YOUNG & CO.'S BREWERY, P.L.C.

INTERIM RESULTS FOR THE 26 WEEKS ENDED 30 SEPTEMBER 2019

	2019 post-IFRS 16 £m	**2019 pre-IFRS 16 illustrative £m(1)**	2018 pre-IFRS 16 £m	**Change pre-IFRS 16 illustrative %**
Revenue	**168.2**	**168.2**	156.8	**+7.3**
Adjusted operating profit(2)	**30.9**	**30.1**	28.6	**+5.2**
Adjusted profit before tax(2)	**26.6**	**27.0**	26.1	**+3.4**
Adjusted EBITDA(2)	**47.2**	**43.3**	40.4	**+7.2**
Net debt	**227.2**	**155.0**	125.4	**-23.6**
Net debt to EBITDA(3)	**2.7x**	**2.0x**	1.8x	**-0.2x**
Operating profit	**28.6**	**27.8**	28.9	**-3.8**
Profit before tax	**24.3**	**24.7**	26.4	**-6.4**
Adjusted basic earnings per share(2)	**42.85p**	**43.67p**	42.11p	**+3.7**
Basic earnings per share	**38.16p**	**38.98p**	42.52p	**-8.3**
Interim dividend per share	**10.57p**	**10.57p**	9.97p	**+6.0**

All of the results above are from continuing operations.

(1) The 2019 results have been reported under IFRS 16. The 2018 comparatives have not been restated, as permitted by the accounting standard. The 2019 pre-IFRS 16 results, which are for comparative purposes only, have been presented on a non-statutory illustrative basis excluding the impact of IFRS 16.

(2) Reference to an "adjusted" item means that item has been adjusted to exclude non-underlying costs of £2.3 million (2018: non-underlying gains of £0.3 million) (see note 3).

(3) Net debt to EBITDA has been calculated based on the last 12 months' actual EBITDA, including the expected impact of IFRS 16 on 12 months of trading, based on the lease portfolio as at the date of transition.

PERFORMANCE HIGHLIGHTS

- Total revenue up 7.3% to £168.2 million, along with a 7.2% increase in adjusted pre-IFRS 16 EBITDA to a half-year high of £43.3 million
- Like-for-like sales growth of 1.1% in our premium, well-invested managed pub estate reflecting the challenging prior comparatives from the hottest English summer on record and England's FIFA World Cup performance
- Total adjusted pre-IFRS 16 operating profit up 5.2% to £30.1 million, with adjusted pre-IFRS 16 profit before tax also up, by 3.4% to £27.0 million
- Investment of £17.3 million during the period, including the freehold acquisition of the White Bear (Tunbridge Wells)
- The Redcomb pubs have been successfully integrated into the existing Young's estate and, after a build-up period, are performing in line with expectations
- Healthy cash generation reduced the year-end net debt position by £8.6 million to £155.0 million (pre-IFRS 16) - strong balance sheet with financial capacity for further investment
- 23rd consecutive year-on-year interim dividend increase, with a 6.0% rise to 10.57 pence per share
- Strong trading in the last thirteen weeks, with managed house revenue up 12.4% and up 5.1% on a like-for-like basis

Patrick Dardis, Chief Executive of Young's, commented:

"I am very pleased with the performance of our business during the first half of the year. In what was a challenging period up against tough comparatives, we continued to grow profits, make acquisitions, invest organically and increase the dividend: a reflection of the consistent execution of our strategy and the hard work of our teams throughout those six months.

The start of the half year was challenging as the poor and unpredictable weather was a far cry from last year's exceptional early summer sunshine. However, the summer Bank Holiday temperatures and late-September sunshine contributed to strong like-for-like sales growth in the second 13 weeks which helped to balance the first half, with like-for-like sales finishing up 1.1%.

We have added the White Bear, a freehold pub in Tunbridge Wells, into our managed house estate and continue to seek out the right opportunities in exciting new locations where we believe our premium offer will flourish.

Although the upcoming general election prolongs the unpredictability of the political environment, it does not change our approach or confidence in our winning strategy of running high-quality, well-invested premium pubs.

Our expectations for the full year remain unchanged and we remain confident in our ability to deliver long-term growth and sustainable superior investor returns."

For further information, please contact:

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INTERIM STATEMENT

I am very pleased with the performance of our business during the first half of the year. In what was a challenging period up against tough comparatives, we continued to grow profits, make acquisitions, invest organically and increase the dividend: a reflection of the consistent execution of our strategy and the hard work of our teams throughout those six months.

Total revenue growth for the 26 weeks was up 7.3% to £168.2 million, helped by our recent acquisition activity, which included the group of Redcomb pubs. These pubs are now fully integrated into the Young's estate where, after a build-up period, they are trading in line with expectations. The investment program we have planned for them will continue through to the end of 2020.

At our AGM trading update after the first 13 weeks, like-for-like sales were down by 2.1%. In what was a game of two halves, the start of the half year was challenging as the poor and unpredictable weather was a far cry from last year's exceptional early summer sunshine. However, the summer Bank Holiday temperatures and late-September sunshine contributed to strong like-for-like sales growth of 4.4% in the second 13 weeks.

For the period, like-for-like sales in our well-invested managed houses have finished ahead by 1.1%. We are pleased with this performance given last year's exceptional summer and the uplift from England's football success.

Ongoing investment has put, and will continue to put, pressure on our operating margins. Our adjusted operating profit was up 5.2% to £30.1 million, and adjusted profit before tax was up 3.4% to £27.0 million, when excluding the impact of IFRS 16. The impact of IFRS 16 increased our adjusted operating profit by £0.8 million to £30.9 million, whilst a further £1.2 million interest charge decreased adjusted profit before tax to £26.6 million.

During the period we welcomed Mike Owen, our new Chief Financial Officer, and Simon Dodd in the newly created role of Chief Operating Officer. These appointments strengthen our executive board and the business will benefit enormously from their respective skills, experience and industry knowledge.

In line with our progressive dividend policy, the board has decided to raise the interim dividend for the 23rd consecutive year, by 6.0%, to 10.57 pence per share. This is expected to be paid on 6 December 2019 to shareholders on the register at close of business on 22 November 2019.

