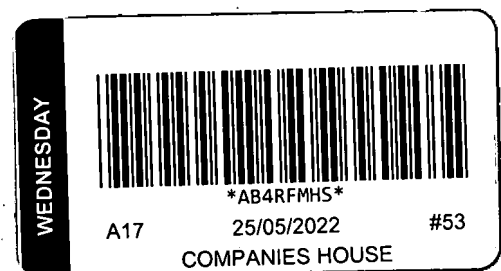
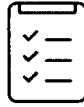




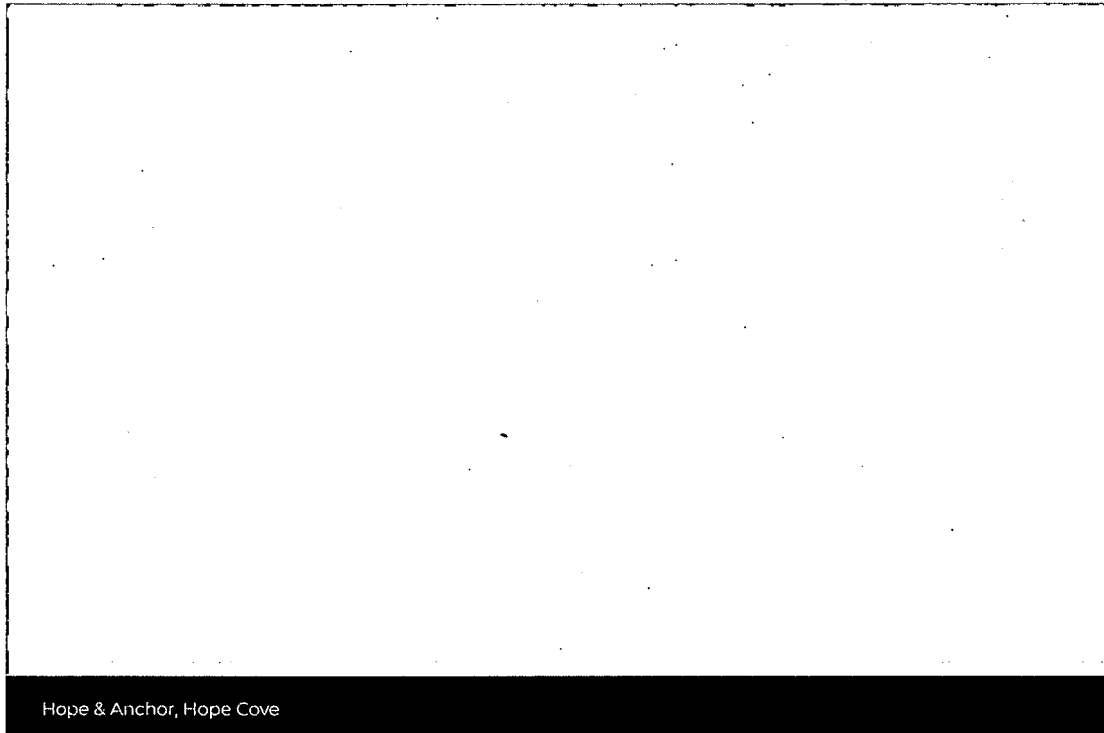
ANNUAL REPORT & ACCOUNTS 2021

ST AUSTELL BREWERY COMPANY LIMITED





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Hope & Anchor, Hope Cove

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FINANCIAL HIGHLIGHTS

TURNOVER

£156.6m 2020 **£117.6m**

OPERATING PROFIT / (LOSS) BEFORE OTHER ITEMS*

£11.3m 2020 **£(2.9)m**

STATUTORY PROFIT / (LOSS) BEFORE TAX

£10.5m 2020 **£(10.0)m**

BASIC EARNINGS/(LOSSES) PER SHARE BEFORE OTHER ITEMS*

£4.35 2020 **£(2.41)**

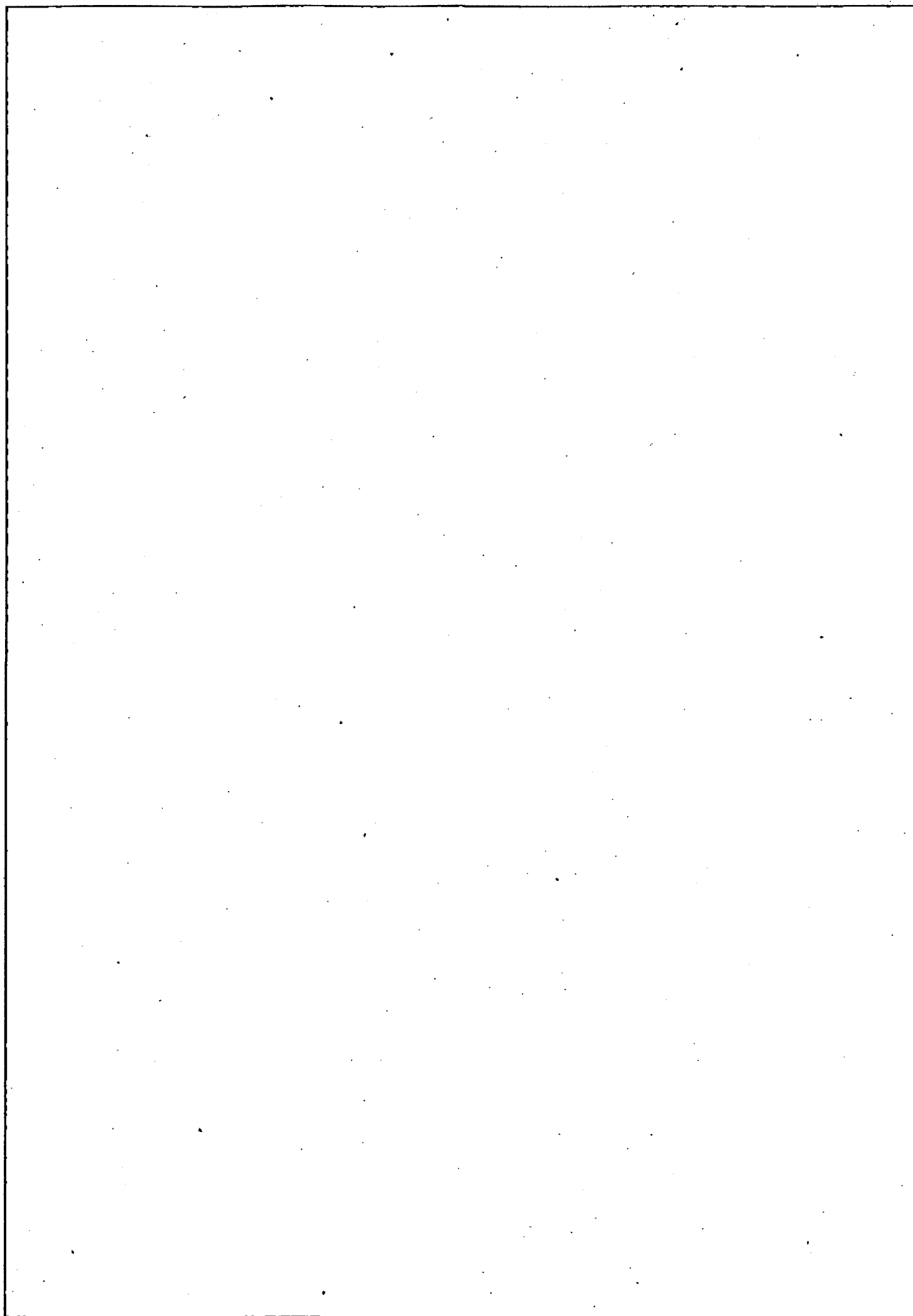
DIVIDENDS PER SHARE

130p 2020 **NIL**

NET ASSETS PER SHARE

£68.51 2020 **£58.28**

* Other items are as defined in note 11 of the financial statements.





CHAIRMAN'S STATEMENT

Port William, Trebarwith Strand

"The re-opening of the on-trade in the spring of 2021 was met with a very strong demand from visitors who flocked to the South-West"



WILL MICHELMORE

I set out my report on the financial performance for the 52-week period ended 1 January 2022.

I am delighted to report that despite all the challenges that we faced in 2021 the Company has managed to return to profit as we continue to recover from the impact of the pandemic and look to release the full potential of the business.

2021 started under a large cloud of uncertainty. All our pubs, inns and hotels were required to close on 30 December 2020 and they remained closed throughout the first few months of the year. The Government roadmap for re-opening did not enable the on-trade to reopen until the 12th April and then only outdoors. It was not until the 17th May that we were able to re-open for indoor trading. During this period, the Chancellor put in place measures designed to support business, and the hospitality sector in particular, including the Coronavirus Job Retention scheme, business support grants, VAT concessions and business rates relief. We have played

an active role in supporting the industry lobbying of government that focusses on longer term support for the sector through a more progressive and fairer tax regime created through a permanent reduction in the rate of VAT and by reforming the methodology for calculating business rates across the pub sector.

The re-opening of the on-trade in the spring of 2021 was met with a very strong demand from visitors who flocked to the South-West. Whilst this was very encouraging, the shortage of available labour in the hospitality sector brought significant challenges exacerbated by the "pingdemic" which saw many of our team being forced to self-isolate. This resulted in us having to close some of our sites, reduce their trading hours and restrict capacity.

The national labour shortage is made worse in the South-West by the shortage of affordable housing. The demand for holiday accommodation over the summer resulted in there being virtually no rental properties available

for long-term letting. To partially address this issue, we acquired three residential properties in the year to accommodate staff for the most impacted managed houses. Whilst we anticipate that the housing issues will ease a little it will continue to be a significant challenge for the South West economy and we are working with all stakeholders (local authorities, politicians and other businesses) to develop a longer term coordinated strategic response, in the meantime we will need to continue to find our own solutions to the labour shortage.

