YOUNG & CO'S BREWERY PLC

REPORT & ACCOUNTS 1985

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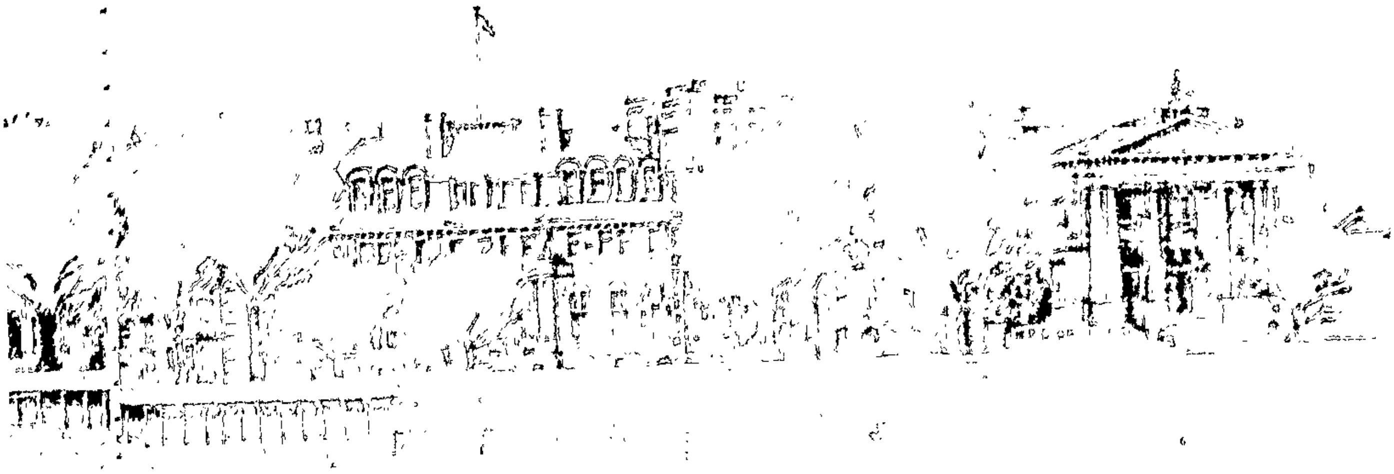
The Morpeth Arms Millbank Acquired October 1981

We have introduced our Premium Lager.
We have opened six new pubs.
We plan to increase our outlets still further in the coming year.



The soccer thugs have to answer for more than football teams being banned from Europe. British exports are now in jeopardy, our Italian exports in particular. British products and British beer had become fashionable and we, along with other brewers, had established a particularly happy relationship with Northern Italy resulting in a promising and profitable business. That hard-earned good will is threatened. As a British Brewer I am ashamed and offer my profound regret and deep sympathy to our Italian friends.

Alcohol must share in the causes for so much widespread violence today. I repeat from my previous statements made each year that our industry attracts criticism concerning heavy drinking and alcoholism, and suffers in some quarters from a strongly negative image. It is worth reminding ourselves and others too, of the positive aspects of the industry and the great social attributes of the British Pub, an institution the envy of the world. We have a long term vested interest in sensible drinking, not driving after drinking, in decent behaviour, in the hundreds and thousands who enjoy a convivial drink and don't abuse alcohol.

The Government's report into the effect of the liberalised licensing hours in operation in Scotland held that the Scottish system which allows Pubs to open all day has led to more sensible and civilized drinking rather than offering a temptation to drink more and not matched by any rise in drink related crime or other associated problems. With the publication of this report flexible pub opening hours for England and Wales becomes a real possibility at last and we wholly support any move by the Government to liberalise licensing hours. Pubs can then compete with clubs and supermarkets and are much more able to control excessive drinking and the abuse of alcohol.

Young & Co. are going to stick to tradition and the role of the British pub and all it stands for. It is profitable too and our optimism is displayed by the addition of six pubs to our estate this year and we are planning for more.

As the big brewers continue to dispose of pubs so under their new free owners they become potential customers for us. Our Free Trade, representing a quarter of our production, has been boosted by the introduction of disposable bottles and cans to supermarkets Sainsbury, Waitrose and Tesco. We are investing a million pounds in new bottling plant to cope with this new trade as well as exports which shortly will include the United States of America where first orders are to be shipped next week.

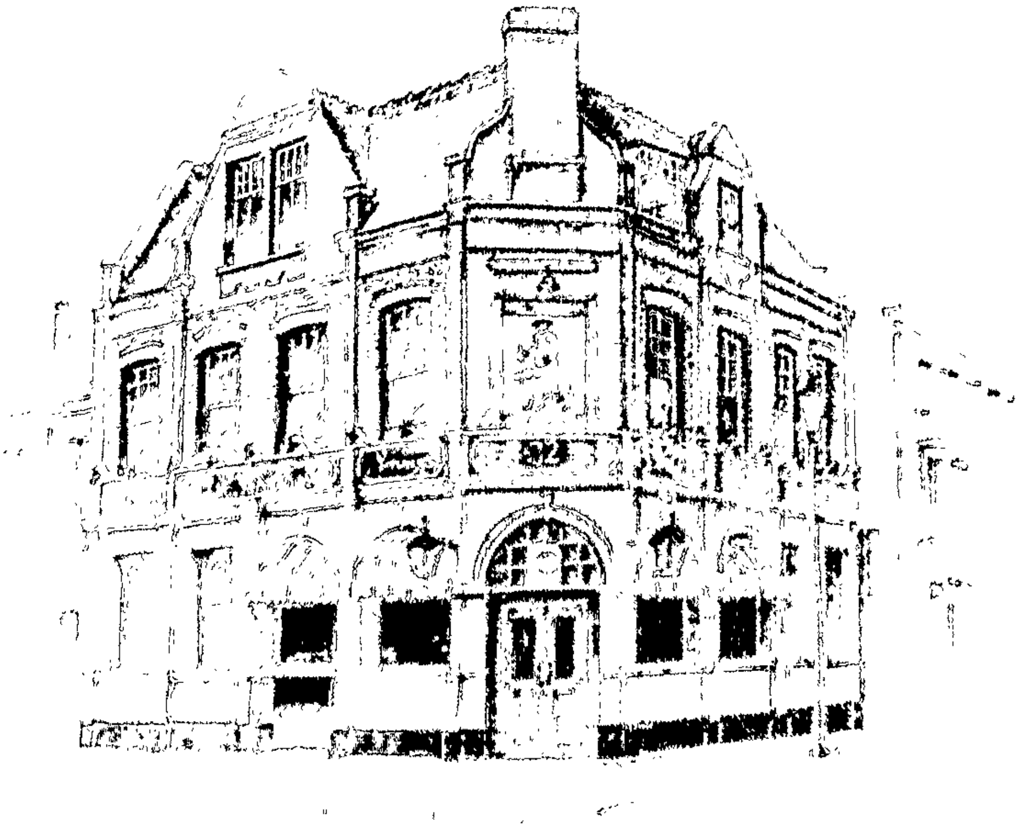
In providing the widest choice of products in our Pubs we have recently introduced PREMIUM, a strong lager, Taunton Cider and we are about to launch Beamish Original Irish brewed Stout for which we have the agency.

