YOUNG'S

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

INTERIM RESULTS FOR THE 26 WEEKS ENDED 2 OCTOBER 2023

A RECORD PERFORMANCE WITH A PROVEN STRATEGY DELIVERING INDUSTRY-LEADING PROFITABILITY

	2023 £m	2022 £m	**% change**
Revenue	**196.5**	186.5	**+5.4**
Adjusted operating profit[1]	**31.0**	29.0	**+6.9**
Adjusted profit before tax[1]	**28.0**	25.0	**+12.0**
Adjusted EBITDA[1]	**47.9**	45.0	**+6.4**
Adjusted operating margin[1]	**15.8%**	15.5%	**+0.3%**
Net debt	**184.0**	168.1	**+9.5**
Net debt to EBITDA[2]	**2.1x**	2.0x	**0.1x**
Profit before tax	**24.5**	23.9	**+2.5**
Adjusted basic earnings per share[1]	**36.08p**	34.54p	**+4.5**
Basic earnings per share	**29.75p**	32.66p	**-8.9**
Interim dividend per share[3]	**10.88p**	10.26p	**+6.0**
Net assets per share[4]	**£12.50**	£12.11	**+3.2**

1 Reference to an 'adjusted' item means that item has been adjusted to exclude non-underlying items (see note 2 for adjusting items and note 5 for earnings per share).

2 Net debt (including lease liabilities) to EBITDA has been calculated based on the last 12 months' actual adjusted EBITDA of £88.4 million (see note 2 for adjusted EBITDA and note 7 for net debt).

3 The interim dividend, in respect of the period ended 2 October 2023, is expected to be paid on 8 December 2023 (see note 6).

4 Net assets per share are the group's net assets divided by the shares in issue at the period end (see note 5).

PERFORMANCE HIGHLIGHTS

- Total revenue for the period up 5.4% to £196.5 million, and adjusted EBITDA up 6.4% to £47.9 million with managed house EBITDA for the period up 6.3% to £59.0 million
- Adjusted operating profit up 6.9% to £31.0 million, driven by a sector leading margin of 15.8%, up 30 bps from last year's 15.5%
- Adjusted profit before tax growth of 12.0% to a record £28.0 million for a half year period, demonstrating the strength of Young's proven strategy which consistently delivers profitable growth
- Like-for-like revenue growth of 3.6% against a strong comparator, reflecting the significant outperformance of the market and rapid return to normal trading conditions last year. Like-for-like sales ahead of 2019 by 10.8%
- A strong balance sheet, aided by positive free cashflow, supports our strategy and provides the financial capacity for continued investment
- £39.1 million of investment in the period, including five freehold acquisitions and £20.3 million invested in our existing estate, with a further two acquisitions since the end of the period
- Interim dividend of 10.88 pence per share, an increase of 6.0%, reflecting our strong performance and positive outlook
- Since the period end, managed house revenue for the last six weeks was ahead of last year by 5.8%; and up by 3.3% on a like-for-like basis
- Young's has today separately announced a £162 million recommended offer for City Pub Company plc, an AIM-listed owner and operator of an estate of premium pubs and bedrooms across the Southern half of England and Wales

Simon Dodd, Chief Executive of Young's, commented:

"I am pleased to report another strong set of financial results. Despite it being a challenging first half of the year we have delivered an excellent profit performance, reaching record levels for an interim period. This is testament to the excellent work of our teams and our proven strategy of operating premium, individual, differentiated and well-invested pubs."

"We are delighted to see London truly back in business, which was reflected by our pubs in the City and Central London being standout performers, comfortably exceeding pre-covid levels as customers enjoyed the Young's experience."

"While cost pressures across our supply chain remain, we have successfully mitigated headwinds and maintained our industry-leading margins. There are positive signs on the horizon, with cost pressures continuing to ease and stabilise in some areas."

"Our strategy underpins our consistent delivery of industry-leading results, and we remain confident in continuing to deliver superior returns for all our shareholders."

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INTERIM STATEMENT

I am pleased to report another strong set of financial results for the first half of the year, with a record interim adjusted profit before tax of £28.0 million, up by 12.0% on the prior year.

The period turned out to be a 'tale of two halves', as the abundance of sunshine in June gave way to unfavourable weather in the core summer months of July and August. Most recently, we were boosted by the hot weather in September and the start of the Rugby World Cup, an event close to our hearts at Young's. Overall, we delivered a good performance for the period, with total revenue of £196.5 million (2022: £186.5 million) for the 26 weeks, up 5.4%, despite some impact from the ongoing rail strikes.

Young's is a business that places investment in its people and pubs at the heart of its decision making. We are committed to maintaining a premium estate and our strong financial position has enabled us to invest a total of £39.1 million across existing pubs and five freehold acquisitions. During the period, we were delighted to welcome four new pubs to the Young's family: the Libertine (Westbourne), White Hart (Ford), White Lion (Tenterden), and most recently the Huntsman (Brockenhurst), adding a further 39 bedrooms to our ever-growing room estate. At the start of the period, we also purchased the virtual freehold interest in the Stag (Belsize Park).

I would like to take this opportunity to welcome Steve Cooke, who joined the board as a non-executive director on 1 November 2023, bringing over 40 years' corporate experience from his time at Slaughter and May, most recently as senior partner. Steve will take over as non-executive chairman next year, when Steve Goodyear steps down and retires from the board following the company's 2024 Annual General Meeting.

Given the strong financial performance and positive outlook, the board has decided to raise the interim dividend by 6.0% to 10.88 pence per share (2022: 10.26 pence per share). This is expected to be paid on 8 December 2023 to shareholders on the register at close of business on 24 November 2023.

BUSINESS REVIEW

Total managed revenue was up 5.4%, and 3.6% on a like-for-like basis compared to the same period last year, and ahead of 2019 by 10.8%, driven by strong growth in drink and accommodation. Managed like-for-like sales growth was delivered against a strong comparative period, with Young's managed like-for-like sales rebounding significantly faster than the market last year, up by 20.4%. Like-for-like sales are now at levels more in line with our long-standing history of delivering steady and consistent growth.