The strong trading from the time of re-opening continued throughout the autumn and into early December. However, the arrival of the Omicron variant at the beginning of December did result in a fall in trade with the Government implementing "Plan B" restrictions. The effects of the Omicron variant clearly demonstrated the continuing threat to our trade and profitability.

I noted last year that Kevin Geogel's appointment as

"Strong trading from the time of re-opening continued throughout the autumn and into early December."

Hope & Arundel, Hope Cove

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CHAIRMAN'S STATEMENT

Chief Executive in January 2020 proved to be a baptism of fire. The Board continue to be extremely grateful for the decisive, professional, and effective leadership shown by Kevin and his team, during what has been another very challenging year. However, the difficult decisions that have been taken over the past two years are bearing fruit and the results that we are reporting are testament to that.

FINANCIAL RESULTS

The financial results for the 52-week period ended 1st January 2022 represent a very strong recovery despite the continuing impact of the Covid-19 pandemic. During the period that pubs were forced to close in the first four months of the year, we continued to supply our beer brands in the off-trade at record

trading levels. However, despite this excellent off-trade performance in this period, our operating profits were approximately £5m lower than we would have expected.

It is very encouraging to report that once we were able to re-open, we managed to recover all this lost profit and that we can report strong trading results for 2021. This can only stand us in good stead, and we will look to build on this as we move forward.

Total turnover in the 52-week period ending 1st January 2022 was £156.6m (2020: £117.6m). The Company made a statutory profit before taxation of £10.5m (2020: loss of £10.0m) and an underlying profit before taxation and other items* of £9.4m (2020: loss of £4.5m). Our earnings per share before other items*

were £4.35 (2020 losses per share of £2.41).

The Chief Executive's Review gives more detailed information on the Company's financial performance in the year.

DIVIDEND

The Board fully appreciates the importance of dividends to its shareholders. We did not pay a dividend in respect of the 53 week period ended 2 January 2021, given the losses incurred in that financial period and the ongoing uncertainty of the impact of the pandemic.

I noted last year that we would look to resume dividend payments as the business returned to profitability. In line with that commitment the Company paid an interim dividend of 50p per share in October

Hope & Anchor, Hope Cove

* Other items are as defined in note 11 of the financial statements.

Old Success, Sennen Cove

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2021 and now proposes to pay a final dividend of 80p per share in respect of the 52 week period ending 1 January 2022. This dividend will be paid in May 2022. The total dividend of £1.30 per share means that our dividend cover is 3.3 times underlying earnings. Although the total dividend remains slightly below historic levels the Board wishes to ensure that payments are appropriate to the profit level achieved and that future investment and growth are not prejudiced. The Board remains committed to delivering sustainable long term dividend growth.

