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

PRELIMINARY RESULTS FOR THE 52 WEEKS ENDED 29 MARCH 2021

WELL-POSITIONED FOR RECOVERY AND LONG-TERM GROWTH

	2021 £m	2020 £m
Revenue	**90.6**	311.6
Adjusted operating (loss) / profit(1)	**(34.0)**	46.5
Adjusted (loss) / profit before tax(1)	**(44.1)**	37.7
Adjusted EBITDA(1)	**(0.3)**	79.6
Net debt	**(248.7)**	(280.4)
Operating (loss) / profit	**(35.1)**	37.9
(Loss) / profit before tax	**(45.2)**	29.1
Net assets	**645.4**	590.8
Net cash generated from operations	**(23.0)**	72.5
Adjusted basic (loss) / earnings per share(1)	**(66.63p)**	60.18p
Basic (loss) / earnings per share	**(68.23p)**	39.37p
Dividend per share (interim and recommended final)	**-**	10.57p
Net assets per share(2)	**£11.04**	£12.05

All the results above are from continuing operations.

(1) Reference to an "adjusted" item means that item has been adjusted to exclude non-underlying costs (see notes 4 and 5).
(2) Net assets per share are the group's net assets divided by the shares in issue at the period end.

KEY POINTS FROM AN UNUSUAL YEAR

The results for the year and the actions taken to maintain the group's historically strong financial position reflect the significant impact of covid-19 restrictions that were in place for the majority of the year and the closure of our pubs and hotels for almost nine months:

- Significant action taken to preserve the group's historically strong financial position and retain flexibility to invest in the future growth of Young's:
    - Secured additional financing of £88.4 million gross proceeds through an equity issue and £20.0 million through a new bank facility
    - Agreement with our lenders to replace existing covenant tests with a £25.0 million monthly available liquidity test through to 31 March 2022
    - Debt at year-end (excluding lease liabilities and arrangement fees) of £170.1 million, headroom of £114.9 million on our committed debt facilities

- Total investment of £17.0 million to enhance our managed estate, including:
    - Upgrades to our outdoor trading spaces
    - Adding boutique rooms and transforming bar and restaurant spaces
    - Relaunching our Burger Shack brand and rolling out an additional 10 new Burger Shacks
    - Opening two new pubs: Enderby House in Greenwich and Alban's Well in St Albans

- Total group revenue of £90.6 million, approximately 30% of the previous year:
    - Managed house revenue of £87.0 million, with an adjusted operating loss of £18.6 million
    - Ram Pub Company revenue of £3.3million, with an adjusted operating loss of £0.7 million

- The timing of our financial year means that we absorbed most of the impact from covid-19 in one year

- In light of this year's disruption to our business amongst other things, the board concluded that it was not appropriate to recommend payment of a final dividend. The board is very mindful of the importance of dividends to Young's shareholders and intends to resume dividend payments as soon as is appropriate, although no decision has been made when that will be

- Outdoor trading in the 144 pubs that we were able to open on 12 April has been encouraging, achieving 85% of normal trade over a 5-week period and we are pleased to have opened all our remaining pubs this week

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

"We were able to navigate our way through the pandemic, despite the last financial year being one of the most challenging in our 189-year history. I am extremely proud of the way our teams have reacted to the extraordinary challenges that we have faced. The absolute professionalism of our pub managers and their teams has enhanced our reputation as a highly responsible pub operator and underlined the exceptional quality of the Young's business."

"Despite the many lockdowns and disruption to our business, the financing decisions taken during the summer allowed us to continue to make significant investments in our pubs, with some truly transformational projects. We expect to see excellent growth from that investment this year and beyond."

"We are confident with the steps we have taken to ensure Young's continues to be in a position of strength and there is potential for a strong recovery this summer. April has started better than planned, with future bookings also looking strong. With this in mind, the board expects the business to get back to pre-covid-19 levels of trade and margins by the end of June, assuming the roadmap, and in particular the 21 June 'freedom day', is not compromised."

For further information, please contact:

Young & Co.'s Brewery, P.L.C.	020 8875 7000
Patrick Dardis, Chief Executive	
Mike Owen, Chief Financial Officer	
MHP Communications	020 3128 8742 / 8147
Tim Rowntree/Alistair de Kare-Silver/Robert Collett-Creedy	

PRELIMINARY RESULTS FOR THE 52 WEEKS ENDED 29 MARCH 2021

CHIEF EXECUTIVE'S STATEMENT

The last financial year has been one of the toughest we have ever endured; our wonderful pubs spent many more days with their doors closed to our customers than open. Talk of like-for-like sales and new pub openings took a backseat, replaced by national lockdowns, trading restrictions and curfews. Despite this, there is now a real sense of excitement and anticipation for the year to come. With all our pubs having reopened, albeit subject to operational restrictions for now, we are focussed on a strong recovery.

The impact of covid-19 on our financial results has understandably been significant. With only just under four months of trading possible, total group revenue was down by 70.9% to £90.6 million, resulting in an operating loss of £35.1 million. Once adjusted for non-underlying items, the operating loss was £34.0 million.

I am incredibly proud of the Young's team, for all their hard work and the way they handled the challenges thrown at them over the course of the year. Our operators and support teams went through the immense task of closing and then reopening our pubs for three national lockdowns. During the enforced periods of closure, we were busy behind the scenes reviewing our cost base, investing in the estate and streamlining the business so that we returned stronger and can look forward with confidence.

SECURED LONG-TERM FUTURE

Faced with a global pandemic and our pubs closed for the first time in my lifetime, we moved quickly last summer to strengthen our capital position. Longer term, we refinanced the £50.0 million term loan that was due to expire in March 2021, replacing it with a five-year facility that takes us up to 2025. This facility also has two one-year extension options that could take it out to 2027. Short-term, we accessed £30.0 million from the Bank of England under the Covid Corporate Financing Facility ("CCFF"), which was paid back in full on 13 May, and we secured a further £20.0 million revolving credit facility.

With one eye on the future, we then raised gross proceeds of £88.4 million through an equity issue of new shares in June. This allowed us to restart our investment programme, and it provided vital funding ahead of what turned out to be another lengthy period in lockdown.

SUPPORTING OUR TEAMS, TENANTS AND CUSTOMERS

Securing our long-term future and success also means creating value for all our stakeholders, ensuring that they are a key consideration in our decision making process. We were pleased to provide extensive support to a number of our stakeholders during the pandemic, particularly all our fantastic teams. Going forwards, the group intends to set out an ESG strategy outlining the material risks and opportunities for Young's and how we can play a positive role in the communities in which we operate. We believe that embracing this approach will contribute to the long-term success of our business.

For our managers and their teams in the pubs it has been a difficult period. The majority of time has been spent away from their businesses on furlough, but they have been fantastic in rising to the challenges thrown at them. Maintaining contact with our teams during these extended periods away from the business on furlough has been vitally important. We used various social media platforms and our 'Keeping in touch' Facebook group to provide our teams with regular updates on what has been going on at Young's, with video content from heads of department and myself. Training sessions have also taken place online for teams to keep their skills up to date.

Going all the way back to last spring, many of our teams immersed themselves fully to help support those in their local communities most in need, through providing meals to frontline healthcare workers, donating food supplies or giving up their time to help nearby food banks.

We were one of the first pub companies to confirm support for their tenants with rent holidays, as opposed to just rent deferrals, meaning they were rent free without the worry of having to pay this back in the future.

Our customers are really important to us and their loyalty has never wavered. They flocked back initially after we reopened all our pubs on 20 July, which was followed by the success of "Eat Out to Help Out" where sales were in growth on the prior year. Despite the ever-changing restrictions that we faced, sales often reached 90% of the prior year up until the second lockdown in November. This gives us great confidence in our proposition and the potential for strong trading once all covid-19 operating restrictions are lifted.

CONTINUED INVESTMENT IN OUR PUB ESTATE

We pride ourselves on operating a differentiated, premium and well-invested pub estate. Even in the desperately hard times we have found ourselves in recently, it has been important to continue the investment in our managed pubs, made possible by the financing decisions taken during the summer. Once the first lockdown was lifted in July, we were immediately back on site at three projects that had been stopped in their tracks - the Green Man (Putney), Seagate Hotel (Appledore) and the City Gate (Exeter) - to ensure all were completed in time to capitalise on the summer trade.