Despite our pubs battling against significant cost headwinds, the adjusted operating profit for our managed estate was £42.8 million, a record for the interim period. Compared with the prior year, the adjusted managed operating profit was ahead by £2.8 million, driven by both our like-for-like estate and pub acquisitions over the last 18 months.

The year got off to a fast start with the exceptionally hot weather in June contributing to strong like-for-like sales growth of 6.8%, reported at the time of our AGM in early July. However, the disappointing summer weather which followed, along with further rail strikes, dampened sales growth in the second quarter. September has seen the start of the Rugby World Cup, supported in great numbers by our customers especially in our heartland of south-west London. To celebrate the world cup, we launched our marketing campaign, 'The Rugby Love', drawing on the values shared by rugby players and fans, as well as our teams, customers and communities. We have partnered with the brilliant Wooden Spoon charity as part of the campaign and pledged to raise more than £150,000 for their initiatives.

Our pubs in the City and Central London continue to bounce back, with like-for-like sales growth of 8.0%, and are now comfortably ahead of pre-covid levels. All this has been achieved despite the ongoing train strikes having a disproportional effect as city commuters were forced to stay at home on affected days. The investment in our pubs in the capital is also vitally important, and so far this period two of the highest returning schemes have been at the Porchester (Westbourne Grove) and the Paternoster (St Paul's).

At the start of the financial year, we launched our new accommodation strategy 'Young's Rooms' to celebrate the enjoyment and the unique experience of staying in a pub. Our room revenue has been the standout performance so far this period with like-for-like growth of 10.1%, continuing its post-covid recovery. Our total occupancy has improved by 3.2% points with an increase of £8.34 to average room rates. In total, RevPAR was up by £9.74 to £86.85.

During the first half, our drink sales have performed well, led by good volume growth across our draught range, with draught sales up by 8.5%. We strive to be at the forefront of innovation, introducing new and exciting beers, and have added Beavertown Lunar Haze, Asahi Super Dry, and our rugby-themed cask ale 'Drop Gold' to our range so far this year. However, it has been the growth in Guinness which leads the way, defying the impact of seasonality with volume up by 26.6%. Compared to the same period last year, total drink sales were up 5.6% and 4.0% on a like-for-like basis.

This summer, our new seasonal campaign championed the trend of premium long cocktails, with a spritz twist. From the fresh and herbaceous G&T to the spicy and vibrant Margarita spritz, we capitalised on the booming cocktail trend, resulting in a 12.5% increase in sales. However, summer classics like Aperol Spritz remained popular, with sales increasing by 23.2%. The success of Aperol Spritz also boosted sales of its alcohol-free sibling, the Amalfi Spritz, which ranked among our best-selling spritzes.

Our food sales continue to grow, up 4.4% in total compared to the same period last year, and 1.5% on a like-for-like basis. Our Executive Chef team continue to support our pubs, helping to mitigate food inflation, as far as possible, by taking a proactive approach to using seasonal and locally-sourced British ingredients. We are hopeful that as we progress through the rest of the year we will continue to see this pressure ease, with recent food costs flat to this time last year.

It has been one of our busiest starts to a year with record investment of £20.3 million on our existing estate after the first six months. Having closed in the previous financial year, the Marquess of Anglesey (Covent Garden), one of our flagship Central London pubs, reopened its doors in May following a multi-million pound scheme where we added a wonderful new 40-cover rooftop bar, complete with retractable roof. In August, we reopened the legendary Clapham North (Clapham), previously one of our remaining tenanted pubs, after taking the pub into our managed estate in March 2023 and undertaking a major refurbishment. This investment has brought a new sense of fun and life to the pub, and, with its location directly opposite the tube station bearing the same name, I have no doubt that it will be a huge success. Elsewhere, major work has begun at the Defector's Weld (Shepherd's Bush), Constitution (Camden) where we are restoring iconic features while enhancing its trading space with the addition of a roof terrace, and the Bedford Arms (Chenies), an impressive 18th century pub with 15 rooms following its acquisition last April. We are committed to elevating every Young's pub to the very highest standard and have completed other eye-catching smaller schemes at the Crown (Twickenham), Coach & Horses (Isleworth) and the Chelsea Ram (Chelsea). All are fine examples of what can be achieved on a smaller scale.

Alongside this investment, we have added four premium freehold pubs: the Huntsman (Brockenhurst), Libertine (Westbourne), White Hart (Ford) and the White Lion (Tenterden), all seamlessly transitioning across from Marston's into our existing managed estate. We ended the period with 230 pubs, including 42 with rooms, up from 226 at the end of last period, with an additional 32 bedrooms taking our total Young's Rooms stock to 825.

FINANCE

From 1 April 2023, the effective corporation tax rate increased from 19.0% to 25.0% and combined with a lower capital allowances deduction rate the corporation tax expense has increased to £6.5 million this period (2022: £3.1 million). Despite this additional expense, the increased profitability has seen our adjusted earnings per share rise by 4.5% to 36.08 pence.

At the period end, our net debt increased to £184.0 million from £165.2 million at the year-end, driven by a combination of the higher level of investment, a large movement in working capital purely due to the timing of the period end date and a rise in our tax payments following the new effective corporation tax rate. Our net debt excluding lease liabilities sits at £110.8 million. Based on the last twelve months' adjusted EBITDA of £88.4 million, our net debt (including lease liabilities) to EBITDA ratio has increased to 2.1 times (3 April 2023: 1.9 times). Our cash balance of £0.8 million and drawn down debt of £112.5 million provides us with debt headroom of £92.5 million.

The adjusting items of £3.5 million (2022: £1.1 million) related to an impairment charge of £2.1 million to goodwill and right-of-use assets combined with purchase costs of £0.8 million for acquisitions made in the period. The remaining £0.6 million was compensation paid to the previous tenants of the Clapham North (Clapham) and the theatre company at the Kings Head (Islington) following the termination of their lease.