CAPITAL AND INVESTMENT

As we continued to recover from the impact of the

pandemic it was important to ensure that we balance the need to preserve cash with the need for further investment to underpin the long-term success of the Company. In 2021, we invested £10.4m in capital expenditure (2020: £13.8m). Further details of this expenditure is included in the Chief Executive's Review.

FINANCING

The Company continues to have a very strong financial underpinning. I am pleased to report that we fully complied with all the covenants that had been set for us when we refinanced in September 2020.

During the year we have repaid £5.7m of historic tax liabilities that were deferred

as a result of the pandemic leaving only £0.2m still outstanding at the year end. I am pleased to report that even allowing for the repayment of these historic tax liabilities our net bank debt only increased by £4.3m in 2021. At the year-end, we had over £45m of available headroom in our debt facilities. As we move out of the shadow of the pandemic, we will look to repay the £25m of additional facilities taken out under the Government CLBILS scheme (Coronavirus Large Business Interruption Lending Scheme) but in order to provide additional resources to deliver on our growth ambitions we are likely to replace a proportion of these facilities by increasing some of our core revolving credit facilities.



CHAIRMAN'S STATEMENT

Canning Line, Hare Brewery

PENSIONS

Last year we reported that the deficit on our defined benefit pension scheme had increased to £17.4m at the end of 2020. I noted at the time that accounting standards require valuation of pension schemes to be carried out in a specified manner under FRS 102. I am pleased to report that this deficit measured on a consistent basis has fallen significantly and at the end of 2021 stood at £4.0m. This fall is partly due to the present value of pension obligations falling from £71.2 million to £63.4 million, principally because the cost of meeting liabilities is measured against the discount rate which has increased from 1.25% to 1.80%. It is also due to the strong underlying performance of our pension assets which increased from £53.8m to £59.5m.

DIRECTORS AND EMPLOYEES

It has been another incredibly challenging (and exhausting) year for the Group Operating Board under Kevin's leadership. On behalf of shareholders and the Non-Executive members of the Board I would like to thank them for their hard work, dedication, resilience and commitment to the Company.

In December 2021, Adam Luck stepped down as a Director after 34 years, of which 31 were as an Executive Director and over 46 years as an employee. Adam's knowledge, experience and expertise will be impossible to replace but on behalf of all the Directors we wish him a long and very happy retirement.

In March 2022 we appointed Karen Hubbard as an independent Non-Executive

Director. Karen brings extensive and complimentary knowledge and expertise from a range of industries that will be invaluable to the Company as we look to realise the full potential of the business.

SUMMARY AND OUTLOOK

As we look back on the last two years it is hard to fully appreciate all the challenges that we have been through. The pandemic was something none of us had been prepared for but I believe that the team has risen to the challenge and the business has a very strong foundation from which to move forward. Just as the on trade was gearing up for re-opening the Company was hit by a malicious cyber-attack in March 2021 which was a cruel blow. However, the response to this was exemplary and the situation was dealt with calmly and professionally and it is a credit to all involved that

our customers and external stakeholders saw little, if any, impact. This was only possible because of the hard work and dedication of so many in our team.

Throughout this period our priority has continued to be the safety of our teams and customers. During these difficult times, clear communication has also been critical. The "Spring into Summer" sessions, providing clarity about the Company's strategy and vision to our teams, that were run in the spring of 2021 proved to be an invaluable way of maintaining clarity and confidence about the future.

We have worked extremely hard to ensure that the foundations of the business have remained strong, and this has undoubtedly helped us to recover more quickly than many of our peers. We have an excellent

leadership team with a clear, focused strategy. Our Beer & Brands business is performing well against its key objective to maintain top line sales growth whilst improving profit conversion. Our tenanted business has shown strong resilience, this part of our business is stable and well placed to realise the growth opportunities in future years. Finally, we are investing significantly in the development of our managed house business to unlock the potential in the estate which has some of the very highest quality pubs in our trading region.

As we continue our recovery, we recognise that there will continue to be significant headwinds arising from inflationary pressures that are affecting all businesses and the ongoing challenges in the labour market which are particularly acute in our region. As this report is

being written the appalling situation in Ukraine continues to unfold. The full ramifications are yet to become clear but our thoughts and prayers are very much with the people of Ukraine.

Notwithstanding the concerns, we have the leadership, the team, the assets and the strategy which should ensure our future success.

I would like to conclude by offering my sincere thanks to everybody in the Company who have worked so hard in navigating through the challenges in 2021.



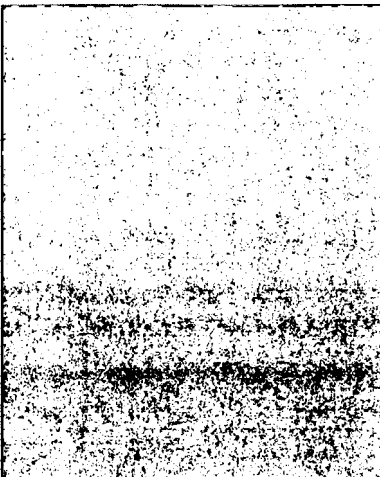
WILL MICHELMORES
Chairman
14 April 2022

"The pandemic was something none of us had been prepared for but I believe that the team has risen to the challenge and the business has a very strong foundation from which to move forward."



CHIEF EXECUTIVE'S REVIEW

"So often pubs are right at the heart of our communities - places to meet and reconnect"



KEVIN GEORGEL

I would like to begin my review of the year by thanking the dedicated team at St Austell Brewery. I am personally very grateful for the hard work and support of our teams across the business whether they are working in our pubs, breweries, depots, or our central support functions. The past year has been extremely challenging, but our teams have overcome every obstacle with professionalism, enthusiasm, and positivity.

Adversity can bring out the best in people, and that has certainly been the case across our business. I am confident that as we move forward - with the worst of the pandemic hopefully behind us - we have emerged stronger and better placed to embrace the opportunities that lie ahead.

OVERVIEW

The pandemic and ongoing restrictions have seen many people reappraise what is most important to them. It has

therefore been heartening to see the continuing relevance and appeal of the pub. So often pubs are at the heart of our communities - places to meet and reconnect. They will undoubtedly play an important role in restoring people's wellbeing as we recover from the impact of the past two years.