After the summer, we resumed our capex programme with schemes at the Duke of Cambridge (Battersea), Duke on the Green (Fulham) and the Duke of Wellington (Notting Hill), bringing these fine traditional pubs back to the highest of Young's premium standards. In March this year, we also invested in one of our most iconic pubs, transforming the bar and dining areas at the Windmill (Clapham), and added a further 87 covers at our City of London favourite, the Oyster Shed (Bank); both completed in time for the reopening on 12 April. Ahead of another busy staycation summer, we have continued to invest in our hotels. Creating 11 stylish boutique bedrooms at the Canford (Poole), investing in a further 10 boutique bedrooms at the Park (Teddington) and transforming the bar and restaurant areas at the Bear (Esher), we are ready to capitalise on what will hopefully be a bumper British summer.

More important than ever, this year has seen the value of desirable outside trading space that can be used throughout the year and not just during the summer months. Ahead of autumn, we invested £1.1 million in adding huts, stunning stretch tents and heaters in many more of our pubs, creating an environment that people could really enjoy, and for some customers the excitement of discovering our amazing gardens for the very first time. Further, whilst dining outside, our customers will now be able to order from our rejuvenated Burger Shacks. After breathing new life into the brand, we have launched a new menu with greater variety and unique 'Shack Session' beers.

Understandably it has been quiet on the acquisition front and we ended the period with 273 pubs (2020: 276). On reopening this April, we launched in St Albans, a new territory for Young's, with Alban's Well, and extended our presence in Greenwich through the opening of Enderby House, an acquisition made in the previous year. Both pubs have undergone significant investment and showcase the finest essence of Young's, with premium bar and dining areas and well thought out external trading space. I am particularly excited to see how these additions to the managed estate perform over the coming year. During the year, we also acquired a freehold property in the Cotswolds village of Stow-on-the-Wold where we already have the Bell Inn, a wonderful pub and hotel with 13 rooms. This additional property will, subject to planning, enable us to add further boutique bedrooms and car parking space in a highly desirable, premium location.

During the year, three businesses transferred from our tenanted division - the Spread Eagle (Wandsworth), Ship Inn (East Grinstead) and the Royal Oak (Bethnal Green) - and all present fantastic future growth potential following investment. We are already on-site at the Spread Eagle, a freehold site, starting to build our new head office, back in the heart of Wandsworth, ready to move into during spring 2022.

BOARD CHANGES

In September, Torquil Sligo-Young retired as an Executive Director, a role he held for 24 years. During this time, Torquil held several roles but will be particularly remembered for his great work developing our IT solutions. Happily, Torquil has accepted our invitation to remain on the board as a Non-executive Director. In January, Trish Corzine stepped down as a Non-executive Director, having completed a second three-year term. She brought with her a wide-ranging knowledge and experience of the hospitality and leisure sector, having spent most of her career in the restaurant industry. Further, Roger Lambert will be retiring as a Non-executive Director at the end of July, shortly after this year's AGM. Roger has been associated with Young's for many years, initially as our corporate advisor with Cazenove and for the past 13 years as a Non-Executive Director; his wise counsel has always been hugely appreciated.

CURRENT TRADING AND OUTLOOK

On 12 April, we were pleased to open 144 of our pubs for the much-anticipated reopening of the economy and phase two of the Government's four step plan. The pent-up demand was evident weeks in advance as bookings for our gardens, huts and newly created external space flooded in. Over the first five weeks, we saw very strong trading and achieved 85% of normal trade in those 144 pubs.

Our remaining pubs and hotels reopened this week, along with thousands more pubs and restaurants that form the great hospitality sector, ready for the next important step towards normality. The key date for us is 'freedom day' on 21 June – the day that will truly make a difference.

After the period end, we completed the freehold acquisition of the Greenwich Union, a pub located adjacent to our Richard 1st. In the short-term, this provides additional external trading space for the summer months before we pursue a larger scheme to combine the internal trading areas, subject to planning. We continue to explore further acquisition opportunities that will enhance our estate.

We noted yesterday's media speculation regarding our appointment of Savills in connection with a possible sale of the tenanted estate. We confirm that Savills has been appointed and that we are in discussions regarding a possible sale. There can be no certainty, however, that any sale will proceed. We will make further announcements as appropriate.

There are many reasons to harbour optimism for the year ahead. Following a period during which everyone has found their opportunities for social interaction and celebration significantly lacking, we know there is going to be a huge pent-up demand for special events, whether it be big birthday bashes, weddings or Christmas parties. People have missed these major life events in which the pub plays a significant role, and we have missed hosting them. We will also benefit from our exciting acquisitions from last year, including the five pubs in and around southwest London and Surrey that we purchased late in March 2020 and which have not yet been able to trade fully for any real period of time. Additionally, there are the recent major developments which have not yet had the opportunity to perform such as the Dog and Fox (Wimbledon Village) and the investments in all the Redcomb pubs. This gives us great reason to look forward with optimism.

We are confident with the steps taken to ensure Young's continues to be in a position of strength. April has started better than planned, with future bookings also looking positive. There is potential for a good recovery this summer and we believe that our strategy of running a differentiated, premium and well-invested pub estate will underpin the future success of Young's.

BUSINESS AND FINANCIAL REVIEW

MANAGED HOUSES

In one of the most unique years in our 189-year history, we began and ended the period with all our pubs closed to the public. Over the course of the year, there were only 17 full weeks of trade possible and for the majority of our managed houses they have remained shut since Christmas. As a result, total managed revenue is down by 70.9% to £87.0 million.

After the necessary closure of our pubs in late March, it was not until 20 July, following a 16-week lockdown, when we decided to reopen and trade all our 205 managed houses, setting the tone that 'Young's was open for business'. The delay allowed us to put in place all the necessary covid-19 safety protocols without compromising on the great Young's pub experience. Our managers had the time to thoroughly retrain our returning teams, dust away any cobwebs from the shuttered summer months and prepare our wonderful pubs ready to welcome back our loyal customers.

After a slow start, customer confidence improved as the appetite grew to show support for their local. In August, we benefitted from the Government funded "Eat Out to Help Out" campaign, serving over 370,000 customers, which was a huge boost in driving footfall through the early midweek days, with diners attracted by the headline 50% discount. Food sales driven by the campaign traded ahead of the prior year on a like-for-like basis as our head chefs sought to entice customers to trade up with a wonderful selection of premium dishes such as 'posh surf & turf', rack of Dorset lamb and beef Wellington on offer to share. Supported by some glorious summer weather, we were able to make the most of our generous outdoor trading areas, and total sales for the month were at approximately 90% of last year on a like-for-like basis.

From September, the Government introduced restrictions on group numbers, required full table service and face coverings to be worn by staff and customers, and imposed a 10pm curfew, all of which negatively affected trading to approximately 80% of last year. However, as the weather started to turn heading into October, the introduction of Tier 2 status for London affected 80% of our managed estate and limited the mixing of households inside our pubs, forcing groups of friends to meet outdoors in order to socialise. Our previous investment in external trading spaces with fabulous gardens, unique huts and iconic themed tents was perfectly placed to help provide an attractive environment for our customers. Even with the heightened restrictions, the resilience and loyalty of our customers remained strong and sales during October performed ahead of our expectations at 73% of last year.

On 5 November, all our pubs closed, initially for a four-week lockdown. Although they were allowed to reopen in December, trading was short-lived as the pandemic worsened and more pubs entered the Government's higher tier status which left them unable to stay open. Unfortunately, there was no festive excitement and by the end of the year all our pubs had closed and remained so for the rest of the period.

The costs incurred when shutting down and reopening our pubs cannot be underestimated. We faced staff costs as our teams returned to their pubs days in advance of opening the doors, unnecessary wastage of food and drink products unable to be sold or reused, as well as the time of management to ensure the process ran in an orderly fashion. Although we received support from the Government and worked hard to streamline our business during the first lockdown, it was the extensive periods of closure during the year that solely contributed to an operating loss of £19.2 million. When excluding our adjusting items, we recognised an adjusted operating loss of £18.6 million. Encouragingly, our managed operating margin was 16.1% for the August to October trading periods between the first two lockdowns.

INVESTMENT

We continue to place great value on the investment in our premium pubs, and despite the impact of the pandemic we have remained busy investing £17.0 million in our managed estate over the course of the year.

In the first months of the period, we prioritised completing projects that were paused in March, thus ensuring they were able to open only a couple of weeks later than the rest of the estate. At the Green Man (Putney), a full refurbishment which added more than 50 new covers proved to be a big success with locals, whilst the investment in existing and new bedrooms at the Seagate Hotel (Appledore), City Gate (Exeter) and the Bear Hotel (Esher) increased our hotel room stock to 688, of which 356 are now boutique.

Following a successful return to trading in the late summer, we kick started the investment programme in our existing estate from September with projects at the Duke of Cambridge (Battersea), Duke of Wellington (Notting Hill) and the Duke on the Green (Fulham). These much-loved pubs, at the heart of their local communities, received a new lease of life as we restored traditional features in their bar and dining areas.