Our wine trade under Cockburn and Campbell continues to flourish and in answer to any criticism that we are uncompetitive in price we do not import or compete in the lowest priced wines. The growth in wine drinking breeds a more discerning palate and for long term prospects we believe herein lies our future.

I thank everybody who has contributed to our continuing success and I am optimistic for the future.

Very sadly my brother James died on 27th February. He had been my right hand man since 1957 and had contributed so much to the success and renown of Young & Co. We shall all miss him and his wise counsel. A Memorial Service will be held at 11 o'clock on Friday, 13th September in Southwark Cathedral.

JOHN YOUNG



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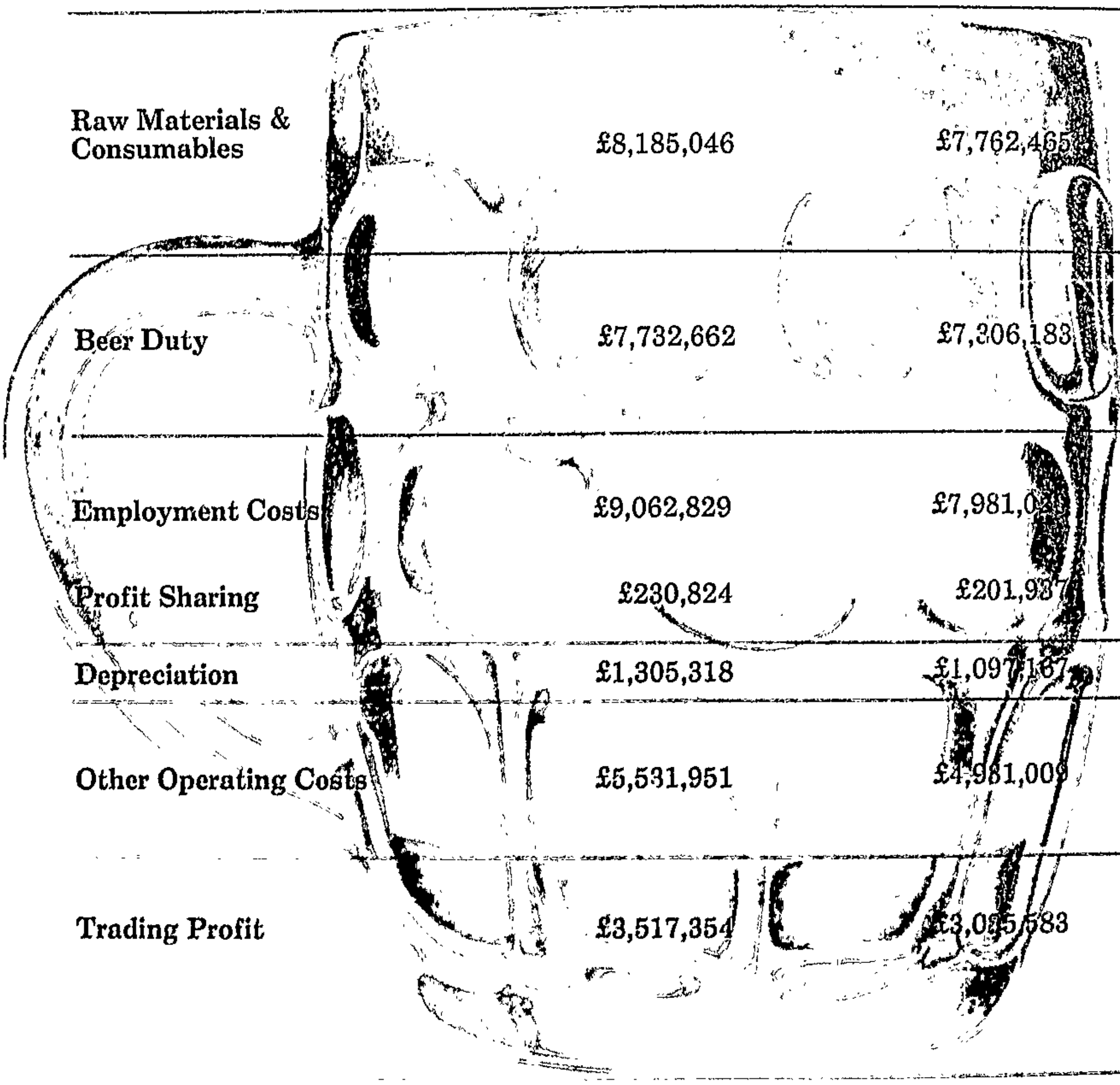


	1985	1984
Turnover	£35,565,984	£32,365,364
Raw Materials & Consumables	£8,185,046	£7,762,465
Beer Duty	£7,732,662	£7,306,183
Employment Costs	£9,062,829	£7,981,020
Profit Sharing	£230,824	£201,937
Depreciation	£1,305,318	£1,097,167
Other Operating Costs	£5,531,951	£4,981,009
Trading Profit	£3,517,354	£3,035,583
PLUS **Profit on Sale of Properties**	£21,386	£14,500
LESS **Interest Payable**	£513,742	£457,160
Tax	£1,336,756	£1,131,284
Dividends	£891,693	£792,045
This Year's Profit left in the Company	£796,549	£719,594

Sales of Beer, Wine & Spirits to the Trade; Sales over the Bar in our Managed Houses; Rents from properties we own; Royalties.

Malt, Hops and Sugar of the finest quality for brewing our traditional beers and prize-winning Lager; finished goods such as wines, spirits and beers from other producers and manufacturers.

The tax paid to the Government on production of our beers.

The reward for our labour: wages, salaries and pension schemes for our employees both in the Brewery and in Managed Houses.

All brewery employees become members of the profit sharing scheme after 5 years service. A one-part share this year is £562.99.