From the outset of the pandemic, the hospitality sector has remained aligned and clear in its requests of the government. These requests have focused on helping the industry to survive and enabling us to play an important role in the UK's economic and social recovery. The government has recognised the importance of our sector and - although there were some missteps along the way - we welcomed and appreciate the support they have provided. It's vital that they now continue to assist in the recovery and longer-term prospects of our sector, by committing to a more progressive and fairer tax regime. This includes maintaining VAT at 12.5% beyond March 2022 and delivering meaningful reform of the UK's outdated business rates system.

We enter 2022 in a much stronger financial position. We have returned to being a profitable, strongly cash generative business and we have laid out a clear strategic direction that commits to a growth agenda, reflecting the Company's potential. We have significant headroom in our available funding, which enables us to invest in growing our existing business whilst pursuing fitting acquisition opportunities. Our predominantly freehold pub estate, now segmented to target specific demographics and occasions, is well positioned to take advantage of the consumer trends that we expect to see in the coming years. Our beer business is increasingly efficient and delivering significantly improved returns.

The pandemic expanded options for eating and drinking

"WE ENTER 2022 IN A MUCH STRONGER FINANCIAL POSITION. WE HAVE RETURNED TO BEING A PROFITABLE, STRONGLY CASH GENERATIVE BUSINESS AND WE HAVE LAID OUT A CLEAR STRATEGIC DIRECTION THAT COMMITS TO A GROWTH AGENDA, REFLECTING THE COMPANY'S POTENTIAL."

at home with an increase in home deliveries, and the premiumisation of food in supermarkets. This was a catalyst for the growing trend of people going out less often, whilst seeking higher quality experiences when they do. It is therefore vital that we deliver a quality of experience in our pubs that encourages our customers to eat and drink out and motivates them to choose us over the competition. In our beer business, we need to evolve our portfolio to enable us to participate more in growth categories, aligning with the future preferences of beer drinkers. This will require continued focus and investment in all aspects of the business, but we are confident that we have the quality of assets and the resources required to succeed in an increasingly competitive market.

Over the past two years, we have always sought to take the right decisions to ensure the long-term success of the Company whilst prioritising the health and wellbeing of our teams and our customers. As part of this commitment, it was vital that our employees remained connected to the business and felt supported during extended periods of lockdown. To help achieve this, we transformed our approach to internal communications and set out our commitment to develop a more open and transparent culture. The Company has always prided itself on its excellent



CHIEF EXECUTIVE'S REVIEW

long-term relationships with key stakeholders and in times of adversity these relationships show their true worth. I am pleased to say that throughout the past two years we have benefitted by being able to rely on the support of these stakeholders, whether that be our customers, our people, our tenants, our suppliers, or our shareholders.

Whilst we sincerely hope that the worst of the pandemic is now behind us, we must remain vigilant, flexible, and adaptable. It's vital that we can respond quickly and effectively in the event of a new variant, to mitigate any further impact on our business. I'm pleased to say that recent trading results

reflect a strong desire to visit our pubs and drink our beers. We are on track to deliver profits at sustainable levels, exceeding those achieved prior to the pandemic.

Looking forward, we are focused on releasing the full potential of the business. To help us achieve this, we made two important senior appointments at the end of 2021. James Hampton joined us as Head of Learning, Talent and Culture – a new role reporting into our People and Communications Director, Tamsyn Allington. This appointment will enable us to build a high-calibre learning function across the Company, supporting the development of all our people, building stronger

internal and inclusive succession plans, and continuing to maintain a motivated, stable workforce. The importance of this investment in people has been heightened with the emergence of a labour crisis across our sector which - as outlined above - is particularly acute in our trading region.

We also welcomed James Taylor to the team as our new Head of Estates. We own and operate a large and diverse property portfolio and are committed to developing and growing the estate. James brings a wealth of commercial property expertise and experience and will lead our drive to extract maximum value from our existing assets, whilst delivering on our acquisition plans.

"It is therefore vital that we deliver a quality of experience in our pubs that encourages our customers to eat out and motivates them to choose us over the competition"

OUR FINANCIAL PERFORMANCE

Although our 2021 results were impacted by COVID-19, we still experienced unprecedented levels of demand, particularly during the first four months after reopening. Therefore, our principal challenge for the remainder of the year was maintaining supply to meet this demand whilst still delivering a positive experience for our customers. This challenge was made even more difficult by the acute labour shortages and failings within the supply chain and in this context, we are proud of the results we achieved.

Total revenue for the financial period was £156.7m (2020: £117.6m) up 33% on 2020.

Total revenue in our Pubs, Inns & Hotels division was £62.6m (2020: £47.1m), with managed pubs up 30% on 2020 and our tenanted pubs up 38%. Our Beer & Brands division saw revenues up 37% at £93.2m (2020: £68.1m).

Overall, the Company generated £17.9m of underlying EBITDA before other items* (2020: £3.7m) and had an underlying operating profit, before other items*, of £11.3m (2020: loss of £2.9m). Statutory operating profit was £11.7m (2020: loss of £7.9m).

Statutory profit before tax was £10.5m (2020: loss £10.0m). Underlying profit before tax and other items* was £9.4m (2020: loss of £4.5m)

During the financial period, the Company received significant government support, which is reflected in our results. Whilst this Government support was welcome, it is important to note that it did not compensate for the losses incurred due to mandatory closures and significant trading restrictions throughout the financial period.

* Other items are as defined in note 11 of the financial statements.

"I'm pleased to say that recent trading results reflect a strong demand to visit our pubs and drink our beers"

CASH FLOW, FINANCING, AND INVESTMENT

Throughout 2021, we continued to balance the need to preserve cash whilst ensuring that we were investing appropriately into our pubs and our beer business. In addition, it was necessary to rebuild our working capital and as a result this has absorbed some of the cash generated from operations.

We renegotiated our banking facilities to allow us to withstand the challenges of the pandemic and agreed a revised suite of financial covenants with our banks. I am pleased to report that by the end of the year, all our banking covenants were back in compliance with those that existed prior to the pandemic. This is a significant achievement, underpinning the positive financial recovery that we have delivered. Today,

we have significant headroom in our bank facilities, and this provides positive liquidity and considerable confidence for the future.