BUSINESS REVIEW

MANAGED HOUSES

Total revenue was up 7.8%, by £11.7 million, reflecting our active investment over the past 18 months. Our managed house division, now totalling 200 managed houses (including 30 hotels), was up from 182 for the same period last year. On a like-for-like basis, managed sales were up by 1.1%.

Despite the challenging prior period comparatives and ongoing cost pressures, adjusted operating profits for our managed houses increased, up by 4.2% to £37.2 million. Including the impact of IFRS 16, our managed house adjusted operating profit rose to £38.0 million.

Overall total drink sales were up 6.4%, or 0.7% on a like-for-like basis. Last year's record summer temperatures had the greatest benefit on drink sales as our garden and riverside pubs provided the perfect setting. With the indifferent weather this year, the comparatives were always going to pose a challenge, which was reflected in a 6.6% decline in like-for-like draught lager volumes.

Whereas last year it was the traditional summer drinks such as Pimm's, rosé wine and draught lager that were our best sellers, those more suited to cooler temperatures were well placed to reap the benefits this year. Red wine was the strongest performer of all wine categories, with sales up by 7.9%, and from our draught range, the winner was Guinness with outstanding growth of 18.4%.

Encouragingly, our sales of cask ale have improved, reversing the recent downward trend and ending the period with growth of 1.7%. Ahead of autumn, we have completed the rebranding of our much-loved Young's beers, including the renamed Young's Original; this extended to new livery on Young's dray lorries, further endorsing our famous brands throughout our heartland.

Food sales outperformed drink for the period, with like-for-like sales ahead of last summer by 1.9%, and up 10.6% in total. Given the cooler weather, Sunday food sales were the main growth area, up by 6.2%, as our range of new sharing roasts and seasonal vegetarian options have continued to enhance the ultimate roast experience. Our summer roadshows looked to reinvigorate the outdoor barbecue offer that sits alongside our Burger Shacks, concentrating on the lighter, healthier dishes. Recognising the need to provide greater variety on our menus for non-meat options, we have introduced dishes such as vegan fish and chips.

Our food strategy remains unchanged, focusing on premium quality and the delivery of our five core classics whilst ensuring that fresh, seasonal and locally sourced British ingredients remain at the core of the dishes we serve. In recognition of our efforts, we have been awarded a best in class three-star rating from the Sustainable Restaurant Association and were also nominated for two awards that celebrate the seasonal, local and responsible sourcing of our produce.

Accommodation sales were up 12.9% in total, reflecting the increase in our room stock, up by 88 rooms compared with the same period last year. On a like-for-like basis, accommodation sales increased by 1.4%, with RevPAR up £1.63 to £68.43. We now have 668 rooms in the estate.

In the second half of the year, there is planned investment to upgrade the rooms at a number of hotels acquired last year, including the Plantation (Poole), Station Hotel (Hither Green) and Worplesdon Place (Guildford).

Investment in our managed houses during the first six months of the year increased slightly to £15.4 million despite a quiet period on the acquisition front. In April, we opened the Depot (Kidbrooke Village), the latest pub in partnership with Berkeley Homes, and the New Inn (Ealing), which transferred in from the Ram Pub Company.

Towards the end of the period we also added the White Bear, a premium freehold pub in Tunbridge Wells. Previously a high street restaurant, the pub has been thoughtfully transformed into a fashionable oasis, designed to bring the outside in through its unique secret garden. This latest addition to the managed estate is a testament to our acquisition strategy, and we continue to be open to the right opportunities in exciting new locations where we believe our premium offer will flourish.

Following their acquisition in March 2018 and significant recent investments, we are now starting to see the benefits of the Bridge (Chertsey) and the Park (Teddington), with both trading strongly at the top end of our estate.

Elsewhere, major projects have been completed at the Adam & Eve (Oxford Circus), Duchess of Kent (Islington), Guinea (Mayfair), Riverside (Vauxhall), Waterfront (Wandsworth) and the White Hart (Barnes). Of the Redcomb pubs, there was an investment at the Manor Arms (Streatham) which re-opened in September, featuring the botanical themed 'Kite Room', a metropolitan haven for diners and drinkers. Development work also continues at the Dog & Fox (Wimbledon Village) where the first phase of the Coach House, our new function space, is on track to open for Christmas. The final phase, which includes 11 new hotel rooms, will be completed in the last quarter of the financial year.

There were two disposals during the period, as we exited the tied leases at the Builder's Arms (Chelsea), a pub with Enterprise Inns, and the Alphabet (Islington), a pub leased from Star Pubs & Bars.

THE RAM PUB COMPANY

It was a challenging period for our tenanted division competing against the tough comparatives posed by the highs of the football World Cup last summer, reflected by a 1.6% decline in like-for-like sales.

At the start of the financial year the New Inn (Ealing) transferred to our managed houses, taking the estate of pubs to 69, resulting in a decline to total sales of 4.5%, or £0.3 million.

Adjusted pre-IFRS 16 operating profits were down by £0.2 million, to £2.3 million, and down by £0.1 million on a like-for-like basis. Under IFRS 16, adjusted operating profits for the Ram Pub Company were £2.4 million.

Continued investment in the Ram Pub Company is vitally important to ensure our pubs are maintained to a high standard in order to attract and retain tenants. During the period, we therefore invested in the Black Lion (Surbiton), Railway Telegraph (Thornton Heath) and the Two Doves (Bromley).

The flagship project at the Ram Inn (Wandsworth), on the corner of the old brewery site, was completed in October. This exciting development features a traditional bar opening out onto the bustling high street, and on the first floor, an indoor garden equipped with two shuffle-board lanes and a taco truck.

FINANCE

Strong revenue growth has resulted in our adjusted earnings per share rising 3.7% to 43.67 pence. On a post-IFRS 16 basis, our adjusted earnings per share was 42.85 pence.

In the period, adjusting items, previously referred to as exceptional items, totalled a cost of £2.3 million, compared with a gain of £0.3 million last year. In line with our strategy of investing for future growth, £1.8 million related to acquisition costs and tenant compensation, including the White Bear (Tunbridge Wells) and the New Inn (Ealing). There was a £0.5 million loss on disposal for the Builder's Arms (Chelsea), a former Geronimo pub, where the lease expired in the period, and the Alphabet (Islington).