Ahead of the winter period and in anticipation of further prolonged periods of restrictions on internal trading and social distancing, we accelerated our garden investment plans. We invested £1.1 million adding huts, new stretch tents, furniture and heaters. In order to capitalise on the short-term requirement for additional external covers, we have been able to obtain temporary licences and/or convert car parking space to increase capacity, such as at the Oyster Shed

(Bank) with an extra 120 covers along the riverside, and the Northcote (Clapham) where the temporary pedestrianisation of Northcote Road has been filled with tables outside the pub and has been a huge success.

With all pubs closed in the final months and with one eye on further potential growth opportunities for the coming year, we kicked off additional pub investments in January. At the Windmill Hotel (Clapham Common), internal bar and dining areas were completely revamped, including a vibrant dining space and snug lounge spaces creating cosy new seating areas. Whilst at the Oyster Shed, a further 87 covers were created by extending the first-floor mezzanine; this will come into its own when we head into autumn. In total, we completed 16 major projects, including schemes at the Bear (Esher), Cock Tavern (Fulham), Crooked Billet (Wimbledon Common), Grange (Ealing), Park (Teddington) and the One Tun (Fitzrovia).

It has been a quiet year for acquisitions, as we added just one new pub, Alban's Well. The offer focusses on sharing plates and a delicious range of drinks featuring morning coffees, craft beers and signature cocktails – the perfect place for your all-day dining experience. Following its acquisition last year, we also completed one of our most stunning recent investments at Enderby House, nestled on the Greenwich Peninsula. It boasts an array of floors and feature rooms where you can choose between the ground floor pub or the stunning terrace for perfect views over the Thames. Later in the period, we completed the acquisition of a freehold building in Stow-on-the-Wold, which, subject to planning, will add further boutique bedrooms to the Bell Inn, a countryside getaway in the Cotswolds.

During the period, we transferred three businesses from our tenanted division. The Royal Oak (Bethnal Green) is an iconic pub that has continued to trade since its transfer; it has featured on the small and big screen, and is located just yards away from East London's bustling Columbia Road Flower Market. The Spread Eagle (Wandsworth) and the Ship Inn (East Grinstead) have been closed pending planned investment in the coming year, with the Spread Eagle forming part of an exciting new boutique hotel and company head office development located in our heartland of Wandsworth.

Following our exit from the lease of the Surprise (Chelsea), we ended the period with 210 managed houses (including 30 hotels), up from 207 at the end of the same period last year.

Alongside the investment in our pubs, we are continually upgrading our technology to improve our offer and productivity. Our Young's On Tap app, which we began developing five years ago, was further improved with added functionality allowing customers to browse menus, order food and drinks to their table, and split pay their bills. The covid-19 pandemic has accelerated changes in the great British pub and the customer journey. Although previously adopted at some pubs, customers are now greeted by a friendly host upon arrival, shown to their table and asked to log personal details for track and trace. To help reduce contact further, they are also invited to download the updated Young's On Tap app which allows customers to view our menus and order a Young's classic burger, or a daily chef special alongside a post dinner cocktail, all from their phones with delivery direct to their tables. Upon reopening, the usage of the Young's On Tap app has increased, accounting for more than 40% of sales and provided another level to the premium pub experience. Our online reservation system has also been vitally important in the post-pandemic world, improving booking conversions and enabling us to maximise covers to help offset the downside from social distancing requirements.

RAM PUB COMPANY

For our tenanted division, it has also been an extremely challenging period, with trading opportunities severely impacted by Government-imposed restrictions during the year. The closure of pubs has directly impacted on the level of beer sales but also the rental income as we have helped support our tenants through the pandemic. As a result, total revenue was £3.3 million, down from £12.1 million, resulting in an adjusted operating loss of £0.7 million, compared to an adjusted operating profit last year of £4.3 million.

Back in the summer, we were one of the first pub companies to confirm support for their tenants, with a rent holiday period dating from 16 March until the point of reopening in early July. Once restrictions were lifted, most businesses returned to normalised rent levels, however a number required continued rent concession support due to the limited personal contact permitted inside hospitality venues and the lack of opportunities for wet led pubs with limited external trading space. Following the second lockdown in November, we supported the vast majority of our tenants with another rent holiday period, this time running until the end of the financial year. Unlike rent deferrals, this gave our tenants rent-free periods without the worry of paying this back in the future. As we work towards the full relaxation of restrictions this spring, we will continue to support them.

Whilst all investment in the Ram Pub Company was put on hold during the first lockdown, we were able to complete projects at the Rising Sun (Epsom) and the Watermans Arms (Richmond). Even in these unprecedented times, continued investment remains vitally important to ensure our pubs are maintained to a high standard to attract and retain the right tenants.

We continue to review our tenanted estate, exiting unfavourable leases and divesting freehold properties where we feel the pub's sustainability is in question. During the period, we exercised the break clause on the lease of the Black Cat (Catford), decided not to renew an expired lease at the Greyhound (Hendon) and sold the freehold of the Horse Pond Inn (Castle Cary). During the period, we transferred the Spread Eagle (Wandsworth), Royal Oak (Bethnal Green) and Ship Inn (East Grinstead) to our managed houses, reducing the Ram Pub Company to an estate of 63 pubs (2020: 69).

OTHER KEY AREAS

PROPERTY

Our balance sheet strength is underpinned by our predominately freehold estate in many highly desirable locations. 228 of our 273 pubs are freehold or are long leaseholds with peppercorn rents. Our total estate, including freehold and fixtures and fittings on leaseholds, is now valued at £773.7 million (2020: £771.1 million). The carrying value of property leases, including long leaseholds, is separately recognised as right-of-use assets in note 10. We have continued to add value through major developments to improve our existing pub values and hand-picked acquisitions, primarily focussing on freehold assets.

Each year we revalue our pub estate to reflect current market values. Again, this year we have had to consider the ongoing implications of covid-19 following on from last year's initial impact, combined with the reopening of the hospitality sector in line with the Government's roadmap. Savills, an independent and leading commercial property adviser, has revalued all our freehold properties. The valuation method used several inputs of which the sustainable level of trade of each pub was key.

In accordance with International Financial Reporting Standards, individual increases in value have been reflected in the revaluation reserve in the balance sheet (except to the extent that they had previously been revalued downwards) and individual falls in value below depreciated cost have been accounted for through the income statement. None of these adjustments have a cash impact.

Over the course of the last year there has been renewed optimism in the pub property market, reflected by increased activity and property prices at pre-covid-19 levels; as a result we have seen a net upward revaluation movement of £10.8 million. This is comprised of an upward movement of £9.0 million (2020: £9.3 million downward movement) reflected in the revaluation reserve and an upward movement of £1.8 million (2020: £5.3 million downward movement) recognised as an adjusting item in the income statement.

GOING CONCERN AND BANKING ARRANGEMENTS

There is now a clear pathway to the reopening of the hospitality sector. This, combined with the actions undertaken by Young's during the period, provides the confidence that Young's has sufficient liquidity to withstand any ongoing uncertainty that covid-19 brings to our business during the going concern period to June 2022, be that closure of pubs for an extended period, reduced trading hours, partial closure or general market disruption.

We have modelled a broad range of forecasts, with our base model assuming the continued reopening of our pubs and the further lifting of restrictions aligned to the Government's roadmap. The more severe scenarios include a slower build of trade in the summer months, further long periods of forced closure and reduced trade through key trading periods such as December.

Early on in the period we strengthened both our short-term and long-term liquidity position. As regards the short-term, we initially accessed liquidity available to us under HM Treasury and the Bank of England's CCFF, issuing commercial paper with a nominal value of £30.0 million, and a maturity date of 13 May 2021; this has now been repaid in full, with no further funding under the CCFF received. We also entered into a new £20.0 million revolving credit facility with NatWest. We do not intend to draw on this facility, but instead retain it as available liquidity to help us meet the monthly liquidity test referred to below. This facility had an original maturity date in May 2021, with two six-month extension periods available; we have now taken the first six-month extension, moving the facility to a maturity date in November 2021. So far as the long-term is concerned, we entered into a new £50.0 million facility with NatWest and HSBC. This has an original maturity date falling in May 2025. We had the option this year to request an extension of the maturity date by a further year and to do the same the following year; however, this process has been moved to start next year given the current trading environment. We drew down on this facility and repaid in full the original March 2021 £50.0 million facility with the RBS and Barclays. Finally, in June 2020, the group also completed an equity issue raising gross proceeds of £88.4 million in the period.