Plant, machinery, vehicles and pub fittings wear out.

All the other costs of running the Brewery and Managed Houses: Heat, light, power, water, rates, repairs and maintenance; and all the other expenses involved in running the Company.

THE RESULT OF THIS YEAR'S TEAMWORK AT YOUNGS

The cost of borrowing money.

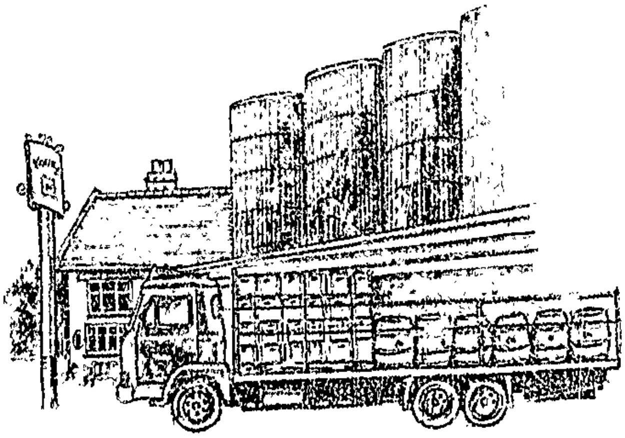
Corporation Tax for the Government.

Payment to shareholders for their investment in the Company. The Ram Brewery Trust owns 19% of the Company.

FOR REINVESTMENT IN THE FUTURE

WHAT WE OWN

Fixed Assets		£53,085,512
Current Assets:		
Stock	£3,542,556	
Debtors	£2,173,993	
Cash	£35,220	
TOTAL OF WHAT WE OWN		£58,837,281



Fixed Assets – What we need to run a Brewery. The Brewery Buildings, Plant, Pubs, Off-Licences, Motor Vehicles.

LESS – WHAT WE OWE

Creditors	£5,204,084	
Bank	£1,304,668	
Loans	£4,068,783	
TOTAL OF WHAT WE OWE		£10,577,535
Deferred Taxation		£3,446,037
Leaving what the Company is worth (Book Value)		£44,813,709

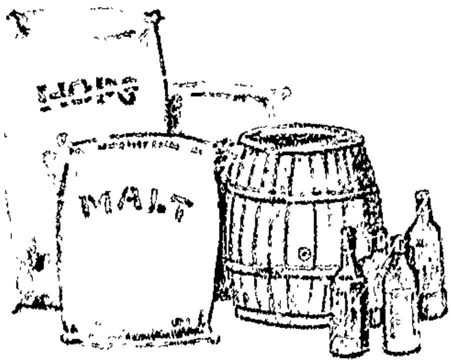
Creditors – For supplies of Malt & Hops. Wines & Spirits. Plus Duty, VAT, Tax, Dividends, Services & Equipment.

HOW THE MONEY WAS CREATED

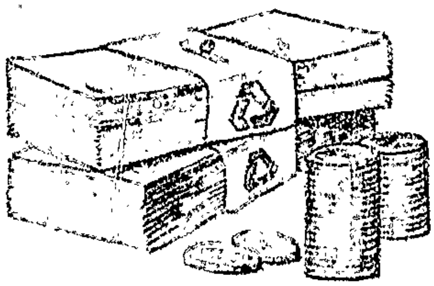
Shareholders	£7,588,500	
Revaluation Reserve	£27,387,260	
Past Profits	£9,837,949	
		£44,813,709

Shareholders – People who buy shares on the Stock Exchange and employees as members of the Ram Brewery Trust and other 'B' Shareholders.

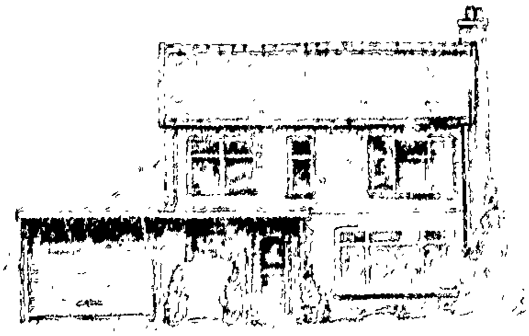
SHEET



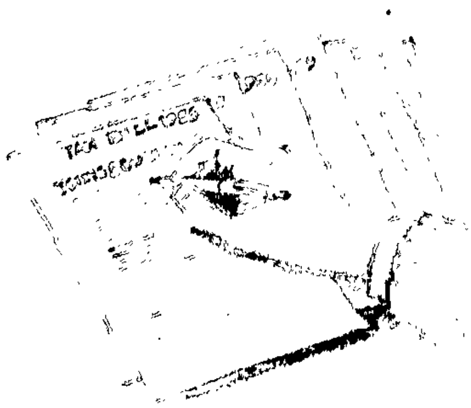
Current Assets/Stock – What we need to trade. Malt, Hops & Sugar to make Beer. Wines & Spirits, Spare Parts etc.



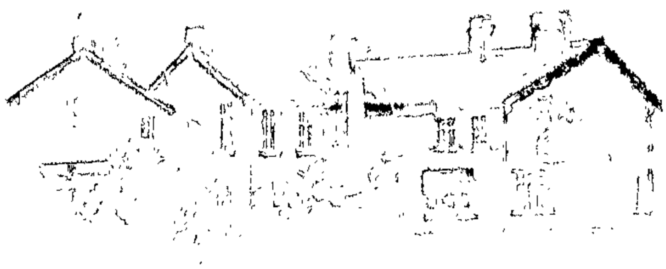
Current Assets/Debtors – What we are owed by Tenants of the Pubs, by Customers and by Others.



Loans – like a mortgage on a house.



Deferred Taxation – Tax to be paid in the future over many years.



Revaluation Reserve – Surplus on the value of our properties which go up over the years in the same way as houses.

Past Profits – money from previous years which has been ploughed back to help run the Brewery.