The methodology and assumptions prescribed for the purposes of IAS 19 Pensions accounting mean that the balance sheet surplus or deficit are inherently volatile and will vary greatly according to investment market conditions at each accounting date. Wider market conditions have led to an increase in the discount rate used to 5.7% (3 April 2023: 4.7%), which has contributed to a fall in liabilities, however this has been outweighed by the fall in asset values during the period. This has resulted in our retirement benefit schemes reducing by £5.7 million since the year-end, from a net surplus of £3.7 million to a net deficit of £2.0 million.

ESG

As a group, we are committed to operating sustainably and to continuously finding ways to reduce our carbon footprint. Our managed pubs are at the heart of the communities in which we operate, bringing people together and giving us the opportunity to improve the wellbeing of both our teams and our customers.

As a founding member of the Zero Carbon Forum, a group which has created a 'Roadmap for Hospitality to Net Zero' we have aligned ourselves with the industry's roadmap to become net zero across scope 1, 2 and 3 emissions by 2040. We actively participate in their action groups, sharing ideas, collaborating, and collectively working towards a net zero future. We are currently in the process of aligning our sustainability reporting activities with the Task Force on Climate-related Financial Disclosures ('TCFD') framework and are pleased that we will be reporting against the TCFD framework for the first time in our annual report for the year ended 1 April 2024.

We continue to guide and encourage behavioural change within our operations, with initiatives such as 'Save While You Sleep' in partnership with the Zero Carbon Forum, and the 'Wasteless Pub' project in collaboration with our waste management partners Suez. We are passionate about seasonal, premium, and sustainable British produce. Our menus are crafted using the finest ingredients, the majority of which are sourced in the UK. We work closely with our key suppliers to improve the transparency of our ingredients and to identify ways we can work together to reduce our supply chain emissions.

Further information about our ESG initiatives and our evolving sustainability strategy will be provided in our 2024 Annual Report.

CURRENT TRADING AND OUTLOOK

Recent trading continues to perform well and in line with our expectations. Total sales for the last six weeks are up by 5.8% and up by 3.3% on a like-for-like basis. The Rugby World Cup has bolstered trading and propelled Guinness sales to new highs as customers cheered on their home nations. Christmas bookings are already looking strong, supported by the significant investments we have made in our existing estate and the addition of fantastic premium freehold pubs.

Since the period end, we have completed two individual freehold acquisitions, adding the Crooked Billet (Clapton) and the Ship Inn (Noss Mayo, Devon). Our continued investment programme will see us complete several major schemes over the coming months, including the Constitution (Camden), a pub that has been empty since its acquisition in 2019, the iconic Clarence (Whitehall) reopening its doors after a full refurbishment and the Guinea Grill (Mayfair) which, following a new lease extension, will incorporate the neighbouring property as part of the project, with an additional 84 covers and two new private dining rooms.

Despite the good start to the second half of our financial year, we continue to monitor trading conditions closely. The macroeconomic environment and the impact this could have on consumer sentiment remains unpredictable. In particular, we are once again conscious of the significant impact further rail strikes could have on trade in the lead up to the festive period, an important time of year for the hospitality sector. However, the business is operationally cash generative with a robust balance sheet. We remain focused on maintaining our premium position within the pub and bedrooms sector and are confident in our winning strategy of operating premium, individual and well-invested managed pubs and bedrooms, crucial to our continuing success and the delivery of superior returns for our shareholders.

Simon Dodd
Chief Executive
15 November 2023

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

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the interim report for the 26 weeks ended 2 October 2023 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.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 2 October 2023 is not prepared, in all material respects, in accordance with the accounting policies outlined in Note 1, which comply with UK adopted International Accounting Standards and in accordance with the AIM Rules issued by the London Stock Exchange.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. 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.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the interim report in accordance with the 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.

In preparing the interim report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the interim report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the interim report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. 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.

Ernst & Young LLP
Reading
15 November 2023

Group income statement

For the 26 weeks ended 2 October 2023

	Notes	**Unaudited 26 weeks to 2 Oct 2023 £m**	Unaudited 26 weeks to 26 Sep 2022 £m	*Audited 53 weeks to 3 Apr 2023 £m*
Revenue	3	**196.5**	186.5	*368.9*
Operating costs before adjusting items		**(165.5)**	(157.5)	*(316.5)*
Adjusted operating profit		**31.0**	29.0	*52.4*
Adjusting items	2	**(3.5)**	(1.1)	*(9.0)*
Operating profit		**27.5**	27.9	*43.4*
Finance income		**-**	-	*0.1*
Finance costs		**(3.1)**	(4.2)	*(7.6)*
Finance income for pension obligations	11	**0.1**	0.2	*0.3*
Profit before tax		**24.5**	23.9	*36.2*
Income tax expense	4	**(7.1)**	(4.8)	*(6.5)*
Profit after tax for the period attributable to shareholders of the parent company		**17.4**	19.1	*29.7*

		Pence	Pence	*Pence*
Earnings per 12.5p ordinary share				
Basic	5	**29.75**	32.66	*50.78*
Diluted	5	**29.74**	32.64	*50.74*

Group statement of comprehensive income

For the 26 weeks ended 2 October 2023

	Notes	**Unaudited 26 weeks to 2 Oct 2023 £m**	Unaudited 26 weeks to 26 Sep 2022 £m	*Audited 53 weeks to 3 Apr 2023 £m*
Profit for the period		**17.4**	19.1	*29.7*
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Unrealised gain on revaluation of property		**-**	-	*15.2*
Remeasurement of retirement benefit schemes	11	**(6.5)**	(12.8)	*(10.1)*
Tax on above components of other comprehensive income		**1.6**	3.2	*(1.2)*
Items that will be reclassified subsequently to profit or loss:				
Fair value movement of interest rate swaps		**0.2**	6.2	*3.1*
Tax on fair value movement of interest rate swaps		**-**	(1.5)	*(0.8)*
		(4.7)	(4.9)	*6.2*
Total comprehensive income attributable to shareholders of the parent company		**12.7**	14.2	*35.9*

All of the results above are from continuing operations.