We have always sought to maintain our pubs to a very high standard, and we continue to prioritise and invest in our estate. During 2021, we completed the major refurbishment of the Hope & Anchor in Hope Cove, and in response to the labour shortages we acquired three new staff houses – two in South Devon and one on the outskirts of Padstow. We also created a new development kitchen at our St Austell site. This will support our drive to improve the quality and consistency of our food offering and our ability to train and develop our chefs and kitchen teams. Food sales continue to grow across the business and improving our customer offer will help us to release the potential

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"During 2021, we completed the major refurbishment of the Hope & Anchor in Hope Cove"

of our pubs and enable us to be more competitive all year round. In our Beer & Brands business, we installed a new canning line at Hare Brewery, this will be fully operational by the end of the first quarter of 2022. We also made a seven-figure marketing investment in korev - our flagship lager brand. Growing the distribution and sales of korev is a key element of developing our brand portfolio.

During 2021, we sold two underperforming tenanted pubs - the Barley Sheaf Liskeard and the Brass Monkey Teignmouth - realising proceeds of £0.4m and a profit of £0.15m.

At the end of the year, our net debt stood at £55.7m (2020: £51.4m). This represented a leverage ratio of 3.1 times our annual EBITDA (2020: 14.0 times). We have worked hard to manage our cost base throughout the year, however in the final quarter inflationary pressures began to impact the business. These pressures have increased and will remain throughout 2022.

OUR EVOLVING ESG STRATEGY

Sustainability has always been at the heart of the business. We view our ESG strategy as integral to our operations and recognise its importance to all stakeholders - customers, employees, suppliers, and our shareholders.

During the year, we made

a commitment to carbon neutrality and began to develop plans to achieve this. In October, we signed up to the Zero Carbon Forum - a sector specific, non-profit organisation committed to supporting hospitality on the journey to net zero. We have committed to achieving net zero by 2030 for Scope 1 and 2 emissions (e.g., emissions directly under our control) and

Hope & Anchor, Hope Cove

2040 for Scope 3 emissions (e.g., the emissions of our suppliers). Whilst there is a lot of work involved in achieving these ambitious milestones, we are better placed than many, given the investment and actions taken in recent years.

For example, we already buy 100% of our energy from renewable sources. This year we also moved to a 100% renewable and sustainable supply of carbon dioxide (CO2) providing further evidence of our commitment to environmental sustainability. CO2 is a crucial component in brewing and production. The new supply is sourced from BioCarbonics who generate green CO2 from maize grown in the South West and do not rely on ammonia or other chemical processes that burn fossil fuels. As a result of this change in supply, we have been insulated against a shortage of supply and a significant increase in cost in the wider CO2 market.

In November, we announced a formal partnership with Only a Pavement Away. This inspiring charity helps people facing or experiencing homelessness,

ex-offenders, and vulnerable veterans by placing them into long-term, stable employment in the hospitality industry. We also supported National Hospitality Day in September by donating £1 for every pint of our beer sold in our managed pubs.

PUBS, INNS & HOTELS

It was an incredibly challenging year for our pub teams and our tenants. Having been closed for almost four months of the year, they were faced with record demand and acute staff shortages. The hard work and commitment of our managers and their teams - and the enthusiasm and energy of our tenants - meant that our pub business experienced a very strong financial recovery on reopening. Indeed, it is pleasing to report that despite the challenges of the pandemic we have not had to make any net impairments in our pub estate in 2021.

We took the decision not to charge our tenants any rent until they were able to reopen fully indoors (as well as externally) on 17th May. Whilst this decision

meant forfeiting over £1.7m of rent, it was the right one. It created the platform that allowed our tenants to recover faster and gave them increased financial resilience. As a result, we have had very few tenants electing to leave, and our tenanted estate remains in good health. It is well invested and operated by some of the very best publicans in our sector, who are committed to their businesses and share our ambition for growth.

In November, Jason and Chris Black - who run four tenancies with us - were announced as winners of the British Institute of Innkeepers Licensee of the Year Award. This is the ultimate peer recognition in our industry and is richly deserved. It is also pleasing to report that two of our tenanted houses - the Cornish Arms Tavistock and the St Kew Inn - made the prestigious Estrella Damm Top 50 Gastropubs.

It has been well publicised that the hospitality sector is currently facing an unprecedented recruitment challenge. Our People team has developed over 40 different initiatives aimed at alleviating this issue for 2022. We have created and launched a digital media campaign targeting potential team members locally, nationally, and internationally. We have refreshed our recruitment toolkits to make the process of finding and onboarding new employees more efficient and delivered an improved experience for candidates. We have gained accreditation under the government's visa sponsorship scheme, which allows us to recruit internationally and bring workers into the country to help meet the shortfall. This will be particularly important in the recruitment of chefs and kitchen teams, where there continues to be a national shortage.

There has been an increasing need to recruit team members from beyond the local area. If

"We announced a formal partnership with Only a Pavement Away. This inspiring charity helps people facing or experiencing homelessness, ex-offenders, and vulnerable veterans by placing them into long-term, stable employment in the hospitality industry"



CHIEF EXECUTIVE'S REVIEW

Cornish Arms, Tavistock

"It is pleasing to report that two of our tenanted houses - the Cornish Arms Tavistock and the St Kew Inn - made the prestigious Estrella Damm Top 50 Gastropubs."

this continues, then we need to find suitable, affordable housing, which is a major challenge. As previously outlined, this challenge is particularly acute in our region, and we are considering a range of commercially viable solutions to help us meet this need. We also need to increase levels of investment in our existing staff accommodation to ensure that living conditions are acceptable and maintained on a routine basis. This will help us to attract and retain staff across our pub estate.

As outlined above, food is an area of our business which requires

greater focus and investment. In 2021, food represented 40% of total sales in our managed pubs and this is forecast to grow in the future. This summer, we refreshed our food menus to include more vegan, gluten-free, and locally sourced options. This enabled us to cater for a more diverse audience whilst retaining our classic pub dishes. There is more investment and work required, but I am pleased to report that that our guest feedback has recognised the improvements we've made in terms of the quality, consistency, and inclusivity of our food.

BEER & BRANDS

Throughout the pandemic, we continued brewing, and summer 2021 saw us producing beer in record quantities. The benefit of investing in a second production site at Hare Brewery was clearly demonstrated, as without additional capacity we would not have met the demand for our beers. Over the past 20 years, our beer business has developed an excellent reputation for consistency and quality, and I am delighted that George Young (Brewing Director) and her team have continued to build on this legacy.

