the British Food Fortnight, a national initiative supported by the Duchess of Cornwall to promote British agriculture and produce whilst reducing food miles.

Our people are our greatest resource and we pride ourselves on being an employer of choice. We invest in the development of our people to attract and retain some of the best talent in the industry. We were particularly delighted in 2009 to have been voted one of Britain's top 100 most admired companies. Published by Management Today, the survey is a peer review of corporate reputation, as seen by a company's most knowledgeable critics – its competitors!

It is our aim to achieve consistent retail excellence and unparalleled customer service standards. In 2009 we launched our customer care programme, and created customer service champions in every pub. Excellence is recognised and rewarded throughout the business, whether through promotion or a number of internal awards.

In December, we opened Young's Food Development and Learning Centre. This is a state of the art training kitchen in the heart of Wandsworth that will allow us to implement an industry leading chef development programme aimed at improving quality, menu development and cost engineering to improve margins.

We have invested heavily in our existing estate over recent years. These investments have proven financially sound and have given us an important competitive advantage. The increase in EBITDA* on the developments undertaken in the year to March 2009, which have now completed their first full year post development, demonstrate a 21.0% return on our investment.

This year we have invested a further £6.0 million in our managed pubs. Major refurbishments were carried out at the Crown, Lee; the Dog and Bull, Croydon; the Pied Bull, Streatham; the Hare and Hounds, East Sheen; the Spread Eagle, Camden; the Spring Grove, Kingston; the White Hart, Barnes and the Duke of Wellington, Portobello Road.

Each year we award one of our pub managers with the Retail Manager of the Year Award. This year it was the turn of Oisin Rogers at the Ship in Wandsworth. This was one of last year's developments and is proof that an excellent manager and his team combined with an exceptional pub attracting loyal customers can beat any economic downturn. The Ship beat strong competition from the managers of the Boat House, Putney and the Nightingale, Balham.

Our hotels had a much better second half than we reported at the interims, with RevPar* (average room rate achieved multiplied by occupancy percentage) up 2.4% on the comparable six months last year. This turnaround has been the result of many initiatives. We have a new general manager for our hotel division and have appointed five new hotel managers, bringing in a wealth of experience from outside Young's. With these new managers and tailored training for existing managers, we have enhanced every aspect of our guests' experience. This has been demonstrated by favourable feedback from our hotel specific mystery guest programme which reports on their experience from reservation through to checkout and ensures we deliver consistent standards across the estate in all aspects of hotel management.

Nonetheless, despite the improving trend, hotels have had a difficult year with RevPar* for the year down 6.1% to £38.62, the result of reduced room rates.

We expect this improving trend will be supported further when, during the course of the summer, we roll

*Details of the key performance indicators that the Board uses to measure development, performance and position of the Company's business can be seen on page 12 of the Directors' report.

out our new hotel branding; this will be a discrete but complementary component of the Young's proposition. Also, in the autumn, our iconic pub, the Alma, opposite Wandsworth Town station, will complete its makeover as a 23 room hotel.

The addition of hotel rooms to the Alma, together with this year's £2.2 million investment in hotels, shows our commitment to this important part of the business. This year we refurbished a third of our 348 rooms, and have now refurbished half the room stock in the last two years. We carried out extensive works on the Coach and Horses, Kew; the Duke's Head, Wallington; the Alexander Pope, Twickenham; the Rose and Crown, Wimbledon and the Greyhound, Carshalton.

Tenanted houses

Our tenanted house estate represents only 11.2% of total revenues. Although the division has 99 pubs compared with 120 managed ones, the pubs tend to be smaller but nonetheless remain an important part of the business.

Our tenanted estate had a comparatively strong performance with like-for-like sales up 1.2% and like-for-like volumes little changed on last year. During the previous year the Thatched House, Hammersmith was transferred to managed houses and the Wheatsheaf, Borough Market has been closed with the upgrading of local rail networks. The loss of these two high profile tenancies has resulted in overall volumes being down 4.1%.

Operating profits fell 7.9% to £5.4 million as a result of the fall in overall volume coupled with not passing on all the additional supplier and duty increases to our tenants, plus other support packages individually tailored to specific tenants' circumstances. Our tenanted EBITDA* was £6.5 million in total or £66,100 per pub.

This year the tenanted model has once again come under political and legislative pressure and we welcome the European Commission's timely decision to continue its block exemption on the beer tie until 2022. The decision confirms that the tie, along with many other similar business agreements, remains a recognised and legitimate business model, which fully complies with EU competition rules.

We have always acted in such a way that ensures we have a meaningful partnership with our tenants, delivering a fair deal for both parties. Young's is a long-term business and the financial health of our tenants plays its part in our success. The key to maintaining a sustainable tenanted business is ensuring we can attract the best operators. To achieve this, our packages are both competitive and flexible, tailored to individual pubs. We are committed to preserving our reputation as a fair partner. We believe that, with our well located tenanted estate, wide range of Wells & Young's products and seasonal guest ales, and with our regional brewer's heritage, we provide some of the best tenanted opportunities in the market today.

We invested £2.5 million in developing our tenanted business both on new projects and completing those from last year. The Gardeners Arms, Wandsworth; the Grand Union, Camberwell; the King's Arms, Epsom; the Lamb Inn, Hindon; the Malt Shovel, Dartford; the Court House, Dartford; the Plough Inn, Wrington; the Britannia Tap, Kensington; the Surprise, Lambeth; and the Marble Hill, Twickenham received the larger investments.

Wells & Young's

Wells & Young's has an essential role in brewing or sourcing the market leading drinks range for our pubs. It has a reputation not only for its brewing excellence but also its innovative marketing. The business had an eventful year as, in June 2009, it completed the outsourcing of all of its distribution to Kuehne + Nagel Drinks Logistics. This occurred at about the same time as the difficulties facing the owners of Cobra became apparent, a beer it brewed under contract. This culminated in a change of ownership of Cobra and the loss of the contract.

Wells & Young's again had to rationalise the business to retain its competitive edge. This made it more determined to focus on its strengths, supporting its brands and getting behind new ones. This has included breathing new life into established brands such as Directors, which saw growth of 6.6%, and building new ones such as Young's London Gold which has proved an enormous success. The "Know your Stuff" campaign has proved popular with consumers and marks Young's Bitter as a beer a cut above the rest. This summer, we formed a commercial partnership with the London Evening Standard and sporting legends Sir Geoff Hurst, Martin Peters, Alec Stewart and Brian Moore to promote cask ale and pubs during the World Cup.

We are particularly pleased to report the success of the Wells & Young's export business, which saw growth of 9.1%. After adjusting for the loss of Cobra, overall volumes for beer both brewed and sold were ahead of last year and our share of Wells & Young's profits as adjusted for exceptional items was up 3.6% at £2.0 million.

Investment and finance

Operating profit before exceptional items was down 1.2% at £20.3 million. Weaker accommodation sales in the first half and increased overheads in particular took their toll. Tight cost control helped mitigate some of the essential costs of extra marketing initiatives, increased repair costs from the unusually harsh winter and the ever increasing rates burden. In this context our contribution towards Cross Rail next year will be £200,000. This will be the minimum level of contribution each year for the next 30 years. Lower finance costs offset the reduced operating profit, leaving adjusted profit before tax* up 1.4% at £19.4 million and adjusted basic earnings per share* up 3.4% at 28.71 pence. On an unadjusted basis, profit before tax was £18.4 million.

We have adjusted the profits for four exceptional items:

- The compensation paid of £1.3 million for terminating a profit share scheme. This was a scheme closed to new entrants a number of years ago and enjoyed by a minority of employees. The removal of this scheme will help reduce next and future years' head office costs.
- The £0.2 million cost resulting from the merger of the previous three pension schemes into one. This not only simplifies the administration of the scheme and the associated costs, but also reduces certain risks, and results in offsetting the surplus in one scheme with the deficit in the other two.
- The £0.4 million profit on disposal of the Britannia, Barking and the Cricketers, Mitcham.
- The £0.9 million settlement gain on the pension scheme due to a number of short service deferred member's benefit liabilities being passed to the state.

In addition we have adjusted for Wells & Young's foreign exchange contracts, interest rate swap movements, reorganisation costs and tax which this year, in total, have had a net adverse effect of £0.8 million.

Our pension deficit improved in the second half as a consequence of the termination of the profit share scheme and the improvements in the market value of the schemes' investments. At the year end, the deficit was £14.1 million compared with £16.4 million at the half year (2009: £11.8 million).

Our business continues to be both cash generative and soundly financed. During the course of the year, net debt was reduced by £3.1 million to £62.2 million despite investing £10.8 million in the business. With our interest costs covered* by our operating profits before exceptional items 7.6 times and with gearing* of 36.9%, we have avoided the overleverage that has blighted many other companies. We have £90.0 million of bank facilities, £40.0 million of which expire in March 2013, and the remainder between 2018 and 2023. Not only do we have the benefit of unusually low financial gearing compared with our peers but our operational gearing is lower than many due to the fact that, of the 219 pubs trading at the end of the year, we own the freehold interests of 183 and have long leases with minimal rents on 11 of the remainder.

Our strong balance sheet leaves us well placed to pursue our stated aim of expanding our estate of pubs through acquisition. We looked at a number of opportunities of varying scale during the year and will continue to do so. However, we are determined not to compromise on our strict investment criteria, both quantative and qualitative, and will not chase prices that we believe are unrealistic. We are confident that opportunities will emerge, but we are prepared to be patient.

*Details of the key performance indicators that the Board uses to measure development, performance and position of the Company's business can be seen on page 12 of the Directors' report.

Corporate and social responsibility

We take our corporate and social responsibilities seriously. We strive for all of our pubs to be good neighbours and encourage them to become the centre of their communities. Our pub managers regularly meet with local residents to discuss any issues or concerns and to involve them in consultation on new developments. We openly support initiatives such as "Best Bar None", the Home Office endorsed award scheme, aimed at promoting the responsible management and operation of alcohol licensed premises.

The responsible consumption of alcohol is also something we actively encourage, with our promotional materials carrying clear and concise messages about sensible drinking. All of our managed houses operate Challenge 21, a scheme that requires customers to provide acceptable proof that they are 18 or over if they wish to purchase alcohol. All of our pub managers attend conflict management courses so that they are able to handle any difficult situations with professionalism and diligence.

Inevitably, our operations have an impact on the environment. In recognition of this, we have taken steps to reduce our carbon footprint. These include replacing thousands of ordinary light bulbs with low-energy ones, continuing with our "Turn it off" campaign and installing smart electricity meters in all our managed houses. Many of our managed houses separate their waste and, where practical, recycle it.

It goes without saying that a safe and secure environment for both our customers and employees is paramount. We are committed to the promotion of a positive safety culture, with regular health and safety checks, performed through an accredited outside consultant, taking place in our managed houses.

Throughout the year the Company's customers, pub managers and other members of staff were involved in a variety of initiatives and fundraising activities. The highlight once again was the Santathon which saw over 100 Santas from Young's (me included) brave the icy cold weather in November to launch their annual fundraiser in aid of Great Ormond Street Hospital, culminating in the hospital receiving £100,000 from this Young's event.

Outlook

We are encouraged by our total managed house sales in the first eight weeks of the new financial year, which were up 1.9% in total and up 2.2% on a same outlet like-for-like basis. Nonetheless we remain cautious about the outcome for the year as reduced government expenditure, rising taxes, interest rates and unemployment, which to a large extent have been avoided in this recession, could yet derail the consumers' fragile confidence and spoil economic recovery.

We will continue to focus on driving profitable revenue growth from our high quality, well invested estate, whilst proactively looking for opportunities to expand.

Stephen Goodyear
Chief Executive
2 June 2010


YOUNG'S
YOUNG'S
about our
esserts
and
Coffees

2010

The Board of Directors

Christopher Sandland, A.C.M.A., M.Sc.

Non-Executive Chairman

Joined the Company in 1973 as management accountant, subsequently working in a variety of roles including company secretary and personnel director. Graduated MSc (now MBA) from London Business School in 1981. Retired as an Executive Director in April 2006. Appointed Non-Executive Director in July 2006 and Non-Executive Chairman in October 2006. Aged 61.

Torquil Sligo-Young

Human and Information Resources

Joined the Company in 1985. Held a number of senior positions in different areas of the Company before being appointed to the Board in 1997. Has overall responsibility for personnel, health and safety and the Company's technological needs. Previously worked for stockbrokers Bell, Lawrie, Macgregor & Co. Aged 50.

Stephen Goodyear

Chief Executive

Joined the Company in 1995 as sales director. Appointed to the Board in 1996 as sales and marketing director. Appointed Chief Executive in 2003. One of the Company's nominees on the board of Wells & Young's Brewing Company Limited. Previously worked for Courage Ltd (1974-1995) in a number of senior roles, most recently business unit director. Aged 54.

Peter Whitehead, F.C.A.

Finance

Joined the Company and the Board as Finance Director in 1997. One of the Company's nominees on the board of Wells & Young's Brewing Company Limited. Qualified as a chartered accountant with KPMG in 1988, becoming a fellow of the Institute of Chartered Accountants in 1998. Previously worked for Fuller, Smith & Turner P.L.C. (1990-97). Aged 48.

Nicholas Bryan, B.A., F.C.A.

Non-Executive and Senior Independent Director

Appointed to the Board in 2006. Member and chairman of the Company's Audit and Remuneration Committees. Co-founder and chief executive of the Innserve Group. Has a wealth of expertise in the hospitality, property and brewing sectors gained through various positions within Courage (including managing director of Courage UK (1992-95)). Has held other chairman and non-executive director roles while a management committee member of Investcorp (1995-2001). Began his career in finance as a chartered accountant and with positions at Lonrho and Hanson. Aged 57.

Patrick Dardis

Retail

Joined the Company in 2002 and appointed to the Board in 2003. Has overall responsibility for the operation of the Company's managed estate as well as managed house pub acquisitions and developments. Previous positions have included director of retail operations at Wolverhampton & Dudley PLC, business development with Guinness Brewing and retail management with Whitbread PLC and Courage Ltd. Aged 51.

David Page

Non-Executive

Appointed to the Board in 2008. Member of the Company's Audit and Remuneration Committees. Co-founder and chairman of The Clapham House Group plc whose restaurants trade as Gourmet Burger Kitchen and The Real Greek. Prior to founding Clapham House, spent the previous 27 years with Pizza Express plc; initially as managing director of the largest franchisee group, becoming chief executive of the holding company in 1993, chairman in 1998 and returning to the post of chief executive in 2002. Non-executive director of Victory VCT plc. Aged 57.

Roger Lambert, M.A.

Non-Executive

Appointed to the Board in 2008. Member of the Company's Audit and Remuneration Committees. Chairman of Corporate Broking, Collins Stewart since January 2010. Previously worked for 26 years in corporate finance at JPMorgan Cazenove where he was a senior Managing Director with responsibilities for corporate client coverage of the consumer sector. Has a wealth of relevant expertise in brewing, drinks and hospitality, having acted for over 25 companies in the sector. Was involved in many of the major transactions that changed the industry in recent years and developed considerable advisory expertise in the area of small, family and medium sized companies. Aged 51.

2010

Directors' report

The Directors present their annual report, and the audited financial statements, for the financial period ended 29 March 2010.

Principal activities

The principal activities of Young & Co.'s Brewery, P.L.C. ("Young's" or the "Company") were the management and operation of its pub estate (including its hotel division) and the selling of food and drink through it. Bill Bentley's (Bishopsgate) Limited, one of the Company's two subsidiaries, remained dormant. Bushranger Property Co. Limited, the Company's other subsidiary, did not carry on any activities and was dissolved on 17 January 2010.

Business review

A review of the Company's business is contained in the Chairman's statement (on pages 2 and 3) and in the Chief Executive's report (on pages 5 to 9), both of which form part of this report. No important events affecting the Company and its subsidiary (the "Group") have occurred since the end of the period.

Key performance indicators

The Board measures the development, performance and position of the Company's business by reference to the following factors:

- *Adjusted profit before tax:* this is the profit before tax on continuing operations only, adjusted to exclude any exceptional items for both the Company and its associate. See note 14.
- *Adjusted earnings per share:* this is the adjusted profit before tax detailed above, but after tax has been deducted, divided by the weighted average number of ordinary shares in issue. It provides a useful statistic to compare with a share price or dividend, for instance.
- *Like-for-like revenue:* this is measured on two bases. Same outlet like-for-like revenue growth compares this period's revenue with last period's for the pubs that traded throughout both periods. Uninvested like-for-like revenue compares this period's revenue with last period's for the pubs that traded throughout both periods but where only a limited amount of capital has been invested.
- *RevPar:* this is the Company's revenue per available bedroom. It is the average room rate achieved multiplied by the occupancy percentage.
- *EBITDA (Earnings before interest, taxes, depreciation and amortisation) by business segment:* this provides useful information in determining the value of the underlying assets.
- *Interest cover:* this is the Company's operating profit before exceptional items, divided by the finance costs.
- *Gearing:* this is the Company's net debt, divided by the Group's net assets.

Both interest cover and gearing are useful tools in determining whether the business can maintain its current level of debt or its capacity to increase that level.