CURRENT PUBLIC BAR PRICES

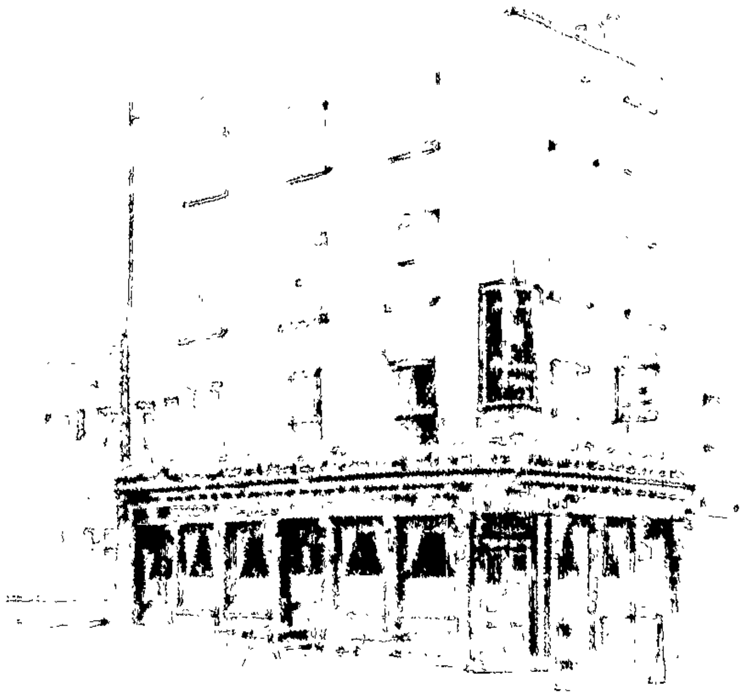
AT 14th JUNE, 1985 IN MANAGED HOUSES

	BREWED TO ORIGINAL GRAVITY	PUBLIC BAR PRICES MANAGED HOUSES
Draught		
Winter Warmer	1055°	(avail. Nov-March)
Special Bitter	1046°	85p per pint
Bitter	1036°	79p per pint
John Young's London Lager	1037°	89p per pint
Youngs Premium Lager	1047°	102p per pint
Bottled		
Old Nick	1084°	72p small bottle
Export	1062°	59p small bottle
Ram Rod	1046°	48p small bottle
Light Ale	1030°	43p small bottle
Brown Ale	1030°	44p small bottle
John Young's London Lager	1037°	50p small bottle

		OFF-SALE PRICES MANAGED HOUSES
Youngs Bitter	1036°	£2.84 per 2 litre P.E.T. Bottle
Youngs Bitter	1036°	67p per 16oz can
Ram Rod	1046°	£3.13 per 2 litre P.E.T. Bottle
Ram Rod	1046°	72p per 16oz can
John Young's London Lager	1037°	69p per 16oz can

We have published the above information because of customers' natural concern over prices and gravities. Prices are exhibited in all the Bars of all our Houses which is now a statutory requirement. It is not always understood that since the end of Resale Price Maintenance brewers control only the prices in their Managed Houses. Tenants are independent and make their own decisions on prices.

STATUTORY REPORT & ACCOUNTS 1985



NOTICE OF MEETING

Notice is hereby given that the ninety-sixth Annual General Meeting of Young & Co's Brewery PLC will be held at the London West Hotel, Lillie Road, Fulham, London SW6 on Tuesday, 9th July, 1985 at 1 p.m. for the following purposes:

1. To receive the Statement of Accounts and Balance Sheets for the year ended 31st March, 1985 and the Directors' and Auditors' Reports thereon, and to declare a Final Dividend on the Ordinary Shares.
2. To re-elect J. C. Darby a Director.
3. To re-appoint the Auditors.
4. To authorise the Directors to fix the Auditors' remuneration.
5. To transact any other ordinary business of the Company.

NOTE: Those Members holding only Non-voting Shares, Preference Shares, Preference Stock, or Debenture Stock, are not entitled to attend or vote at the Meeting and this Notice is sent to them for information only.

By order of the Board,
C. J. MEYER
Secretary
Ram Brewery, Wandsworth,
LONDON SW18 4JD
14th June 1985

A Member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and, on a poll, vote instead of him, and such proxy need not also be a Member. The instrument appointing the proxy must be received at the Registered Office of the Company not less than forty-eight hours before the Meeting.

Copies of Directors' Service Contracts will be available for inspection at the Ram Brewery during normal business hours from 17th June to 8th July and at the place of the meeting from 15 minutes prior to and until the conclusion of the meeting.

Directors
J. A. Young, C.B.E. (Chairman and Managing)
J. Carew, F.C.I.S.
J. C. Darby
B. D. B. Palmer
C. P. W. Read (Managing)
J. D. Rose
J. G. A. Young (Managing)
T. ff. B. Young (Managing)

Secretary
C. J. Meyer, A.C.I.S.

Head Brewer
J. K. Don, B.Sc.Brewing, Dip.Inst.B.

Auditors
Messrs. Pannell Kerr Forster,
New Garden House,
78 Hatton Garden,
London EC1N 8JA.

Bankers
National Westminster Bank PLC,
41 Lothbury, EC2P 2BP.

Solicitors
Messrs. Druces & Attlee,
Salisbury House,
London Wall, EC2M 5PS.

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Profits and Dividends

The Directors submit the audited accounts for the year ended 31st March 1985. The profit for the year available to Shareholders amounted to £1,688,242. The interim dividend of 3.0p per share was paid on the 2nd December 1984, and the Directors recommend a final dividend of 3.3p per share, payable on the 9th July 1985.

Principal Activities

The principal activities of the Company are those of brewing, bottling beer and selling beer, wines, spirits and cider through its public houses.

Depreciation of Buildings

Under the recommendation of Statement of Standard Accounting Practice No. 12 the Company has depreciated Brewery premises. In line with the Brewing Industry, the Directors do not consider it appropriate to depreciate Freehold Licensed Properties or private houses.

Managing Directors

The Directors report with regret the death of J. O. Young on 27th February 1985.

J. Carew resigned as a Managing Director on 10th July 1984 having reached the age of 65, and continues in office as a non-executive director.

J. G. A. Young was appointed a director at the Annual General Meeting on 10th July 1984 and subsequently appointed a Managing Director on 12th July 1984.

Re-election of Director

J. C. Darby, the director retiring by rotation, offers himself for re-election.

Employees

The Company provides employees with information concerning trading, development and other matters of concern to them, by the production of Simplified Employees Accounts, Staff Annual General Meeting, notice boards and special meetings. The Ram Brewery Trust operates a Profit Sharing Scheme and by these means the Company encourages employees to be aware of the financial and economic factors affecting its performance.

Full and fair consideration is given to suitable applications for employment from disabled persons, and opportunities also exist for employees who become disabled to continue in their employment or to be retrained for other positions so far as is practical.

Donations

Donations to charitable organisations amounted to £12,282. There were no political donations.

The total value of goods given to charitable organisations amounted to £3,802.

Finance Act 1965

The Company is not a close company within the terms of the above act.