Our premium, well-invested, asset-backed estate and relatively low debt levels resulted in us having one of the lowest gearing ratios in the industry at 25.7% (April 2019: 27.6%) on a pre-IFRS 16 basis, providing the financial headroom for future opportunities. The recent increase in M&A activity in the pub sector is evidence that desirable locations are still well sought after and pub property values see no sign of falling. Net debt has come down to £155.0 million (April 2019: £163.6 million) on a pre-IFRS 16 basis; with our record half-year adjusted EBITDA, our net debt as a multiple of the last 12 months' adjusted EBITDA has now reduced to 2.0 times (April 2019: 2.2 times), likewise on a pre-IFRS 16 basis.

Under IFRS 16, the new leasing standard, there is no change to our overall operating strategy nor impact on net cash generation. The reallocation between operating costs and financing activities has increased our adjusted operating profit by £0.8 million, with an increase to our finance charge of £1.2 million, giving a negative impact of £0.4 million to adjusted profit before tax. However, due to the additional £72.2 million of lease liabilities recognised under IFRS 16, our net debt increased to £227.2 million. Using the projected full year impact of IFRS 16 and the last 12 months' adjusted EBITDA, our revised net debt to EBITDA multiple increased to 2.7 times. This change in accounting standard does not affect our ability to meet our banking covenants.

Since the year-end, corporate bond yields, the rate at which our pension liabilities are discounted, have decreased, leading to an increase in our retirement benefit deficit by £4.4 million to £13.0 million. We remain committed to making additional contributions over the coming years to help address this.

Our balance sheet strength and healthy cash generation have allowed us to increase the interim dividend, for the 23rd consecutive time. The dividend will increase by 6.0% to 10.57 pence per share and is expected to be paid on 6 December 2019 to shareholders on the register at close of business on 22 November 2019.

CURRENT TRADING AND OUTLOOK

Recent trading has been strong, with total sales for the past thirteen weeks up 12.4% and up 5.1% on a like-for-like basis demonstrating the strength of our underlying growth.

During October, key weekend trading days were dominated by heavy rain. Although we saw an uplift from the knockout stages of the Rugby World Cup with England's successful run to the final, there will be an impact on the coming weeks in our heartland due to the lack of autumn rugby internationals at Twickenham Stadium.

In the second half of the year we will see further benefit from the Redcomb pubs through Christmas until the acquisition annualises at the end of January. Investment is planned in the final quarter at the Bickley (Chislehurst), Carnarvon Arms (Newbury) and Worplesdon Place (Guildford), setting them up perfectly for the new financial year. The New Inn (Ealing), which we transferred from the Ram Pub Company earlier this year, will also undergo major investment, opening in Spring 2020.

Following another period of intense Brexit debate and the passing of yet another exit deadline, the impact that this political and economic uncertainty has had on consumer confidence cannot be underestimated. We hope that the upcoming general election will bring an end to the current paralysis at Westminster. However, its timing at the start of our busiest time of year, just as the Christmas party season kicks into full swing, is far from perfect. Although this prolongs the unpredictability of the political environment, it does not change our approach or confidence in our winning strategy of running high-quality, well-invested premium pubs.

Our expectations for the full year are unchanged and we remain confident in our ability to deliver long-term growth and sustainable superior investor returns.

Patrick Dardis
Chief Executive
13 November 2019

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

Introduction

We have been engaged by the company to review the condensed set of financial statements in the interim report for the 26 weeks ended 30 September 2019 which comprises the group income statement, the group statement of comprehensive income, the group balance sheet, the group statement of changes in equity, the group statement of cash flow and the related explanatory notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with AIM Rules issued by the London Stock Exchange which require that it is presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with IFRS's as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with AIM Rules issued by the London Stock Exchange.

Our Responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report for the 26 weeks ended 30 September 2019 is not prepared, in all material respects, in accordance with the accounting policies outlined in note 1, which comply with IFRS's as adopted by the European Union, and in accordance with AIM Rules issued by the London Stock Exchange.

Ernst & Young LLP
London
13 November 2019

Group income statement

For the 26 weeks ended 30 September 2019

	Notes	**Unaudited 26 weeks to 30 Sep 2019 £m**	Unaudited 26 weeks to 1 Oct 2018 £m	Audited 52 weeks to 1 Apr 2019 £m
Revenue	2	**168.2**	156.8	303.7
Operating costs before adjusting items		**(137.3)**	(128.2)	(255.2)
Adjusted operating profit	2	**30.9**	28.6	48.5
Operating adjusting items	3	**(2.3)**	0.3	(3.9)
Operating profit		**28.6**	28.9	44.6
Finance costs		**(4.2)**	(2.4)	(5.0)
Other finance charge	9	**(0.1)**	(0.1)	(0.1)
Profit before tax		**24.3**	26.4	39.5
Taxation	4	**(5.6)**	(5.6)	(8.0)
Profit for the period attributable to shareholders of the parent company		**18.7**	20.8	31.5
		Pence	Pence	Pence
Earnings per 12.5p ordinary share				
Basic	5	**38.16**	42.52	64.36
Diluted	5	**38.13**	42.48	64.31

The results and earnings per share measures above are all from continuing operations.

Group statement of comprehensive income

For the 26 weeks ended 30 September 2019

	Notes	**Unaudited 26 weeks to 30 Sep 2019 £m**	Unaudited 26 weeks to 1 Oct 2018 £m	Audited 52 weeks to 1 Apr 2019 £m
Profit for the period		**18.7**	20.8	31.5
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Unrealised gain on revaluation of property		**-**	-	25.3
Remeasurement of retirement benefit schemes	9	**(4.9)**	1.2	(1.2)
Tax on above components of other comprehensive income	4	**0.9**	(0.1)	(3.2)
Items that will be reclassified subsequently to profit or loss:				
Fair value movement of interest rate swaps		**(0.2)**	0.9	0.5
Tax on fair value movement of interest rate swaps	4	**0.1**	(0.1)	(0.1)
		(4.1)	1.9	21.3
Total comprehensive income attributable to shareholders of the parent company		**14.6**	22.7	52.8