During the period, the group also considered the effects of its then latest forecasts on its compliance with bank covenants, which were due to be tested each quarter on a 12-month rolling basis. In anticipation of breaches due to the impact of the pandemic, the group agreed with its lenders in May 2020 that the financial covenants would be replaced by a monthly available liquidity test. These initial covenant waivers have now been extended until the quarter ending March 2022. The waivers require the group to have £25.0 million of available liquidity at each month end until the quarter ending March 2022 and for total loan facilities not to exceed £220.0 million during the waiver period. In addition, they have waived any technical "cessation of business" breach of our banking facilities as a result of our pubs being closed due to the covid-19 pandemic through to the quarter ending June 2021.

In the base case forecast, there is significant headroom under the revised monthly available liquidity test through to March 2022 and, when covenants revert to the group's original financial covenants from March 2022 onwards, there would be significant headroom and all covenants would be fully complied with through the going concern period. However, under the more severe scenarios where our pubs may be required to close again for prolonged periods and trade might be suppressed at key times due to the reintroduction of social distancing and/or other measures, the group would still comply with revised covenants to March 2022, but on reverting to the original financial covenants for the March 2022 and June 2022 quarter end tests, certain performance-based covenants would risk being breached, therefore compliance with financial covenants beyond 12 months from these financial statements is a material uncertainty. The group remains in regular dialogue with its lenders, and should such a scenario arise, the group expects to be able to find a solution with them well in advance of March 2022.

At 29 March 2021, the group had cash in bank of £4.7 million and committed borrowing facilities of £285.0 million, of which £174.8 million was drawn down. The group expects, by the end of June 2022, to have available facilities of £235.0 million; it has already repaid the £30.0 million due under the CCFF and is not anticipating continuing with the £20.0 million RCF with NatWest beyond November 2021. In addition to these facilities, the group has a £10.0 million overdraft with HSBC, which is not committed.

RETIREMENT BENEFITS

We have a defined benefit pension scheme which has been closed to new entrants since 2003. During the course of the year our pension deficit has decreased by £2.1 million to £6.1 million. Compared with last year, the rate of inflation has increased considerably from 2.8% to 3.3% which has heavily contributed to an £18.1 million increase in liabilities. However, this has been offset by a £19.0 million increase in the return on scheme's assets. We have continued our commitment with another year of special contributions, totalling £1.2 million, and remain fully committed to ensuring the pension scheme is adequately funded.

ADJUSTING ITEMS

Total adjusting items were £1.1 million in the period, the majority of which relate to the estate management of our properties. This includes the net upward movement in property revaluation of £1.8 million, as mentioned previously, and tenant compensation cost of £0.5 million, where we agreed to terminate the lease agreements early at the Royal Oak (Bethnal Green), which transferred from the Ram Pub Company last July, and in respect of an unlicensed property which will form part of the new head office development at the rear of the Spread Eagle (Wandsworth).

Following the acquisition of five pubs in March 2020, the transfer of the business and assets of Spring Pub Company Limited in September 2020 incurred a cost of £1.4 million related to property taxes and associated professional and legal fees. This cost, foreseen at the time of acquisition, did not crystalise until the transfer was completed.

During the period, the loss on disposal of properties was £0.5 million as we exited two leases forming part of the Ram Pub Company - the Black Cat (Catford) and the Greyhound (Hendon) - and one lease in the managed business, the Surprise (Chelsea). The Horse Pond Inn (Castle Cary), a freehold pub in the Ram Pub Company, was sold for £0.4 million.

The remaining £0.5 million in adjusting items relates to costs incurred in response to covid-19 following a restructuring process of our head office function and is largely made up of severance costs.

TAX

A tax credit of £6.9 million was recognised for the year, principally due to the losses incurred. The effective tax rate was a negative 15.2% (2020: positive 33.6%) compared to the statutory rate of 19%, with the difference primarily driven by expenses not deductible for tax purposes. Further detail can be found in note 6.

The group's tax strategy for the accounting period ended 29 March 2021 has been published on the Young's website in accordance with recent UK tax law.

SHAREHOLDER RETURNS

Having started life in 1831, Young's is a long-standing business, and we are determined to maintain our long-term, sustainable growth story. The covid-19 pandemic has had a significant impact on the business; however we now have the Government's roadmap to reopening the hospitality sector, and this should enable us, once again, to deliver strong performances from our existing estate and our premium developments, focussing on both immediate and maintainable gains.

In view of the extensive period of closure of our pubs during the period and the expected lower levels of trade during the first three months of the current period, the Company will not be paying any dividend for the most recent period. The board is very mindful of the importance of dividends to Young's shareholders and intends resuming dividend payments as soon as is appropriate, although no decision has been made when that will be. We have, however, agreed with NatWest and the holders of the senior secured notes that any dividend payments during FY2021/22 will not exceed £5.0 million in aggregate, but there is no restriction on the Company recommending a final dividend with its results for FY2021/22, payable in the following financial year, as normal.

Following the losses incurred in the year, our adjusted loss per share was at 66.63 pence per share, compared to an adjusted earnings per share of 60.18 pence in the prior period. On an unadjusted basis, the loss per share increased to 68.23 pence.

Patrick Dardis
Chief Executive
19 May 2021

GROUP INCOME STATEMENT

For the 52 weeks ended 29 March 2021

	Notes	**2021 £m**	2020 £m
Revenue		**90.6**	311.6
Other income		**4.7**	-
Operating costs before adjusting items		**(129.3)**	(265.1)
Adjusted operating (loss)/profit		**(34.0)**	46.5
Adjusting items	4	**(1.1)**	(8.6)
Operating (loss)/profit		**(35.1)**	37.9
Finance costs		**(9.9)**	(8.6)
Finance charge for pension obligations		**(0.2)**	(0.2)
(Loss)/profit before tax		**(45.2)**	29.1
Income tax credit/(expense)	6	**6.9**	(9.8)
(Loss)/profit for the period attributable to shareholders of the parent company		**(38.3)**	19.3

		Pence	Pence
(Loss)/earnings per 12.5p ordinary share			
Basic	8	**(68.23)**	39.37
Diluted	8	**(68.23)**	39.35

All the results above are from continuing operations.

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 29 March 2021

	Notes	**2021 £m**	2020 £m
(Loss)/profit for the period		**(38.3)**	19.3
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Unrealised gain/(loss) on revaluation of property	9	**9.0**	(9.3)
Remeasurement of retirement benefit schemes	11	**0.9**	(0.7)
Tax on above components of other comprehensive income		**(4.0)**	(3.1)
Items that will be reclassified subsequently to profit or loss:			
Fair value movement of interest rate swaps		**2.5**	0.4
Tax on fair value movement of interest rate swaps		**(0.5)**	-
		7.9	(12.7)
Total comprehensive (loss)/income attributable to shareholders of the parent company		**(30.4)**	6.6

All the results above are from continuing operations.

BALANCE SHEETS

At 29 March 2021

		Group		Company	
		2021	2020	**2021**	2020
	Notes	**£m**	£m	**£m**	£m
Non-current assets					
Goodwill		**32.5**	32.5	**31.0**	27.7
Property and equipment	9	**773.7**	771.1	**769.1**	751.5
Right-of-use assets	10	**158.0**	163.4	**149.2**	136.9
Investment in subsidiaries		**-**	-	**14.3**	34.4
Deferred tax assets		**8.6**	8.3	**8.6**	8.3
		972.8	975.3	**972.2**	958.8
Current assets					
Inventories		**2.6**	3.3	**2.6**	3.2
Trade and other receivables		**10.4**	9.3	**11.3**	9.9
Income tax receivable		**5.8**	0.1	**6.0**	-
Cash		**4.7**	1.1	**4.7**	1.1
		23.5	13.8	**24.6**	14.2
Asset held for sale		**1.2**	0.5	**1.2**	0.5
Total assets		**997.5**	989.6	**998.0**	973.5
Current liabilities					
Borrowings		**(29.8)**	(50.0)	**(29.8)**	(50.0)
Lease liabilities	12	**(4.9)**	(5.3)	**(4.1)**	(5.0)
Derivative financial instruments		**(1.8)**	(2.4)	**(1.8)**	(2.4)
Trade and other payables		**(15.8)**	(33.3)	**(27.5)**	(43.2)
Income tax payable		**-**	-	**-**	(0.1)
		(52.3)	(91.0)	**(63.2)**	(100.7)
Non-current liabilities					
Borrowings		**(143.4)**	(149.2)	**(143.4)**	(149.2)
Lease liabilities	12	**(75.3)**	(77.0)	**(69.1)**	(59.6)
Derivative financial instruments		**(1.4)**	(3.3)	**(1.4)**	(3.3)
Deferred tax liabilities		**(73.6)**	(69.9)	**(73.4)**	(65.7)
Retirement benefit schemes	11	**(6.1)**	(8.2)	**(6.1)**	(8.2)
Other liabilities		**-**	(0.2)	**-**	(0.2)
		(299.8)	(307.8)	**(293.4)**	(286.2)
Total liabilities		**(352.1)**	(398.8)	**(356.6)**	(386.9)
Net assets		**645.4**	590.8	**641.4**	586.6
Capital and reserves					
Share capital		**7.3**	6.1	**7.3**	6.1
Share premium		**7.6**	7.5	**7.6**	7.5
Capital redemption reserve		**1.8**	1.8	**1.8**	1.8
Hedging reserve		**(2.4)**	(4.4)	**(2.4)**	(4.4)
Revaluation reserve		**253.6**	248.4	**244.4**	239.2
Retained earnings		**377.5**	331.4	**382.7**	336.4
Total equity		**645.4**	590.8	**641.4**	586.6