Group balance sheet
At 2 October 2023

	Notes	**Unaudited at 2 Oct 2023 £m**	Unaudited at 26 Sep 2022 £m	*Audited at 3 Apr 2023 £m*
Non-current assets				
Goodwill	9	**30.7**	32.5	*32.5*
Property and equipment	8	**865.1**	824.1	*842.5*
Right-of-use assets	9	**144.1**	145.0	*142.9*
Derivative financial instruments		**2.2**	5.4	*2.3*
Retirement benefit schemes	11	**-**	1.8	*5.4*
		1,042.1	1,008.8	*1,025.6*
Current assets				
Inventories		**5.4**	5.4	*5.4*
Trade and other receivables		**9.9**	7.7	*9.5*
Income tax receivable		**-**	6.0	-
Derivative financial instruments		**3.0**	2.6	*2.7*
Cash		**0.8**	39.0	*10.7*
		19.1	60.7	*28.3*
Asset held for sale	10	**3.1**	-	-
Total assets		**1,064.3**	1,069.5	*1,053.9*
Current liabilities				
Borrowings		**(20.0)**	(30.0)	-
Lease liabilities	9	**(4.7)**	(5.2)	*(4.8)*
Trade and other payables		**(42.4)**	(48.6)	*(46.6)*
Income tax payable		**(0.5)**	-	*(0.9)*
		(67.6)	(83.8)	*(52.3)*
Non-current liabilities				
Borrowings		**(91.6)**	(104.0)	*(104.2)*
Lease liabilities	9	**(68.5)**	(67.9)	*(66.9)*
Deferred tax liabilities		**(103.5)**	(104.1)	*(104.6)*
Retirement benefit schemes	11	**(2.0)**	(1.6)	*(1.7)*
		(265.6)	(277.6)	*(277.4)*
Total liabilities		**(333.2)**	(361.4)	*(329.7)*
Net assets		**731.1**	708.1	*724.2*
Capital and reserves				
Share capital	12	**7.3**	7.3	*7.3*
Share premium	12	**7.8**	7.8	*7.8*
Capital redemption reserve		**1.8**	1.8	*1.8*
Hedging reserve		**4.2**	6.4	*4.0*
Revaluation reserve		**260.9**	249.4	*260.9*
Retained earnings		**449.1**	435.4	*442.4*
Total equity		**731.1**	708.1	*724.2*

Group statement of changes in equity
For the 26 weeks ended 2 October 2023

	Notes	Share capital and premium £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 3 April 2023		**15.1**	**1.8**	**4.0**	**260.9**	**442.4**	**724.2**
Total comprehensive income							
Profit for the 26 week period		-	-	-	-	17.4	17.4
Other comprehensive income							
Remeasurement of retirement benefit schemes	11	-	-	-	-	(6.5)	(6.5)
Fair value movement of interest rate swaps		-	-	0.2	-	-	0.2
Tax on above components of other comprehensive income		-	-	-	-	1.6	1.6
Total comprehensive income		-	-	0.2	-	12.5	12.7
Transactions with owners recorded directly in equity							
Dividends paid on equity shares		-	-	-	-	(6.0)	(6.0)
Share based payments		-	-	-	-	0.2	0.2
		-	-	-	-	(5.8)	(5.8)
At 2 October 2023		**15.1**	**1.8**	**4.2**	**260.9**	**449.1**	**731.1**
At 28 March 2022		**15.0**	**1.8**	**1.7**	**249.4**	**431.8**	**699.7**
Total comprehensive income							
Profit for the 26 week period		-	-	-	-	19.1	19.1
Other comprehensive income							
Remeasurement of retirement benefit schemes	11	-	-	-	-	(12.8)	(12.8)
Fair value movement of interest rate swaps		-	-	6.2	-	-	6.2
Tax on above components of other comprehensive income		-	-	(1.5)		3.2	1.7
Total comprehensive income		-	-	4.7	-	9.5	14.2
Transactions with owners recorded directly in equity							
Issued equity	12	0.1	-	-	-	-	0.1
Dividends paid on equity shares		-	-	-	-	(6.0)	(6.0)
Share based payments		-	-	-	-	0.1	0.1
		0.1	-	-	-	(5.9)	(5.8)
At 26 September 2022		**15.1**	**1.8**	**6.4**	**249.4**	**435.4**	**708.1**

Group statement of cash flow
For the 26 weeks ended 2 October 2023

	Notes	**Unaudited 26 weeks to 2 Oct 2023 £m**	Unaudited 26 weeks to 26 Sep 2022 £m	*Audited 53 weeks to 3 Apr 2023 £m*
Operating activities				
Net cash generated from operations	7	**41.3**	48.5	*83.8*
Tax paid		**(7.0)**	(3.0)	*(0.9)*
Net cash flow from operating activities		**34.3**	45.5	*82.9*
Investing activities				
Proceeds from disposal of property and equipment		**-**	-	*6.1*
Purchases of property and equipment	8	**(23.8)**	(18.9)	*(40.2)*
Business combinations, net of cash acquired	8	**(15.3)**	(9.8)	*(18.2)*
Right-of-use assets acquired		**(0.4)**	-	-
Net cash used in investing activities		**(39.5)**	(28.7)	*(52.3)*
Financing activities				
Issued equity, net of transaction costs	12	**-**	0.1	*0.1*
Interest paid		**(2.8)**	(2.4)	*(6.9)*
Equity dividends paid	6	**(6.0)**	(6.0)	*(12.0)*
Payments of principal portion of lease liabilities		**(3.3)**	(3.5)	*(5.1)*
Repayments of borrowings[1]		**(2.1)**	-	*(30.0)*
Proceeds from borrowings[2]		**9.5**	-	-
Net cash flow used in financing activities		**(4.7)**	(11.8)	*(53.9)*
(Decrease)/increase in cash		**(9.9)**	5.0	*(23.3)*
Cash at the beginning of the period		**10.7**	34.0	*34.0*
Cash at the end of the period		**0.8**	39.0	*10.7*

[1] During the current period to 2 October 2023, the group repaid £2.0 million (net of £0.1 million fees) Revolving Credit Facility debt. During the prior 53 week period to 3 April 2023 the group repaid the £30.0 million bilateral term loan with NatWest.