Group balance sheet

At 30 September 2019

	Notes	**Unaudited at 30 Sep 2019 £m**	Unaudited at 1 Oct 2018 £m	Audited at 1 Apr 2019 £m
Non-current assets				
Goodwill and intangible assets		**29.2**	20.9	33.5
Property and equipment	8	**755.0**	744.1	807.0
Right-of-use asset	1	**145.4**	-	-
Deferred tax assets		**8.3**	6.3	7.4
Lease premiums		**-**	13.3	12.9
		937.9	784.6	860.8
Current assets				
Inventories		**3.9**	3.3	3.7
Trade and other receivables		**8.8**	9.0	8.3
Lease premiums		**-**	0.7	0.7
Cash		**9.3**	6.4	8.5
		22.0	19.4	21.2
Total assets		**959.9**	804.0	882.0
Current liabilities				
Borrowings		**-**	(9.5)	(8.5)
Lease liability	1	**(5.0)**	-	-
Derivative financial instruments		**(2.1)**	(1.9)	(1.9)
Trade and other payables		**(33.2)**	(31.2)	(35.9)
Income tax payable		**(6.1)**	(6.2)	(4.8)
		(46.4)	(48.8)	(51.1)
Non-current liabilities				
Borrowings		**(163.7)**	(122.3)	(163.6)
Lease liability	1	**(67.8)**	-	-
Derivative financial instruments		**(4.2)**	(3.9)	(4.2)
Deferred tax liabilities		**(60.5)**	(55.6)	(60.6)
Retirement benefit schemes	9	**(13.0)**	(4.3)	(8.6)
Other liabilities		**(0.3)**	(1.1)	(0.5)
		(309.5)	(187.2)	(237.5)
Total liabilities		**(355.9)**	(236.0)	(288.6)
Net assets		**604.0**	568.0	593.4
Capital and reserves				
Share capital	10	**6.1**	6.1	6.1
Share premium	10	**7.4**	6.7	6.7
Capital redemption reserve		**1.8**	1.8	1.8
Hedging reserve		**(4.9)**	(4.4)	(4.8)
Revaluation reserve		**295.2**	273.4	295.1
Retained earnings		**298.4**	284.4	288.5
Total equity		**604.0**	568.0	593.4

Group statement of changes in equity

For the 26 weeks ended 30 September 2019

	Notes	Share capital and premium £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2019		**12.8**	**1.8**	**(4.8)**	**295.1**	**288.5**	**593.4**
Impact of IFRS 16 transition	1	-	-	-	-	0.4	0.4
Restated at 2 April 2019		**12.8**	**1.8**	**(4.8)**	**295.1**	**288.9**	**593.8**
Total comprehensive income							
Profit for the 26 week period		-	-	-	-	18.7	18.7
Other comprehensive income							
Remeasurement of retirement benefit schemes	9	-	-	-	-	(4.9)	(4.9)
Fair value movement of interest rate swaps		-	-	(0.2)	-	-	(0.2)
Tax on above components of other comprehensive income	4	-	-	0.1	0.1	0.8	1.0
Total comprehensive income		-	-	(0.1)	0.1	14.6	14.6
Transactions with owners recorded directly in equity							
Issued equity	10	0.7	-	-	-	-	0.7
Dividends paid on equity shares		-	-	-	-	(5.3)	(5.3)
Share based payments		-	-	-	-	0.1	0.1
Movement in shares held by Ram Brewery Trust II		-	-	-	-	0.2	0.2
Tax on share based payments		-	-	-	-	(0.1)	(0.1)
		0.7	-	-	-	(5.1)	(4.4)
At 30 September 2019		**13.5**	**1.8**	**(4.9)**	**295.2**	**298.4**	**604.0**
At 2 April 2018		**11.8**	**1.8**	**(5.2)**	**273.3**	**267.5**	**549.2**
Total comprehensive income							
Profit for the 26 week period		-	-	-	-	20.8	20.8
Other comprehensive income							
Remeasurement of retirement benefit schemes	9	-	-	-	-	1.2	1.2
Fair value movement of interest rate swaps		-	-	0.9	-	-	0.9
Tax on above components of other comprehensive income	4	-	-	(0.1)	0.1	(0.2)	(0.2)
Total comprehensive income		-	-	0.8	0.1	21.8	22.7
Transactions with owners recorded directly in equity							
Issued equity	10	1.0	-	-	-	-	1.0
Dividends paid on equity shares		-	-	-	-	(5.0)	(5.0)
Share based payments		-	-	-	-	0.1	0.1
		1.0	-	-	-	(4.9)	(3.9)
At 1 October 2018		**12.8**	**1.8**	**(4.4)**	**273.4**	**284.4**	**568.0**

Group statement of cash flow

For the 26 weeks ended 30 September 2019

	Notes	**Unaudited 26 weeks to 30 Sep 2019 £m**	Unaudited 26 weeks to 1 Oct 2018 £m	Audited 52 weeks to 1 Apr 2019 £m
Operating activities				
Net cash generated from operations	7	**42.2**	38.6	69.2
Tax paid		**(4.5)**	(4.0)	(9.2)
Net cash flow from operating activities		**37.7**	34.6	60.0
Investing activities				
Disposal of property and equipment		**0.1**	1.2	1.3
Purchases of property, equipment and lease premiums[1]	8	**(14.4)**	(13.5)	(33.9)
Business combinations, net of cash acquired	8	**(2.9)**	-	(25.3)
Net cash used in investing activities		**(17.2)**	(12.3)	(57.9)
Financing activities				
Issued equity		**-**	0.2	0.3
Interest paid		**(3.0)**	(2.3)	(5.1)
Equity dividends paid		**(5.3)**	(5.0)	(9.9)
Capital repayment of lease liability		**(3.9)**	-	-
Repayments of amounts borrowed		**(42.5)**	(16.0)	(12.1)
Proceeds from borrowing		**35.0**	-	26.0
Net cash flow used in financing activities		**(19.7)**	(23.1)	(0.8)
Increase/(decrease) in cash		**0.8**	(0.8)	1.3
Cash at the beginning of the period		**8.5**	7.2	7.2
Cash at the end of the period		**9.3**	6.4	8.5

(1) In the current period, in accordance with IFRS 16, there were no investments in lease premiums.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTS

This interim report was approved by the board on 13 November 2019. The interim financial statements are unaudited and are not the group's statutory accounts as defined in s. 434 of the Companies Act 2006.