The performance of the business, measured by reference to these factors, is shown in the Chief Executive's report (which forms part of this report) and in the financial highlights on page 1.

Profits and dividends

The profit for the period attributable to shareholders was £12.5 million. The Directors recommend a final dividend for the period of 6.76p per share. Subject to approval at the AGM, this is expected to be paid on 15 July 2010 to shareholders on the register at the close of business on 11 June 2010. When added to the interim dividend of 6.24p per share, this will produce a total dividend for the period of 13.00p per share.

Likely future developments

An indication of likely future developments in the Company's business is contained in the Chief Executive's report, which forms part of this report.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are listed below. It is not an exhaustive list of all significant risks and uncertainties. Some risks may currently be unknown and other risks, currently regarded as immaterial, could turn out to be material.

Reduced consumer spending

The Company's revenue is largely dependent on consumer spending which can be affected in numerous ways; examples include the general economic environment and terrorist activity. Attitudes to various social factors are relevant too, as is consumers' heightened awareness of a healthy lifestyle and the potential adverse health consequences associated with misuse of alcohol. Consumers also have a wide range of choice of where to spend their money, whether this is at the Company's pubs and hotels, at those of its competitors or at off-licences, supermarkets and takeaways, or at competing leisure attractions such as cinemas. Focusing on the individuality of each of the Company's outlets and being located throughout London and Southern England helps mitigate this risk to a degree; the Company also seeks to minimise this risk further with its customer-focused designs, high service standards and value-for-money quality food and market-leading drinks. The Company's "Dine with wine" offering has been particularly successful in driving footfall in quieter trading periods and attracting a large number of new customers to participating pubs. Spending in the Company's pubs and hotels is also affected by the weather; traditionally, they tend to be busier in the summer and on warm, sunny days, especially those with outside areas. Holiday periods such as Christmas, New Year and bank holidays also tend to be better for trade. Recognising this, the Company seeks to exploit its excellent locations and offerings to address the impact of seasonality, wherever possible, by capturing demand in busy periods and encouraging customers to visit in quieter periods.

Suppliers: drink, food and utilities
The Company relies on a number of suppliers for drink, food and other services to its pubs. It has an agreement with its associate, Wells & Young's, for the supply of drinks to its pub estate. It also has a number of arrangements with food suppliers. In terms of both drink and food, the Company remains exposed to the risk of price increases and to the risk of interruption or failure of suppliers resulting in products not being delivered on time or to the standard expected. It attempts to mitigate this risk by entering into fixed price arrangements, by regularly reviewing the suppliers it uses, by having informal arrangements in place such that substitute suppliers or products could be used if required and by having safety measures in place which seek to ensure product integrity is maintained wherever possible. The Company uses a large amount of electricity and gas and is therefore particularly subject to fluctuations in their cost. To help counter this, the Company's needs and price-changes in the market are reviewed regularly and, where appropriate, it makes forward purchases; it is also continually looking at ways of promoting further efficiencies in energy consumption.

Smoking ban
Prior to the election, the former Government announced that it would be reviewing smoking laws later this year and that that review would provide an opportunity to examine whether the legislation was working and where it could be improved, and would also enable assessment of what more could be done to extend protection. This was against a background of a stated aim of reducing the proportion of the adult population that smokes from little more than one in five to one in ten by the end of 2010. Any extension of the current ban on smoking (which came into force on 1 July 2007) could pose a risk to revenue. Until the outcome of any review is published, it is difficult to assess the impact of any extension of the ban.

Licensing
Local residents, the police and other relevant agencies have a right to ask the local authority for any premises licence to be reviewed at any time if they believe that any of the Government's licensing objectives is being compromised. As a result of such review, the local authority can attach further conditions to the licence, reduce trading hours, call for a change in the pub management or ultimately suspend or revoke the licence. Penalties for non-observance of certain aspects of the licensing laws can also be severe, including the possibility of a licence being suspended. The Company has training programmes in place which have been designed to achieve compliance with these laws and have the Company's pubs and hotels run in a responsible manner, thereby minimising some of these risks.

Other regulation
Changes in regulation can have a significant impact upon the Company's business. In addition to those already mentioned, other examples include increases in the minimum wage and the proposed move to plastic glasses. The Company seeks to mitigate these through continual consideration of operating procedures to ensure any cost increases arising from such changes can be mitigated through increases in productivity. As a member of the British Beer and Pub Association ("BBPA"), it also seeks to ensure that the impact of any new legislation is considered well in advance of its introduction and that plans are put in place to address any required changes in advance of any implementation date. In addition, it works with an outside third party in ensuring changes in health and safety practices and procedures are incorporated into the business and reviewed on a regular basis.

Taxation
A number of tax-related matters affect the Company, including business taxes, VAT, duty on alcoholic beverages and property rates. Again, as a member of the BBPA, it seeks to ensure that appropriate action is taken to minimise tax-related risks. It also regularly reviews its operating procedures to identify ways in which the impact of tax-related cost increases can be lessened through productivity increases or other cost reductions.

Pensions
Having merged its three defined benefit pension schemes during the period, the Company now operates just one scheme; the Young & Co.'s Brewery, P.L.C. Pension Scheme. Its operation gives rise to various funding risks, the main one of which is the variability of the amount of contributions required to be paid to it by the Company in order to account for past service benefit deficits and future service benefit accruals. These, in turn, are impacted at any point in time by changes in life expectancy assumptions, the performance of the stock market and bond yields. These funding risks have been mitigated by the closure of the scheme to new entrants, and they continue to be lessened by the Company making additional contributions over and above regular service contributions in order to address previous funding deficits. The Company also maintains a close dialogue with the scheme's trustee.

Directors' report (continued)

People
People play a key part in helping the Company maintain its premium position within the pub sector. This, and the Company's ability to achieve its strategic and operational objectives, could therefore be affected if the Company is unable to attract, retain, develop and motivate the best people with the right capabilities throughout the organisation, whether that be in the pubs or head office. Therefore, significant investment is made in recruitment, remuneration packages are competitive, reward policies are in place and comprehensive training is provided to ensure that the Company's people have the right skills to perform their jobs successfully and achieve their full potential.

IT and telecoms
The Company, and particularly its managed estate, is reliant on IT systems for communication, sales transaction recording, stock management, purchasing, accounting and reporting and many of its internal controls. Any failure of these systems would cause some degree of disruption to the business and any extended period of downtime, loss of backed up information or delay in recovering information could affect performance significantly. To help protect against this, information is routinely backed up and the Company has arrangements with a third party provider to assist with data recovery. It also regularly monitors the needs of the business and invests in new technology and services as necessary.

Finance
Note 22 on page 47 contains an indication of the Company's exposure to certain financial risks.

Government inquiry into pubcos
In May 2009, the Business, Innovation and Skills Committee ("BISC"), formerly known as the Business and Enterprise Committee, published its report on pub companies. That report revisited a number of the issues raised in the then Trade and Industry Committee's Report of 2004, in particular the perceived "unhealthy and unbalanced" relationship between pub companies and their lessees. The 2009 report concluded that little, if any, meaningful reform had been made by the industry. Following a further evidence-gathering session, in March 2010 BISC issued a follow-up report containing a stark warning to the pub industry; it said that it was the industry's last opportunity for self-regulated reform, failing which government intervention would be necessary. BISC did not advocate intervention at that stage but announced that it would recommend that legislation to provide statutory regulation be introduced if the problems discussed in its report and those of the 2004 and 2009 reports persisted beyond June 2011. It urged the Government to monitor the success or otherwise of industry initiatives for reform and to keep the possibility of a reference to the Competition Commission firmly on the agenda. The Office of Fair Trading was also urged to look more carefully at the issues involved as it responded to the super-complaint brought by CAMRA. Certain steps have begun to be taken by the industry in response; these include the BBPA's new Framework Code of Practice, a code which implements comprehensive reforms on how tied agreements operate in the pub trade, and revised guidance from the Royal Institution of Chartered Surveyors. The Company's tenancy agreements already addressed a number of the proposed reforms, including openness, transparency and the possibility of downward rent reviews. It has nevertheless taken the Framework Code and built on it to create its own code (which it is looking to have accredited by the Benchmarking and Accreditation Services of the British Institute of InnKeeping). At this stage, it is not possible to predict the likely ultimate outcome of the inquiry and its effect on the Company's tenanted division.

Directors

Names and brief biographical details
The names and brief biographical details of the current Directors are on page 11. All of them were directors throughout the period; no other person was a director during the period.

Length of appointments
Each of the Executive Directors has been appointed for an indefinite period. His appointment can be terminated by the Company (by giving not less than one year's notice) or by the Executive (by Stephen Goodyear and Torquil Sligo-Young giving not less than six months' notice, by Peter Whitehead giving not less than six months' notice when 50 or over, otherwise by giving not less than one year's notice, and by Patrick Dardis giving not less than one year's notice). No compensation is payable by the Company for early termination. Each of the Non-Executive Directors is part way through a three-year term; Christopher Sandland's expires on 4 July 2012, Nicholas Bryan's on 17 July 2012 and both Roger Lambert's and David Page's on 31 July 2011.

Re-appointment
Under the Company's articles of association, at every AGM any Director who held office at the time of the two preceding AGMs but did not retire at either of them automatically retires from office but may offer himself for re-appointment. At this year's AGM, this applies to Stephen Goodyear, Patrick Dardis and Nicholas Bryan. Each of these directors is seeking re-appointment and his brief biographical details are on page 11.

Remuneration

Details of each director's remuneration appear in note 9(c) on page 35. No director is involved in deciding his own remuneration. The remuneration of the Executive Directors is determined by the Company's Remuneration Committee; the remuneration of the Non-Executive Directors is determined by the Executive Board. None of the Executive Directors receives remuneration as a non-executive director elsewhere.

Qualifying indemnity provisions

The Company's articles of association contain an indemnity provision in favour of the Directors. This provision, which is a qualifying third party indemnity provision, was in force throughout the period and was in force at the date of this report.

Corporate governance

The Board is committed to good corporate governance in the management and operation of its business.

The Board

The business and management of the Company is the collective responsibility of the Board. At each meeting, the Board considers and reviews the Company's financial and trading performance. It has a formal written schedule of matters reserved for its review and approval; this includes matters such as strategy, long-term objectives and major financial and key operational issues. The Board meets every two months with additional meetings arranged as required; it met seven times during the period. Formal agendas and reports are provided to the Board on a timely basis, along with other information to enable it to discharge its duties. All directors also have access to independent professional advice at the Company's expense and to the advice and services of the Company Secretary. There is a clear division of responsibility between the Chairman (who is responsible for the effective running of the Board) and the Chief Executive (who has overall responsibility for the running of the business).

Independence

The Board regards all four of its non-executive directors as independent; the Board views independence as an attitude of mind and a matter of strength of character.

Committees

The Board has four standing committees: Executive, Audit, Remuneration and Disclosure.

• Executive Committee

The Executive Committee comprises the Executive Directors and is chaired by Stephen Goodyear, the Chief Executive. It usually meets on a weekly basis and is responsible for the daily running of the Company and the execution of approved policies and the business plan. Members of the Company's senior management are invited to attend as appropriate.

• Audit Committee

The Audit Committee comprises Nicholas Bryan, who chairs it, Roger Lambert and David Page. It assists the Board in fulfilling its oversight responsibilities; its primary functions are to monitor the integrity of the Group's financial statements and other information to shareholders, to monitor the integrity of the Company's systems of internal control (including risk management), to oversee the Company's relationship with its external auditor and to review the effectiveness of the audit process. The Committee's terms of reference, which set out in full its responsibilities, can be found on the Company's website, www.youngs.co.uk.

The Committee met four times during the period.

• Remuneration Committee

The Remuneration Committee comprises Nicholas Bryan, who chairs it, Roger Lambert and David Page. Its primary function is to determine, on behalf of the Board, the remuneration packages of the Executive Directors. The Committee's terms of reference can be found at www.youngs.co.uk; they set out its other responsibilities.

The Committee met four times during the period.

• Disclosure Committee

This comprises the Executive Directors and is chaired by Peter Whitehead, the Finance Director. It assists the Company in making timely and accurate disclosure of information required to be disclosed in order to meet legal and regulatory obligations. The Committee's terms of reference can be found at www.youngs.co.uk; they set out its other responsibilities.

• Nomination Committee

In practice, the Chairman and the Chief Executive lead the board nomination and appointment process. They consider the balance of skills, knowledge and experience on the Board and make appropriate recommendations for consideration by the Board. This formal but unwritten process has been used effectively for more than four 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.

Internal control

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The Executive Directors implement and maintain the risk management and internal control systems. The Audit Committee assists the Board in fulfilling its oversight responsibilities by monitoring the system's integrity. The system of control has been designed to manage risk; it cannot eliminate it and therefore provides reasonable, not absolute, assurance against material misstatement or loss.

Directors' report (continued)

Relations with shareholders and investors

Copies of the annual report and accounts and the interim report are sent to all shareholders and copies are available at www.youngs.co.uk. The Company's website also provides other information for shareholders and interested parties. Written or e-mailed enquiries are handled by the Company Secretary. Shareholders are given the opportunity to ask questions and raise issues at the AGM; this can be done formally during the meeting or informally with the Directors after it. The Chief Executive and the Finance Director meet with institutional investors and analysts after the announcement of the interim and period end results. Additional meetings with institutional investors and/or analysts are arranged from time to time.

Employees

Considerable importance is placed on communications with employees and so, within the limitation of commercial confidentiality and security, the Company provides them with information concerning trading, development and other appropriate matters. It does this at many levels throughout the business on both a formal and informal level, including through management presentations and its in-house publication. It also consults regularly with employees and their representatives, thereby enabling the Board to have regard to their views when making decisions likely to affect their interests; in connection with this, the Company operates an information and consultation committee, with its members being drawn from departments based in Wandsworth. Throughout the period, the Company's integrated appraisal and development process, designed to improve communications and Company performance, remained in place, and the Company continued to operate a bonus scheme for eligible employees. The Company maintained its policy of giving full and fair consideration to all applications for employment, including those made by disabled people, taking account of the applicant's particular aptitude and ability. It is also the Company's policy to seek to continue to employ anyone who becomes disabled while employed by the Company and arrange training in a role appropriate to the person's changed circumstances. All employees, including disabled employees, are given equal opportunities for training, career development and promotion.

Notification of major holdings of voting rights

As at 28 May 2010, the Company had been notified of the following holdings of 3% or more of the voting rights in the Company:

Guinness Peat Group plc	15.05%
Thomas Young	14.31%
James Young	13.81%
Torquil Sligo-Young	11.99%
Young's Pension Trustees Limited	3.89%
RBT II Trustees Limited	3.70%
El Oro and Exploration Company plc	3.10%

Market value of land and buildings

The Group's properties were last revalued in 1997. A valuation was undertaken by Fleuret's Chartered Surveyor's in November 2006. At that date the valuation was £173.8 million higher than that recorded as book value. Based on their own judgement the Directors are of the opinion that the market value of the Group's properties is substantially higher than that recorded as book value.

Directors' holdings and interests

The interests of the directors who held office at the period end (and their immediate families) in the share capital of the Company are shown in the table below. Any accrued entitlement to A shares under the Company's profit sharing scheme is shown separately in note 9(e) on page 36.

		As at	A shares	Non-voting shares
Christopher Sandland	Beneficial & family	**29 March 2010**	**165,340**	**–**
		28 March 2009	165,340	–
Stephen Goodyear	Beneficial & family	**29 March 2010**	**111,004**	**–**
		28 March 2009	111,004	–
Torquil Sligo-Young	Beneficial & family	**29 March 2010**	**240,971**	**14,000**
		28 March 2009	245.741	14,000
	Trustee	**29 March 2010**	**3,317,972**	**111,436**
		28 March 2009	3,742,372	111,436
Peter Whitehead	Beneficial & family	**29 March 2010**	**60,000**	**–**
		28 March 2009	62,984	–
Patrick Dardis	Beneficial & family	**29 March 2010**	**19,558**	**–**
		28 March 2009	22,556	–
Roger Lambert	Beneficial & family	**29 March 2010**	**1,000**	**1,000**
		28 March 2009	1,000	1,000

At 29 March 2010, each of the directors who held office at the period end (other than Nicholas Bryan, Roger Lambert and David Page) had an interest in (i) 706,800 (2009: 802,108) A shares held in trust by Ram Brewery Trustees Limited, (ii) 930,560 (2009: 936,720) A shares held in trust by RBT II Trustees Limited and (iii) 286,800 (2009: 286,800) A shares held in trust by Torquil Sligo-Young and two other trustees.

Financial instruments

The Company's financial risk management objectives and policies are set out in note 22 on page 47. That note also contains an indication of the Company's exposure to certain financial risks.

Payment of suppliers

The Company's policy is to pay suppliers promptly at the end of the month following the month in which invoices are received, provided all trading terms and conditions have been complied with. As at 29 March 2010, the aggregate amount owing to trade creditors (see note 21 on page 46) was equivalent to 42 days' average purchases from suppliers (2009: 41 days).