During 2021, we invested in expanding our quality control team to ensure that our beer is always at its best whenever our customers experience it – whether it's out of the cask, the keg, the bottle, or the can. We are confident about the future of our beer business, which is why we made a significant investment in our new canning line. It will bring further efficiency to our brewing operations and reduce our reliance on others in this growing pack format in the off-trade market.

We unveiled a vibrant new look for our flagship lager brand, korev, in the spring. The aim was to champion the aspirational and adventurous spirit of korev, whilst remaining true to its Cornish roots. The rebrand – which boasts a vivid new colour scheme inspired by the sea and our coastal origins - seeks to unlock the full potential of korev. The rebrand has been positively received by trade customers and consumers alike, resulting in significant growth across all routes to market. We anticipate further growth as we move into 2022.

At the International Brewing Awards, korev received two gold medals and was named overall champion in the International Small Pack Lager category. We received a gold medal for Monterey (Bath Ales) and a

silver medal for Proper Job. This international recognition signifies our status as one of the country's leading brewers and is testament to the dedication and talent of our brewing teams both in St Austell and at Hare Brewery.

Overall total beer volumes were 12.7% up on 2020, compared to an overall market growth of 5.9%*. It was particularly pleasing to see that we were able to consolidate our growth in the off trade, which had been very strong in 2020. Our off-trade volumes grew by 5.4% compared to the overall market decline of 3.8%*.

Prior to the pandemic – to secure the long-term viability of our beer business - we identified the need to maintain top line sales growth, whilst significantly improving the conversion of those sales into increased profitability. In 2019, we undertook Project Refresh which culminated in the development of a strategic plan to support this objective. I am pleased to report

that under Andrew Turner's leadership, we have seen strong progress in this area and are now achieving growth and converting those sales into much improved profitability.

We have always sought to build strong and relevant sponsorship partnerships and I am delighted that our association with the Eden Project has been extended for a further three years, with korev being named as the official beer of the Eden Sessions. We have also extended our support of the most Cornish of sports - gig racing. korev has become the official beer of the Cornish Pilot Gig Association and is also sponsoring the new National County Gig championships. Grassroots sports are at the heart of our communities. Last year, we expanded our support for regional rugby by renewing and extending our partnership with the South West RFU. Tribute, our flagship pale ale, now sponsors all RFU leagues in the region covering over 35 leagues and almost 400 participating

teams. We also extended our sponsorship of the Cornish Pirates, Cornwall's premier rugby club.

We announced a new partnership between Tribute and Saint Piran, Cornwall's professional cycling team, reflecting the growth and increased profile of the sport. This announcement coincided with the start of the Tour of Britain, which saw some of the world's leading cyclists traversing the South West, shining a spotlight on our region's natural beauty.

To achieve our ambition of releasing the potential of the business and delivering sustainable growth, it is important that our teams understand our strategy and how they can contribute to our success. To this aim, we have worked hard to embed the strategy and vision and improve understanding across the Company.

"I am delighted that our association with the Eden Project has been extended for a further three years, with korev being named as the official beer of the Eden Sessions"

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*Data supplied by the British Beer & Pub Association.



We aim to create great experiences all year round through people with passion, places that inspire, and products that delight.

This vision outlines our desire to create a business that competes all year round, invests in people, is bold in creating inspiring environments for our customers, and is committed to producing and selling high quality food and drink.

We will deliver our vision by focussing on four key objectives, which we have termed as our mission. Our mission is deliberately specific and measurable, enabling us to monitor progress and hold ourselves accountable for delivery.

1. We attract talent and are relentless in releasing the potential of our people.
2. We innovate and invest to grow and deliver strong and sustainable returns.
3. We build our reputation, loyalty, and advocacy.
4. We drive sales and convert to profit.

In 2022, we will introduce Personal Business Objectives (PBOs) for the first time. These objectives will stretch our teams, support their development, and align to our strategy, vision, and mission. These goals will provide clarity for our teams on how they can add value throughout the year, and we will recognise exceptional performance through the implementation of a more progressive and motivational reward scheme.

CONSUMER TRENDS

We continue to invest in relevant insight that helps us understand and positively respond to changes in consumer behaviour. Many of the trends that existed pre-pandemic have been accelerated. These trends include the decline of the cask beer category, the continued shift of beer sales to the off trade, a greater focus on health, the increasing appeal of accommodation in pubs, and a rise in the demand for premium experiences.

Our strategic and operational plans focus on how we respond to mitigate the risks of these trends, whilst investing wisely to take advantage of where we can benefit from them.

Another trend arising from the pandemic is the growth in hybrid working. This has negatively impacted hospitality venues in city locations and will continue to do so. As a business, we have limited exposure to trading in cities. With a pub estate that's more weighted towards suburban, rural, and coastal locations, we anticipate that we may benefit from people commuting less and working closer to home. We also believe that we are well placed to benefit from the continued growth in staycations and the increasing appeal of the South West. Our investment plans will continue to consider and unlock these opportunities.

"We believe that we're well placed to benefit from the continued growth in staycations and the increasing appeal of the South West"

"IN MARCH 2020, WE SET OUT A COMMITMENT TO ENSURE THAT WE SURVIVED THE PANDEMIC, RECOVERED BRILLIANTLY, AND ESTABLISHED A CLEAR STRATEGIC DIRECTION WHICH WOULD ENABLE US TO RELEASE THE POTENTIAL OF THE BUSINESS. 2021 WAS FOCUSED ON RECOVERY AND I AM IMMENSELY PROUD OF THE RESULTS ACHIEVED BY OUR TEAMS."

"we remain confident about our growth prospects and optimistic about our long-term future"

FOR 2022

Trading since the start of the year has been broadly in line with our expectations, although we have seen a significant increase in inflationary pressures – particularly on our own direct energy costs and raw materials, impacted by the increasing cost of energy. The tragic situation in Ukraine will only increase these pressures and the arising human and economic impact is of significant concern to us all.

Storm Eunice was a reminder of the potential impact of climate change on our operations. The intense winds and widespread power cuts had a significant impact on trading, highlighting our vulnerability to such extreme weather events. Despite these challenges, we are trading in line with our expectations and slightly ahead of the market.