STATEMENTS OF CASH FLOW

For the 52 weeks ended 29 March 2021

		Group		Company	
	Note	**2021 £m**	2020 £m	**2021 £m**	2020 £m
Operating activities					
Net cash generated from operations	13	**(23.0)**	72.5	**(23.9)**	71.1
Tax paid		**-**	(13.5)	**-**	(13.0)
Net cash flow from operating activities		**(23.0)**	59.0	**(23.9)**	58.1
Investing activities					
Proceeds from disposal of property and equipment		**0.4**	1.0	**0.4**	0.9
Purchases of property and equipment		**(19.1)**	(32.7)	**(19.1)**	(32.5)
Business combinations, net of cash acquired		**-**	(35.3)	**-**	(15.3)
Right-of-use assets acquired		**-**	(0.2)	**-**	(0.2)
Acquisition of subsidiary, net of cash acquired		**-**	-	**-**	(20.1)
Net cash used in investing activities		**(18.7)**	(67.2)	**(18.7)**	(67.2)
Financing activities					
Interest paid		**(9.8)**	(8.6)	**(9.4)**	(8.2)
Issued equity, net of transaction costs		**84.9**	-	**84.9**	-
Equity dividends paid	7	**-**	(10.5)	**-**	(10.5)
Payments of principal portion of lease liabilities		**(4.3)**	(8.1)	**(3.8)**	(7.3)
Repayment of borrowings		**(115.5)**	(8.5)	**(115.5)**	(8.5)
Proceeds from borrowings		**90.0**	36.5	**90.0**	36.5
Net cash flow used in financing activities		**45.3**	0.8	**46.2**	2.0
Increase/(decrease) in cash		**3.6**	(7.4)	**3.6**	(7.1)
Cash at the beginning of the period		**1.1**	8.5	**1.1**	8.2
Cash at the end of the period		**4.7**	1.1	**4.7**	1.1

GROUP STATEMENT OF CHANGES IN EQUITY

At 29 March 2021

	Notes	Share capital[1] £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 2 April 2019		**12.8**	**1.8**	**(4.8)**	**261.5**	**322.5**	**593.8**
Total comprehensive income							
Profit for the period		-	-	-	-	19.3	19.3
Other comprehensive income							
Unrealised loss on revaluation of property	9	-	-	-	(9.3)	-	(9.3)
Remeasurement of retirement benefit schemes	11	-	-	-	-	(0.7)	(0.7)
Fair value movement of interest rate swaps		-	-	0.4	-	-	0.4
Tax on above components of other comprehensive income		-	-	-	(3.8)	0.7	(3.1)
		-	-	0.4	(13.1)	-	(12.7)
Total comprehensive income		-	-	0.4	(13.1)	19.3	6.6
Transactions with owners recorded directly in equity							
Share capital issued		0.8	-	-	-	-	0.8
Dividends paid on equity shares	7	-	-	-	-	(10.5)	(10.5)
Share based payments		-	-	-	-	0.1	0.1
Tax on share based payments		-	-	-	-	(0.3)	(0.3)
Movement in shares held by The Ram Brewery Trust II		-	-	-	-	0.3	0.3
		0.8	-	-	-	(10.4)	(9.6)
At 30 March 2020		**13.6**	**1.8**	**(4.4)**	**248.4**	**331.4**	**590.8**
Total comprehensive income							
Loss for the period		-	-	-	-	(38.3)	(38.3)
Other comprehensive income							
Unrealised loss on revaluation of property	9	-	-	-	9.0	-	9.0
Remeasurement of retirement benefit schemes	11	-	-	-	-	0.9	0.9
Fair value movement of interest rate swaps		-	-	2.5	-	-	2.5
Tax on above components of other comprehensive income		-	-	(0.5)	(3.8)	(0.2)	(4.5)
		-	-	2.0	5.2	0.7	7.9
Total comprehensive loss		-	-	2.0	5.2	(37.6)	(30.4)
Transactions with owners recorded directly in equity							
Share capital issued[2]		1.3	-	-	-	83.6	84.9
Share based payments		-	-	-	-	(0.1)	(0.1)
Tax on share based payments		-	-	-	-	-	-
Movement in shares held by The Ram Brewery Trust II		-	-	-	-	0.2	0.2
		1.3	-	-	-	83.7	85.0
At 29 March 2021		**14.9**	**1.8**	**(2.4)**	**253.6**	**377.5**	**645.4**

(1) Total share capital comprises the nominal value of the share capital issued and fully paid of £7.3 million (2020: £6.1 million) and the share premium account of £7.6 million (2020: £7.5 million). Share capital issued in the period comprises the nominal value of £1.2 million (2020: £nil) and share premium of £0.1 million (2020: £0.8 million).

(2) During the period, the group raised equity resulting in gross proceeds of £88.4 million. A cash box structure was used in such a way that merger relief was available under Companies Act 2006, section 612, and thus no share premium was recorded. As the redemption of the cash box entity's preference shares was in the form of cash, the transaction was treated as qualifying consideration and the premium is therefore considered to be a realised profit and £83.6 million was recognised directly in retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 March 2021

1. General information

This preliminary announcement was approved by the board on 19 May 2021. The financial statements in it are not the group's statutory financial statements. The statutory financial statements for the period ended 30 March 2020 have been delivered to the Registrar of Companies. The auditor has reported on those financial statements and on the statutory financial statements for the period ended 29 March 2021, which are expected to be delivered to the Registrar of Companies shortly. The report for the 2021 accounts was (i) unqualified, (ii) contains a material uncertainty in respect of going concern to which the auditor drew attention by way of emphasis without modifying their opinion and (iii) did not contain a statement under s.498(2) or (3) of the Companies Act 2006. EY's report for the accounts of 2020 was (i) unqualified, (ii) contained a material uncertainty in respect of going concern to which the auditor drew attention by way of emphasis without modifying their opinion and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and (iii) did not contain a statement under s.498(2) or (3) of the Companies Act 2006.

The current period and prior period relate to the 52 weeks ended 29 March 2021 and the 52 weeks ended 30 March 2020 respectively.

The financial statements are presented in pounds sterling, which is the functional currency of the parent company, and all values are rounded to the nearest hundred thousand (£0.1 million) except where otherwise indicated.

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

The group and parent company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The accounting policies used have been consistently applied and are described in full in the statutory financial statements for the period ended 29 March 2021. The financial statements will also be available on the group's website, www.youngs.co.uk.

Going concern

At the start of the financial year the group's financing position was strengthened through raising further debt and equity. Additional debt facilities have been obtained through accessing the CCFF, whereby £30.0 million of commercial paper with a maturity date of 13 May 2021 was secured, alongside a new revolving credit facility of £20.0 million with NatWest for an initial period of one year to May 2021. This has now been extended for a further 6 months to 28 November 2021, with a final further 6-month extension option available subject to NatWest consent. Longer-term, the £50.0 million term loan due to expire in March 2021 was replaced with a five-year facility expiring in 2025. In June 2020, the group also completed an equity issue raising gross proceeds of £88.4 million in the period.

At 29 March 2021, the group had cash in bank of £4.7 million and committed borrowing facilities of £285.0 million, of which £174.8 million was drawn down. The group expects, by the end of June 2022 (the 'going concern' period), to have available facilities of £235.0 million; it has already repaid the £30.0 million due under the CCFF and is not anticipating continuing with the £20.0 million RCF with NatWest beyond November 2021. In addition to these facilities, the group has a £10.0 million overdraft with HSBC, which is not committed.