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

For each financial period, the Directors are required to prepare an annual report and financial statements. The financial statements must be prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable law and must present fairly the financial position of the Group and the financial performance and cash flows of the Group for the relevant period. The Directors have elected to also prepare the Company's financial statements under IFRS. In preparing those statements, the Directors must (a) select suitable accounting policies and then apply them consistently, (b) state that the Group have complied with IFRS, subject to any material departures disclosed and explained in the financial statements, and (c) present information, including accounting policies, in a manner that provides relevant, reliable and comparable information. The Directors are also responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group at that time and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

Going concern

This report (which includes the Chairman's statement and the Chief Executive's report) contains a review of the Company's business, together with a list of principal risks and uncertainties facing the Company. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described within the financial statements. Note 22 on page 47 also summarises the Group's capital management and principal treasury objectives and some tools it uses to monitor and manage its exposure to certain financial risks (including credit risk and liquidity and cash flow risk). The Group has a freehold-backed balance sheet and committed facilities of £90 million in place, none of which need to be renewed until March 2013. The Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook and they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Disclosure of information to auditors

Each of Christopher Sandland, Stephen Goodyear, Torquil Sligo-Young, Peter Whitehead, Patrick Dardis, Nicholas Bryan, Roger Lambert and David Page, being the persons who were directors at the time when this report was approved, has confirmed that, so far as he was aware, there was no information needed by the Company's auditor in connection with preparing its report of which the Company's auditor was unaware. Each of those individuals has also confirmed that he took all the steps that he ought to have taken as a director to make himself aware of any such information and to establish that the Company's auditor was aware of it. This paragraph is to be interpreted in accordance with section 418 of the Companies Act 2006.

Annual general meeting

Notice convening the AGM and an explanation of the resolutions being proposed are set out on pages 58 to 63.

Preparation and disclaimer

This annual report (including the financial statements in it for the period ended 29 March 2010) has been drawn up and presented for the purpose of complying with English law. Any liability arising out of or in connection with them will also be determined in accordance with English law.

By order of the Board

Anthony Schroeder
Company Secretary
2 June 2010

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

We have audited the financial statements of Young & Co.'s Brewery, P.L.C. for the year ended 29 March 2010 which comprise the Group Income Statement, The Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 29 March 2010 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Iain Wilkie (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
2 June 2010

Notes:

1.The maintenance and integrity of the Young & Co.'s Brewery, P.L.C. web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Group income statement

For the period ended 29 March 2010

	Notes	2010 £000	2009 £000
Continuing operations			
Revenue	*7*	**127,539**	126,091
Operating costs before exceptional items	8	**(107,232)**	(105,545)
Operating profit before exceptional items		**20,307**	20,546
Operating exceptional items	*10*	**(234)**	(10,519)
Operating profit		**20,073**	10,027
Share of associate's profit before exceptional items and tax		**1,960**	1,892
Share of associate's exceptional items	*10*	**(529)**	(3,740)
Share of associate's tax expense		**(284)**	(685)
Share of associate's post tax result		**1,147**	(2,533)
Profit before interest		**21,220**	7,494
Finance costs	*11*	**(2,675)**	(3,788)
Finance revenue	*11*	**1**	222
Other finance (charge)/income	*24*	**(170)**	285
Profit before tax		**18,376**	4,213
Taxation	*12*	**(5,858)**	(2,988)
Profit from continuing operations		**12,518**	1,225
Profit from discontinued operation	*5*	**–**	849
Profit for the period attributable to shareholders		**12,518**	2,074

		Pence	Pence
Earnings per 12.5p ordinary share from continuing operations			
Basic and diluted	*15*	**26.00**	2.55
Earnings per 12.5p ordinary share from continuing and discontinued operations			
Basic and diluted	*15*	**26.00**	4.33

No separate income statement is presented for the Company, as permitted by section 408(3) of the Companies Act 2006. The Company's profit after tax for the period was £11,254,000 (2009: £4,697,000).

The notes on pages 26 to 56 form part of these financial statements.
The independent auditors' report is set out on page 19.

Statements of comprehensive income

For the period ended 29 March 2010

		Group		Company	
	Notes	**2010 £000**	2009 £000	**2010 £000**	2009 £000
Profit for the period		**12,518**	2,074	**11,254**	4,697
Other comprehensive income					
Actuarial loss on retirement benefit schemes	24	**(3,990)**	(6,817)	**(3,990)**	(6,817)
Hedging reserve fair value movement of interest rate swap	22	**508**	(4,287)	**508**	(4,287)
Tax on above components of other comprehensive income	12	**1,408**	3,069	**1,408**	3,069
Associate's actuarial loss (net of deferred tax) on retirement benefit schemes		**(334)**	(685)	**–**	–
		(2,408)	(8,720)	**(2,074)**	(8,035)
Total comprehensive income attributable to shareholders		**10,110**	(6,646)	**9,180**	(3,338)

The notes on pages 26 to 56 form part of these financial statements.
The independent auditors' report is set out on page 19.

Balance sheets

At 29 March 2010

	Notes	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Non current assets					
Property and equipment	*16*	**256,240**	256,908	**256,240**	256,908
Prepaid operating lease premiums		**6,244**	5,916	**6,244**	5,916
Investment in subsidiary	*17*	**–**	–	**20**	20
Investment in associate	*17*	**17,452**	16,604	**11,303**	11,303
Other financial asset		**600**	600	**600**	600
		280,536	280,028	**274,407**	274,747
Current assets					
Prepaid operating lease premiums		**92**	86	**92**	86
Inventories	*18*	**1,705**	1,702	**1,781**	1,785
Trade and other receivables	*19*	**4,321**	4,742	**4,321**	4,742
Cash		**1,575**	1,519	**1,575**	1,519
		7,693	8,049	**7,769**	8,132
Non current assets classified as held for sale	*20*	**2,573**	797	**2,573**	797
Total assets		**290,802**	288,874	**284,749**	283,676
Current liabilities					
Borrowings	*22*	**(2)**	(2)	**(2)**	(2)
Trade and other payables	*21*	**(17,695)**	(18,798)	**(17,985)**	(21,297)
Income tax payable		**(2,037)**	(1,705)	**(2,037)**	(1,705)
		(19,734)	(20,505)	**(20,024)**	(23,004)
Non current liabilities					
Borrowings	*22*	**(63,817)**	(66,819)	**(63,817)**	(66,819)
Derivative financial instruments	*22*	**(4,290)**	(4,798)	**(4,290)**	(4,798)
Deferred tax	*23*	**(20,226)**	(20,788)	**(17,906)**	(18,468)
Retirement benefit schemes	*24*	**(14,121)**	(11,753)	**(14,121)**	(11,753)
		(102,454)	(104,158)	**(100,134)**	(101,838)
Total liabilities		**(122,188)**	(124,663)	**(120,158)**	(124,842)
Net assets		**168,614**	164,211	**164,591**	158,834
Capital and reserves					
Share capital	*25*	**6,028**	6,028	**6,028**	6,028
Share premium		**1,274**	1,274	**1,274**	1,274
Other reserves	*25*	**1,808**	1,946	**1,808**	1,946
Hedging reserve		**(3,089)**	(3,455)	**(3,089)**	(3,455)
Investment in own shares	*25*	**–**	(38)	**–**	–
Retained earnings		**162,593**	158,456	**158,570**	153,041
Total equity		**168,614**	164,211	**164,591**	158,834

Approved by the Board of Directors and signed on its behalf by:

Christopher Sandland Chairman
Peter Whitehead Finance Director
2 June 2010

The notes on pages 26 to 56 form part of these financial statements.
The independent auditors' report is set out on page 19.

Statements of cash flow

For the period ended 29 March 2010

	Notes	Group		Company	
		2010	2009	**2010**	2009
		£000	£000	**£000**	£000
Operating activities					
Net cash generated from operations	*26*	**26,940**	26,438	**26,940**	27,074
Exceptional VAT on disposal of sites		**–**	(10,281)	**–**	(10,281)
Interest received		**1**	222	**1**	222
Tax (paid)/rebate received		**(4,680)**	244	**(4,680)**	244
Net cash flow from operating activities		**22,261**	16,623	**22,261**	17,259
Investing activities					
Sales of property and equipment		**1,005**	1,391	**1,005**	1,391
Purchases of property and equipment	*16*	**(10,399)**	(24,487)	**(10,399)**	(24,487)
Prepayments of operating lease premiums		**(420)**	–	**(420)**	–
Net cash used in investing activities		**(9,814)**	(23,096)	**(9,814)**	(23,096)
Financing activities					
Interest paid		**(3,185)**	(3,431)	**(3,185)**	(3,431)
Equity dividends paid	*13*	**(6,206)**	(6,062)	**(6,206)**	(6,062)
Proceeds from exercise of share options in the employee benefit trust		**–**	636	**–**	–
(Decrease)/increase in borrowings		**(3,000)**	16,500	**(3,000)**	16,500
Net cash (used in)/generated from financing activities		**(12,391)**	7,643	**(12,391)**	7,007
Increase in cash		**56**	1,170	**56**	1,170
Cash at the beginning of the period		**1,519**	349	**1,519**	349
Cash at the end of the period		**1,575**	1,519	**1,575**	1,519

The notes on pages 26 to 56 form part of these financial statements.
The independent auditors' report is set out on page 19.

Statements of changes in equity

At 29 March 2010

	Notes	Share capital £000	Share premium £000	Other reserves £000	Hedging reserve £000	Investment in own shares £000	Retained earnings £000	Total equity £000
Group								
At 30 March 2008		**6,028**	**1,274**	**1,946**	**(368)**	**(139)**	**167,530**	**176,271**
Total comprehensive income								
Profit for the period		–	–	–	–	–	2,074	2,074
Other comprehensive income								
Actuarial loss on retirement benefit schemes	*24*	–	–	–	–	–	(6,817)	(6,817)
Hedging reserve fair value movement of interest rate swap	*22*	–	–	–	(4,287)	–	–	(4,287)
Tax on above components of other comprehensive income	*12*	–	–	–	1,200	–	1,869	3,069
Associate's actuarial loss (net of deferred tax) on retirement benefit schemes		–	–	–	–	–	(685)	(685)
		–	–	–	(3,087)	–	(5,633)	(8,720)
Total comprehensive income		–	–	–	(3,087)	–	(3,559)	(6,646)
Transactions with owners recorded directly in equity								
Dividends paid on equity shares	*13*	–	–	–	–	–	(6,062)	(6,062)
Allocation of shares to employees		–	–	–	–	101	503	604
Tax on share-based payments		–	–	–	–	–	(9)	(9)
Share-based payments by associate		–	–	–	–	–	53	53
		–	–	–	–	101	(5,515)	(5,414)
At 28 March 2009		**6,028**	**1,274**	**1,946**	**(3,455)**	**(38)**	**158,456**	**164,211**
Total comprehensive income								
Profit for the period		–	–	–	–	–	12,518	12,518
Other comprehensive income								
Actuarial loss on retirement benefit schemes	*24*	–	–	–	–	–	(3,990)	(3,990)
Hedging reserve fair value movement of interest rate swap	*22*	–	–	–	508	–	–	508
Tax on above components of other comprehensive income	*12*	–	–	–	(142)	–	1,550	1,408
Associate's actuarial loss (net of deferred tax) on retirement benefit schemes		–	–	–	–	–	(334)	(334)
		–	–	–	366	–	(2,774)	(2,408)
Total comprehensive income		–	–	–	366	–	9,744	10,110
Transactions with owners recorded directly in equity								
Dividends paid on equity shares	*13*	–	–	–	–	–	(6,206)	(6,206)
Allocation of shares to employees	*25*	–	–	–	–	38	419	457
Transfer of share-based payment reserve	*25*	–	–	(138)	–	–	138	–
Share-based payments by associate		–	–	–	–	–	42	42
		–	–	(138)	–	38	(5,607)	(5,707)
At 29 March 2010		**6,028**	**1,274**	**1,808**	**(3,089)**	**–**	**162,593**	**168,614**

The notes on pages 26 to 56 form part of these financial statements.

The independent auditors' report is set out on page 19.

Statements of changes in equity

At 29 March 2010

	Notes	Share capital £000	Share premium £000	Other reserves £000	Hedging reserve £000	Retained earnings £000	Total equity £000
Company							
At 30 March 2008		**6,028**	**1,274**	**1,946**	**(368)**	**159,363**	**168,243**
Total comprehensive income							
Profit for the period		–	–	–	–	4,697	4,697
Other comprehensive income							
Actuarial loss on retirement benefit schemes	*24*	–	–	–	–	(6,817)	(6,817)
Hedging reserve fair value movement of interest rate swap	*22*	–	–	–	(4,287)	–	(4,287)
Tax on above components of other comprehensive income	*12*	–	–	–	1,200	1,869	3,069
		–	–	–	(3,087)	(4,948)	(8,035)
Total comprehensive income		–	–	–	(3,087)	(251)	(3,338)
Transactions with owners recorded directly in equity							
Dividends paid on equity shares	*13*	–	–	–	–	(6,062)	(6,062)
Tax on share-based payments		–	–	–	–	(9)	(9)
		–	–	–	–	(6,071)	(6,071)
At 28 March 2009		**6,028**	**1,274**	**1,946**	**(3,455)**	**153,041**	**158,834**
Adjustment to opening balance*		–	–	–	–	2,326	2,326
Total comprehensive income							
Profit for the period		–	–	–	–	11,254	11,254
Other comprehensive income							
Actuarial loss on retirement benefit schemes	*24*	–	–	–	–	(3,990)	(3,990)
Hedging reserve fair value movement of interest rate swap	*22*	–	–	–	508	–	508
Tax on above components of other comprehensive income	*12*	–	–	–	(142)	1,550	1,408
		–	–	–	366	(2,440)	(2,074)
Total comprehensive income		–	–	–	366	8,814	9,180
Transactions with owners recorded directly in equity							
Dividends paid on equity shares	*13*	–	–	–	–	(6,206)	(6,206)
Allocation of shares to employees		–	–	–	–	457	457
Transfer of share-based payment reserve	*25*	–	–	(138)	–	138	–
		–	–	(138)	–	(5,611)	(5,749)
At 29 March 2010		**6,028**	**1,274**	**1,808**	**(3,089)**	**158,570**	**164,591**

*This item adjusts an immaterial entry from a prior period relating to the conversion to IFRS. For the period ending 1 April 2006 the Company consolidated the Ram Brewery Trust, its ESOP trust, under UK GAAP. On conversion to IFRS, the Company mis-classified an entry as a payable while deconsolidating the Ram Brewery Trust. This item adjusts this mis-classification; there is therefore no impact on the profit or loss in any year and no impact on the Group accounts.

The notes on pages 26 to 56 form part of these financial statements.

The independent auditors' report is set out on page 19.

1. General Information

The Group and Parent Company financial statements of Young & Co.'s Brewery, P.L.C. for the period ended 29 March 2010 were authorised for issue by the Board of Directors on 2 June 2010. Young & Co.'s Brewery, P.L.C. is a public limited company incorporated and domiciled in England and Wales. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange. The nature of the Group's operations and its principal activities are set out in note 6 and in the Directors' report on pages 12 to 18.

The current period relates to the 366 days ended 29 March 2010, the prior period relates to the 364 days ended 28 March 2009.

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. IFRS includes the application of International Financial Reporting Standards including International Accounting Standards (IAS) and related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Interpretations of the Standing Interpretations Committee (SIC). During the period, new IFRS, amendments to existing IFRS and new interpretations were issued by the International Accounting Standards Board (IASB). The impact and, if applicable, the adoption of these policies is described in "New accounting standards and interpretations".

New accounting standards and interpretations

IAS 1 (Revised): Presentation of Financial Statements: In September 2007, the IASB revised IAS 1 which introduced a number of changes in the format and content of the financial statements. The standard was effective for accounting periods beginning on or after 1 January 2009. The impact on the Group of adopting the revised standard has been that the statement of changes in equity is now presented as a primary statement rather than a note; the statement of recognised income and expense has been replaced by the statement of comprehensive income; and the Group has opted to continue to present a separate income statement. These changes are purely in presentation and have no effect on the Group's operating results and financial position.

IFRS 8: Operating Segments: In November 2006, the IASB issued IFRS 8 which was effective for accounting periods beginning on or after 1 January 2009. The standard replaces IAS 14 'Segment Reporting' and requires a company to identify segments based on the information that management uses to make decisions. Under IFRS 8, the changes to the consolidated financial statements are: segment results are now shown as operating profit before exceptional items and a full reconciliation between segment operating profit before exceptional items and profit before tax and discontinued operations is now disclosed. These changes are purely in presentation and have no effect on the Group's operating results and financial position.

IAS 23 (Revised): Borrowing Costs: In March 2007, the IASB issued IAS 23, which was effective for accounting periods beginning on or after 1 January 2009. This standard now requires the capitalisation of interest attributable to certain qualifying assets which take a substantial period of time to get ready for use. There was no effect on the Group's operating results or financial position due to the adoption of this amendment.

IFRIC 14: IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: In July 2007, the IFRIC issued IFRIC 14, which was effective for accounting periods beginning on or after 1 January 2008. The Group adopted IFRIC 14 in the current period, under the special transitional rules of the European Union. IFRIC 14 provides guidance on the recognition of defined benefit assets in conjunction with minimum funding requirements (MFRs). The extent to which an asset may be recognised is dependent upon the entity's entitlement to a future refund or reduction in contributions, and the existence of an MFR may give rise to an additional liability if contributions are not available to the entity once they have been paid. There was no impact on the amounts recognised under the defined benefit scheme due to the adoption of IFRIC 14.