[2] During the current period to 2 October 2023 the group drew down £9.5 million on the Revolving Credit Facility.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTS

This interim report was approved by the board on 15 November 2023. 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 accounting policies used in the preparation of the consolidated interim financial statements are in accordance with the recognition and measurement criteria of UK-adopted International Accounting Standards. These standards are applied from 4 April 2023 with no changes to the accounting policies set out in the statutory accounts of Young & Co.'s Brewery, P.L.C. for the period ended 3 April 2023 (UK-adopted International Accounting Standards), except for those noted 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 2 October 2023 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 £0.1 million, except where otherwise indicated.

Statutory accounts for the period ended 3 April 2023 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.

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

NEW ACCOUNTING STANDARDS AND ACCOUNTING POLICIES

<u>International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12</u>
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected companies to help users of the financial statements better understand a company's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception applies immediately. The remaining disclosure requirements are effective 1 January 2023. The group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, therefore the amendments had no impact on the group's interim financial statements.

Other standards
The directors have adopted the following Standards, Amendments and Interpretations listed below for the first time during the period. The adoption of these amendments has not had a material impact on the interim financial statements of the group:

- Amendments to IAS 8 – Definition of Accounting Estimates – effective 1 January 2023;
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies – effective 1 January 2023;
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction – effective 1 January 2023.

GOING CONCERN

At 2 October 2023, the group had cash in bank of £0.8 million and committed borrowing facilities of £205.0 million, of which £112.5 million was drawn down. The group expects, by 27 November 2024 (the 'going concern' period), to have available facilities of £205.0 million, prior to the consideration of any strategic acquisitions. The group is currently refinancing both the £20 million term loan that is due May 2024 and the £100.0 million RCF due March 2025. However, given that the refinancing process is yet to be completed, for going concern purposes the group has assumed that available facilities will be £185.0 million at the end of the going concern period. In addition to these committed facilities, the group has a £10.0 million overdraft with HSBC, which is not committed, and is therefore not assumed to continue for the purpose of this assessment.

As part of the directors' consideration of the appropriateness of adopting the going concern basis, the group has modelled a base case and two sensitised scenarios for the going concern period. The base case is the board approved forecast to March 2024 as well as the board approved strategic plan covering April to November 2024. The key judgements applied are the extent of any influence on trade because of the economic downturn and its impact on consumers, and the inflationary cost pressures that the hospitality industry is continuing to face.

The base case model assumes the group continues to trade as now whilst reflecting the inflationary environment that currently exists across the going concern period. The general reduction in trade scenario looks at a decline of 20% in sales and 40% in profit across the period. This aims to capture the potential slowdown in consumer spending influenced by the ongoing cost of living crisis. The cost inflation scenario includes an average 8% increase in the food cost base and 10% increase in general pub operating costs for the period with no retail price increases. The group has assumed capital expenditure levels will continue at historical levels and no structural changes to the business will be needed in any of the scenarios modelled.

In the base case; general reduction in trade; and cost inflation scenarios there continues to be significant headroom on the group's debt facilities, and all banking covenants are fully complied with throughout the going concern period.

The reverse stress test focused on the decline in sales and profit that the group would be able to absorb before breaching any financial covenants or indeed any liquidity issues (the former being the main stress point given the debt headroom). There would need to be a sales reduction of c.40% and profit reduction of c.60% between October 2023 and November 2024 compared to the base case, a reduction far in excess of those experienced historically (with the exception of the restricted covid-19 period), before there is a breach of financial covenants in the period and is calculated before reflecting any mitigating actions such as reduced capital expenditure. In addition to the three scenarios and reverse stress test, the board has also considered the impact of any strategic acquisitions that are under consideration.

Based on these forecasts and sensitivities, coupled with the current debt levels and the ongoing debt structure in place, the board is confident that the group can manage its business risks and therefore continue in operational existence for the foreseeable future. For this reason, the group continues to adopt the going concern basis in preparing its financial statements.

2. ADJUSTING ITEMS AND OTHER FINANCIAL MEASURES

During the period the cash flow impact of adjusting items was £1.4 million (for the period ended 26 September 2022: £1.1 million).

	26 weeks to 2 Oct 2023 £m	26 weeks to 26 Sep 2022 £m	*53 weeks to 3 Apr 2023 £m*
Amounts included in operating profit			
Impairment loss[1]	**(2.1)**	-	*-*
Purchase costs[2]	**(0.8)**	(0.8)	*(1.1)*
Tenant compensation[3]	**(0.6)**	(0.3)	*(0.6)*
Restructuring costs[4]	**-**	-	*(0.3)*
Upward movement on the revaluation of properties (note 8)[5]	**-**	-	*4.8*
Downward movement on the revaluation of properties (note 8)[5]	**-**	-	*(11.8)*
	(3.5)	(1.1)	*(9.0)*
Tax attributable to above adjusting items	**(0.2)**	-	*1.2*
Impact of change in corporation tax rate	**-**	-	*(0.1)*
	(0.2)	-	*1.1*
Total adjusting items after tax	**(3.7)**	(1.1)	*(7.9)*

During the current and prior period tenant compensation and purchase costs related to managed houses and other segments.

1 Impairment losses were recognized in relation to goodwill and right-of-use assets (£1.7 million and £0.4 million respectively). See note 9.

2 Purchase costs related to professional fees and stamp duty land tax arising on the acquisition of the Libertine (Westbourne), White Hart (Ford), White Lion (Tenterden) and the Huntsman (Brockenhurst). During the previous 53 week period to 3 April 2023, costs related to the purchase of the Bedford Arms (Chenies), Merlin's Cave (Chalfont St Giles), Half Moon (Windlesham), Griffin Inn (Fletching) and the Carpenter's Arms (Tonbridge). These included legal and professional fees and stamp duty land tax.

3 Tenant compensation was paid to the tenants of the Clapham North (Clapham) and the King's Head Theatre (Islington) and related to the termination of their leases. During the previous 53 week period to 3 April 2023, tenant compensation of £0.6 million was paid to the previous tenants of an unlicensed property (Ealing) and the Bishop's Vaults (Bishopsgate) to terminate their lease agreements early.