During the period the group has also considered the effects of its then latest forecasts on its compliance with bank covenants, which were due to be tested each quarter on a 12-month rolling basis. In anticipation of breaches due to the impact of the pandemic, the group agreed with its lenders in May 2020 that the financial covenants would be replaced by a monthly available liquidity test. These initial covenant waivers have now been extended until the quarter ending March 2022. The waivers require the group to have £25.0 million of available liquidity at each month end until the quarter ending March 2022 and for total loan facilities not to exceed £220.0 million during the waiver period. In addition, they have waived any technical "cessation of business" breach of our banking facilities as a result of our pubs being closed due to the coronavirus pandemic through to the quarter end June 2021. Although there is no material uncertainty about the group's ability to comply with the minimum debt headroom covenant that is in place until March 2022, those banking covenants revert to the group's original financial covenants for the March 2022 quarterly covenant test onwards.

In response to covid-19 the group's entire pub estate has endured extended periods of Government enforced closure and significant restrictions on trade. Although the Government has provided the roadmap to ultimately remove trade restrictions there remains a degree of uncertainty ahead. As part of the directors' consideration of the appropriateness of adopting the going concern basis, the group has modelled several scenarios for the period to the end of June 2022. The key judgements applied are the extent of disruption to trading as a result of the Government's reopening roadmap, the speed at which trade resumes and any potential future unplanned restrictions or closures. The base case scenario assumes that pubs with outdoor space reopen on 12 April, followed by all pubs reopening on 17 May and ultimately restrictions dropping away from 21 June. The more severe scenarios include a slower build of trade in the summer months, further long periods of forced closure and reduced trade through key trading periods such as December. We have assumed no significant structural changes to the business will be needed in any of the scenarios modelled.

In the base case scenario, there is significant headroom under the revised monthly available liquidity test through to March 2022 and, when covenants revert to the group's original financial covenants from March 2022 onwards, there would be significant headroom and all covenants would be fully complied with through the going concern period. However, under the more severe scenarios where our pubs may be required to close again for prolonged periods and trade might be suppressed at key times due to the reintroduction of social distancing measures, the group would still comply with revised covenants to March 2022, but on reverting to the original financial covenants for the March 2022 and June 2022 quarter end tests, certain performance-based covenants would risk being breached. Under the reverse stress test, we looked at the impact of pubs remaining closed (the trigger point) indefinitely, combined with not receiving the final six-month extension on the £20.0 million RCF, effectively dropping away end of November 2021. Under this scenario Young's would fail the monthly minimum liquidity test at the end of December 2021 and on revision to the original banking covenants in March 2022 certain performance-based covenants would be breached.

There are numerous covid-19 impacted trading scenarios which could be modelled highlighting how Young's might deviate from the base case. Ultimately, operating profit would need to drop by almost 80% from the base model for banking covenants to fail in March 2022 when we resume the quarterly testing. To realise this level of lost profit would involve significant periods of closure, delay in the reopening roadmap and the reintroduction of trading restrictions at key periods.

Given there remains uncertainty over trade, compliance with the original banking covenants for the March 2022 test date does represent a material uncertainty to Young's that casts doubt about the group's ability to continue as a going concern. We are in regular dialogue with our lenders and, should such a scenario arise, we are confident that we would be able to agree remedies, including an extension of the covenant changes agreed already, well in advance of March 2022.

The coronavirus pandemic will continue to have an impact on Young's business during the going concern period to 27 June 2022, as restrictions are relaxed, and trade rebuilds. Based on current forecasts and sensitivities, together with the potential remedy should a covenant breach occur as described above, the Young's board is confident that with the current reopening plans, the ongoing debt structure in place and the June 2020 equity raise there are sufficient financial resources to meet all liabilities until at least the 27 June 2022 even with further trading disruption or closure periods.

Accordingly, the board continues to adopt the going concern basis in preparing the financial statements. The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

2. Basis of preparation

The group and parent company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. IFRS includes the application of International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) and related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Interpretations of the Standing Interpretations Committee (SIC). During the period, new IFRS and amendments to existing IFRS were issued by the International Accounting Standards Board (IASB). The impact and, if applicable, the adoption of these standards is described below in "New Accounting Standards, Amendments and Interpretations".

No separate income statement or statement of comprehensive income are presented for the company, as permitted by section 408(3) of the Companies Act 2006.

New Accounting Standards, Amendments and Interpretations

Covid-19-Related Rent Concessions – Amendment to IFRS 16

Amendments were made to IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid pandemic.

As a practical expedient, the group elected not to assess whether covid-related rent concessions from a lessor were a lease modification; this resulted in 23 property leases becoming within scope of the amendment due to payment holidays or rent deferrals being granted directly as a result of the covid pandemic.

Adoption of the amendment has been applied retrospectively, however had no material impact on opening retained earnings, the opening lease liabilities or the opening right-of-use assets due to the timing of the rent concessions. The accounting treatment applied varied on a lease-to-lease basis dependent upon the specific conditions of each rent concession. In general, rent concessions were treated as a contingency that fixed previously variable lease payments. In such cases, the lease liabilities were remeasured, using the remeasured consideration, with a corresponding adjustment to the right-of-use assets. Where rent deferrals were agreed with only short-term timing differences, no changes were made to the lease liability payment schedule. In these cases, the lease liabilities and right-of-use assets remained unchanged, however a separate payable was reflected within trade and other payables in the balance sheet.

Other amendments to accounting standards applied from 31 March 2020 were as follows:

- Definition of Material – amendments to IAS 1 and IAS 8;
- Definition of a Business – amendment to IFRS 3;
- Revised Conceptual Framework for Financial Reporting; and
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7.

The application of these did not have a material impact on the group's accounting treatment and has therefore not resulted in any material changes.

The group has applied phase 1 of the interest rate benchmark reform and has identified a number of swaps that are linked to the LIBOR rate. Under phase 1 the Group has elected to take the relief provided for continuation of hedge accounting and continues to hedge account on interest rate swaps. The Group is in the process of assessing the transition to alternative interest rate benchmarks ahead of phase 2 of the reform being implemented.

3. Segmental reporting

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

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

Income statement	**Managed houses**	**Ram Pub Company**	**Segments total**	**Unallocated**	**Total**
2021	**£m**	**£m**	**£m**	**£m**	**£m**
Sales of goods	**84.5**	**2.2**	**86.7**	**-**	**86.7**
Accommodation sales	**2.5**	**-**	**2.5**	**-**	**2.5**
Total revenue from contracts with customers	**87.0**	**2.2**	**89.2**	**-**	**89.2**
Rental income	**-**	**1.1**	**1.1**	**0.3**	**1.4**
Total revenue recognised	**87.0**	**3.3**	**90.3**	**0.3**	**90.6**
Adjusted operating loss	**(18.6)**	**(0.7)**	**(19.3)**	**(14.7)**	**(34.0)**
Adjusting items	**(0.6)**	**0.1**	**(0.5)**	**(0.6)**	**(1.1)**
Operating loss	**(19.2)**	**(0.6)**	**(19.8)**	**(15.3)**	**(35.1)**

£0.3 million of unallocated income (2020: £0.4 million) is rental income derived from unlicensed properties.

Income statement 2020	Managed houses £m	Ram Pub Company £m	Segments total £m	Unallocated £m	Total £m
Sales of goods	284.5	8.8	293.3	-	293.3
Accommodation sales	14.0	-	14.0	-	14.0
Total revenue from contracts with customers	298.5	8.8	307.3	-	307.3
Rental income	0.6	3.3	3.9	0.4	4.3
Total revenue recognised	299.1	12.1	311.2	0.4	311.6
Adjusted operating profit/(loss)	59.9	4.3	64.2	(17.7)	46.5
Adjusting items	(7.0)	(1.4)	(8.4)	(0.2)	(8.6)
Operating profit/(loss)	52.9	2.9	55.8	(17.9)	37.9

4. Adjusting items

	2021 **£m**	2020 £m
Amounts included in operating profit:		
Upward movement on the revaluation of properties(note 9)(1)	**3.4**	1.7
Downward movement on the revaluation of properties(note 9)(1)	**(1.6)**	(7.0)
Group reorganisation(2)	**(1.4)**	-
Covid restructuring(3)	**(0.5)**	-
Tenant compensation(4)	**(0.5)**	(1.7)
Net loss on disposal of properties(5)	**(0.5)**	(0.6)
Acquisition costs(6)	**-**	(1.0)
	(1.1)	(8.6)
Tax on adjusting items:		
Tax attributable to adjusting items	**0.2**	(1.6)
Total adjusting items after tax	**(0.9)**	(10.2)

(1) The movement on the revaluation of properties is a non-cash item that relates to the revaluation exercise that was completed at the period end date. The revaluation was conducted at an individual pub level and identified an upward movement of £3.4 million (2020: £1.7 million) representing reversals of previous impairments recognised in the income statement, and a downward movement of £1.6 million (2020: £7.0 million), representing downward movements in excess of amounts recognised in equity. These resulted in a net upward movement of £1.8 million (2020: £5.3 million net downward) which has been recognised in the income statement. The upward movement for the period ended 29 March 2021 was split between land and buildings of £1.8 million (2020: £5.3 million downward) and fixtures and fittings of £nil (2020: £nil). See note 3 for segmental information and note 9 for information on the revaluation of properties.