IFRS 1: First time adoption of International Financial Reporting Standards (revised): In November 2008, the IASB issued a revised version of IFRS 1 which was effective for accounting periods beginning on or after 1 January 2009. The objective of the revision was to improve the structure of the standard with no new or revised technical material being introduced. There was no effect on the Group's operating results or financial position due to the adoption of these amendments.

IFRIC 9: Reassessment of Embedded Derivatives, and IAS 39: Financial Instruments: Recognition and Measurement: In October 2008, the IFRIC issued IFRIC 9 and amended IAS 39 effective for accounting periods ending on or after 30 June 2009. The amendment clarifies the accounting for embedded derivatives when a financial asset is reclassified out of the "fair value through profit or loss" classification. This standard has not had an impact on the disclosures presented in the financial statements.

IFRS 7: Improving disclosures on financial instruments: In March 2009, the IASB issued amendments to IFRS 7 which was effective for accounting periods beginning on or after 1 January 2009. The amendments require enhanced disclosures about fair value measurements and liquidity risk. As a result of adopting this amendment, the Group has introduced a three-level disclosure hierarchy for financial instruments held at fair value (note 22). The Group has elected not to provide comparative information for these expanded disclosures in the current period in accordance with the transitional reliefs offered in these amendments. These changes are purely in presentation and have no effect on the Group's operating results and financial position.

IFRS 2: Vesting conditions and cancellations: In January 2008, the IASB issued amendments to IFRS 2 which was effective for accounting periods beginning on or after 1 January 2009. The amendments clarify the definition of vesting conditions for the purposes of IFRS, introduce the concept of 'non-vesting' conditions and clarify the accounting treatment for cancellations. The Group does not currently operate a share option scheme and therefore there was no effect on the Group's operating results or financial position due to the adoption of the amendments to IFRS 2.

IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation: In February 2008, the IASB amended IAS 32 and IAS 1 with respect to the balance sheet classification of puttable financial instruments and obligations arising only on liquidation. The amendment was effective for accounting periods beginning on or after 1 January 2009. There was no effect on the Group's operating results or financial position due to the adoption of this amendment.

IFRS 1 and IAS 27: Cost of an investment in a Subsidiary, Jointly-Controlled Entity or Associate: In May 2008, the IASB amended IFRS 1 and IAS 27 which was effective for accounting periods beginning on or after 1 January 2009. The amendments relate to the measurement of the initial cost of investment in subsidiaries, jointly-controlled entities and associates when adopting IFRS for the first time. As the Group has adopted IFRS for a number of periods, the adoption of the amendments have had no effect on the Group's operating results or financial position.

IFRIC 13: Customer Loyalty Programmes: In June 2007, the IFRIC issued IFRIC 13 which was effective for accounting periods beginning on or after 1 July 2008. This addresses the accounting treatment for entities that provide their customers with incentives to buy goods or services by providing awards as part of the sales transaction. The Group does not operate such schemes or programmes and therefore IFRIC 13 is not applicable to the Group

IFRIC 15: Agreements for the construction of real estate: the IFRIC issued IFRIC 15 in July 2008 which was effective for accounting periods beginning on or after 1 January 2009. IFRIC 15 standardises accounting practice for the recognition of revenue by real estate developers for sales before construction is complete. The Group does not enter into such contracts or arrangements and therefore IFRIC 15 is not applicable to the Group.

IFRIC 16: Hedges of a Net Investment in a Foreign Operation: the IFRIC issued IFRIC 16 in July 2008 which was effective for accounting periods beginning on or after 1 October 2008. This provides guidance on which foreign currency risks qualify for hedging and where within the Group these can be held. The Group does not have any foreign operations and therefore IFRIC 16 is not applicable to the Group.

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

		Effective date
IAS 24 (revised)	Related Party Disclosures	1 January 2011
IAS 27 (revised)	Consolidated and Separate Financial Statements	1 July 2009
IAS 39	Amendments to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items	1 July 2009
IAS 32	Classification of Rights Issues	1 February 2010
IFRS 2	Amendments to IFRS 2: Group Cash-settled Share-based payment transactions	1 January 2010
IFRS 3 (revised)	Business Combinations	1 July 2009
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2013
IFRIC 14	Amendment: Prepayments of Minimum Funding Requirements	1 January 2011
IFRIC 17	Distributions of Non-Cash Assets to Owners	1 July 2009
IFRIC 18	Transfers of Assets from Customers	1 July 2009
IFRS 9	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

The Directors do not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Group.

3. Summary of significant accounting policies

The significant accounting policies adopted set out below, except as noted above, have been applied consistently in presenting the Group and Company financial information.

(a) Basis of consolidation

The Group financial statements consolidate the financial statements of Young & Co.'s Brewery, P.L.C. with the entities it controls, being a wholly-owned subsidiary and a special purpose entity, drawn up to the period end. Control exists where the Company has the power to govern the financial and operating policies of the investee entity so as to obtain benefits from its activities. The special purpose entity is an ESOP Trust.

The financial statements of the subsidiary 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) Investment in associate

The Group's interest in its associate, being an entity over which the Group has significant influence, is accounted for using the equity method of accounting.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received and less any impairment in value of individual investments. The Group's income statement reflects the share of the associate's results after tax. The Group's statement of comprehensive income reflects the Group's share of any income or expense recognised by the associate outside the income statement. The Group's statement of changes in equity reflects the Group's share of any transactions not included in the Group's income statement or the Group's statement of comprehensive income.

The investment in associate is subject to a review if circumstances or events change to indicate that the carrying value is impaired.

Accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group. The associate prepares its accounts to a September period end, but are consolidated on a comparable period basis.

(c) The parent company's investments in subsidiaries and associate

In its separate financial statements, the parent company recognises its investments in its subsidiary and associate on the basis of the direct equity interest. Income is recognised from these investments in relation to distributions received.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes.

The following criteria must also be met before revenue is recognised:

Sale of goods
Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rental income
Rental income arising from operating leases on properties is accounted for on a straight line basis over the lease term.

Interest income
Revenue is recognised as interest accrues (using the effective interest method).

Dividends
Revenue is recognised when the Company's right to receive payment is established.

(e) Exceptional items

Exceptional items, as disclosed on the face of the income statement, are items which due to their material and non-recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements. They are included in the adjustments that, in management's judgement, are required in order to show more accurately the business performance of the Group in a consistent manner and to reflect how the business is managed and measured on a day-to-day basis.

(f) Property and equipment

Property and equipment are measured at cost on recognition, and are stated as such less any accumulated depreciation and accumulated impairment losses.

Freehold and leasehold property acquired before 1997 was measured at its 1997 valuation and depreciated up to the point of adoption of IFRS in 2007. Under IFRS, the depreciated valuation figure became the deemed cost.

The cost of the asset, less any residual value, is depreciated on a straight line basis over the asset's useful life.
The residual value, useful life and depreciation method applied to each asset are reviewed annually. Freehold land is not depreciated.

Useful lives:

Freehold buildings	50 years
Leasehold buildings	50 years, or the lease term if shorter
Fixtures, fittings & equipment	3-10 years

Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

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 g).

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. Pub fixtures and fittings are treated as disposals in the period following completion of their write down.

(g) Impairment of assets

The carrying values of investments, property and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and the value in use.

Value in use is assessed by reference to the estimated future cash flows, which are discounted to present value using an appropriate pre-tax discount rate. Impairment losses are recognised in the Group 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.

For property assets, impairment was assessed on the basis of each individual pub. The fair value of the asset was assumed to be the market value of the property.

(h) Leases

(1) Where the Group is the lessee
Assets held under finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

(2) Where the Group is the lessor
Assets leased out under operating leases are included in property and equipment and depreciated over their estimated useful lives. Rental income, including the effect of lease incentives, is recognised on a straight line basis over the lease term.

(i) Premiums on operating leases

Premiums on operating leases are amortised over the lease term and are stated at cost less amortisation and any additional provision for impairment which may be required.

(j) Non current assets held for sale

Assets whose carrying amounts will be recovered principally by sale rather than continuing use are classified separately as assets held for sale. Assets are classified as held for sale when management has committed to their sale, the asset is available for immediate sale and a sale is highly probable. Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

(k) Inventories

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

(l) Cash

Cash in the balance sheet comprises cash at banks and in hand. For the purpose of the consolidated cash flow statement, cash is net of outstanding bank overdrafts. Cash and cash equivalents include only deposits which mature in less than three months.

(m) Trade and other payables

Trade 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 be crystallised.

(n) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value. Directly attributable transaction costs are capitalised and amortised, using the effective interest method through finance expense, over the life of the facility.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(o) Taxation

The tax expense for the period comprises current and deferred tax. 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 charged or credited directly to equity.

The current tax payable is measured at the amount expected to be paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

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:

- in respect of taxable temporary differences associated with investments in subsidiaries or associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Where capital gains have been rolled over for tax purposes, a deferred tax liability is recorded on the rolled over gain to reflect that tax may be due on this amount at a future date.

A deferred tax liability is recorded based on the difference between the indexed cost of the asset and prior period revaluations that were recognised.

Deferred tax liabilities are measured on an undiscounted basis at the rates that are expected to apply when the related liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(p) Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect is material, the present value of those cash flows are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability.

(q) Accounting for the ESOP Trust

In accordance with SIC-12 Consolidation – Special Purpose Entities, an ESOP Trust should be consolidated when the substance of the relationship indicates that it is controlled by that entity. The Ram Brewery Trust General Fund is a Special Purpose Entity (SPE) which is indirectly controlled by the Company. In the prior period the unallocated shares of the Ram Brewery Trust General Fund, investment in own shares, were treated as a deduction from capital and reserves in the Group balance sheet. No such shares were held at the end of the current period. Allocations of shares to employees under the profit sharing scheme are treated as disposals.

The capital gains tax liability that may arise on the allocated shares in the Ram Brewery Trust II when they are transferred to employees on retirement is recognised as a provision in the financial statements.

(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. From 1 April 2006, derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured 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.

Interest rate swaps are classified as cash flow hedges. For cash flow hedges, 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 and are transferred to the income statement or to the initial carrying amount of a non-financial asset or liability as above. If the related transaction is not expected to occur, the amount is recognised in the income statement.

(s) Pensions and other post-retirement benefits

The Group operates a defined contribution pension scheme, a defined benefit 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 cost of providing benefits is determined using the projected unit credit method, which attributes entitlements to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in the income statement on a straight line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in the future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligations, taking into account material changes in the obligations during the period. The expected return on plan assets is based on an assessment made at the beginning of the period of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the period. The difference between the expected return on plan assets and the interest cost is recognised in the income statement as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of comprehensive income in the period in which they occur.

The defined benefit pension liability in the balance sheet comprises the present value of the defined benefit obligations (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan 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 any unrecognised past service costs and the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions.

Post-retirement health care benefits are provided for certain employees and certain directors (together, the “members”). 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 members’ future lifetimes, using IAS19 assumptions. The liability for new entrants is recognised through the income statement in the period in which the benefit is granted. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in full directly in the statement of comprehensive income.

(t) Use of estimates

The preparation of financial information in conformity with IFRS requires management to make certain judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

The areas involving a higher degree of judgement or complexity, or where the most sensitive estimates and assumptions are significant to the financial statements, are set out in note 4.

(u) Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoice value and recoverable amount. A provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as irrecoverable.

4. Key accounting estimates and judgements

The following are the key judgements that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Estimated impairment of property and equipment

The Group is required to review property and equipment for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations or the fair value (market value) which are prepared on the basis of management's assumptions and estimates. See notes 3(g) and 16.

(b) Depreciation

Depreciation is provided so as to write down the assets to their residual values over the estimated useful lives. The selection of these residual values and estimated lives requires the exercise of management's judgement. See notes 3(f) and 16.

(c) Defined benefit pension obligations

Measurement of defined benefit pension 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 the Group's qualified actuary. See notes 3(s) and 24.

(d) Taxation

Judgement is required when determining the provision for taxes as the tax treatment of some transactions cannot be finally determined until a formal resolution has been reached with the tax authorities. Tax benefits are not recognised unless it is probable that they will be obtained. Tax provisions are made if it is possible that a liability will arise. The Group reviews each significant tax liability or benefit to assess the appropriate accounting treatment. See notes 3(o), 12 and 23.

(e) Provisions and accruals

Provisions and accruals are recognised in the period it becomes probable that there will be a future outflow of funds resulting from past operations or events which can be reasonably estimated. The timing of recognition requires judgements to be made on existing facts and circumstances which can be subject to change.

Estimates of the amounts of provisions and accruals recognised can differ from actuals. The carrying amounts of provisions and accruals are regularly reviewed and adjusted to take account of such events.

A change in estimate of a recognised provision or accrual would result in a charge or credit to income in the period in which the change occurs. See note 3(p).

5. Discontinued operation

The Group's brewing, beer brands and wholesale operations were treated as a discontinued operation in the 2007 period, following the disposal of the Ram Brewery site and the merger of its brewing, beer brands and wholesale operations with those of Charles Wells Limited to form a new brewing business, Wells & Young's Brewing Company Limited, of which the Company has a 40% share.

The table below shows the results of the discontinued operation included in the income statement of the Group:

	2010 **£000**	2009 £000
Profit before tax		
Non-operating exceptional items – restructuring costs written back	**–**	304
Tax credit	**–**	545
Profit from discontinued operation	**–**	849

6. Segmental reporting

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

Managed houses – operate and run pubs. Revenue is derived from sales of drink, food and accommodation.

Tenanted houses – 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.

There were no intersegment revenues between the segments both in the current period and the prior period. The Group's revenue from external customers and its assets derive entirely from the UK.

2010	Managed houses £000	Tenanted houses £000	Segment total £000	Unallocated £000	Total £000
Income statement					
Segment revenue	**112,915**	**14,282**	**127,197**	**342**	**127,539**
Depreciation and amortisation	**(6,728)**	**(1,185)**	**(7,913)**	**(700)**	**(8,613)**
Operating profit before exceptional items	**26,314**	**5,354**	**31,668**	**(11,361)**	**20,307**
2009					
Income statement					
Segment revenue	111,415	14,329	125,744	347	126,091
Depreciation and amortisation	(6,605)	(1,174)	(7,779)	(326)	(8,105)
Operating profit before exceptional items	25,939	5,815	31,754	(11,208)	20,546

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

	2010 £000	2009 £000
Operating profit before exceptional items	**20,307**	20,546
Share of associate's profit before exceptional items and tax	**1,960**	1,892
Share of associate's exceptional items	**(529)**	(3,740)
Share of associate's tax expense	**(284)**	(685)
Finance costs	**(2,675)**	(3,788)
Finance revenue	**1**	222
Other finance (charge)/income	**(170)**	285
Operating exceptional items	**(234)**	(10,519)
Profit before tax from continuing operations	**18,376**	4,213
Profit before tax from discontinued operation	**–**	304
Profit before tax	**18,376**	4,517

2010	Managed houses £000	Tenanted houses £000	Segment total £000	Unallocated £000	Total £000
Balance Sheet					
Segment assets	**214,358**	**53,219**	**267,577**	**3,598**	**271,175**
Investment in associate	**–**	**–**	**–**	**17,452**	**17,452**
Other financial asset	**–**	**–**	**–**	**600**	**600**
Cash	**–**	**–**	**–**	**1,575**	**1,575**
Total assets	**214,358**	**53,219**	**267,577**	**23,225**	**290,802**
Other segmental information					
Additions to non current assets	**8,187**	**2,504**	**10,691**	**128**	**10,819**
Impairment of properties	**–**	**–**	**–**	**–**	**–**

2009					
Balance Sheet					
Segment assets	216,589	51,359	267,948	2,203	270,151
Investment in associate	–	–	–	16,604	16,604
Other financial asset	–	–	–	600	600
Cash	–	–	–	1,519	1,519
Total assets	216,589	51,359	267,948	20,926	288,874
Other segmental information					
Additions to non current assets	22,035	1,986	24,021	466	24,487
Impairment of properties	(9,111)	(1,560)	(10,671)	–	(10,671)

7. Revenue

	2010 £000	2009 £000
Sale of goods	**118,234**	116,544
Rental income	**9,305**	9,547
Revenue	**127,539**	126,091
Finance revenue	**1**	222
Total revenue	**127,540**	126,313

Revenue shown above is all continuing.