4 During the previous 53 week period to 3 April 2023, restructuring costs of £0.3 million related to a one-off reorganisation of the group's head office functions. These were largely made up of severance costs.

5 The net downward movement on the revaluation of properties in the previous 53 week period to 3 April 2023 related to net downward movements in excess of amounts recognised in equity. See note 11(1) in the statutory accounts for the period ended 3 April 2023 for further details.

Other financial measures

The table below shows how adjusted EBITDA, adjusted 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 and are the measures that the board uses to assess the group's performance.

	26 weeks to 2 Oct 2023 £m	26 weeks to 26 Sep 2022 £m	*53 weeks to 3 Apr 2023 £m*
Profit before tax	**24.5**	23.9	*36.2*
Adjusting items	**3.5**	1.1	*9.0*
Adjusted profit before tax	**28.0**	25.0	45.2
Finance income	**-**	-	(0.1)
Finance costs	**3.1**	4.2	*7.6*
Finance income for pension obligations	**(0.1)**	(0.2)	*(0.3)*
Adjusted operating profit	**31.0**	29.0	*52.4*
Depreciation	**16.9**	16.0	*33.1*
Adjusted EBITDA	**47.9**	45.0	*85.5*

During the period, £42.8 million of adjusted operating profit related to managed houses (in the period ended 26 September 2022: £40.0 million). Adjusted operating loss of £11.8 million mainly related to head office costs and was unallocated (in the period ended 26 September 2022: £11.0 million).

During the period, £59.0 million of adjusted EBITDA related to managed houses (in the period ended 26 September 2022: £55.5 million). Adjusted negative EBITDA of £11.1 million mainly related to head office costs and was unallocated (in the period ended 26 September 2022: £10.5 million).

3. REVENUE

The recognition of revenue under each of the group's material revenue streams is as follows:

	26 weeks 2 Oct 2023 £m	26 weeks 26 Sep 2022 £m	*53 weeks 3 Apr 2023 £m*
Drink sales	**123.9**	117.3	*229.4*
Food sales	**59.3**	56.8	*115.5*
Accommodation sales	**12.6**	11.5	*21.9*
Total revenue from contracts with customers	**195.8**	185.6	*366.8*
Other income	**0.7**	0.9	*2.1*
Total revenue recognised	**196.5**	186.5	*368.9*

4. TAXATION

The taxation charge for the 26 weeks ended 2 October 2023 results in an effective tax rate of 24.6% (53 weeks ended 3 April 2023: 18.0%).

Tax charged in the group income statement	**26 weeks to 2 Oct 2023 £m**	26 weeks to 26 Sep 2022 £m	*53 weeks to 3 Apr 2023 £m*
Current tax			
Corporation tax expense	**6.5**	3.1	*7.3*
Adjustment in respect of current tax of prior periods	**-**	-	*0.9*
	6.5	3.1	*8.2*
Deferred tax			
Origination and reversal of temporary differences	**0.6**	1.7	*(0.3)*
Adjustment in respect of prior periods	**-**	-	*(1.1)*
Deferred tax measured at higher rate	**-**	-	*(0.3)*
	0.6	1.7	*(1.7)*
Tax charge in the income statement	**7.1**	4.8	*6.5*

The effective full year current tax rate of 24.3% is up from 12.6% in the prior 53 week period to 3 April 2023. This is below the standard rate, due largely to the temporary differences arising from the introduction, with effect from 1 April 2023, of the capital allowances 'full expensing' at 100% of eligible expenditure and special rate allowance at 50% of eligible expenditure, substantively enacted on 20 June 2023. It is higher than the prior 53 week period due to the higher statutory rate of tax of 25% (53 weeks ended 3 April 2023: 19%). The lower effective tax rate in the prior period was also impacted by the temporary capital allowances 'super-deduction' rate at 130% of eligible expenditure, replaced by 'full expensing' at 100% of eligible expenditure in the current period.

5. EARNINGS PER ORDINARY SHARE

(a) Weighted average number of shares

	26 weeks to 2 Oct 2023 Number	26 weeks to 26 Sep 2022 Number	*53 weeks to 3 Apr 2023 Number*
Basic weighted average number of ordinary shares in issue	**58,484,602**	58,482,021	*58,483,336*
Dilutive potential ordinary shares from outstanding employee share options	**20,236**	26,920	*51,928*
Diluted weighted average number of shares	**58,504,838**	58,508,941	*58,535,264*

(b) Earnings attributable to shareholders of the parent company

	26 weeks to 2 Oct 2023 £m	26 weeks to 26 Sep 2022 £m	*53 weeks to 3 Apr 2023 £m*
Profit for the period	**17.4**	19.1	*29.7*
Adjusting items	**3.5**	1.1	*9.0*
Tax attributable to adjusting items	**0.2**	-	*(1.1)*
Adjusted earnings after tax	**21.1**	20.2	*37.6*

Basic earnings per share

	Pence	Pence	*Pence*
Basic	**29.75**	32.66	*50.78*
Effect of adjusting items	**6.33**	1.88	*13.51*
Adjusted basic	**36.08**	34.54	*64.29*

Diluted earnings per share

	Pence	Pence	*Pence*
Diluted	**29.74**	32.64	*50.74*
Effect of adjusting items	**6.33**	1.88	*13.49*
Adjusted diluted	**36.07**	34.52	*64.23*

The basic earnings per share figure is calculated by dividing the net profit for the period 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 20,236 (2022: 26,920) dilutive potential shares under the group's SAYE and LTIP schemes.

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 2 Oct 2023 Pence	26 weeks to 26 Sep 2022 Pence	*53 weeks to 3 Apr 2023 Pence*
Final dividend paid (previous period)	**10.26**	10.26	*10.26*
Interim dividend paid (current period)	**-**	-	*10.26*
	10.26	10.26	*20.52*

The table above sets out dividends that have been paid. The final dividend in respect of the period ended 3 April 2023, at a cost of £6.0 million (for the period ended 28 March 2022: £6.0 million) was paid during the period. The interim dividend, in respect of the period ended 2 October 2023, at a cost of £6.4 million (for the period ended 26 September 2022: £6.0 million), is expected to be paid on 8 December 2023 to shareholders on the register at the close of business on 24 November 2023.