(2) The group reorganisation costs of £1.4 million related to the stamp duty land tax and associated legal and professional fees incurred on the transfer of the business and assets of Spring Pub Company Limited, a group of five sites acquired on 12 March 2020 to Young's. The cost was foreseen at the time of the acquisition in March 2020, but did not crystalise until the transfer happened in September 2020.

(3) Covid restructuring costs of £0.5 million related to a reorganisation of the group's head office functions. These were largely made up of severance costs.

(4) Tenant compensation of £0.5 million was paid to previous tenants of the Royal Oak (Bethnal Green) and an unlicensed property (Wandsworth) to terminate their lease agreements early. During the prior period, tenant compensation of £1.7 million was paid to the previous tenants of the White Bear (Tunbridge Wells), New Inn (Ealing), Constitution (Camden) and an unlicensed property (Wandsworth) to terminate their lease agreements early.

(5) The loss on disposal of properties related to the difference between cash, less disposal costs, received from the sale of the Horse Pond Inn (Castle Cary), the lease expiry of the Black Cat (Catford), the Surprise (Chelsea) and the Greyhound (Hendon) and the carrying value of their assets, including goodwill, at the dates of disposal. In the prior period, the carrying value of the Horse Pond Inn was previously derecognised from property and equipment and instead classified as an asset held for sale. Proceeds of £0.4 million were recognised in respect of the sale of the Horse Pond Inn in the current period. During the prior period, 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), termination of the lease of the Alphabet (Islington) and the sale of the Bristol Ram (Bristol) and the carrying value of their assets, including goodwill, at the dates of disposal.

(6) The prior period acquisition costs related to the purchase of Spring Pub Company Limited, a group of 5 sites acquired on 12 March 2020, along with the White Bear (Tunbridge Wells) and the Constitution (Camden). They included legal and professional fees and stamp duty land tax.

5. Other financial measures

The table below shows how adjusted group EBITDA, operating profit and profit before tax have been arrived at. They exclude adjusting items which due to their material or non-recurring nature distort the group's performance. These alternative performance measures have been provided to help investors assess the group's underlying performance. Details of the adjusting items can be seen in note 4. All the results below are from continuing operations.

	2021			2020		
	Unadjusted £m	**Adjusting items £m**	**Adjusted £m**	Unadjusted £m	Adjusting items £m	Adjusted £m
EBITDA	**(3.2)**	**2.9**	**(0.3)**	76.3	3.3	79.6
Depreciation and net movement on the revaluation of properties	**(31.9)**	**(1.8)**	**(33.7)**	(38.4)	5.3	(33.1)
Operating (loss)/profit	**(35.1)**	**1.1**	**(34.0)**	37.9	8.6	46.5
Net finance costs	**(9.9)**	**-**	**(9.9)**	(8.6)	-	(8.6)
Finance charge for pension obligations	**(0.2)**	**-**	**(0.2)**	(0.2)	-	(0.2)
(Loss)/profit before tax	**(45.2)**	**1.1**	**(44.1)**	29.1	8.6	37.7

6. Taxation

The major components of income tax (credit)/expense for the years ended 29 March 2021 and 30 March 2020 are:

Tax (credited)/charged in the group income statement	**2021 £m**	2020 £m
Current income tax		
Current tax (credit)/expense	**(5.8)**	8.6
	(5.8)	8.6
Deferred tax		
Relating to origin and reversal of temporary differences	**(1.6)**	(0.4)
Adjustment in respect of deferred tax of prior periods	**0.5**	-
Change in corporation tax rate	**-**	1.6
	(1.1)	1.2
Income tax (credited)/charged in the income statement	**(6.9)**	9.8

Deferred tax in the group income statement		
Property revaluation and disposals	**(0.1)**	1.4
Capital allowances	**(0.2)**	(1.2)
Retirement benefit schemes	**0.2**	0.6
Share based payments	**-**	0.3
Trade losses	**(1.0)**	0.1
Deferred tax (credited)/charged in the income statement	**(1.1)**	1.2

Deferred tax in the group statement of other comprehensive income		
Property revaluation and disposals	**3.8**	(1.5)
Retirement benefit schemes	**0.2**	(0.1)
Interest rate swaps	**0.5**	0.1
Change in corporation tax rate	**-**	4.6
Deferred tax charged to other comprehensive income	**4.5**	3.1

The deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 19%.

7. Dividends on equity shares

	2021 **Pence per share**	2020 Pence per share	**2021** **£m**	2020 £m
Final dividend (previous period)	**-**	10.81	**-**	5.3
Interim dividend (current period)	**-**	10.57	**-**	5.2
	-	21.38	**-**	10.5

The table above sets out dividend that had been paid. The board is has decided that it is not appropriate to recommend payment of a final dividend in respect of the period ended 29 March 2021.

8. (Loss)/earnings per ordinary share

(a) (Loss)/earnings

	2021 **£m**	2020 £m
(Loss)/profit attributable to equity shareholders of the parent	**(38.3)**	19.3
Adjusting items	**1.1**	8.6
Tax attributable to above adjustments	**(0.2)**	1.6
Adjusted (loss)/earnings after tax	**(37.4)**	29.5

	Number	Number
Basic weighted average number of ordinary shares in issue	**56,132,368**	49,018,801
Dilutive potential ordinary shares from outstanding employee share options	**-**	28,901
Diluted weighted average number of shares	**56,132,368**	49,047,702

(b) Basic (loss)/earnings per share

	Pence	Pence
Basic	**(68.23)**	39.37
Effect of adjusting items	**1.60**	20.81
Adjusted basic (loss)/earnings per share	**(66.63)**	60.18

(c) Diluted (loss)/earnings per share

	Pence	Pence
Diluted	**(68.23)**	39.35
Effect of adjusting items	**1.60**	20.80
Adjusted diluted (loss)/earnings per share	**(66.63)**	60.15

The basic (loss)/earnings per share figure is calculated by dividing the net (loss)/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 (loss)/earnings per share are calculated on a similar basis taking into account dilutive potential shares under our SAYE scheme. There were 61 potential dilutive shares, which were not included in the calculation of diluted earnings per share, as they were antidilutive in the period due to the group being loss making. During the prior period, there were 28,901 dilutive shares.

Adjusted (loss)/earnings per share are presented to eliminate the effect of the adjusting items and the tax attributable to those items on basic and diluted (loss)/earnings per share.