Chairman's Statement

A review of the business for the year and likely future developments is included in the Chairman's Statement on pages 4 and 5.

Directors & Their Holdings & Interests

(Full details are shown on page 28)

A number of trustee holdings are held jointly by two or more Directors.

In addition to the Directors' holdings on page 28 the following held in excess of 5% of any one class of voting share:

'A' SHARES:	Total Holding	2,906,400	
	Lloyds Bank (S.F.) Nominees Ltd.	155,400	(5.3%)
'B' SHARES:	Total Holding	4,359,600	
	G. A. R. Bird	258,102	(5.9%)
	R. H. Young	299,076	(6.9%)

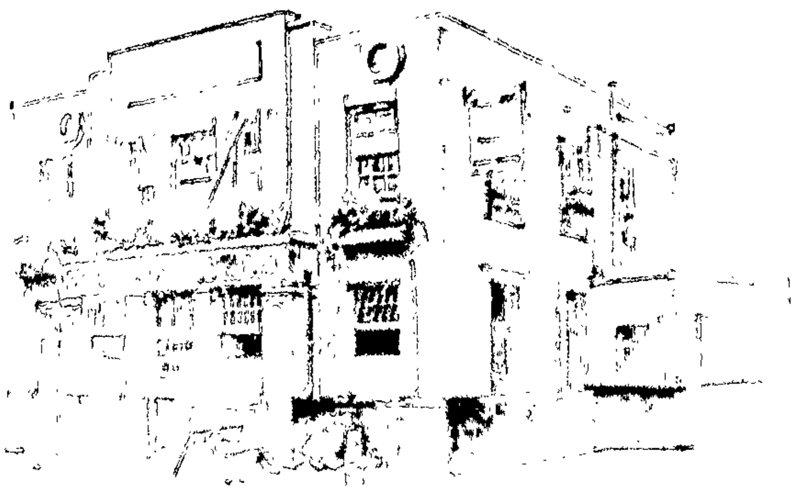
Directors' Holdings

Since 1st April 1985 the trustees of the Ram Brewery Trust, as shown on page 28, have purchased 42,000 'B' ordinary Shares and T.ff B. Young has purchased 2,511 'B' ordinary Shares.

The Ram Brewery Trust holds 1,708,570 'B' Shares (39.2%)

J. A. YOUNG } Directors
J. C. DARBY
23rd May 1985

J. A. Young



CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 1985

	Notes	1985		1984	
Turnover	1		35,565,984		32,365,364
Change in Stocks of finished goods and work in progress		(438,126)		(122,156)	
Raw Materials and consumables		8,623,172		7,884,621	
Customs & Excise Duties		7,732,662	15,917,708	7,306,183	15,068,648
			19,648,276		17,296,716
Employment costs	2	9,293,653		8,182,957	
Depreciation		1,305,318		1,097,167	
Other operating costs		5,531,951	16,130,922	4,931,009	14,211,133
Trading Profit	3		3,517,354		3,085,583
Profit on Disposal of Properties			21,386		14,500
			3,538,740		3,100,083
Interest Payable	4		513,742		457,160
Profit on Ordinary Activities Before Tax			3,024,998		2,642,923
Tax on Profit on Ordinary activities	5		1,336,756		1,131,284
Profit on Ordinary Activities After Tax	6		1,688,242		1,511,639
Dividends	7		891,693		792,045
Retained Profit for the Financial Year	19		£796,549		£719,594
Earnings per 50p Ordinary Share	8		12.69p		11.28p

BALANCE SHEETS

AS AT 31st MARCH 1985

		Notes	Group 1985	Group 1984	Company 1985	Company 1984
Fixed Assets:	Tangible Assets	9	52,971,767	50,839,583	51,312,030	50,482,083
	Investments:					
	Subsidiaries	10	—	—	282,298	282,298
	Unlisted	10	113,745	113,745	113,745	113,745
			53,085,512	50,953,328	51,708,073	50,878,126
Current Assets:	Stocks	11	3,542,556	3,044,893	3,542,556	3,044,893
	Debtors	12	2,173,993	2,110,669	2,140,105	1,961,033
	Cash		35,220	22,562	33,597	17,386
			5,751,769	5,178,124	5,716,258	5,023,312
Less Creditors:	Amounts Falling Due Within One Year:					
	Short-term borrowing	13	1,304,668	2,421,431	1,239,188	2,419,774
	Creditors	14	5,204,084	4,257,823	5,559,430	4,536,410
Net Current Liabilities			756,983	1,501,130	1,082,360	1,932,872
Total Assets Less Current Liabilities			52,328,529	49,452,198	50,625,713	48,945,254
Less Creditors:	Amounts Falling Due After More Than One Year:					
	Debenture Loans	15	818,783	831,073	818,783	831,073
	Bank Loans	15	3,250,000	1,500,000	3,250,000	1,500,000
			48,259,746	47,121,125	46,556,930	46,614,181
Provision for liabilities and charges:	Deferred Taxation	16	3,446,037	3,103,965	3,446,037	3,103,965
			£44,813,709	44,017,160	43,110,893	43,510,216
Capital and Reserves						
	Called up Share Capital	17	7,588,500	7,588,500	7,588,500	7,588,500
	Revaluation Reserve	18	27,387,260	27,424,149	26,006,228	27,218,047
	Profit & Loss Account	19	9,837,949	9,004,511	9,516,165	8,703,669
			£44,813,709	44,017,160	43,110,893	43,510,216

Approved by the Board
23rd May 1985

J.A. YOUNG } Directors
J.C. DARBY }

J. A. Young

STATEMENT OF CASH FUNDS

	1985		1984	
Where it came from				
Profit on Ordinary Activities	3,024,998		2,642,923	
Profit on Redemption of Debentures	(1,609)		(2,116)	
Profit on Sale of Properties	(21,386)		(14,500)	
Depreciation	1,305,318		1,097,167	
		4,307,321		3,723,474
Sales of Tangible Fixed Assets		69,537		29,348
		4,376,858		3,752,822
Where it went				
Purchase of Tangible Fixed Assets	3,485,653		2,415,140	
Purchase of Investments	—		112,500	
Debentures Repaid	10,681		7,765	
Dividend	854,325		729,765	
Taxation	725,840		445,101	
Increase in Stock	497,663		139,361	
Increase in Debtors	63,324		140,141	
	5,637,486		3,989,773	
Less				
Increase in Creditors	640,049		124,304	
		4,997,437		3,865,469
Net Cash Deficit		**£620,579**		**£112,647**

ACCOUNTING POLICIES

Accounts

The Accounts have been prepared using the Historical Cost Convention except that all properties were revalued in 1981.