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

	26 weeks to 2 Oct 2023 £m	26 weeks to 26 Sep 2022 £m	*53 weeks to 3 Apr 2023 £m*
Profit before tax	**24.5**	23.9	*36.2*
Finance costs	**3.1**	4.2	*7.5*
Finance income for pension obligations	**(0.1)**	(0.2)	*(0.3)*
Operating profit	**27.5**	27.9	*43.4*
Depreciation of property and equipment	**13.3**	12.6	*26.2*
Depreciation of right-of-use assets	**3.6**	3.4	*6.9*
Impairment of goodwill and right-of-use assets	**2.1**		
Movement on the revaluation of properties	**-**	-	*7.0*
Difference between pension service cost and cash contributions paid	**(0.7)**	(0.6)	*(1.3)*
Share based payments	**(0.2)**	-	*(0.5)*
Movements in working capital			
- Inventories	**-**	(0.7)	*(0.7)*
- Receivables	**(0.4)**	1.1	*(0.6)*
- Payables	**(3.9)**	4.8	*3.4*
Net cash generated from operations	**41.3**	48.5	*83.8*

Analysis of group net debt

	At 2 Oct 2023 £m	At 26 Sep 2022 £m	*At 3 Apr 2023 £m*
Cash	**0.8**	39.0	*10.7*
Current borrowings and loan capital	**(20.0)**	(30.0)	-
Current lease liabilities	**(4.7)**	(5.2)	*(4.8)*
Non-current borrowings and loan capital	**(91.6)**	(104.0)	*(104.2)*
Non-current lease liabilities	**(68.5)**	(67.9)	*(66.9)*
Net debt	**(184.0)**	(168.1)	*(165.2)*

8. PROPERTY AND EQUIPMENT

Cost or valuation	Land & buildings £m	Fixtures, fittings & equipment £m	Total £m
At 28 March 2022	749.6	154.0	903.6
Additions	9.5	30.7	40.2
Business combinations	15.8	2.4	18.2
Disposals	(6.1)	(0.7)	(6.8)
Fully depreciated assets	(0.2)	(24.2)	(24.4)
Revaluation			
- effect of upward movement in property valuation	37.7	-	37.7
- effect of downward movement in property valuation	(22.2)	-	(22.2)
At 3 April 2023	784.1	162.2	946.3
Additions	6.8	17.0	23.8
Business combinations	13.1	2.2	15.3
Disposals	-	(0.3)	(0.3)
Transfer out to asset held for sale	(2.9)	(0.1)	(3.0)
Fully depreciated assets	(1.5)	(9.5)	(11.0)
At 2 October 2023	**799.6**	**171.5**	**971.1**
Depreciation and impairment			
At 28 March 2022	19.7	75.9	95.6
Depreciation charge	1.7	24.5	26.2
Disposals	(0.5)	(0.4)	(0.9)
Fully depreciated assets	(0.2)	(24.2)	(24.4)
Revaluation			
- effect of downward movement in property valuation	12.1	-	12.1
- effect of upward movement in property valuation	(4.8)	-	(4.8)
At 3 April 2023	28.0	75.8	103.8
Depreciation charge	0.8	12.5	13.3
Transfer out to asset held for sale	-	(0.1)	(0.1)
Fully depreciated assets	(1.5)	(9.5)	(11.0)
At 2 October 2023	**27.3**	**78.7**	**106.0**
Net book value			
At 28 March 2022	729.9	78.1	808.0
At 3 April 2023	756.1	86.4	842.5
At 2 October 2023	**772.2**	**92.9**	**865.1**

Business combinations

During the period, the group acquired the Libertine (Westbourne), White Hart (Ford), White Lion (Tenterden) and the Huntsman (Brockenhurst), which formed business combinations for a total cash consideration of £15.3 million, which was settled during the period. Each individual pub was not considered to be a material acquisition for the group. When assets are acquired, management determines whether the assets form a business combination. Business combinations must involve the acquisition of a business, which generally have three elements: inputs, processes and output. The final aggregated fair value of the identifiable assets and liabilities of the acquired businesses were property and equipment of £15.3 million. The group incurred £0.8 million of costs associated with the acquisitions, which have been recorded within adjusting items (see note 2).

In the prior period to 3 April 2023, the group acquired the Bedford Arms (Chenies), Merlin's Cave (Chalfont St Giles), Half Moon (Windlesham), Carpenter's Arms (Tonbridge) and the Griffin Inn (Fletching), which formed business combinations for a total cash consideration of £18.2 million, which was settled during the prior period. The group incurred £0.8 million of costs associated with the acquisitions, which have been recorded within adjusting items (see note 2).

Other acquisitions

During the period the group acquired the Stag (Belsize Park) as an asset acquisition for a total cash consideration of £3.3 million. In the prior period to 3 April 2023, the group acquired the Wild Duck (Ewen) as an asset acquisition for a total cash consideration of £2.7 million.

Revaluation of property and equipment

The values of the group's freehold land, buildings and fixtures and fittings were reviewed in light of current market factors by management and by Savills, who perform a desktop review based upon information provided by the group, pursuant to the group's accounting policy. The group considers that the valuation reached at 3 April 2023 still represents the best estimate of the fair value of the estate at 2 October 2023.

Details of the methodology used in determining the group's property values are discussed in the group's audited accounts for the 53 weeks ended 3 April 2023. The key inputs are EBITDA, a multiplier and, in some cases, underlying property values. A sensitivity analysis has been conducted on the property estate to give an indication of the impact of movements in the most sensitive assumption, EBITDA. The analysis considers this single change with the other assumptions unchanged. In practice, changes in one assumption may be accompanied by changes in another. Changes in market values may also occur at the same time as any changes in assumptions. This information should not be taken as a projection of likely future valuation movements. Decreasing or increasing the EBITDA used in the revaluation by 10% would decrease/increase the valuation by £56.9 million.