9. Property and equipment

	Group			Company		
	Land & buildings £m	Fixtures, fittings & equipment £m	Total £m	Land & buildings £m	Fixtures, fittings & equipment £m	Total £m
Cost or valuation						
At 2 April 2019	**693.3**	**148.0**	**841.3**	**668.8**	**141.3**	**810.1**
Additions	6.6	26.1	32.7	6.5	26.0	32.5
Business combinations	27.1	2.6	29.7	14.4	0.9	15.3
Transfers from subsidiary companies	-	-	-	20.8	2.1	22.9
Disposals	(1.7)	(0.8)	(2.5)	(1.0)	(0.6)	(1.6)
Transfer out to asset held for sale	(0.8)	(0.4)	(1.2)	(0.8)	(0.4)	(1.2)
Fully depreciated assets	(0.2)	(14.8)	(15.0)	(0.2)	(14.8)	(15.0)
Revaluation[1]						
-upward movement in valuation	19.1	-	19.1	19.1	-	19.1
- downward movement in valuation	(29.3)	-	(29.3)	(28.8)	-	(28.8)
At 30 March 2020	**714.1**	**160.7**	**874.8**	**698.8**	**154.5**	**853.3**
Additions	3.9	15.2	19.1	3.9	15.2	19.1
Transfers from subsidiary companies	-	-	-	14.7	0.1	14.8
Disposals	-	(0.2)	(0.2)	-	(0.2)	(0.2)
Transfer out to asset held for sale	(0.9)	(0.4)	(1.3)	(0.9)	(0.4)	(1.3)
Fully depreciated assets	(7.7)	(19.1)	(26.8)	(7.4)	(19.1)	(26.5)
Revaluation[1]			-			
-upward movement in valuation	14.5	-	14.5	14.5	-	14.5
- downward movement in valuation	(6.0)	-	(6.0)	(6.0)	-	(6.0)
At 29 March 2021	**717.9**	**156.2**	**874.1**	**717.6**	**150.1**	**867.7**
Depreciation and impairment						
At 2 April 2019	**27.8**	**62.9**	**90.7**	**26.6**	**62.2**	**88.8**
Depreciation charge	1.6	24.0	25.6	1.4	23.5	24.9
Disposals	(1.0)	(0.3)	(1.3)	(0.3)	(0.3)	(0.6)
Transfer out to asset held for sale	(0.6)	(0.1)	(0.7)	(0.6)	(0.1)	(0.7)
Fully depreciated assets	(0.2)	(14.8)	(15.0)	(0.2)	(14.8)	(15.0)
Revaluation[1]						
-upward movement in valuation	7.0	-	7.0	7.0	-	7.0
- downward movement in valuation	(2.6)	-	(2.6)	(2.6)	-	(2.6)
At 30 March 2020	**32.0**	**71.7**	**103.7**	**31.3**	**70.5**	**101.8**
Depreciation charge	1.7	24.4	26.1	1.6	24.3	25.9
Disposals	-	(0.2)	(0.2)	-	(0.2)	(0.2)
Transfer out to asset held for sale	-	(0.1)	(0.1)	-	(0.1)	(0.1)
Fully depreciated assets	(7.7)	(19.1)	(26.8)	(7.4)	(19.1)	(26.5)
Revaluation[1]			-			-
-upward movement in valuation	(3.9)	-	(3.9)	(3.9)	-	(3.9)
- downward movement in valuation	1.6	-	1.6	1.6	-	1.6
At 29 March 2021	**23.7**	**76.7**	**100.4**	**23.2**	**75.4**	**98.6**
Net book value						
At 2 April 2019	665.5	85.1	750.6	642.2	79.1	721.3
At 30 March 2020	682.1	89.0	771.1	667.5	84.0	751.5
At 29 March 2021	**694.2**	**79.5**	**773.7**	**694.4**	**74.7**	**769.1**

(1) The group's net book value uplift during the period was £10.8 million (2020: an impairment £14.6 million). This uplift was recognised either in the revaluation reserve or the income statement, as appropriate.

The impact of the revaluations was as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£m	**£m**	**£m**	**£m**
Income statement				
Revaluation loss charged as impairment	**(1.6)**	(7.0)	**(1.6)**	(7.0)
Reversal of past impairment	**3.4**	1.7	**3.4**	1.7
Net uplift/(impairment) recognised in the income statement	**1.8**	(5.3)	**1.8**	(5.3)
Revaluation reserve				
Unrealised revaluation surplus	**15.0**	20.0	**15.0**	20.0
Reversal of past surplus	**(6.0)**	(29.3)	**(6.0)**	(29.6)
Net uplift/(impairment) recognised in the revaluation reserve	**9.0**	(9.3)	**9.0**	(9.6)
Net revaluation increase/(decrease) in property	**10.8**	(14.6)	**10.8**	(14.9)

Savills, an independent and leading commercial property adviser, has revalued all our freehold properties, supported by Brendan Brammer, BSc (Hons) MRICS, our interim director of property and tenancies. The valuation contains a material uncertainty given the lack of comparable transactional activity since the onset of coronavirus and the uncertainty over future trade at the valuation date.

10. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group				Company			
	Property	**Motor vehicles**	**Other assets**	**Total**	**Property**	**Motor vehicles**	**Other assets**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
As at 2 April 2019	**147.8**	**0.3**	**0.1**	**148.2**	**125.4**	**0.3**	**0.1**	**125.8**
Additions	2.8	0.2	**-**	3.0	12.5	0.2	**-**	12.7
Business combinations	15.0	**-**	**-**	15.0	-	-	-	-
Lease amendments	4.7	**-**	**-**	4.7	4.7	-	-	4.7
Depreciation	(7.3)	(0.2)	**-**	(7.5)	(6.1)	(0.2)	-	(6.3)
As at 30 March	**163.0**	**0.3**	**0.1**	**163.4**	**136.5**	**0.3**	**0.1**	**136.9**
Additions	2.1	0.1	**-**	**2.2**	18.3	0.1	-	**18.4**
Lease amendments	0.1	-	(0.1)	**-**	0.3	-	(0.1)	**0.2**
Depreciation	(7.4)	(0.2)	-	**(7.6)**	(6.2)	(0.1)	-	**(6.3)**
As at 29 March	**157.8**	**0.2**	**-**	**158.0**	**148.9**	**0.3**	**-**	**149.2**

11. Retirement benefit schemes

Movement in scheme deficits in the period

	Group and company					
		2021			2020	
	Pension scheme	**Health care scheme**	**Total**	Pension scheme	Health care scheme	Total
	£m	**£m**	**£m**	£m	£m	£m
Changes in the present value of the schemes are as follows:						
Opening deficit	**(4.6)**	**(3.6)**	**(8.2)**	(5.1)	(3.5)	(8.6)
Current service cost	**(0.2)**	**-**	**(0.2)**	(0.3)	-	(0.3)
Contributions	**1.4**	**0.2**	**1.6**	1.4	0.2	1.6
Other finance charges	**(0.1)**	**(0.1)**	**(0.2)**	(0.1)	(0.1)	(0.2)
Remeasurement through other comprehensive income	**1.3**	**(0.4)**	**0.9**	(0.5)	(0.2)	(0.7)
Closing deficit	**(2.2)**	**(3.9)**	**(6.1)**	(4.6)	(3.6)	(8.2)

12. Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group	Company
As at 2 April 2019	74.6	64.3
Additions	2.8	2.9
Business combinations	8.3	-
Lease amendments	4.7	4.7
Accretions of interest	2.5	2.1
Payments	(10.6)	(9.4)
	82.3	64.6
Current	5.3	5.0
Non-current	77.0	59.6
As at 30 March 2020	82.3	64.6
Additions	**2.2**	**12.2**
Lease amendments	**-**	**0.2**
Accretions of interest	**2.6**	**2.3**
Payments	**(6.9)**	**(6.1)**
As at 29 March 2021	**80.2**	**73.2**
Current	**4.9**	**4.1**
Non-current	**75.3**	**69.1**

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

	Group		Company	
	2021 £m	2020 £m	**2021 £m**	2020 £m
(Loss)/profit before tax on continuing operations	**(45.2)**	29.1	**(45.1)**	28.0
Net finance cost	**9.9**	8.6	**9.5**	8.4
Finance charge for pension obligations	**0.2**	0.2	**0.2**	0.2
Operating (loss)/profit on continuing operations	**(35.1)**	37.9	**(35.4)**	36.6
Depreciation of property and equipment	**26.1**	25.6	**25.9**	24.9
Depreciation of right-of-use assets	**7.6**	7.5	**6.3**	6.3
Movement on revaluation of properties	**(1.8)**	5.3	**(1.8)**	5.3
Net loss/(profit) on disposal of property	**0.5**	0.6	**0.5**	0.3
Difference between pension service cost and cash contributions paid	**(1.4)**	(1.3)	**(1.4)**	(1.3)
Business transfer from subsidiary to parent	**-**	-	**-**	0.8
Movement in other provisions	**-**	-	**-**	0.6
Share based payments	**(0.1)**	0.1	**(0.1)**	0.1
Movements in working capital				
- Inventories	**0.7**	0.5	**0.6**	0.4
- Receivables	**(1.2)**	(1.8)	**(1.5)**	(1.2)
- Payables	**(18.3)**	(1.9)	**(17.0)**	(1.7)
Net cash generated from operations	**(23.0)**	72.5	**(23.9)**	71.1

Analysis of net debt

	Group		Company	
	2021 £m	2020 £m	**2021 £m**	2020 £m
Cash	**4.7**	1.1	**4.7**	1.1
Current borrowings and loan capital	**(29.8)**	(50.0)	**(29.8)**	(50.0)
Current lease liability	**(4.9)**	(5.3)	**(4.1)**	(5.0)
Non-current borrowings and loan capital	**(143.4)**	(149.2)	**(143.4)**	(149.2)
Non-current lease liability	**(75.3)**	(77.0)	**(69.1)**	(59.6)
Net debt	**(248.7)**	(280.4)	**(241.7)**	(262.7)

14. Post balance sheet events

The only balance sheet events were the acquisition of the Greenwich Union and the sale of the Grove House (Camberwell) which was classified as asset held for sale at 29 March 2021.