8. Operating costs before exceptional items

		2010 £000	2009 £000
Changes in inventories of finished goods and raw materials		**(4)**	(191)
Raw materials, consumables and finished goods used		**35,008**	35,089
Employment costs *(note 9)*		**37,805**	37,238
Depreciation		**8,613**	8,105
Other operating costs		**25,810**	25,304
Total operating costs before exceptional items		**107,232**	105,545

Other operating costs include:

Operating lease rentals:	minimum lease payments	**2,633**	2,581
	sublease payments	**359**	347
		2,992	2,928
Auditors' remuneration to main group auditors:	audit services of the group financial statements	**135**	162
	taxation services	**34**	79
	all other services	**–**	102
		169	343
Auditors' remuneration to other auditors:	other audit services	**5**	6
	taxation services	**9**	20
	all other services	**10**	–
		24	26

9. Employment

(a) Costs

	2010 £000	2009 £000
Wages and salaries	**33,753**	32,972
Profit sharing scheme	**–**	237
Social security	**2,832**	2,902
Pension and healthcare schemes	**1,220**	1,127
Employment costs before exceptional items	**37,805**	37,238
Employment costs in exceptional items: capital gains tax on ESOP allocated shares	**(12)**	90
Total employment costs	**37,793**	37,328

(b) Average number of employees

	2010	2009
Full time	**1,474**	1,656
Part time	**585**	428
	2,059	2,084

(c) Directors' emoluments

	Basic salary and fees £	**Profit sharing £**	**Benefits £**	**Bonus £**	**Total excluding pension costs and gains made on exercise of share options 2010 £**	Total excluding pension costs and gains made on exercise of share options 2009 £	**Gains made on exercise of share options £**
Christopher Sandland	**79,297**	**–**	**4,809**	**–**	**84,106**	79,289	**–**
Stephen Goodyear	**302,821**	**43,760**	**14,760**	**–**	**361,341**	576,131	**–**
Torquil Sligo-Young	**128,593**	**43,760**	**17,126**	**–**	**189,479**	335,213	**–**
Peter Whitehead	**204,526**	**43,760**	**16,091**	**–**	**264,377**	416,859	**–**
Patrick Dardis	**211,186**	**43,760**	**11,011**	**–**	**265,957**	416,445	**–**
Roy Summers	**–**	**–**	**–**	**–**	**–**	11,462	**–**
Nicholas Bryan	**35,000**	**–**	**–**	**–**	**35,000**	35,327	**–**
Roger Lambert	**35,000**	**–**	**–**	**–**	**35,000**	23,333	**–**
David Page	**35,000**	**–**	**–**	**–**	**35,000**	23,333	**–**
Total 2010	**1,031,423**	**175,040**	**63,797**	**–**	**1,270,260**		**–**
Total 2009	1,060,450	43,764	33,178	780,000		1,917,392	576,636

Notes:

The amount shown in the "Profit sharing" column for each of Stephen Goodyear, Torquil Sligo-Young, Peter Whitehead and Patrick Dardis is the amount (in money and money's worth) received by each of them in connection with them giving up their rights to receive an annual profit share allocation under the Company's profit sharing scheme for the period ended 29 March 2010 and future periods.

The amounts shown in the "Benefits" column relate to the cost of private medical insurance and car related benefits.

Roy Summers retired during the prior period in July 2008.

(d) Retirement benefits

During the period, the three pension schemes operated by the Company, namely the staff scheme, the works scheme and the Ram Brewery Trust Pension Fund, were combined, with the staff scheme and the works scheme being merged into the Ram Brewery Trust Pension Fund. The resulting scheme was renamed and is now known as the Young & Co.'s Brewery, P.L.C. Pension Scheme.

The vast majority of the individuals in the pension scheme contribute to it, with contributions being at the rate of 5% of pensionable earnings. The pension scheme is a defined benefit scheme investing largely in managed funds. As at 29 March 2010, three directors were accruing benefits under the pension scheme in respect of qualifying service.

In addition the Company bears the cost of post retirement health care premia for certain employees and ex-employees.

The Company accounts for retirement benefits in accordance with IAS 19. Detailed disclosures are set out in note 24.

	1 Increase in accrued pension during the period (excluding inflation) £	2 Transfer value of increase (net of member contributions) £	3 Accumulated total accrued pension as at 29 March 2010 £	4 Transfer value of accrued pension benefits as at 28 March 2009 £	5 Transfer value of accrued pension benefits as at 29 March 2010 £	6 Increase in transfer value during the period (net of member contributions) £
Stephen Goodyear	7,610	184,714	60,770	1,331,291	1,524,315	186,843
Torquil Sligo-Young	9,370	228,896	87,500	1,772,324	2,393,364	593,640
Peter Whitehead	5,767	82,068	43,397	430,916	664,101	227,005
Patrick Dardis	5,114	61,130	20,257	150,828	266,604	109,596

Notes:

(i) The pension entitlement shown in column 3 is that which would be paid annually on retirement under the terms of each of the Executive Director's service agreement based on service to 29 March 2010. Although the three pension schemes operated by the Company were merged during the period, there were no changes to the benefits provided to the Directors. Directors appointed before 6 April 1997 are entitled to a pension payable without reduction at the earliest age permissible by HM Revenue & Customs. This has been allowed for in the calculation of transfer values shown above.

(ii) The difference between the transfer value increase shown in column 2 and column 6 arises from changes in the date and basis of calculation of transfer values. A fall in yields over the period has resulted in higher transfer values.

(iii) Christopher Sandland began to draw his pension during the period ended 31 March 2007. He therefore has no further defined benefit accrual and has not therefore been included in the above table.

(iv) Torquil Sligo-Young began to draw his pension from 20 July 2009, whilst remaining in employment as a director. The figure in column 3 is his initial pension and the transfer values shown in column 4 and column 6 are as at 20 July 2009.

(e) Profit sharing scheme

Up to and including the Company's financial periods that ended on 31 March 2007, members of the scheme were allocated shares of the Company on the basis of their entitlement after deductions of income tax and national insurance.

Allocations made up to and including those for the Company's financial period that ended in 2 April 2005 are held in the Ram Brewery Trust II and, on retirement, the member receives their accrued entitlement to shares. If a member leaves the Company's employment before reaching normal retirement age, they continue to receive the income accruing to them by virtue of their membership of the scheme prior to them leaving the Company's employment, and their allocation to the date of leaving is held on their behalf until normal retirement age.

Allocations for the Company's financial periods that ended on 1 April 2006 and on 31 March 2007 were made via transfers of actual shares to scheme members.

Allocations for the Company's financial periods that ended on 29 March 2008 and 28 March 2009 were made in cash directly from the Company.

Allocations for the Company's financial period that has just ended and for future periods have been abandoned (as permitted by the rules of the scheme). The compensation associated with the abandonment can be seen in note 10. The compensation was made in part cash and part shares. The shares, 95,308 unallocated A shares, were held, with no restrictions, by the Ram Brewery Trust General Fund at their carrying value, aggregate cost £38,000, as an investment in own shares. On the date of transfer of ownership to the scheme members, the shares were recognised at fair value, quoted market price £4.80 per A share, with the excess taken to the retained earnings through the Group's statement of changes in equity. The Company recognised total expenses of £457,000 related to equity-settled share-based payment transactions in the current period (2009: £nil).

In the financial period ended 29 March 2010, no contribution has been made to the scheme (2009: £237,000).

The accrued entitlement to A shares under the scheme of each of the Directors who served during the period is as follows: Stephen Goodyear (22,680), Torquil Sligo-Young (31,412), Peter Whitehead (20,816) and Patrick Dardis (6,696). Christopher Sandland reached his normal retirement age during 2009 and received his accrued entitlement. Nicholas Bryan, Roger Lambert and David Page are not members of the scheme.

10. Exceptional items

(a) Operating exceptional items

	2010 £000	2009 £000
Profit sharing scheme compensation	**(1,350)**	–
Pension scheme settlement gain	**900**	–
Profit on sales of properties	**421**	925
Pension schemes merger costs	**(217)**	–
Capital gains tax on ESOP allocated shares	**12**	(90)
Impairment of properties *(note 16)*	**–**	(10,671)
Hotel project fees written off	**–**	(683)
	(234)	(10,519)

The profit sharing scheme compensation relates to a payment, part cash and part shares, made to members in connection with them giving up their rights to receive an annual profit share allocation under the scheme for the period ended 29 March 2010 and for future periods.

The pension scheme settlement gain relates to the members who have left the scheme.

The profit on sales of properties relates to the difference between the cash, less selling costs, received from the sale of the Britannia, Barking and the Cricketers, Mitcham and the carrying value of the assets on the date of sale.

Pension scheme merger costs relate to the legal and actuarial fees relating to the merger of the three defined benefit schemes into one; the Young & Co.'s Brewery, P.L.C. Pension Scheme – see note 9(a).

The capital gains tax on ESOP allocated shares relates to the shares held within the Ram Brewery Trust II on behalf of the now 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. The current period credit represents a release of a tax provision.

The impairment loss in the prior period was based on a number of pubs whose individual recoverable amounts fell below its individual carrying value due to the weakening UK economy, the fall in property values and the deterioration in the consumer environment.

Last period, hotel project fees relate to extensive work carried out to identify opportunities at selected pubs with a view to a large increase in the number of rooms available within the Company's estate. The Company have been successful in identifying specific opportunities and obtained planning permission to exploit them; where this had not been the case, a decision to write off the relevant costs was taken.

(b) Share of associate's exceptional items

	2010 £000	2009 £000
Reorganisation costs	**(121)**	(605)
Fair value movement on foreign exchange forward contracts	**(564)**	421
Fair value movement on interest rate swap	**156**	(788)
Impairment of property	**–**	(2,768)
	(529)	(3,740)

This period, reorganisation costs consist mainly of redundancy payments relating to reducing production overheads following the loss of the Cobra brewing contract. Last period, the decision to outsource distribution and warehousing activities resulted in both an impairment in the distribution warehouse and reorganisation costs which consisted mainly of redundancy payments.

In addition, with such volatility in the foreign exchange and financial markets, there have been large movements in the fair value of foreign exchange and interest rate contracts this period. These have been recorded as exceptional by nature of their size.

11. Finance costs and revenue

	2010 £000	2009 £000
Bank loans and overdrafts	**2,656**	3,769
Finance lease interest	**19**	19
Finance costs	**2,675**	3,788
Interest receivable	**(1)**	(222)
Net finance cost	**2,674**	3,566

12. Taxation

	2010 £000	2009 £000
(a) Tax (charged)/credited in the income statement		
(i) *Continuing operations*		
Current tax		
Group excluding associate	**(4,827)**	(4,508)
Adjustment in respect of prior periods	**(185)**	(161)
Total current tax	**(5,012)**	(4,669)
Deferred tax		
Deferred tax on impairment of properties	**–**	2,435
Origination and reversal of temporary differences	**(287)**	(210)
Adjustment on phasing out of industrial buildings allowances	**–**	(472)
Adjustment in respect of prior periods*	**(559)**	(72)
Total deferred tax	**(846)**	1,681
Tax charge in the income statement on continuing operations	**(5,858)**	(2,988)

*This item is largely comprised of an immaterial amount of £672,000 which adjusts an amount from the prior period.

	2010 £000	2009 £000
(ii) *Discontinued operation*		
Current tax		
Current tax	**–**	495
Adjustment in respect of prior periods	**–**	50
Current tax credit in the income statement on discontinued operation	**–**	545
Tax charge in the income statement	**(5,858)**	(2,443)
(b) Tax credited/(charged) on Group components of other comprehensive income		
Deferred tax		
Retirement benefit schemes	**1,117**	1,908
Property revaluation – movement due to indexation	**433**	(39)
Interest rate swaps	**(142)**	1,200
Total deferred tax	**1,408**	3,069
Tax credit on Group components of other comprehensive income	**1,408**	3,069

	2010 £000	2009 £000
(c) Deferred tax (charged)/credited in the income statement		
Continuing operations		
Capital allowances	**57**	52
Impairment of properties	**–**	2,435
Property revaluation – movement due to disposals*	**(816)**	–
Other tax provisions	**174**	(645)
Retirement benefit schemes	**(261)**	(43)
Rolled over gains	**–**	(118)
Total deferred tax in the income statement	**(846)**	1,681

*This item is largely comprised of an immaterial amount of £672,000 which adjusts an amount from the prior period.

(d) Reconciliation of the tax charge in the income statement

	2010 £000	2009 £000
Profit from continuing operations	**17,229**	6,746
Profit from discontinued operation	**–**	304
Total profit before tax	**17,229**	7,050
Total profit before tax at corporation tax rate of 28% (2009: 28%)	**(4,824)**	(1,974)
Expenses not deductible for tax purposes	**(264)**	(444)
Adjustment for phasing out of industrial buildings allowances	**–**	(472)
Adjustment in respect of prior periods	**(744)**	(183)
Utilisation of tax losses not previously recognised	**–**	495
Other adjustments	**(26)**	135
Total tax charge in the income statement	**(5,858)**	(2,443)

(e) Tax on discontinued operation

	2010 £000	2009 £000
Tax credit on discontinued operation	**–**	545

(f) Prior period tax adjustments

The income statement for the comparative period was (charged)/credited with the following amounts:

	2009 £000
(i) Tax charge on phasing out of industrial buildings allowances over three years from 1 April 2008	(472)
(ii) Tax credit on release of deferred tax liability on impairment of property	2,435
(iii) Share of associate's tax charge on phasing out of industrial building allowances over three years from 1 April 2008	(1,279)
(iv) Share of associate's tax credit on release of deferred tax liability on impairment of property	775
	1,459

13. Ordinary dividends on equity shares

	2010 Pence	2009 Pence	**2010 £000**	2009 £000
Final dividend (previous period)	**6.63**	6.50	**3,197**	3,122
Interim dividend (current period)	**6.24**	6.12	**3,009**	2,940
	12.87	12.62	**6,206**	6,062

In addition, the Board is proposing a final dividend in respect of the period ended 29 March 2010 of 6.76p per share at a cost of £3,256,000. If approved, it is expected to be paid on 15 July 2010 to shareholders who are on the register of members at the close of business on 11 June 2010.

14. 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.

	2010 £000	2009 £000
Profit before tax	**18,376**	4,213
Operating exceptional items – Group	**234**	10,519
Share of associate's exceptional items	**529**	3,740
Share of associate's tax expense	**284**	685
Adjusted profit before tax	**19,423**	19,157

15. Earnings per 12.5p ordinary share

(a) Earnings

	2010 £000	2009 £000
Profit from continuing operations	**12,518**	1,225
Profit from discontinued operation	**–**	849
Profit attributable to equity holders of the parent	**12,518**	2,074
Profit from continuing operations	**12,518**	1,225
Operating exceptional items	**234**	10,519
Share of associate's operating exceptional items	**529**	3,740
Tax attributable to above adjustments	**542**	(3,917)
Tax adjustments on phasing out of industrial buildings allowances:		
– Company	**–**	472
– Share of associate	**–**	1,279
Adjusted earnings after tax from continuing operations	**13,823**	13,318

	Number	Number
Basic and diluted weighted average number of ordinary shares in issue	**48,140,410**	47,951,096

(b) Basic and diluted earnings per share

	Pence	Pence
Basic and diluted from continuing operations	**26.00**	2.55
Effect of exceptional items and other adjustments listed above	**2.71**	25.22
Adjusted basic and diluted from continuing operations	**28.71**	27.77
Basic and diluted from continuing operations	**26.00**	2.55
Basic and diluted from discontinued operation	**–**	1.78
Basic and diluted from total operations	**26.00**	4.33

The weighted average number of shares in issue excludes the Group's investment in its own shares.

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

16. Property and equipment

	Group and Company		
	Land & buildings £000	Fixtures, fittings & equipment £000	Total £000
Cost			
At 30 March 2008	223,022	59,549	282,571
Additions	15,300	9,187	24,487
Disposals	–	(252)	(252)
Transfer to assets held for sale	(276)	–	(276)
Transfer from assets held for sale	119	–	119
Fully depreciated assets	–	(4,097)	(4,097)
At 28 March 2009	238,165	64,387	302,552
Additions	3,628	6,771	10,399
Disposals	(165)	(543)	(708)
Transfer to assets held for sale	(2,812)	–	(2,812)
Transfer from assets held for sale	184	–	184
Fully depreciated assets	–	(4,627)	(4,627)
At 29 March 2010	**239,000**	**65,988**	**304,988**
Depreciation and impairment			
At 30 March 2008	5,393	25,894	31,287
Depreciation charge	568	7,537	8,105
Impairment charge	8,697	1,974	10,671
Disposals	–	(191)	(191)
Transfer to assets held for sale	(249)	–	(249)
Transfer from assets held for sale	118	–	118
Fully depreciated assets	–	(4,097)	(4,097)
At 28 March 2009	14,527	31,117	45,644
Depreciation charge	575	8,038	8,613
Impairment charge	–	–	–
Reclassification	(41)	41	–
Disposals	(165)	(357)	(522)
Transfer to assets held for sale	(360)	–	(360)
Fully depreciated assets	–	(4,627)	(4,627)
At 29 March 2010	**14,536**	**34,212**	**48,748**
Net book value			
At 28 March 2009	223,638	33,270	256,908
At 29 March 2010	**224,464**	**31,776**	**256,240**

(a) Assets held under finance leases

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

	2010 **£000**	2009 £000
Land and buildings assets held under finance leases	**6,630**	6,422

(b) Capital commitments

	2010 **£000**	2009 £000
Capital commitments not provided for in these financial statements and for which contracts have been placed amounted to	**5,146**	1,514

(c) Impairment

No impairment charge was made in the period (2009: £10,671,000).