As outlined, the challenges of the pandemic have been replaced by ongoing labour shortages, continued issues with global and national supply chains, and the return of significant inflation. Our hard work in building long-term sustainable partnerships with many of

our key suppliers will help alleviate some of these pressures. It will not be an easy road, but I know the hard work and dedication of our brilliant teams will ensure that we continue to face positively into any adversity we face.

On a positive note, although travel restrictions will likely disappear, we remain confident that there will be strong demand for UK domestic tourism in 2022. Our improving reputation, extensive accommodation options, and the growing appeal of the South West puts us in a very strong position to build further on our 2021 recovery and continue to release our growth potential. As part of this strategy in the year ahead, we have committed to the ambitious transformation of the Masons Arms Branscombe, the Fort Inn Newquay and the Harbour Inn Porthleven, as well as several progressive developments across our tenanted estate.

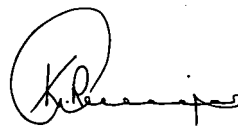
SUMMARY

In March 2020, we set out a commitment to ensure that we survived the pandemic, recovered brilliantly, and

established a clear strategic direction which would enable us to release the potential of the business. 2021 was focused on recovery and I am immensely proud of the results achieved by our teams. We have restored the financial strength of the Company and I'm very pleased that we have been able to reinstate dividend payments to our shareholders.

There is much to do in 2022 as we continue our journey. Our plans are now set against an increasingly uncertain and concerning global outlook, growing inflationary pressures and supply challenges, but despite all this we remain confident about our growth prospects and optimistic about our long-term future.

Thank you all once again for your continued support and encouragement.



KEVIN GEORGE
Chief Executive
14 April 2022

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ST AUSTELL

EST. FAMILY GROUP 1851

OUR STRATEGY



OUR PURPOSE

“To continue to build a **long-term**,
progressive & profitable business, fit
for **future generations.**”



OUR VISION

“Creating great experiences all year round
through **people** with **passion**, **places** that
inspire and **products** that **delight.**”



OUR MISSION



WE attract **talent** and are relentless in releasing the potential of our **people**.



WE **innovate** and **invest** to grow and we deliver strong and sustainable **returns**.



WE build our **reputation**, **loyalty** and **advocacy**.



WE drive **sales** and convert to **profit**.



OUR VALUES



We CARE

We value our **customers**, our **partners**, our **people**, and our **environment**. They are the heart of our success. That's why we invest in talent, give back to communities, develop relationships with local businesses, and actively seek ways to become greener, safeguarding the beautiful place we call home.



We DELIVER

We are all accountable and **always strive to deliver our best** at pace. We are **ambitious** and strive to be exceptional, whoever we deal with, whatever the situation. Our **high standards** ensure we are proud to put our name on the products and experiences we offer.



We are **ONE**

We are **one team** and never knowingly allow each other to fail. Being a family business means working in close-knit teams, looking out for each other, recognising when people need help and supporting where needed.



We **POSITIVELY CHALLENGE**

We positively challenge ourselves and each other to keep on improving. We welcome feedback from customers, guests, partners, and team members across the business and are always looking to build on our **reputation, loyalty, and advocacy**.



We **CONNECT**

We are committed to building **strong** and **lasting** relationships. Whether internally among team members or externally with customers and partners, we **nurture bonds** and look to strengthen them for a successful future.

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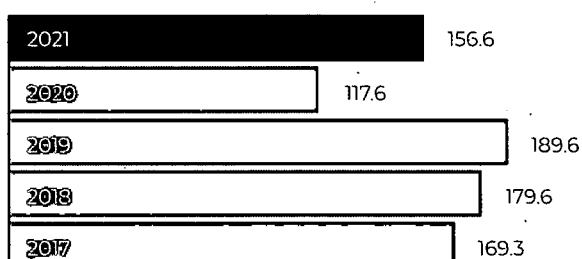
Other Information



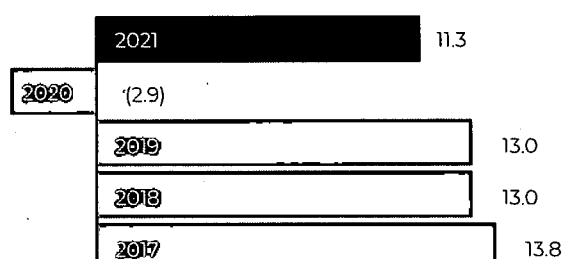
FINANCIAL REVIEW

52 Weeks Ended 1 January 2022

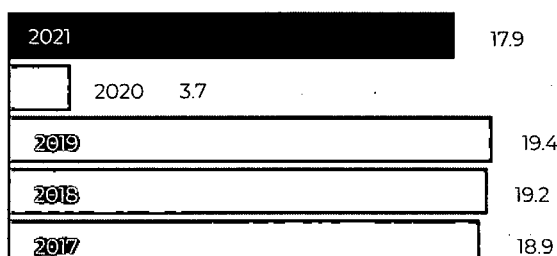
TURNOVER (£M)



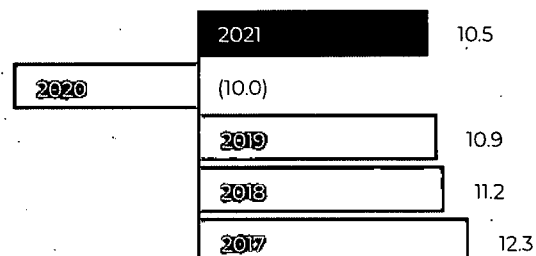
OPERATING PROFIT / (LOSS) (£M) BEFORE OTHER ITEMS*



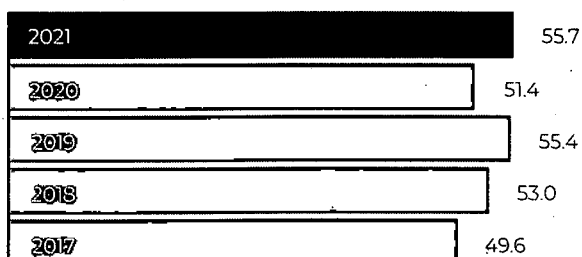
EBITDA (£M) BEFORE OTHER ITEMS*



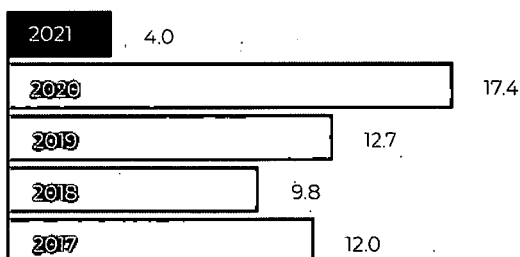
STATUTORY PROFIT/(LOSS) BEFORE TAXATION (£M)