9. LEASE LIABILITIES, RIGHT-OF-USE ASSETS AND GOODWILL

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

	Right-of-use assets £m	Lease liabilities £m
As at 28 March 2022	**147.0**	**74.0**
Additions	0.4	0.4
Lease amendments	2.4	2.4
Depreciation expense	(6.9)	-
Accretion of interest	-	2.5
Payments	-	(7.6)
As at 3 April 2023	**142.9**	**71.7**
Additions	6.4	6.0
Lease amendments	1.6	1.6
Depreciation expense	(3.6)	-
Accretion of interest	-	1.2
Payments	-	(4.5)
Impairment	(0.4)	-
Disposals	(2.8)	(2.8)
As at 2 October 2023	**144.1**	**73.2**

Right-of-use assets predominantly relate to leasehold properties, along with motor vehicles and IT equipment.

The depreciation charge is recognised within operating costs in the income statement.

Lease amendments in both the current and prior period largely represent upwards market rent reviews.

Impairment considerations

The group tests goodwill annually for impairment or more frequently if there are indicators that goodwill may have been impaired. There will be an impairment if the recoverable amount is lower than carrying value. Recoverable amount is the higher of value in use or fair value less costs to sell. The value in use is calculated using the budget approved by the board.

At 2 October 2023, for Geronimo Group Limited and 580 Ltd, cash flows assumed a 1.4% growth (3 April 2023: 1.4%) from a base of expected FY24 EBITDA, derived from the board approved FY24 budget. For Smiths of Smithfield Ltd growth rates were higher over a five-year period to reflect the opening of the Museum of London in 2026 and Smithfield Market in 2028, and then revert back to a long-term growth rate of 1.4% thereafter. For Spring Pub Company Ltd, growth rates were higher over a five-year period to reflect a build-up to expected trade levels, and then revert back to a long-term growth rate of 1.4% thereafter. For Redcomb Pubs Limited, growth rates varied across the estate depending on current and future expected performance over a five-year period, and then reverted back to a long-term growth rate of 1.4% thereafter. The pre-tax discount rate applied to all cash flow projections was 10.6% (3 April 2023: 9.7%), except for Smiths of Smithfield Ltd, where a risk-adjusted pre-tax discount rate of 11.9% was applied to future cash flow projections. An impairment of £1.7 million (3 April 2023: £nil) was recognised in the current period to 2 October 2023, £1.1 million to Spring Pub Company Ltd and £0.6 million to Smiths of Smithfield Ltd.

At 2 October 2023, management performed a sensitivity analysis on the impairment test. The impairment calculation is most sensitive to the pre-tax discount rate and EBITDA assumptions. Several scenarios have been modelled, with specific reference to the impact of an increase in the discount rate or a decrease in the long-term growth rates used in the model. For Smiths of Smithfield Ltd, an additional impairment of £0.6 million to goodwill and £0.3 million to right-of-use assets would be recognised as a result of reducing EBITDA by 0.5%. For Spring Pub Company Ltd, an additional impairment of £0.2 million would be recognised as a result of reducing EBITDA by 0.7%. For Redcomb Pubs Limited, the headroom would be eliminated as a result of increasing the pre-tax discount rate to 11.1% or reducing EBITDA by 3.7% from forecast levels.

For Geronimo Group Limited and 580 Ltd, management does not consider the impairment calculation to be sensitive to the pre-tax discount rate, EBITDA assumptions, or long-term growth rate assumptions.

The group monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will significantly impact the group's impairment review. The group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required.

10. ASSET HELD FOR SALE

	Unaudited at 2 Oct 2023 £m	Unaudited at 26 Sep 2022 £m	*Audited at 3 Apr 2023 £m*
Goodwill	**0.1**	-	-
Property and equipment	**3.0**	-	-
Property held for sale	**3.1**	-	-

At 2 October 2023 one property has been classified as held for sale based on its fit with the remaining group's estate. Sale is expected within 12 months from the reporting date. No material change in value was recognised on reclassifying the property as held for sale.

11. RETIREMENT BENEFIT SCHEMES

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

	26 weeks to 2 Oct 2023 £m	26 weeks to 26 Sep 2022 £m	*53 weeks to 3 Apr 2023 £m*
Changes in the present value of the retirement benefit schemes are as follows:			
Opening surplus	**3.7**	12.2	*12.2*
Current service cost	**(0.1)**	(0.1)	*(0.3)*
Contributions	**0.8**	0.7	*1.6*
Finance income for pension obligations	**0.1**	0.2	*0.3*
Remeasurement through other comprehensive income	**(6.5)**	(12.8)	*(10.1)*
Closing (deficit)/surplus	**(2.0)**	0.2	*3.7*

The £6.5 million remeasurement through other comprehensive income is largely driven by the actual return in assets being less than expected. This was partially offset by a reduction in liabilities due to changes in market conditions with an increase in RPI inflation to 3.3% (3 April 2023: 3.2%) and an increase to the discount rate to 5.7% (3 April 2023: 4.7%).

12. SHARE CAPITAL

Total share capital comprises the nominal value of the share capital issued and fully paid of £7.3 million (2023: £7.3 million) and the share premium account of £7.8 million (2023: £7.8 million). Share capital issued in the period comprises a nominal value of £nil (2023: £nil) and a share premium of £nil (2023: £0.1 million).

13. POST BALANCE SHEET EVENTS

Subsequent to the period end the group sold the Salt Room (Islington), which was classified as held for sale at 2 October 2023, for a total cash consideration of £3.3 million.

The group also acquired the entire issued share capital of a subsidiary company which owns and operates the Crooked Billet (Clapton) for a total consideration of £7.3 million, and exchanged contracts and completed on the Ship Inn (Noss Mayo) for a total cash consideration of £4.5 million. Additionally, the group exchanged but has not yet completed on a freehold property in Surrey. The accounting for all new acquisitions has not yet been finalised.

Subsequent to the period end the group has drawn down a net £4.5 million on the Revolving Credit Facility.