The consolidated interim financial statements have been prepared under IFRS's as adopted by the European Union, and on the basis of the accounting policies set out in the statutory accounts of Young & Co.'s Brewery, P.L.C. for the period ended 1 April 2019 other than the adoption of the new accounting standard and amendment to the accounting policy set out below. The financial statements have not been prepared (and are not required to be prepared) in accordance with IAS 34: 'Interim Financial Reporting', with the exception of note 4, taxation, where the tax charge for the half year to 30 September 2019 has been calculated using an estimate of the full year effective tax rate, in line with the principles of IAS 34. The accounting policies have been applied consistently throughout the group for the purposes of preparation of this financial information.

The interim report is presented in pounds sterling and all values are shown in millions of pounds (£m) rounded to the nearest £0.1m, except where otherwise indicated.

Statutory accounts for the period ended 1 April 2019 have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain any reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report. Further, that report did not contain a statement under s. 498(2) or (3) of the Companies Act 2006 (adequate accounting records not kept, returns inadequate, accounts not agreeing with records and returns, or failure to obtain necessary information and explanations).

This interim report has been prepared in accordance with the AIM Rules for companies issued by the London Stock Exchange.

Amendments to accounting policies

The group has adopted the following change in accounting policy during the period:

Adjusting items (previously referred to as exceptional items) are separately disclosed to draw the attention of the reader of the financial statements to them. This is due either to their material and non-recurring nature or that, in management's judgement, they are required to be disclosed separately in order to 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. Prior period comparatives have not been impacted by the change in accounting policy.

New accounting standards

The group has adopted the following new standard during the period:

IFRS 16: 'Leases', which replaced IAS 17, was effective for the financial period that started on 2 April 2019. IFRS 16 removed the distinction between operating leases and finance leases for the lessee and resulted in most leases being recognised on the balance sheet as a lease liability and a right-of-use asset. The group has applied the modified retrospective method of adoption; under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised in retained earnings at the date of initial application, being 2 April 2019.

The group has considered its entire lease portfolio which relates to land, buildings, vehicles and IT equipment. Before the adoption of IFRS 16, the group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all the risks and rewards incidental to ownership of the leased asset to the group; otherwise it was classified as an operating lease. There is no change to lessor accounting.

For leases previously classified as operating leases, the leased property was not previously capitalised and the lease payments were recognised as rent expense in the income statement on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under prepayments and trade and other payables, respectively. Lease premiums paid on inception of a new lease were capitalised and amortised over the length of the lease. Under IFRS 16, the group has recognised a new lease liability equal to the present value of the remaining lease payments discounted using an incremental borrowing rate. A right-of-use asset has been recognised equal to the lease liability, adjusted for any initial direct costs, prepaid and accrued lease payments and any lease premiums. The income statement now includes a depreciation charge for the right-of-use asset and an interest expense on the lease liability. This replaces the previous cost incurred for operating leases that were expensed within operating expenses on a straight-line basis over the term of the lease. Variable lease payments, where the group's lease expense is linked to turnover or other performance criteria, continue to be recognised as rent within operating expenses.

For leases previously classified as finance leases, the leases were capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. Under IFRS 16, the finance lease liability and capitalised value of the lease assets have been derecognised with, instead, a new lease liability being recognised equal to the present value of the remaining lease payments discounted using an incremental borrowing rate. Again, a right-of-use asset has been recognised equal to the lease liability adjusted for any initial direct costs, prepaid and accrued lease payments. The right-of-use asset has further been adjusted by the fair value of the lease assets, previously capitalised within property and equipment, which is deemed to be the cost.

The group has applied the following practical expedients permitted under the modified retrospective approach:

- Excluded leases for measurement and recognition for leases where the term ends within 12 months from the date of initial application;
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately prior to the date of initial application as an alternative to performing an impairment review, and adjusted the right-of-use asset accordingly on transition; and
- Used hindsight to determine the lease term if the contract contains options to extend or terminate.

Judgements and estimates
IFRS 16 requires certain judgements and estimates to be made. The most significant of these relate to the following:

- The discount rate used in the calculation of the lease liability, which involves estimation. Discount rates are calculated by categorising leases into portfolios with similar characteristics and applying a single discount rate to each portfolio. This is based on estimates of the incremental borrowing rates, dependent on the nature of the lease terms and the lease conditions. The weighted average incremental borrowing rate applied at the date of transition was 3.4%.
- IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. Where a lease includes the option for the group to terminate the lease term, the group makes a judgement as to whether it is reasonably certain that the option will be taken. This will take into account the length of time remaining before the option is exercisable, current trading, future trading forecasts as to the ongoing profitability of the asset, and the level and type of planned future capital investment.

Impact on transition
The lease liabilities as at 2 April 2019 can be reconciled to the operating lease commitments as of 1 April 2019 as follows:

	£m
Minimum lease payments under operating leases at 1 April 2019	**(120.3)**
Weighted average incremental borrowing rate at 2 April 2019	3.4%
Discounted lease commitments at 2 April 2019	**(87.8)**
Less:	
Adjustment in respect of variable lease payments	4.2
Adjustment in respect of outstanding rent reviews	5.7
Adjustment in respect of different treatment of termination options and other changes	4.5
Add:	
Commitments relating to leases previously classified as finance leases	(1.2)
Lease liability recognised as at 2 April 2019	**(74.6)**

Of which:	
Current lease liabilities	**(5.0)**
Non-current lease liabilities	**(69.6)**
Lease liability recognised as at 2 April 2019	**(74.6)**

The cumulative impact of the changes made to the group balance sheet as at 2 April 2019 for the adoption of IFRS 16 is summarised as follows:

	Pre-IFRS 16 at 1 April 2019 £m	**IFRS 16 adjustment £m**	**Post-IFRS 16 at 2 April 2019 £m**
Non-current assets			
Goodwill and intangible assets(1)	33.5	(3.9)	29.6
Property and equipment	807.0	(56.5)	750.5
Right-of-use asset	-	148.2	148.2
Lease premium	12.9	(12.9)	-
Other non-current assets	7.4	-	7.4
Total non-current assets	**860.8**	**74.9**	**935.7**
Current assets			
Lease premium	0.7	(0.7)	-
Trade and other receivables	8.3	(1.3)	7.0
Other current assets	12.2	-	12.2
Total current assets	**21.2**	**(2.0)**	**19.2**
Current liabilities			
Lease liability	-	(5.0)	(5.0)
Trade and other payables	(35.9)	1.3	(34.6)
Other current liabilities	(15.2)	-	(15.2)
Total current liabilities	**(51.1)**	**(3.7)**	**(54.8)**
Non-current liabilities			
Lease liability	(0.6)	(69.0)	(69.6)
Provisions and deferred income	(0.5)	0.2	(0.3)
Other non-current liabilities	(236.4)	-	(236.4)
Total non-current liabilities	**(237.5)**	**(68.8)**	**(306.3)**
Net assets	**593.4**	**0.4**	**593.8**
Net debt	**(163.6)**	**(74.0)**	**(237.6)**
Equity			
Retained earnings	288.5	0.4	288.9
Other equity accounts	304.9	-	304.9
Total equity	**593.4**	**0.4**	**593.8**

(1) The £3.9 million transition adjustment related to the transfer of operating lease intangible assets into the right-of-use asset. There was no impact on goodwill.

Amounts recognised in the balance sheet and income statement

Set out below are the carrying amounts of the group's right-of-use asset and lease liability and the movements during the period:

	Right-of-use asset £m	Lease liability £m
As at 2 April 2019	**148.2**	**(74.6)**
Lease additions and modifications	0.9	(0.9)
Depreciation expense	(3.7)	-
Interest expense	-	(1.2)
Capital repayment	-	3.9
As at 30 September 2019	**145.4**	**(72.8)**

Summary of new IFRS 16 accounting policies

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

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

In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2. SEGMENTAL REPORTING

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

The group has two operating segments: managed houses and Ram Pub Company. The managed house segment operates pubs. Revenue is derived from sales of drink, food and accommodation. The Ram Pub Company consists of pubs owned or leased by the company and leased or subleased to third parties. Revenue is derived from rents payable by, and sales of drink made to, tenants. Unallocated relates to head office income and costs and unlicensed properties.

	26 weeks to 30 Sep 2019 £m	26 weeks to 1 Oct 2018 £m	52 weeks to 1 Apr 2019 £m
Managed houses	**161.3**	149.6	289.7
Ram Pub Company	**4.7**	5.1	9.7
Revenue recognised under contracts with customers	**166.0**	154.7	299.4
Managed houses	**0.3**	0.3	0.6
Ram Pub Company	**1.7**	1.6	3.3
Rental income	**2.0**	1.9	3.9
Unallocated income	**0.2**	0.2	0.4
Total revenue	**168.2**	156.8	303.7
Operating profit before adjusting items			
Managed houses	**38.0**	35.7	61.5
Ram Pub Company	**2.4**	2.5	5.0
Adjusted operating profit before unallocated expense	**40.4**	38.2	66.5
Unallocated expense	**(9.5)**	(9.6)	(18.0)
Adjusted operating profit	**30.9**	28.6	48.5
Operating adjusting items			
Managed houses	**(2.2)**	-	(0.9)
Ram Pub Company	**-**	0.3	(0.5)
Unallocated	**(0.1)**	-	(2.5)
Operating profit	**28.6**	28.9	44.6
Finance costs	**(4.2)**	(2.4)	(5.0)
Other finance charge	**(0.1)**	(0.1)	(0.1)
Profit before tax	**24.3**	26.4	39.5

£0.2 million of unallocated income (2018: £0.2 million) is rental income derived from unlicensed properties.

3. ADJUSTING ITEMS AND OTHER FINANCIAL MEASURES

	26 weeks to 30 Sep 2019 £m	26 weeks to 1 Oct 2018 £m	52 weeks to 1 Apr 2019 £m
Amounts included in operating profit			
(Loss)/profit on disposal of properties[1]	**(0.5)**	0.3	0.4
Tenant compensation[2]	**(1.5)**	-	(0.5)
Acquisition costs[3]	**(0.3)**	-	(1.2)
Upward movement on the revaluation of properties (note 8)[4]	**-**	-	3.4
Downward movement on the revaluation of properties (note 8)[4]	**-**	-	(3.5)
Guaranteed minimum pension equalisation (note 9)[5]	**-**	-	(2.5)
	(2.3)	0.3	(3.9)
Tax on adjusting items			
Tax attributable to adjusting items	**-**	(0.1)	0.1
Total adjusting items after tax	**(2.3)**	0.2	(3.8)

(1) The loss on disposal of properties related to the difference between cash, less disposal costs, received from the lease expiry of the Builder's Arms (Chelsea) and the termination of the lease of the Alphabet (Islington) and the carrying value of their assets, including goodwill, at the dates of disposal. During the previous 52 week period to 1 April 2019, the profit on sales of properties related to the difference between cash, less selling costs, received from the sales of the King's Arms (Mitcham) and the William IV (Redhill) and the carrying value of their assets at the dates of sale.

(2) During the period, the group paid £1.5 million to the previous tenants of the White Bear (Tunbridge Wells), New Inn (Ealing) and an unlicensed property (Wandsworth) to terminate their lease agreements early. During the previous 52 week period to 1 April 2019, tenant compensation of £0.5 million was paid to the previous tenants of the Bear (Cobham) and the Bayee Village (Wimbledon Village) to terminate their lease agreements early.

(3) The acquisition costs related to professional fees and stamp duty land tax arising on the acquisition of the White Bear (Tunbridge Wells). During the previous 52 week period to 1 April 2019, the acquisition costs related to the purchase of Redcomb Pubs, a corporate group with 15 sites acquired on 23 January 2019, along with the People's Park Tavern (Hackney) and the Plantation (Poole).

(4) The upward movement on the revaluation of properties in the previous 52 week period to 1 April 2019 related to a reversal of previous downward valuations in the income statement. The downward movement on the revaluation of properties related to the impairment charge.