In the prior period, the weakening UK economy, the fall in property values and the deterioration in the consumer environment resulted in an impairment loss being recognised.

Impairment is assessed at the cash generating unit level, considered to be on the basis of each individual pub. Whether an asset was impaired or not was determined by comparing the carrying value of an asset against its deemed recoverable amount. The recoverable amount was taken as the higher of either the fair value (net of disposal costs) or its value in use. The impairment charges during the prior period were calculated on both measures of recoverable amount.

The value in use was determined by conducting a net present value review of all relevant cash flows from the asset. The pre-tax discount rate used in the current period review was 9.7% (2009: 9.4%).

17. Investments

(a) Investment in subsidiary

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Subsidiary undertaking	**–**	–	**20**	20

The Company has an investment in 100% of the issued share capital of Bill Bentley's (Bishopsgate) Limited, namely 10,000 "A" ordinary shares of £1 each and 10,000 "B" ordinary shares of £1 each. This investment has a carrying value of £20,000. Bill Bentley's (Bishopsgate) Limited is included in the consolidated financial statements.

The Company's only other subsidiary investment was in 100% of the issued share capital of Bushranger Property Company Limited ("BPC"), namely 50 ordinary A shares and 50 ordinary B shares, all of £1 each. The investment had a carrying value of £100. BPC did not carry on any activities during the course of the period and was dissolved on 17 January 2010.

(b) Investment in associate

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Opening balance	**16,604**	19,751	**11,303**	11,303
Items charged direct to equity	**(292)**	(632)	**–**	–
Share of profit/(loss) of associate	**1,140**	(2,515)	**–**	–
Closing balance	**17,452**	16,604	**11,303**	11,303

The investment in associate comprises the Group's unlisted investment in Wells & Young's Brewing Company Limited. This company has an issued share capital of £75 million divided into 45 million A shares of £1 each and 30 million B shares of £1 each. The Company owns all of the B shares.

In addition to the share of profit of associate included above, the Group has recorded a credit of £7,000 (2009: £18,000 expense) in the Group income statement. This relates to unrealised profit on stock purchased from the associate and held at period end.

The associate's total revenue for the period is £210.5 million including excise duty (2009: £210.6 million).

The Group's share of summarised financial information of the associate is as follows:

	Group	
	2010	2009
	£000	£000
Non current assets	**26,806**	27,934
Current assets	**20,509**	18,592
Share of total assets	**47,315**	46,526
Current liabilities	**(18,346)**	(18,260)
Non current liabilities	**(11,517)**	(11,662)
Share of total liabilities	**(29,863)**	(29,922)
Share of net assets	**17,452**	16,604

18. Inventories

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Finished goods and goods for resale	**1,705**	1,702	**1,781**	1,785

19. Trade and other receivables

	Group and Company	
	2010	2009
	£000	£000
Trade receivables:		
From associate	**35**	217
From other parties	**1,664**	2,276
Total trade receivables	**1,699**	2,493
Other receivables	**733**	1,224
Prepayments and accrued income	**1,889**	1,025
	4,321	4,742

Trade receivables are denominated in sterling, are non-interest bearing and are generally on 14-30 days' terms. The above carrying values are shown net of a provision for impairment and equate to fair value.

At 29 March 2010, trade receivables with a nominal value of £993,000 (2009: £667,000) were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

	2010	2009
	£000	£000
Opening balance	**667**	364
Charge for period	**616**	541
Amounts written off	**(290)**	(289)
Unused amount reversed	**–**	51
Closing balance	**993**	667

The amounts written off in the period were where certain debts proved irrecoverable.

At 29 March 2010, the analysis of trade receivables that were past due, but not impaired, is as follows:

	Total £000	Neither past due nor impaired £000	<31 days £000	31-60 days £000	61-90 days £000	91-120 days £000	121+ days £000
2010	1,699	609	640	184	33	81	152
2009	2,493	1,051	517	268	81	63	513

Of the trade receivables that are neither past due nor impaired, 9.6% (2009: 16.2%) reflects new customers with no previous history of default. 83.9% (2009: 83.1%) represents existing customers with no history of default, and 6.5% (2009: 0.7%) have some history of default.

20. Non current assets classified as held for sale

	Group and Company	
	2010	2009
	£000	£000
Property and equipment	**2,573**	797

The above represents four pub properties classified as held for sale (2009: four). Their sales are expected to be completed within one year. Where necessary, the carrying value of these properties has been reduced to fair value less costs to sell.

Movements during the period:

- two properties were sold (2009: one)
- three properties were transferred from property and equipment (2009: one)
- one property was transferred to property and equipment as sale within one year is no longer thought to be highly probable (2009: one).

21. Trade and other payables

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Trade payables	**2,914**	3,508	**2,914**	3,508
Amounts owed to subsidiary	**–**	–	**20**	20
Other related parties:				
Associate	**4,628**	4,689	**4,628**	4,689
Ram Brewery Trust General Fund	**–**	–	**296**	2,640
Other tax and social security	**3,524**	3,000	**3,523**	2,937
Other creditors	**2,392**	2,199	**2,367**	2,101
Accruals and deferred income	**4,237**	5,402	**4,237**	5,402
	17,695	18,798	**17,985**	21,297

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

22. 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 Group monitors its capital using gearing ratios, net debt as a multiple of EBITDA and interest cover. The Group finances the business with a mixture of debt (note 26) and equity (note 25).

The Group's principal treasury objectives are to manage financial risks and provide secure and competitively priced funding for the Group's activities. When appropriate, the Group uses financial instruments and derivatives to manage these risks.

The borrowing requirements are met largely by bank debt and to a very small extent finance leases. Other sources of funding arise directly from trading activities, such as trade and other payables.

The main financial risks relate to interest rates, credit and liquidity. The Board seeks to manage these in the following manner:

Interest rate risk

The objective is to minimise the Group's interest cost and provide protection from adverse movements in interest rates. The Board does this by maintaining a mix of debt at fixed and variable interest rates. Interest rate swaps are used to manage this exposure by fixing interest rates whilst matching the maturity profile and cashflows of the underlying debt. These swaps are designated as cashflow hedges.

The following table demonstrates the sensitivity of the Group's profit before tax to a change in interest rates, with all other variables held constant.

	Increase/ decrease in basis points	Effect on profit before tax £000
2010	**+100**	**(272)**
	–100	**272**
2009	+100	(303)
	–100	303

Credit risk

The objective is to minimise the Group's costs relating to credit risk. Such risks arise where counterparties default on their debts or other obligations, which would impair the Group's ability to recover the carrying value of that asset. The Group has financial control policies which it performs before entering into arrangements with a new counterparty or when there is a substantial change in the existing relationship. Any potential impairments are monitored and, where appropriate, provision is made for any irrecoverable balances.

Liquidity and cash flow risk

The objective is to ensure that the Group has sufficient financial resources to develop its existing business and exploit opportunities as they arise. The Board manages liquidity risk by ensuring that the Group's debt profile is long dated, facilities are committed and the Group does not rely unduly on short term borrowings. The Group's borrowings are dependent on certain financial covenants being met. If these were breached, funding could be withdrawn leaving the Group with insufficient working capital and if the Group were unable to find other alternative sources of funding it may not be possible to continue trading in its current form. The Board is vigilant in managing the business, assessing and monitoring acquisitions and investments, and forecasting the Group's profit and cash flows.

Other risks that the Group faces are referred to in the principal risks and uncertainties section starting on page 12.

(a) Derivative financial instruments: interest rate swaps

	Group and Company	
	2010	2009
	£000	£000
Financial liability – interest rate swaps	**(4,290)**	(4,798)
Profit/(loss) on cash flow hedge taken to equity	**508**	(4,287)

The Group has three interest rate swaps that fix future interest cash flows on the variable interest rate bank loan. These instruments result in the Group paying fixed interest rates based on LIBOR on the notional amount for each of the swap's life. Each swap is being used to hedge the exposure to changes in the Group's cash flows on its variable rate loan.

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, borrowing, interest rates and fair value

	Group and Company							
	Term	Interest rate	Effective interest rate	Period rate fixed	**Fair value 2010 £000**	Fair value 2009 £000	**Book value 2010 £000**	Book value 2009 £000
Secured								
Bank loan	March 2018 to 2023	Variable	Variable	None	**15,000**	15,000	**15,000**	15,000
Bank loan swapped into fixed rate	March 2023	Fixed	6.35%	8 years	**5,728**	5,779	**5,000**	5,000
Bank loan swapped into fixed rate	March 2023	Fixed	5.90%	13 years	**11,103**	11,249	**10,000**	10,000
Bank loan swapped into fixed rate	March 2023	Fixed	6.01%	13 years	**22,459**	22,770	**20,000**	20,000
Revolving credit facility	March 2013	Variable	Variable	None	**13,500**	16,500	**13,500**	16,500
					67,790	71,298	**63,500**	66,500
Unsecured								
Finance leases							**319**	321
Finance liabilities							**63,819**	66,821
Current financial liabilities							**(2)**	(2)
Non current financial liabilities							**63,817**	66,819

The secured borrowings are secured on the assets of the Group.

The fair values of borrowings and interest rate derivatives are estimated based on prevailing market rates of interest and expected future cash flows arising from those instruments.

Bank overdrafts
Bank overdrafts are used for day to day cash management. The Group has a £5 million overdraft facility with interest linked to base rate.

Bank loan
The Group has a £50 million loan with Royal Bank of Scotland, repayable in instalments from 28 March 2018 with a final repayment of £37.5 million on 28 March 2023. An interest rate swap has been entered into in respect of £35 million of the bank loan which results in the effective interest charge being fixed at the rates disclosed above. The interest charge on the remaining £15 million is at a margin above LIBOR.

Revolving credit facility
The Group has a £40 million revolving credit facility with the Royal Bank of Scotland of which £13.5 million was drawn at the period end. Final repayment of the total drawn-down balance is due as one payment on 27 March 2013. This is a committed facility which permits drawings of different amounts and periods. These drawings carry interest at a margin above LIBOR, with a commitment payment on the undrawn portions. Interest is payable at each renewal date.

(c) Maturity of financial liabilities and expiry of facilities

	Maturity of financial liabilities	
	2010 £000	2009 £000
Within one year	**15,221**	16,289
Between one and two years	**3,442**	3,690
Between two and five years	**25,582**	26,753
After five years	**71,888**	75,049
	116,133	121,781

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

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

	Fair value 2010 £000	Level 1 2010 £000	Level 2 2010 £000	Level 3 2010 £000
Financial liabilities at fair value through profit or loss				
Interest rate swaps	**(4,290)**	**–**	**(4,290)**	**–**
Total	**(4,290)**	**–**	**(4,290)**	**–**

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 based on market prices.

Level 3
Fair values measured using inputs for the asset or liability that are not based on observable market data.

(e) Financial assets
Financial assets are not included in this note because their book value would approximate their carrying value.

23. Deferred tax

	Group		Company	
	2010 £000	2009 £000	**2010 £000**	2009 £000
Capital allowances	**2,862**	2,919	**2,862**	2,919
Other tax provisions	**(227)**	(53)	**(227)**	(53)
Property revaluation	**2,414**	2,031	**2,414**	2,031
Retirement benefit scheme	**(4,145)**	(3,289)	**(4,145)**	(3,289)
Capital gains tax rollover	**18,203**	18,203	**18,203**	18,203
Fair value gain on exchange of assets for interest in associate	**2,320**	2,320	**–**	–
Interest rate swap	**(1,201)**	(1,343)	**(1,201)**	(1,343)
	20,226	20,788	**17,906**	18,468

The Group has capital losses of £2,454,000 (2009: £2,454,000) which are available indefinitely for offset against future capital gains. Deferred tax assets have not been recognised in respect of these losses because at present it is unclear whether suitable gains will arise in the foreseeable future to utilise these losses.

24. Retirement benefit schemes

During the period, the three defined benefit pension schemes operated by the Company, namely the staff scheme, the works scheme and the Ram Brewery Trust Pension Fund, were combined, with the staff scheme and the works scheme being merged into the Ram Brewery Trust Pension Fund. The resulting scheme was renamed and is now known as the Young & Co.'s Brewery, P.L.C. Pension Scheme.

The Group also operates a defined contribution pension scheme and a post retirement health care scheme.

The contribution to the defined contribution scheme was £217,000 (2009: £192,000).

The Group's accounting policy for recognising actuarial gains and losses is to recognise these immediately through the statement of comprehensive income.

An independent qualified actuary has updated the most recent actuarial valuations at 5 April 2008 to take account of the requirements of IAS 19 in order to assess the liabilities of the schemes as at 29 March 2010.

The employer contribution to the defined benefit scheme for the year ended 29 March 2010 was £1,651,000 (2009: £568,000) plus premiums of £244,000 (2009: £234,000) to the post retirement health care plan. The current arrangement as regards to contribution rates is described in the appropriate Schedules of Contributions.

The overall expected rate of return of the plan assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class.

The defined benefit scheme is closed to new entrants. Consequently the current service cost will increase as the members of the schemes approach retirement.

A settlement gain of £900,000 (2009: £nil) has been recorded within the pension scheme in relation to the members who have left the scheme.

Future employee contribution rates are projected to be 5% of pensionable earnings. Future employer contribution rates are projected to be 18% of pensionable earnings. The total contributions to the defined benefit plan in the 2011 financial period are expected to be £2,800,000. The total contributions to the post retirement health care plan in the 2011 financial period are expected to be £260,000.

The pension plan assets includes the Company's A shares with a fair value of £5,656,000 (2009: £4,921,000). There are no property assets of the plan occupied by the Company.

Movement in scheme deficits in the period

	Group and Company					
	2010			2009		
	Pension schemes £000	**Health care schemes £000**	**Total £000**	Pension schemes £000	Health care schemes £000	Total £000
(a) Changes in the present value of the pension schemes are analysed as follows:						
Opening deficit	**(7,973)**	**(3,780)**	**(11,753)**	(1,115)	(3,973)	(5,088)
Current service cost	**(996)**	**(7)**	**(1,003)**	(857)	(78)	(935)
Contributions	**1,651**	**244**	**1,895**	568	234	802
Other finance income/(cost)	**68**	**(238)**	**(170)**	543	(258)	285
Settlement gain	**900**	**–**	**900**	–	–	–
Actuarial loss	**(3,597)**	**(393)**	**(3,990)**	(7,112)	295	(6,817)
Closing deficit	**(9,947)**	**(4,174)**	**(14,121)**	(7,973)	(3,780)	(11,753)

	Group and Company					
	2010			2009		
	Pension schemes £000	**Health care schemes £000**	**Total £000**	Pension schemes £000	Health care schemes £000	Total £000
(b) Recognised in the income statement						
Operating profit						
Current service cost	**(996)**	**(7)**	**(1,003)**	(857)	(78)	(935)
Settlement gain	**900**	**–**	**900**	–	–	–
	(96)	**(7)**	**(103)**	(857)	(78)	(935)
Other finance (charge)/income						
Expected return on pension plan assets	**4,694**	**–**	**4,694**	5,836	–	5,836
Interest on pension liabilities	**(4,626)**	**(238)**	**(4,864)**	(5,293)	(258)	(5,551)
Net return	**68**	**(238)**	**(170)**	543	(258)	285
(c) Recognised in statement of comprehensive income						
Actual return less expected return on plan assets	**13,869**	**–**	**13,869**	(16,973)	–	(16,973)
Experience (losses)/gains arising on the plan liabilities	**(155)**	**(210)**	**(365)**	5,652	231	5,883
Changes in assumptions underlying the plan liabilities	**(17,311)**	**(183)**	**(17,494)**	4,209	64	4,273
Actuarial (loss)/gain recognised	**(3,597)**	**(393)**	**(3,990)**	(7,112)	295	(6,817)
(d) Movements in the present value of defined benefit obligations during the period						
Opening defined benefit obligations	**73,043**	**3,780**	**76,823**	80,376	3,973	84,349
Employer's current service cost	**996**	**7**	**1,003**	857	78	935
Interest on obligation	**4,626**	**238**	**4,864**	5,293	258	5,551
Contributions by plan participants	**142**	**–**	**142**	153	–	153
Actuarial losses/(gains) on obligations	**17,466**	**393**	**17,859**	(9,861)	(295)	(10,156)
Settlement gain	**(900)**	**–**	**(900)**	–	–	–
Benefits paid	**(3,994)**	**(244)**	**(4,238)**	(3,775)	(234)	(4,009)
Present value of plan liabilities at end of period	**91,379**	**4,174**	**95,553**	73,043	3,780	76,823
(e) Change in fair value of plan assets						
Opening fair value of plan assets	**65,070**	**–**	**65,070**	79,261	–	79,261
Expected return on plan assets	**4,694**	**–**	**4,694**	5,836	–	5,836
Actuarial gains/(losses) on plan assets	**13,869**	**–**	**13,869**	(16,973)	–	(16,973)
Contributions by employer	**1,651**	**244**	**1,895**	568	234	802
Contributions by plan participants	**142**	**–**	**142**	153	–	153
Benefits paid	**(3,994)**	**(244)**	**(4,238)**	(3,775)	(234)	(4,009)
Fair value of plan assets at end of period	**81,432**	**–**	**81,432**	65,070	–	65,070

Assumptions

	Pension		Health care	
	2010 %	2009 %	**2010 %**	2009 %
Rate of increase in salaries	**3.60**	4.00	**N/A**	N/A
Discretionary pension increases	**3.60**	3.00	**N/A**	N/A
Rate of revaluation of deferred pensions	**3.60**	3.00	**N/A**	N/A
Discount rate	**5.55**	6.50	**5.55**	6.50
Inflation	**3.60**	3.00	**3.60**	3.00
General medical expenses inflation	**N/A**	N/A	**9.00**	9.00

Mortality assumptions
The life expectancies underlying the valuation are as follows:

	2010 Years	2009 Years
Current pensioners (at age 65) – males	**21.9**	22.0
Current pensioners (at age 65) – females	**24.1**	24.8
Future pensioners (at age 65) – males	**23.0**	22.0
Future pensioners (at age 65) – females	**25.1**	24.8

A one percentage point change in the assumed rate of increase in healthcare costs would have the following effects:

	Increase £000	Decrease £000
Effect on the aggregate service cost and interest cost	27	(23)
Effect on defined benefit obligation	410	(355)

Pension scheme and health care scheme assets, liabilities and expected rates of return

	Expected rate of return		Assets and liabilities	
	2010 %	2009 %	**2010 £000**	2009 £000
Equities	**8.25**	8.25	**20,900**	15,137
Diversified growth fund	**8.25**	8.25	**17,173**	12,881
Corporate bonds	**5.75**	6.70	**29,496**	23,149
Insured pensions	**5.55**	6.50	**15,378**	14,095
Other	**2.00**	2.00	**(1,515)**	(192)
Total fair value of the assets			**81,432**	65,070
Present value of retirement benefit liabilities			**(95,553)**	(76,823)
Scheme deficit			**(14,121)**	(11,753)

The long-term weighted average rate of return on plan assets at 29 March 2010 is 6.95% (2009: 7.34%).