Consolidation

The Consolidated Accounts incorporate the accounts of the Company and all subsidiaries from the dates of their acquisition.

Depreciation

Depreciation is provided on freehold brewery premises by equal annual instalments over the remainder of their estimated useful lives.

All leases under 100 years are amortised by charging Profit and Loss account with an annual sinking fund contribution.

No depreciation is provided on Freehold Public Houses, Private Houses, Off-Licences or leases of over 100 years. The policy of the Company is to keep these properties permanently in a good state of repair and their useful life is consequently maintained year by year. In line with the majority of other Brewery Companies the Directors consider that provision for such depreciation would be immaterial.

All other fixed assets are depreciated by equal annual instalments over their estimated useful lives, principally over the following periods:

	YEARS
The Brewery, Office and Wine & Spirit Store	50
Plant and Machinery	5-40
Motor Vehicles	5-10
Inventories, containers and sundry equipment	5-10

Deferred Taxation

Provision for Deferred Taxation is made only where there is a reasonable probability of payment in the foreseeable future.

Stocks

Stocks are valued at the lower of cost and net realisable value and where appropriate include duty and production overheads.

Repairs and Maintenance

Repairs and renewals of a revenue nature are charged to Profit and Loss Account in the year in which the expenditure is incurred.

Turnover

The Turnover of the Group comprises invoiced sales and cash sales inclusive of excise duties and rents. Turnover is exclusive of Value Added Tax.

		1985	1984
1. Turnover	The Turnover of the Group, all in the United Kingdom and Italy, comprises invoiced sales and cash sales inclusive of excise duties and rents. Turnover is exclusive of Value Added Tax	£35,565,984	£32,365,364
2.(a) Employment Costs	Wages & Salaries including B.U.P.A.	7,767,009	6,739,566
	Social Security	502,044	514,238
	Pension Schemes & Ram Brewery Trust	793,776	727,216
	Profit Sharing Scheme	230,824	201,937
		£9,293,653	£8,182,957
(b) Number of Employees	Full time	921	891
	Part time	249	159
		1,170	1,050
(c) Directors' Remuneration	Fees	5,000	5,000
	Other Emoluments	196,350	176,477
	Superannuation Contributions	32,772	28,746
		£234,122	£210,223
Scale of emoluments of Directors other than the Chairman:	£35,000-£40,000	2	—
	£30,000-£35,000	1	3
	£20,000-£25,000	1	1
	£15,000-£20,000	1	—
	£10,000-£15,000	1	1
	Under £5,000	2	2
	The emoluments of the Chairman were	£37,024	£34,413

(d) Pensions and similar obligations

All salaried employees and Brewery weekly paid employees are members of the Pension Scheme which is non-contributory. This is a Managed Fund operated by The Provident Mutual Life Assurance Association.

Provision is also made by the Ram Brewery Trust Fund where necessary to supplement pensions.

		1985	1984
3. Trading Profit	After crediting: Gains on redemption of debentures	£1,609	£2,116
	After charging: Hire of Equipment	£20,889	£23,234
	Audit Fees	£34,000	£34,250
4. Interest Payable	3½% Irredeemable Mortgage Debenture Stock	10,500	10,500
	6½% 1st Mortgage Debenture Stock 1984/89	19,787	20,082
	7¼% 1st Mortgage Debenture Stock 1986/91	16,119	16,273
	Term Loans	315,567	234,882
	Bank Loan and Deposits	151,769	175,423
		£513,742	£457,160
5. Taxation on Profit on Ordinary Activies	Corporation Tax based on Profits for the year at 45% (1984 50%)	1,239,256	884,284
	Deferred Taxation (note 16)	97,500	247,000
		£1,336,756	£1,131,284
6. Profit on ordinary activities after tax	The profit after taxation dealt with in the accounts of the Parent Company was £1,667,300 (1984 £1,480,181). No separate Profit and Loss Account is presented for the Parent Company.		
7. Dividends	Dividends paid during the year: Preference Stocks	13,545	13,545
	Preference Shares	93,420	93,420
	Ordinary Shares Interim 3.0p per share (1984 2.5p)	373,680	311,400
	Proposed Dividend: Ordinary Shares Final 3.3p per share (1984 3.0p)	411,048	373,680
		£891,693	£792,045
8. Earnings per Share, basis of calculation	Trading Profit after taxation	1,688,242	1,511,639
	Less Preference Dividends	106,965	106,965
	Earnings	£1,581,277	£1,404,674
	Ordinary Shares in Issue	12,456,000	12,456,000
	Earnings per Ordinary Share of 50p	12.69p	11.28p

9. Tangible Fixed Assets

	FREEHOLDS	LEASEHOLDS LONG (Over 50 Years)	LEASEHOLDS SHORT (Under 50 Years)	PLANT MACHINERY & VEHICLES	INVENTORIES CONTAINERS & SUNDRY EQUIPMENT	TOTAL
Cost and Valuation						
Total at 31.3.84						
At Valuation 31.3.81	38,055,500	1,805,000	442,000	—	—	40,302,500
At Cost 31.3.84	1,350,497	10,358	33,337	9,560,234	5,950,970	16,905,396
Additions during year	1,518,591	279	22,490	524,084	1,420,209	3,485,653
Disposals during year	(37,000)	—	—	(73,992)	(43,243)	(154,235)
Total at 31.3.85						
At Valuation 31.3.81	38,018,500	1,805,000	442,000	—	—	40,265,500
At Cost 31.3.85	2,869,088	10,637	55,827	10,010,326	7,327,936	20,273,814
Depreciation and Amortisation						
Total at 31.3.84	240,494	6,918	117,762	3,226,761	2,776,378	6,368,313
Charge for year	84,187	2,800	35,355	506,057	676,919	1,305,318
Disposals		—	—	(65,858)	(40,226)	(106,084)
Total at 31.3.85	324,681	9,718	153,117	3,666,960	3,413,071	7,567,547
Net Book Values						
At 31.3.85	£40,562,907	£1,805,919	£344,710	£6,343,366	£3,914,865	£52,971,767
At 31.3.84	£39,165,503	£1,808,440	£357,575	£6,333,473	£3,174,592	£50,839,583

(a) Consolidation The Parent Company owns all Tangible Fixed Assets with the exception of certain Freehold Properties valued at £1,659,737 owned by subsidiaries.