(5) The Guaranteed Minimum Pension ('GMP') cost in the previous 52 week period to 1 April 2019 related to the minimum pension which a UK occupational pension scheme must provide for those employees who were contracted out of the State Earnings-Related Pensions Scheme between 6 April 1978 and 5 April 1997. Following the ruling of the High Court of Justice of England and Wales on 26 October 2018, the need to equalise the effect of differences in GMPs between males and females was made more certain and consequently an allowance for the effect of GMP equalisation was made in the prior financial period. Although a number of methodologies could be used to determine the impact, the group adopted method C2 to identify its best estimate of the additional liabilities. The GMP equalisation amount was charged as a past service cost in the income statement as an exceptional item since the liabilities related to employee service between 1990 and 1997 and it has no link to current business performance.

Other financial measures

The table below shows how adjusted group EBITDA, operating profit and profit before tax have been arrived at. These alternative performance measures have been provided as the board believes that they give useful additional measures of the group's underlying performance.

	26 weeks to 30 Sep 2019 post-IFRS 16 £m	26 weeks to 30 Sep 2019 pre-IFRS 16 illustrative £m[1]	26 weeks to 1 Oct 2018 pre-IFRS 16 £m	52 weeks to 1 Apr 2019 pre-IFRS 16 £m
Profit before tax	**24.3**	24.7	26.4	39.5
Operating adjusting items	**2.3**	2.3	(0.3)	3.9
Adjusted profit before tax	**26.6**	27.0	26.1	43.4
Net finance costs	**4.2**	3.0	2.4	5.0
Other finance charges	**0.1**	0.1	0.1	0.1
Adjusted operating profit	**30.9**	30.1	28.6	48.5
Depreciation and amortisation	**16.3**	13.2	11.8	24.3
Adjusted EBITDA	**47.2**	43.3	40.4	72.8

(1) The 2019 results have been reported under IFRS 16. The 2018 comparatives have not been restated, as permitted by the accounting standard. The 2019 pre-IFRS 16 results, which are for comparative purposes only, have been presented on a non-statutory illustrative basis excluding the impact of IFRS 16.

4. TAXATION

The taxation charge for the 26 weeks ended 30 September 2019 has been calculated by applying an estimate of the effective tax rate before adjusting items for the 52 weeks ending on 30 March 2020 of 21.1% (2019: 21.1%).

Tax charged in the group income statement	**26 weeks to 30 Sep 2019 £m**	26 weeks to to 1 Oct 2018 £m	52 weeks to to 1 Apr 2019 £m
Current tax			
Corporation tax expense	**5.9**	5.9	9.3
Adjustment in respect of current tax of prior periods	**(0.1)**	-	(0.4)
	5.8	5.9	8.9
Deferred tax			
Origination and reversal of temporary differences	**(0.3)**	(0.3)	(0.9)
Adjustment in respect of prior periods	**0.1**	-	-
	(0.2)	(0.3)	(0.9)
Tax charge in the income statement	**5.6**	5.6	8.0
Deferred tax in the group income statement			
Property revaluation and disposals	**(0.1)**	-	(0.1)
Retirement benefit schemes	**0.1**	0.1	(0.2)
Capital allowances	**(0.4)**	(0.5)	(0.5)
Share based payments	**0.2**	0.1	0.1
Trade losses	**-**	-	(0.2)
Tax (credit) in the income statement	**(0.2)**	(0.3)	(0.9)
Deferred tax in the group statement of comprehensive income			
Interest rate swaps	**(0.1)**	0.1	0.1
Retirement benefit schemes	**(0.8)**	0.2	(0.3)
Property revaluation and disposals	**(0.1)**	(0.1)	3.5
Tax (credit)/charge in other comprehensive income	**(1.0)**	0.2	3.3

The reduction in the headline rate of corporation tax from 19% to 17% applicable from 1 April 2020 was substantively enacted on 15 September 2016. Accordingly, the deferred tax balances have been measured at 17%.

5. EARNINGS PER ORDINARY SHARE

(a) Earnings

	26 weeks to 30 Sep 2019 post-IFRS 16	26 weeks to 30 Sep 2019 pre-IFRS 16 illustrative	26 weeks to 1 Oct 2018 pre-IFRS 16	52 weeks to 1 April 2019 pre-IFRS 16
	£m	£m(1)	£m	£m
Profit for the period	**18.7**	19.1	20.8	31.5
Operating adjusting items	**2.3**	2.3	(0.3)	3.9
Tax attributable to above adjustments	**-**	-	0.1	(0.1)
Adjusted earnings after tax	**21.0**	21.4	20.6	35.3

	Number	Number	Number	Number
Basic weighted average number of ordinary shares in issue	**49,003,822**	49,003,822	48,919,596	48,941,761
Dilutive potential ordinary shares from outstanding employee share options	**41,744**	41,744	50,343	41,753
Diluted weighted average number of shares	**49,045,566**	49,045,566	48,969,939	48,983,514

(b) Basic earnings per share

	Pence	Pence(1)	Pence	Pence
Basic	**38.16**	38.98	42.52	64.36
Effect of adjusting items	**4.69**	4.69	(0.41)	7.77
Adjusted basic	**42.85**	43.67	42.11	72.13

(c) Diluted earnings per share

	Pence	Pence(1)	Pence	Pence
Diluted	**38.13**	38.94	42.48	64.31
Effect of adjusting items	**4.69**	4.69	(0.41)	7.76
Adjusted diluted	**42.82**	43.63	42.07	72.07

(1) The 2019 results have been reported under IFRS 16. The 2018 comparatives have not been restated, as permitted by the accounting standard. The 2019 pre-IFRS 16 results, which are for comparative purposes only, have been presented on a non-statutory illustrative basis excluding the impact of IFRS 16.

The basic earnings per share figure is calculated by dividing the net profit for the period attributable to equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share have been calculated on a similar basis taking into account 41,744 (2018: 50,343) dilutive potential shares under the group's savings-related share option scheme.

Adjusted earnings per share are presented to eliminate the effect of the adjusting items on basic and diluted earnings per share.

6. DIVIDENDS ON EQUITY SHARES

	26 weeks to 30 Sep 2019 Pence	26 weeks to 1 Oct 2018 Pence	52 weeks to 1 Apr 2019 Pence
Final dividend (previous period)	**10.81**	10.20	10.20
Interim dividend (current period)	**-**	-	9.97
	10.81	10.20	20.17

The table above sets out dividends that have been paid. The interim dividend, in respect of the period ended 30 September 2019, of 10.57 pence per share at a cost of £5.2 million is expected to be paid on 6 December 2019 to shareholders on the register at the close of business on 22 November 2019.