History of experience gains and losses

	2010 £000	2009 £000	2008 £000	2007 £000	2006 £000
Fair value of scheme assets	**81,432**	65,070	79,261	85,614	86,889
Present value of defined benefit obligations	**(95,553)**	(76,823)	(84,349)	(84,659)	(92,793)
(Deficit)/Surplus in the schemes	**(14,121)**	(11,753)	(5,088)	955	(5,904)
Experience gains/(losses) arising on plan liabilities	**(365)**	5,883	(613)	(48)	3,999
Experience gains/(losses) arising on plan assets	**13,869**	(16,973)	(10,413)	1,451	9,727

The cumulative amount of actuarial gains and losses recognised since 2 April 2006 in the statement of comprehensive income is a £15,996,000 loss (2009: £12,006,000 loss). The Directors are unable to determine how much of the pension scheme deficit recognised on transition to IFRS and taken directly to equity of £5,898,000 is attributable to actuarial gains and losses since inception of those pension schemes. Consequently, the Directors are unable to determine the amount of actuarial gains and losses that would have been recognised in the statement of comprehensive income before 2 April 2006.

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 offsetting 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 8.6%
Rate of Inflation	Increase/decrease by 0.5%	Increase/decrease by 6.9%
Life expectations	Increase by 1 year	Increase by 3.1%

25. Share capital and reserves

	2010 and 2009 Shares	2010 and 2009 £000
Issued and fully paid shares		
A shares of 12.5p each	**29,064,000**	**3,633**
Non-voting shares of 12.5p each	**19,160,000**	**2,395**
	48,224,000	**6,028**

Subject to the Company's articles of association, the holders of the A shares have the right to receive notices of general meetings and to attend, speak and vote at them. Those rights do not apply to holders of the non-voting shares. The A shares and the non-voting shares have to be treated equally for all purposes of participation in profits or assets.

Other reserves
These comprise the capital redemption reserve and the share-based payments reserve.

At 29 March 2010, the capital redemption reserve had a credit balance of £1,808,000 (2009: £1,808,000 credit).

During the period ended 29 March 2010, the share-based payments reserve balance of £138,000 was transferred from other reserves to retained earnings leaving no balance under the heading of other reserves (2009: £138,000).

Goodwill
At 29 March 2010, the accumulated goodwill on the acquisition of subsidiary undertakings that has been written off against reserves amounted to £3,697,000 (2009: £3,697,000). The Group has elected not to apply IFRS 3: Business Combinations retrospectively to past business combinations. On any subsequent disposal of the related businesses, such goodwill would not be reinstated and charged back to the income statement.

Investment in own shares
On 29 March 2010, the Ram Brewery Trust General Fund held no unallocated A shares (2009: 95,308), with no aggregate cost (2009: £38,000) and no market value (2009: £428,000).

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

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Profit before tax on continuing operations	**18,376**	4,213	**17,112**	6,836
Net finance costs	**2,674**	3,566	**2,674**	3,566
Other finance charge/(income)	**170**	(285)	**170**	(285)
Share of associate's post tax result	**(1,147)**	2,533	**–**	–
Operating profit on continuing operations	**20,073**	10,027	**19,956**	10,117
Depreciation	**8,613**	8,105	**8,613**	8,105
Impairment of property	**–**	10,671	**–**	10,671
Profit on sales of properties	**(421)**	(925)	**(421)**	(925)
Pension scheme settlement gain	**(900)**	–	**(900)**	–
Difference between pension service cost and cash contributions paid	**(892)**	133	**(892)**	133
Allocation of shares to employees	**457**	–	**457**	–
Provision for capital gains tax on ESOP allocated shares	**(12)**	90	**34**	–
Movements in working capital				
Inventories	**4**	(209)	**4**	(209)
Receivables	**507**	179	**507**	179
Payables	**(489)**	(1,633)	**(418)**	(997)
Net cash generated from operations	**26,940**	26,438	**26,940**	27,074

Analysis of net debt

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Cash	**1,575**	1,519	**1,575**	1,519
Loan capital and finance leases *(note 22)*	**(63,819)**	(66,821)	**(63,819)**	(66,821)
Net debt	**(62,244)**	(65,302)	**(62,244)**	(65,302)

27. Related party transactions

Directors

Directors' emoluments and retirement benefits are disclosed in notes 9(c) and 9(d). Directors' shareholdings and interests are disclosed or referred to on page 17 and in note 9(e).

Dr Roy Summers, a former non-executive director, retired in July 2008. Following his retirement, Dr Summers agreed to advise on the quality of the Company's own-brand beers brewed by Wells & Young's in Bedford, and also to assist with quality monitoring. He received £16,784 (2009: £8,005) from the Company for these services.

In 1959, the Ram Brewery Trust was established. It has two parts, namely:

- the General Fund – this holds assets and makes payments to or for the benefit of employees. It is managed by a corporate trustee, Ram Brewery Trustees Limited ("RBT"). None of the directors of RBT is a director of the Company. As at 29 March 2010, the General Fund held no A shares (2008: 95,308); and
- the Pension Fund – this provides pensions and other benefits to employees of the Group and certain other individuals. It is managed by a corporate trustee, Young's Pension Trustees Limited ("YPTL"). Torquil Sligo-Young, a current director of the Company, and two other individuals, neither of whom are directors of the Company, are the directors of YPTL. During the period, the staff pension scheme and the works pension scheme, both operated by the Company, were combined with and merged into the Pension Fund (following which the Pension Fund was renamed and is now known as the Young & Co.'s Brewery, P.L.C. Pension Scheme). As at 29 March 2010, the Young & Co.'s Brewery, P.L.C. Pension Scheme held 706,800 A shares (2009: 706,800 A shares), being 2.43% of the class.

In 2008, the Ram Brewery Trust II was established. It holds assets for the benefit of employees and former employees, principally reflecting their accrued entitlement to A shares under the Group's now closed profit sharing scheme. The shares are all fully vested and therefore are not disclosed as an investment in own shares in the Group's financial statements. The Ram Brewery Trust II is managed by a corporate trustee, RBT II Trustees Limited ("RBT II"). Torquil Sligo-Young, a current director of the Company, and Dr Summers, a former director of the Company, are the directors of RBT II. As at 29 March 2010, the trust held 930,560 A shares (2009: 936,720), being 3.20% of the class.

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

Key management

The Group considers key management to be solely the Directors of the Company, as the Directors are the only people with authority and responsibility for planning, directing and controlling the activities of the Group. The compensation provided to Directors is detailed in note 9.

Associate

The Group has a rolling three year agreement to purchase the majority of its drinks for its pub estate from its associate, Wells & Young's, at commercial market prices.

Listed below are the transactions between the Group and Wells & Young's during the period:

	2010 £000	2009 £000
Purchase of beer, wines and spirits for resale by the Group	**(25,782)**	(25,509)
Other charges made to the Group	**(345)**	(297)

The following balances were outstanding between the Group and Wells & Young's at the period end:

	2010 £000	2009 £000
Amount receivable by the Group	**35**	217
Amount owed by the Group	**(4,628)**	(4,689)

All balances are expected to be received or settled in cash. All transactions arise in the normal course of business on an arm's length basis. None of the balances are secured.

28. Obligations under leases

(a) Obligations under finance leases

Finance leases for property are for terms ranging from 50 to 999 years. Minimum lease payments for most leases are nominal amounts. Leases do not have a purchase option but most are renewable at the lessee's option at the end of the lease term. Equipment is leased over terms of up to five years.

Future minimum lease payments under finance leases are as follows:

	Group and Company	
	2010 £000	2009 £000
Future minimum lease payments due:		
Not later than one year	**21**	21
Later than one year and not later than five years	**83**	83
Later than five years	**1,568**	1,589
	1,672	1,693
Less: finance charges allocated to future years	**(1,353)**	(1,372)
	319	321
The present value of minimum lease payments is analysed as follows:		
Not later than one year	**2**	2
Later than one year and not later than five years	**8**	7
Later than five years	**309**	312
	319	321

Future minimum rentals receivable from non-cancellable subleases on the above properties as at 29 March 2010 were £547,000 (2009: £434,000).

(b) Operating lease agreements where the group is lessee

Operating leases for property are for terms ranging from ten to 50 years. Minimum lease payments are typically reviewed every five years and are based on a percentage of turnover or a negotiated rate per square foot. Most property leases are renewable at the lessee's option at the end of the lease term. Equipment is leased over terms of up to five years.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Group and Company	
	2010	2009
	£000	£000
Not later than one year	**2,389**	2,296
Later than one year and not later than five years	**8,138**	7,089
Later than five years	**23,652**	21,235
	34,179	30,620

Future minimum rentals receivable from non-cancellable subleases on the above properties as at 29 March 2010 were £2,340,000 (2009: £2,293,000).

(c) Operating lease agreements where the Group is lessor

The Group leases licensed properties to third party tenants. These non-cancellable lease terms are over terms varying from three to 25 years.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	Group and Company	
	2010	2009
	£000	£000
Not later than one year	**3,611**	3,202
Later than one year and not later than five years	**5,331**	4,333
Later than five years	**7,301**	7,279
	16,243	14,814

29. Post balance sheet events

There were no post balance sheet events.

30. Contingent asset

Following the House of Lords ruling in the Condé Nast/Fleming cases removing the three year limit on VAT claims, the Company has lodged a claim for repayment of VAT on gaming machine receipts on the basis that application of the VAT rules was not consistent and breached fiscal neutrality.

The claim is based on management's best estimates from the information available and the Company expects the valuation of the claim to be reviewed by HMRC before settlement. The outcome of the review by HMRC is uncertain.

The Group and Company have not recognised any revenue from the claim in the financial statements for the period ended 29 March 2010.

31. Contingent liabilities

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

Five year review

	IFRS				UK GAAP
	2010	2009	2008	2007	2006
	£000	£000	£000	£000	£000
Revenue	**127,539**	126,091	122,124	114,602	123,873
Operating profit before exceptional items	**20,307**	20,546	20,858	15,388	13,492
Share of associate's post tax results	**1,147**	(2,533)	(1,322)	104	–
Operating exceptional items and discount of site proceeds	**(234)**	(10,519)	2,889	(3,314)	(2,644)
Debenture redemption	**–**	–	(6,817)	–	–
Net finance costs and other finance (charge)/income	**(2,844)**	(3,281)	(3,988)	(3,453)	(3,346)
Profit before tax	**18,376**	4,213	11,620	8,725	7,502
Taxation	**(5,858)**	(2,988)	(4,023)	(3,919)	(2,958)
Profit from continuing operations	**12,518**	1,225	7,597	4,806	4,544
Profit from discontinued operation	**–**	849	3,105	34,717	–
Profit for the period	**12,518**	2,074	10,702	39,523	4,544
Adjusted profit before tax	**19,423**	19,157	18,588	12,018	10,146
Net assets employed					
Non current assets	**280,536**	280,028	277,631	252,935	217,526
Current assets and assets held for sale	**10,266**	8,846	10,461	74,406	11,032
Current liabilities	**(19,734)**	(20,505)	(30,543)	(81,568)	(19,502)
Non current liabilities	**(102,454)**	(104,158)	(81,278)	(73,364)	(66,391)
	168,614	164,211	176,271	172,409	142,665
Financed by					
Equity share capital	**6,028**	6,028	6,028	6,028	6,028
Reserves	**162,586**	158,183	170,243	166,381	136,637
	168,614	164,211	176,271	172,409	142,665
Purchase of fixed assets and investment in associate	**10,819**	24,487	38,055	56,755	13,451
Net debt	**(62,244)**	(65,302)	(49,967)	(101,481)	(54,423)
Per 12.5p ordinary share					
Adjusted basic and diluted earnings	**28.71p**	27.77p	26.28p	17.49p	14.68p
Basic and diluted earnings	**26.00p**	2.55p	16.04p	10.35p	9.85p
Dividends – paid in period	**12.87p**	12.62p	10.84p	7.73p	6.06p
Gearing	**36.9%**	39.8%	28.3%	58.9%	38.1%
Average number of employees	**2,059**	2,084	2,261	2,281	2,110

The figures for 2008, but not earlier periods, have been restated for the release of deferred tax liabilities on the impairment of property and brands and for the adjustment to the deferred tax liability on industrial buildings allowances, as detailed in note 12(f).

The figures for 2007, but not the earlier period, have been adjusted for the adoption of IFRS.

The figures for 2006 have been adjusted for the adoption of FRS 20 Share-based payment.

The comparatives have been restated to reflect the four for one share split in 2008.

Notice of meeting

If you hold any A shares, this notice is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this notice or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser. If you have sold or otherwise transferred all of your shares, please pass this copy of the annual report, and any proxy form that came with it, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass it or them to the person who now holds the shares.

If you hold any A shares, you should have received a proxy form for use at the meeting. Guidance notes on how to complete it, and on other matters, are given on the form itself and in the notes to this Notice. Whether or not you propose to attend the meeting, please complete and submit the proxy form. It must be received by Computershare Investor Services PLC by 11.30am on Sunday, 11 July 2010. Appointing a proxy does not stop you from attending the meeting and voting. An admission card is attached to the proxy form; please bring this with you to the meeting.

If you do not hold any A shares, this notice is for information purposes only.

Notice is hereby given that the 121st annual general meeting of Young & Co.'s Brewery, P.L.C. (the "Company") will be held in the Civic Suite in Wandsworth Town Hall, Wandsworth High Street, Wandsworth, London SW18 2PU on Tuesday, 13 July 2010 at 11.30am for the following purposes:

Ordinary resolutions
To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company's annual accounts for the financial period ended 29 March 2010, together with the directors' report and the auditor's report on those accounts and that directors' report.

2. To declare a final dividend of 6.76p per share for the financial period ended 29 March 2010.

3. That Ernst & Young LLP be, and is hereby, re-appointed as the Company's auditor for the financial period starting 30 March 2010.

4. That the directors be, and are hereby, authorised to fix the remuneration of the Company's auditor.

5. That Stephen Goodyear be, and is hereby, re-appointed as a director.

6. That Patrick Dardis be, and is hereby, re-appointed as a director.

7. That Nicholas Bryan be, and is hereby, re-appointed as a director.

8. That the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be, and are hereby, authorised to:
   (a) make political donations to political parties, not exceeding £50,000 in total;
   (b) make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
   (c) incur political expenditure, not exceeding £50,000 in total;
   in each case at any time during the period starting with the date this resolution is passed and ending at the end of next year's annual general meeting (or, if earlier, at the close of business on 11 September 2011) but the aggregate amount of political donations and political expenditure that may be made and incurred by the Company and its subsidiaries pursuant to this authority must not exceed £50,000.

   Note: for the purposes of this resolution, "political donation" has the meaning given in section 364 of the Companies Act 2006, "political expenditure" has the meaning given in section 365 of the Companies Act 2006 and reference to a "political party" or to a "political organisation" is to a party or to an organisation to which Part 14 of the Companies Act 2006 applies.

9. That the directors be, and are hereby, authorised to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:
   (a) up to a nominal amount of £2,009,333 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of such sum); and
   (b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £4,018,666 (such amount to be reduced by the nominal amount allotted or granted under paragraph (a) above) in connection with an offer by way of a rights issue:
   (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
   (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,
   and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,
   such authorities to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 11 September 2011) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require

shares to be allotted or rights to subscribe for, or to convert securities into, shares to be granted after the authority ends and the directors may allot shares or grant rights to subscribe for, or to convert securities into, shares under any such offer or agreement as if the authority had not ended.