(b) Historical Costs

	1985	1984
The historical cost of Fixed Assets shown above at Cost or Valuation was:	£28,048,738	£24,680,431
Had no revaluation taken place, the depreciation charge would have been:	£1,271,668	£1,065,432
A reduction of:	£33,650	£[illegible]1,735

(c) Capital Commitments Capital Commitments not provided for in these accounts and for which contracts have been placed amounted to £1,302,000 (1984 £763,700).

Capital Commitments authorised by the Directors but for which contracts have not been placed amounted to £1,315,000 (1984 £1,668,000).

10. Investments

(a) Subsidiaries The investment in subsidiary companies consists of 100% of the Ordinary Shares of the following companies: Foster-Probyn Ltd; London Off-Licence Ltd; Hand-in-Hand (E. W. Holland) Ltd; The Beer Squad Ltd; Cockburn and Campbell Ltd (registered in Scotland).

(b) Unlisted Investments In the opinion of the Directors there is no material difference between the market value of unlisted trade investments and the cost stated on the Balance Sheet.

11. Stocks

	1985	[illegible]
Raw Materials and Consumables	930,232	[illegible]
Work in progress	702,237	[illegible]
Finished Goods and Goods for resale	1,910,087	[illegible]
	£3,542,556	[illegible]

		GROUP 1985	GROUP 1984	COMPANY 1985	COMPANY 1984
12. Debtors	Trade Debtors	1,623,910	1,324,510	1,540,281	533,263
	Amounts owed by Subsidiaries	—	—	49,741	641,611
	Other Debtors	467,406	553,157	467,406	553,157
	Prepayments and Accrued Income	82,677	233,002	82,677	233,002
		£2,173,993	£2,110,669	£2,140,105	£1,961,033

		GROUP 1985	GROUP 1984	COMPANY 1985	COMPANY 1984
13. Short-Term Borrowing	Term Loans payable within one year	500,000	500,000	500,000	500,000
	Bank Overdrafts	804,668	1,921,431	739,188	1,919,774
		£1,304,668	£2,421,431	£1,239,188	£2,419,774

		GROUP 1985	GROUP 1984	COMPANY 1985	COMPANY 1984
14. Creditors: Amounts Falling Due within One Year	Trade Creditors	1,723,406	1,168,533	1,720,984	1,168,533
	Amount owed to Subsidiaries	—	—	357,768	288,364
	Corporation Tax	806,193	537,349	806,193	535,423
	Other Taxation and Social Security	1,794,147	1,654,491	1,794,147	1,654,491
	Proposed Dividend	411,048	373,680	411,048	373,680
	Other Creditors	418,378	482,495	418,378	474,644
	Accruals and Deferred Income	50,912	41,275	50,912	41,275
		£5,204,084	£4,257,823	£5,559,430	£4,536,410

		GROUP 1985	GROUP 1984
15. Creditors: Amounts Falling Due after more than One Year	**Secured:**		
	3½% Irredeemable Mortgage Debenture Stock	300,000	300,000
	6½% 1st Mortgage Debenture Stock 1984/89	298,077	307,577
	7½% 1st Mortgage Debenture Stock 1986/91	220,706	223,496
		£818,783	£831,073

The Debenture Stock is secured against fixed assets with a 1981 valuation of £13,543,000.

	GROUP 1985	GROUP 1984
Unsecured:		
Term Loans repayable to the National Westminster Bank PLC on the following dates:		
31st December 1985	—	500,000
31st December 1986	500,000	500,000
31st December 1987	500,000	500,000
31st December 1988	500,000	—
31st December 1989	750,000	—
31st December 1990	500,000	—
31st December 1991	500,000	—
	£3,250,000	£1,500,000

Interest on term loans is payable at the London Inter-Bank Market rate plus 1¼% per annum.

		GROUP	
		1985	1984

16. Deferred Taxation

The potential liability and the amount provided at rates estimated to be applicable when timing differences reverse are as follows:

	1985	1984
Potential Liability:		
Capital allowances	4,156,900	4,052,500
Realised capital gains	187,000	187,000
Unrealised surplus on property revaluation	8,601,900	8,788,400
Advance Corporation Tax not yet utilised	(176,163)	(420,735)
	£12,769,637	£12,607,165
Amount Provided:		
Capital Allowances	3,622,200	3,524,700
Advance Corporation Tax not yet utilised	(176,163)	(420,735)
	£3,446,037	£3,103,965

The Parent Company owns all Fixed Assets with the exception of certain Freehold Properties. The potential liability on the unrealised surplus on the revaluation of these properties is £378,900 which is included above.

Deferred taxation account movement during the year is as follows:

Balance at 31st March 1984	3,103,965
Advance Corporation Tax utilised during the year	244,572
Amount provided: Current year (note 5)	97,500
Balance at 31st March 1985	£3,446,037

17. Share Capital – Authorised, Issued and Fully Paid

		1985	1984
322,500	4.2% Cumulative Preference Stock	322,500	322,500
1,038,000	9% Cumulative Preference Shares of £1 each	1,038,000	1,038,000
2,906,400	'A' Ordinary Shares of 50p each	1,453,200	1,453,200
4,359,600	'B' Ordinary Shares of 50p each	2,179,800	2,179,800
5,190,000	Non-voting Ordinary Shares of 50p each	2,595,000	2,595,000
		£7,588,500	£7,588,500

18. Revalution Reserve

	GROUP		COMPANY	
	1985	1984	1985	1984
Revaluation Reserve	27,424,149	27,424,149	27,218,047	27,218,047
Less:				
Transfer of Properties to Subsidiary Company	—	—	(1,174,930)	—
Transfer to Past Profits on Sale of Properties during the year	(36,889)	—	(36,869)	—
	£27,387,260	£27,424,149	£26,006,228	£27,218,047

		GROUP 1985	GROUP 1984	COMPANY 1985	COMPANY 1984
19. Profit & Loss Account	**Past Profit Employed in the Business at the beginning of the year**	9,004,511	11,562,617	8,703,669	11,293,233
	Less Extraordinary Charge Deferred Taxation to 31.3.83	—	3,277,700	—	3,277,700
	Profit retained for the Financial year	796,549	719,594	775,607	688,136
	Transfer from Revaluation Reserve	36,889	—	36,889	—
	Profit Retained at the end of year	£9,837,949	£9,004,511	£9,516,165	£8,703,669