7. NET CASH GENERATED FROM OPERATIONS AND ANALYSIS OF NET DEBT

	26 weeks to 30 Sep 2019 £m	26 weeks to 1 Oct 2018 £m	52 weeks to 1 Apr 2019 £m
Profit before tax	**24.3**	26.4	39.5
Finance costs	**4.2**	2.4	5.0
Other finance charge	**0.1**	0.1	0.1
Operating profit	**28.6**	28.9	44.6
Depreciation of property and equipment	**12.6**	11.4	23.4
Amortisation of lease premiums	**-**	0.4	0.9
Depreciation of right-of-use asset	**3.7**	-	-
Movement on the revaluation of property	**-**	-	0.1
Net loss/(profit) on disposal of property	**0.5**	(0.3)	(0.4)
Guaranteed minimum pension equalisation	**-**	-	2.5
Movement in other provisions	**-**	(0.1)	(0.7)
Difference between pension service cost and cash contributions paid	**(0.6)**	(0.7)	(1.3)
Share based payments	**0.1**	0.1	0.3
Movements in working capital			
- Inventories	**(0.2)**	(0.3)	(0.4)
- Receivables	**(1.9)**	(2.0)	2.4
- Payables	**(0.6)**	1.2	(2.2)
Net cash generated from operations	**42.2**	38.6	69.2

Analysis of group net debt

	At 30 Sep 2019 post-IFRS 16 £m	At 30 Sep 2019 pre-IFRS 16 illustrative £m[1]	At 1 Oct 2018 pre-IFRS 16 £m	At 1 Apr 2019 pre-IFRS 16 £m
Cash	**9.3**	9.3	6.4	8.5
Current borrowings and loan capital	**-**	-	(9.5)	(8.5)
Current lease liability	**(5.0)**	-	-	-
Non-current borrowings and loan capital	**(163.7)**	(164.3)	(122.3)	(163.6)
Non-current lease liability	**(67.8)**	-	-	-
Net debt	**(227.2)**	(155.0)	(125.4)	(163.6)

(1) The 2019 results have been reported under IFRS 16. The 2018 comparatives have not been restated, as permitted by the accounting standard. The 2019 pre-IFRS 16 results, which are for comparative purposes only, have been presented on a non-statutory illustrative basis excluding the impact of IFRS 16.

8. PROPERTY AND EQUIPMENT

	Land & buildings £m	Fixtures, fittings & equipment £m	Total £m
Cost or valuation			
At 2 April 2018	695.6	134.2	829.8
Additions	10.1	23.8	33.9
Business combinations	23.5	5.8	29.3
Disposals	(1.1)	(0.3)	(1.4)
Fully depreciated assets	(0.2)	(15.5)	(15.7)
Revaluation			
- effect of upward movement in property valuation	34.0	-	34.0
- effect of downward movement in property valuation	(10.4)	-	(10.4)
At 1 April 2019	751.5	148.0	899.5
Additions	2.8	11.6	14.4
Business combinations	2.3	0.6	2.9
Disposals	(0.7)	(0.4)	(1.1)
Fully depreciated assets	(0.2)	(7.7)	(7.9)
Transfer out to right-of-use asset	(58.3)	-	(58.3)
At 30 September 2019	**697.4**	**152.1**	**849.5**
Depreciation and impairment			
At 2 April 2018	29.9	57.0	86.9
Depreciation charge	1.9	21.5	23.4
Disposals	(0.4)	(0.1)	(0.5)
Fully depreciated assets	(0.2)	(15.5)	(15.7)
Revaluation			
- effect of downward movement in property valuation	3.5	-	3.5
- effect of upward movement in property valuation	(5.1)	-	(5.1)
At 1 April 2019	29.6	62.9	92.5
Depreciation charge	0.7	11.9	12.6
Disposals	(0.7)	(0.2)	(0.9)
Fully depreciated assets	(0.2)	(7.7)	(7.9)
Transfer out to right-of-use asset	(1.8)	-	(1.8)
At 30 September 2019	**27.6**	**66.9**	**94.5**
Net book value			
At 2 April 2018	665.7	77.2	742.9
At 1 April 2019	721.9	85.1	807.0
At 30 September 2019	**669.8**	**85.2**	**755.0**

8. PROPERTY AND EQUIPMENT (continued)

Revaluation of property and equipment

The values of the group's freehold land and freehold buildings and fixtures and fittings were reviewed in light of current market factors by Andrew Cox MRICS, the group's director of property and tenancies, and a Chartered Surveyor, pursuant to the group's accounting policy. The values of the group's properties have not been updated as at 30 September 2019 from their year-end market values as there has been no material change in the current period. Details of the methodology used, key inputs and their sensitivities, and the assumptions in determining the group's property values are detailed in the group's audited accounts for the 52 weeks ended 1 April 2019.

9. RETIREMENT BENEFIT SCHEMES

The table below summarises the movement in the retirement benefit schemes' deficit in the period.

	26 weeks to 30 Sep 2019 £m	26 weeks to 1 Oct 2018 £m	52 weeks to 1 Apr 2019 £m
Changes in the present value of the retirement benefit schemes are as follows:			
Opening deficit	**(8.6)**	(6.1)	(6.1)
Current service cost	**(0.2)**	(0.1)	(0.3)
Past service cost	**-**	-	(2.5)
Contributions	**0.8**	0.8	1.6
Other finance charge	**(0.1)**	(0.1)	(0.1)
Remeasurement through other comprehensive income	**(4.9)**	1.2	(1.2)
Closing deficit	**(13.0)**	(4.3)	(8.6)

10. SHARE CAPITAL

Total share capital comprises the nominal value of the share capital issued and fully paid of £6.1 million (April 2019: £6.1 million) and the share premium account of £7.4 million (April 2019: £6.7 million). Share capital issued in the period comprises a nominal value of £nil (April 2019: £nil) and a share premium of £0.7 million (April 2019: £1.0 million).

The shares issued in the current period relate to directors' and senior management's share awards.