Special resolutions
To consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

10. That if resolution 9 is passed, the directors be, and are hereby, given power to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authorities given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:
    (a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 9, by way of a rights issue only):
    (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
    (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
    (b) in the case of the authority granted under paragraph (a) of resolution 9 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £301,400,
    such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 11 September 2011) but during this period the Company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

11. That the Company be, and is hereby, authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 12.5p each ("Ordinary Shares"), such power to be limited:
    (a) to a maximum number of 4,822,400 Ordinary Shares (which may be all A shares, all non-voting shares or a mix); and
    (b) by the condition that, in each case exclusive of expenses, the minimum price which may be paid for an Ordinary Share is the nominal amount of that share and the maximum price which may be paid for an Ordinary Share is an amount equal to five per cent. above the average of the middle market quotations for that share as derived from the AIM appendix to the London Stock Exchange's Daily Official List for the five business days immediately preceding the day on which that share is contracted to be purchased;
    such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 11 September 2011) but during this period the Company may enter into a contract to purchase Ordinary Shares which would, or might, be executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

12. That the Company's articles of association be, and are hereby, amended by:
    (a) replacing article 30(A) with the following:
    "(A) Subject to any special rights or restrictions as to voting which are given to any shares or upon which any shares may be held at the relevant time and to the rest of these articles, a shareholder is entitled to vote at a general meeting, whether on a show of hands or a poll, as provided in the legislation."; and
    (b) inserting the following as article 35(D):
    "(D) If a proxy is given discretion as to how to vote on a show of hands, it will be treated as an instruction by the shareholder to vote in the way that the proxy decides to exercise that discretion."

By order of the Board

Anthony Schroeder
Company Secretary
2 June 2010

Young & Co.'s Brewery, P.L.C.
Registered office:
Riverside House,
26 Osiers Road,
Wandsworth,
London SW18 1NH

Registered in England and Wales No. 32762

Notice of meeting (continued)

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 7.00am on Monday, 12 July 2010 (or, in the event of any adjournment, at 7.00am on the day before the day of the adjourned meeting).

What you need to bring

If you come to the meeting, please bring with you the admission card attached to the proxy form.

Appointment of proxies

If you hold any A shares, you may appoint a proxy to exercise all or any of your rights to attend and to speak and vote on your behalf at the meeting. You can do this by completing the proxy form which came with this document. If you did not receive a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars. To be valid, your proxy form must be received by the Company's registrars no later than 11.30am on Sunday, 11 July 2010.

Who to appoint as a proxy

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

Multiple proxies

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

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

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

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

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

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

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

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

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

(h) In relation to paragraph (g), if you do not specifically revoke proxies, it will not be possible for the Company to determine the intentions of you in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.

Changing proxy instructions

To change your proxy instructions, you need to submit a new proxy appointment – further copies can be obtained from the Company. However, in doing so, you should be aware of the principles that apply to multiple proxies – see the note headed Multiple proxies. If you are in any doubt as to what to do where you wish to change your proxy instruction, please contact the Company's registrars or your stockbroker, solicitor, accountant or other professional adviser.

Termination of proxy appointments

If you wish to revoke your proxy instruction, you must send to the Company's registrars a signed hard copy notice clearly stating your intention to revoke your proxy appointment. If you are a corporation, the revocation notice must be executed under your common seal or signed on your behalf by an officer of you or an attorney for you. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrars before the start of the meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject as follows, your proxy appointment will remain valid. Appointing a proxy does not stop you from attending the meeting and voting. If you appoint a proxy and attend the meeting, your proxy appointment will automatically be terminated.

Multiple corporate representatives

If you are a corporation, you may appoint one or more corporate representatives who may exercise on your behalf all your powers as a member provided they do not do so in relation to the same A shares.

Name and address of the Company's registrars

The Company's registrars are Computershare Investor Services PLC. They can be contacted at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.

Display documents

The following will be available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) from the date of this Notice until 10.00am on the day of the meeting:

- copies of the Executive Directors' service contracts; and
- copies of the memoranda or letters of appointment of the Non-Executive Directors;

After 10.00am on the day of the meeting, these documents will be available for inspection in the Civic Suite in Wandsworth Town Hall, Wandsworth High Street, Wandsworth, London SW18 2PU until the end of the meeting.

Communication

Any address or number used for the purpose of sending or receiving documents or information by electronic means that is referred to in the Company's annual report 2010 or any proxy form for the Company's 121st 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 121st annual general meeting of Young & Co.'s Brewery, P.L.C. (the "Company") to be held on Tuesday, 13 July 2010 is set out on pages 58 to 61. The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole; accordingly, the Company's Board of Directors will be voting in favour of them and unanimously recommends that all A shareholders do so as well.

Resolutions 1 to 9 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 directors' report and the auditors' report on those accounts and that directors' report before you at a general meeting; this is a legal requirement.

Resolution 2: final dividend
An interim dividend of 6.24p per share was paid in December 2009. The Directors are recommending a final dividend of 6.76p per share for the period ended 29 March 2010, bringing the total dividend for the period to 13.00p per share. Subject to approval being given, the final dividend is expected to be paid on 15 July 2010 to shareholders on the register at the close of business on 11 June 2010.

Resolution 3: re-appointment of auditor
An auditor is required to be appointed for each financial period of the Company. Ernst & Young LLP, the Company's current auditor, has agreed to serve for the current financial period and its re-appointment is therefore being proposed.

Resolution 4: auditor's remuneration
In accordance with normal practice, the Directors are asking for your authority to determine the auditor's remuneration.

Resolutions 5-7: re-appointments of directors
At the meeting, each of Stephen Goodyear, Patrick Dardis and Nicholas Bryan will be automatically retiring from the office of director as he held that position at the last two annual general meetings and did not retire at either of them. Each of these individuals is seeking re-appointment and his brief biographical details are on page 11.

Resolution 8: political donations etc.
This resolution seeks renewal of the existing authority for the Company and its subsidiaries to make or incur certain political donations and political expenditure. Although there is no intention to make or incur such donations or expenditure, the legislation is very broadly drafted and may catch activities such as funding seminars and other functions to which politicians are invited and supporting certain bodies involved in policy review and law reform. The authority given by this resolution will be capped at £50,000 in total.

Resolution 9: general power to allot
This resolution effectively seeks renewal of the directors' existing authority to allot shares and grant rights. Paragraph (a) of this resolution would give the directors the authority to allot shares or grant rights to subscribe for, or to convert any securities into, shares up to an aggregate nominal amount equal to £2,009,333 – this amount represents approximately one-third of the Company's issued share capital as at 1 June 2010 (but would be reduced by the nominal amount of any shares allotted or rights granted under paragraph (b) of this resolution in excess of £2,009,333). In line with guidance issued by the Association of British Insurers, paragraph (b) of this resolution would give the directors authority to allot shares or grant rights to subscribe for, or to convert any securities into, shares in connection with a rights issue in favour of shareholders up to an aggregate nominal amount equal to £4,018,666, as reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution – this amount (before any reduction) represents approximately two-thirds of the Company's issued share capital as at 1 June 2010. Therefore the maximum nominal amount of shares and rights that may be allotted or granted under this resolution is £4,018,666. The authorities sought under paragraphs (a) and (b) of this resolution will expire at the end of next year's annual general meeting (or, if earlier, the close of business on 11 September 2011). The Directors have no present intention to exercise either of the authorities sought under this resolution. As at the date of this Notice, no shares are held by the Company in treasury.

Resolutions 10 to 12 are special resolutions; this means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour.

Resolution 10: general power to disapply
This resolution effectively seeks renewal of the directors' existing power to allot shares (or sell any shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings. This authority would be, similar to previous years, limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the directors otherwise consider necessary, or otherwise up to an aggregate nominal amount of £301,400. This aggregate nominal amount represents five per cent. of the Company's issued share capital as at 1 June 2010. The power sought under this resolution will expire at the end of next year's annual general meeting (or, if earlier, the close of business on 11 September 2011).

Resolution 11: authority to undertake market purchase of own shares
This resolution effectively seeks renewal of the Company's existing authority to make market purchases of not more than 4,822,400 of its shares, being no more than ten per cent. of its issued share capital as at 1 June 2010. The authority sought under this resolution will expire at the end of next year's annual general meeting (or, if earlier, the close of business on 11 September 2011). The Directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to be earnings enhancing. Any shares purchased pursuant to this authority will be held in treasury or be cancelled. The minimum price, exclusive of expenses, which may be paid for a share is its nominal value. The maximum price, exclusive of expenses, which may be paid for a share is an amount equal to 105% of the average of the middle market quotations for that share for the five business days immediately preceding the date of the purchase. No warrants or options to subscribe for share capital are outstanding.

Resolution 12: amendments to the Company's articles of association
As a result of further changes brought into force in August 2009, the Companies Act 2006 now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. So that the Company's articles are not inconsistent with this, a new article 30(A) is being proposed to reflect this new provision (and, linked with that, a new article 35(D) is being proposed to make clear that if a proxy is given discretion as to how to vote on a show of hands, that discretion will be treated as an instruction by the member to vote in the way that the proxy decides to exercise that discretion).

Senior personnel, committees and advisers

Directors

Christopher Sandland, A.C.M.A., M.Sc.
Non-Executive Chairman

Stephen Goodyear
Chief Executive

Torquil Sligo-Young
Human and Information Resources

Peter Whitehead, F.C.A.
Finance

Patrick Dardis
Retail

Nicholas Bryan, B.A., F.C.A.
Non-Executive Senior Independent Director

Roger Lambert, M.A.
Non-Executive

David Page
Non-Executive

Company Secretary
Anthony Schroeder

Audit Committee

Nicholas Bryan (Chairman)
Roger Lambert
David Page

Remuneration Committee

Nicholas Bryan (Chairman)
Roger Lambert
David Page

Auditor

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

Bankers

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

Nominated adviser and stockbroker

J.P. Morgan Securities Limited
20 Moorgate
London EC2R 6DA

Solicitors

Bryan Cave
88 Wood Street
London EC2V 7QS

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Wragge & Co
55 Colmore Row
Birmingham
B3 2AS

Shareholder information

Registrar

The Company's registrar is Computershare Investor Services PLC. If you have questions about your shareholding or if you require other guidance (e.g. to notify a change of address or to give instructions for dividends to be paid directly into a bank account) please contact Computershare. All requests to amend account details must be made in writing to:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

You can also contact Computershare by telephone: 0870 707 1420

Registrar's investor centre

Shareholders can manage their Young's shareholding online at: www.investorcentre.co.uk

Share dealing service

J.P. Morgan Cazenove
020 7588 2828

The availability of this service should not be taken as a recommendation to deal.

Shareholder offers

Details of shareholder discounts and offers are mailed to shareholders from time to time. Any shareholder who does not wish to receive details of such offers should write to the Company Secretary at the registered office.

Registered office and Company number

Riverside House
26 Osiers Road
Wandsworth
London SW18 1NH
Registered number: 32762

For further information about the Company please visit www.youngs.co.uk

Proposed financial diary 2010

9 June 2010
Ex-dividend date for final dividend

11 June 2010
Record date for final dividend

13 July 2010
Annual general meeting

15 July 2010
Payment of final dividend

25 November 2010
Interim results announcement

1 December 2010
Ex-dividend date for interim dividend

3 December 2010
Record date for interim dividend

17 December 2010
Payment of interim dividend

Young's pubs and hotels

Balham
Devonshire
Grove
Nightingale

Barnes
Bull's Head
Coach & Horses
White Hart

Barnet
Lord Nelson

Battersea
Castle
Duke of Cambridge

Bayswater
Mitre

Beddington
Plough

Betchworth
Dolphin

Bloomsbury
Calthorpe Arms
Lamb

Bognor Regis
Waverley

Borough
Bunch of Grapes

Bow
Coborn Arms

Bradford-on-Avon
Bunch of Grapes

Brighton
Seven Stars

Bristol
Bristol Ram
Highbury Vaults
Horts
Rope Walk

Brixton
Grand Union Bar

Broadway, Nr Illminster
Bell

Bromley
Two Doves

Burnham-on-Sea
Dunstan House Inn

Camberwell
Grand Union Bar

Camden
Spread Eagle

Canterbury
Parrot

Carshalton
Greyhound

Cassington
Chequers

Castle Cary
Horse Pond

Catford
Catford Ram

Chedworth
Seven Tuns

Chelmsford
Riverside Inn
O'Connor's

Chelsea
Chelsea Ram
Cooper's Arms
King's Arms
Hollywood Arms
Waterside

Chertsey
Crown Hotel

Chichester
Crown & Anchor

Chislehurst
Bull's Head Hotel

City of London
Albion
City House
City Retreat
Dirty Dick's
Elephant
Lamb Tavern
Paternoster
Three Lords
Boisdales

Clapham Common
Windmill on the Common

Clapton
Princess of Wales

Claygate
Foley Arms

Clerkenwell
Sekforde Arms

Congresbury
Old Inn

Covent Garden
Marquess of Anglesey

Croydon
Dog & Bull
Tamworth Arms

Dartford
Court House
Malt Shovel

Dorking
Falkland Arms
Old House at Home

Dulwich
Dulwich Wood House

Ealing
Grange

Earlsfield
Halfway House
Leather Bottle

East Grinstead
Ship

East Sheen
Hare & Hounds

Effingham
Plough

Emsworth
Sussex Brewery

Epsom
King's Arms
Rising Sun

Esher
Bear Inn

Euston
Square Tavern

Exeter
City Gate
Double Locks

Exmouth
Grove

Farnborough
Rose & Crown

Fetcham
Bell

Finsbury
Master Gunner

Fitzrovia
One Tun

Fulham
Cock & Hen
Duke on the Green
George

Greenford
Bridge Hotel

Greenwich
Richard 1st

Hammersmith
Brook Green Hotel
Hammersmith Ram
Old Ship
Thatched House

Hampstead
Flask
Roebuck

Harlesden
Grand Junction Arms

Hendon
Beaufort
Greyhound

Hindon
Lamb Inn

Isleworth
Castle
Coach & Horses

Islington
Marquess Tavern

Kensington
Britannia
Britannia Tap

Kew
Coach & Horses

Keynsham
Lock Keeper

Kilburn
Queen's Arms

Kingston
Albert Arms
Bishop out of Residence
Grey Horse
Spring Grove

Lambeth
Plough
Surprise

Leatherhead
Penny Black

Lee
Crown

Lingfield
Greyhound

Littleton-on-Severn
White Hart

Maida Vale
Prince Alfred

Maidstone
Cock Inn

Marylebone
Wargrave Arms

Mayfair
Guinea
Windmill

Merton
Princess of Wales

Mitcham
King's Arms

Mortlake
Charlie Butler
Jolly Gardeners

Norwood
Hope
Railway Bell

Notting Hill
Duke of Wellington

Oxford
Angel & Greyhound
King's Arms

Oxshott
Bear

Paddington
Porchester

Peckham Rye
Clock House

Pimlico
Fox & Hounds
Rising Sun

Primrose Hill
Queen's

Putney
Boathouse
Duke's Head
Green Man
Half Moon
Spotted Horse

Radlett
Red Lion Hotel

Redhill
Home Cottage
William IV

Richmond
Marlborough
Mitre
Old Ship
Orange Tree
Red Cow
Shaftesbury Arms
Shakespeare
Waterman's Arms
White Cross

Roehampton
Angel

Rotherhithe
Ship

Shaftesbury
Mitre

Shepherd's Bush
Stinging Nettle

Sherfield-on-Loddon
White Hart

Sherston
Rattlebone

Sidmouth
Swan

Somerton
Unicorn

Southwark
Founders' Arms
Mulberry Bush
Prince William Henry

Staines
Bells

Stepney
Queen's Head

Stockwell
Trinity Arms

Stonebridge
Royal Oak

Streatham
Pied Bull

Surbiton
Black Lion
Waggon & Horses
Victoria

Sutton
Lord Nelson
New Town
Robin Hood

Sydenham
Bricklayers' Arms

Teddington
Abercorn Arms
Queen Dowager

Thornton Heath
Fountain Inn
Lord Napier
Railway Telegraph

Tooting
Castle
Gorringe Park
Prince of Wales

Twickenham
Alexander Pope
Marble Hill
Old Anchor

Vauxhall
Riverside

Wallington
Duke's Head

Walton-on-Thames
Royal George
Swan

Walton-on-the-Hill
Chequers

Wandsworth
Brewers Inn
County Arms
Gardeners' Arms
Grapes
King's Arms
Old Sergeant
Pig & Whistle
Queen Adelaide
Ship
The Armoury
Alma
Spread Eagle
Waterfront

Westminster
Buckingham Arms
Morpeth Arms
Royal Oak

Weybridge
Hand & Spear

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

Woolwich
Dial Arch

Wrington
Plough Inn

Young & Co.'s Brewery, P.L.C.
Riverside House, 26 Osiers Road
Wandsworth, London SW18 1NH
Telephone: 020 8875 7000
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www.youngs.co.uk
Registered in England: number 32762