AUDITORS' REPORT

TO THE MEMBERS OF YOUNG & CO'S BREWERY PLC

We have audited the financial statements on pages 16 to 25 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of land and buildings, give a true and fair view of the state of affairs of the company and the group at 31st March 1985 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

Pannell Kerr Forster

Pannell Kerr Forster
Chartered Accountants
LONDON
23rd May 1985

		1976	1977	1978	197
Turnover		£12,824,673	15,372,212	17,643,252	19,183,7
Trading Profit		1,242,666	1,573,087	1,619,203	1,764,4
	Profit on Disposal of Properties	48,000	59,246	40,737	1,8
	Less: Interest Payable	(101,196)	(82,422)	(79,684	(96,8
	Exceptional items				(23,4
Profit on Ordinary Activities before Tax		£1,189,470	1,549,911	1,580,256	1,646,1
	Tax	596,804	784,044	428,936	155,8
Profit Available for Shareholders		592,666	765,867	1,151,320	1,490,2
	Dividends	174,638	193,516	210,073	279,6
Profit Retained		£418,028	572,351	941,247	1,210,6
Extraordinary charge Deferred Taxation					
Earnings per Share		4.26p	5.56p	9.13p	11.4

Assets Employed	Fixed Assets	10,537,722	11,349,896	12,290,942	13,716,5
	Net Current Assets	401,053	838,875	631,440	925,4
Total Assets Employed		10,938,775	12,188,771	12,922,382	14,642,0
	Short-term borrowing	(400,629)	(494,780)	(249,164)	(702,3
		10,538,146	11,693,991	12,673,218	13,939,6
	Loans repayable after one year	(977,438)	(943,132)	(938,362)	(920,7
	Deferred Taxation	(2,004,900)	(2,622,700)	(13,074)	(86,5
		£7,555,808	8,128,159	11,721,782	12,932,3
Financed by:	Called-up Share Capital	3,436,500	3,436,500	3,436,500	4,474,
	Revaluation Reserve	1,104,466	1,077,466	1,982,166	1,960,
	Profit & Loss Account	3,014,842	3,614,193	6,303,116	6,496,
		£7,555,808	8,128,159	11,721,782	12,932,

'8	1979	1980	1981	1982	1983	1984	1985
52	19,183,715	20,589,758	23,721,891	27,948,315	30,609,849	32,365,364	35,565,984
03	1,764,492	1,756,067	2,003,616	2,646,577	2,731,743	3,085,583	3,517,354
37	1,896	1,225	3,152		82,293	14,500	21,386
34)	(96,835)	(208,497)	(451,160)	(608,021)	(550,379)	(457,160)	(513,742)
	(23,423)			(200,000)	(45,742)		
56	1,646,130	1,548,795	1,555,608	1,838,556	2,217,915	2,642,923	3,024,998
36	155,893	50,098	(241,581)		326,978	1,131,284	1,336,756
20	1,490,237	1,498,697	1,797,189	1,838,556	1,890,937	1,511,639	1,688,242
73	279,625	374,767	449,505	542,925	667,485	792,045	891,693
47	1,210,612	1,123,930	1,347,684	1,295,631	1,223,452	719,594	796,549
						3,277,700	
3p	11.48p	11.17p	13.57p	13.90p	14.32p	11.28p	12.69p
42	13,716,579	15,713,611	47,144,035	48,481,166	49,537,703	50,953,328	53,085,512
40	925,471	1,174,976	1,346,457	1,864,198	1,070,213	920,301	547,685
82	14,642,050	16,888,587	48,490,492	50,345,364	50,607,916	51,873,629	53,633,197
64)	(702,365)	(1,313,025)	(1,049,187)	(1,642,584)	(1,806,867)	(2,421,431)	(1,304,668)
18	13,939,685	15,575,562	47,441,305	48,702,780	48,801,049	49,452,198	52,328,529
62)	(920,791)	(1,395,421)	(3,385,122)	(3,350,966)	(2,840,954)	(2,331,073)	(4,068,783)
74)	(86,500)	(123,817)			615,171	(3,103,965)	(3,446,037)
82	12,932,394	14,056,324	44,056,183	45,351,814	46,575,266	44,017,160	44,813,709
00	4,474,500	4,474,500	4,474,500	4,474,500	7,588,500	7,588,500	7,588,500
66	1,960,958	1,960,958	30,613,133	30,613,133	27,424,149	27,424,149	27,387,260
16	6,496,936	7,620,866	8,968,550	10,264,181	11,562,617	9,004,511	9,837,949
82	12,932,394	14,056,324	44,056,183	45,351,814	46,575,266	44,017,160	44,813,709

DIRECTORS' HOLDINGS & INTERESTS

31.3.85 (31.3.84)

	'A' ORDINARY SHARES OF 50p EACH	'B' ORDINARY SHARES OF 50p EACH	NON-VOTING SHARES OF 50p EACH	9% CUM.PREF. SHARES OF £1 EACH	4.2% CUM.PREF. STOCK UNITS OF £1 EACH	3¼% DEBENTURE STOCK UNITS OF £1 EACH
J. A. Young						
Beneficial and	26,049	154,859	82,453	4,624	358	
family interests	25,566	129,909	85,243	4,624	358	
Trustee	92,162	1,020,884	562,258	65,993	17,283	380
	88,228	725,222	511,061	62,126	15,495	380
Trustee — Ram	11,261	1,666,570	658,912	48,057		
Brewery Trust	15,261	1,663,570	757,912	63,057		
J. G. A. Young						
Beneficial and	1,110	110,839	40,801	932		
family interests	* 1,110	108,328	40,801	932		
Trustee — Ram	11,261	1,666,570	658,912	48,057		
Brewery Trust						
T. ff. B. Young						
Beneficial and	31,725	234,116	132,968	14,423	128	
family interests	31,242	207,865	122,758	14,423	128	
Trustee	62,028	501,466	184,399		5,800	380
	65,493	375,649	218,742		6,100	380
Trustee — Ram	11,261	1,666,570	658,912	48,057		
Brewery Trust	15,261	1,663,570	757,912	63,057		
B. D. B. Palmer						
Beneficial and	2,800	53,664	24,198			
family interests	2,800	53,664	24,198			
J. C. Darby						
Beneficial and	5,249	11,760	2,355			
family interests	5,249	11,760	2,355			
J. Carew						
Beneficial and		1,400				
family interests		1,400				
J. D. Rose						
Beneficial and		1,400	600	166		
family interests		1,400	600	166		
C. P. W. Read						
Trustee		1,400	600			
		1,400	600			

*As at date of appointment, 10th July 1984

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