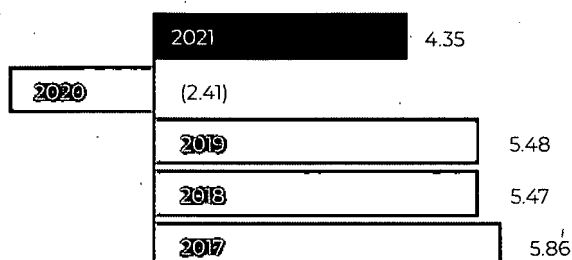
NET DEBT (£M)



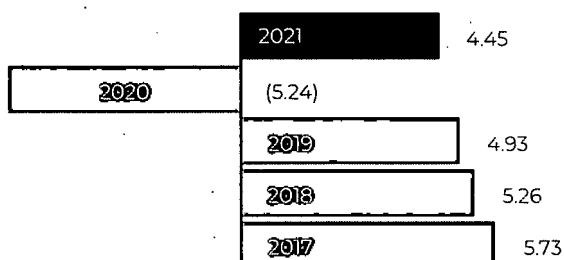
PENSION SCHEME DEFICIT (£M)



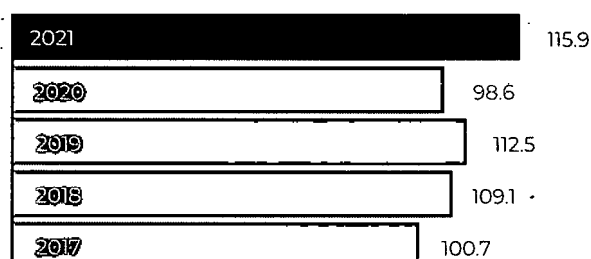
BASIC EARNINGS / (LOSS) PER SHARE (£) BEFORE OTHER ITEMS*



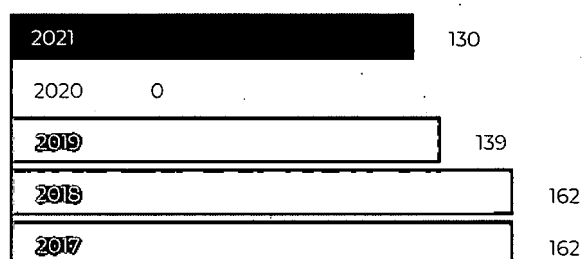
STATUTORY EARNINGS PER SHARE (£)



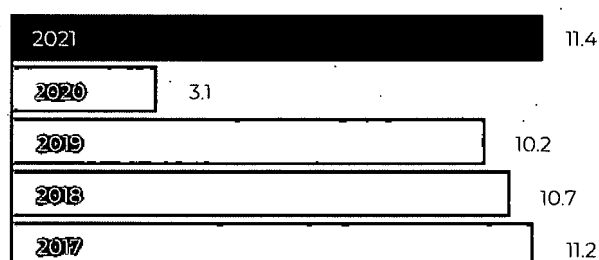
SHAREHOLDER FUNDS (£M)



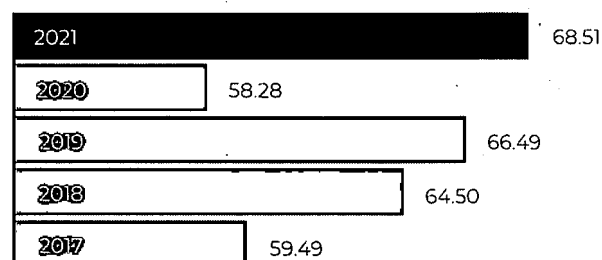
DIVIDENDS PER SHARE (P)



EBITDA CONVERSION %



NET ASSETS PER SHARE (£)



* Other items are defined in note 11 to the accounts.

The Chairman's Statement and Chief Executive's review provide a more detailed summary of the year and an indication of future prospects.

The key performance indicators for 2020 cover the 53 week period ended 2nd January 2021. All other periods cover a 52 week period.

OUR ESG PILLARS

'WORKING TOGETHER TO CREATE A
SUSTAINABLE FUTURE FOR OUR BUSINESS,
THAT'S FIT FOR THE NEXT GENERATION'



OUR PEOPLE



OUR SUPPLIERS



OUR COMMUNITIES



OUR ENVIRONMENT

We know the achievement of our strategic objectives is dependent on having great people in our business. We also know the responsibility we have in supporting our teams, and the importance of attracting talent and relentlessly releasing the potential of our people.

Our people strategy aligns with our purpose, to continue building a long-term, progressive, and profitable business for future generations, and our vision to create great experiences for our customers through 'people with passion'. The engagement and enablement of our teams is front and centre of our plans for the future.

This year, we have worked on starting to embed this 'people first' approach across the entire business. Our newly formed Leadership Group is integral to helping us shape this culture as we move forward.

LEARNING, TALENT & CULTURE

Throughout 2021, one of our key focuses was transforming our culture into one of learning, engagement, and talent development.

As part of this work, we held an internal campaign for our teams - People First Week. The series of virtual speakers each lead an hour-long session linked to one of our five values (we care, we deliver, we are one, we

positively challenge, and we connect), bringing the topics to life through inspiring storytelling. The Microsoft Teams sessions were open to anybody in the Company who wanted to join the conversation live, as well as being available to play back afterwards. Speakers included famous British athlete Derek Redmond and Asad Dhunna, founder of the Unmistakables – a consultancy specialising in diversity and inclusion. These talks acted as a launchpad to introduce a

new formal programme of bite-sized learning for our manager level employees across the business. Our People team ran a series of 'People First' workshops, to educate and upskill our managers (including General Managers in our pub estate) on a variety of tools and topics that will support them in managing themselves and their teams more positively and productively. Over 300 managers attended across a five-week period, generating an extremely positive



OUR PEOPLE

response from our teams.

We have also invested in continued development for our leaders across the business, to support in the development of St Austell Family Group's strategy and direction. The Ignite Sessions - which are continuing into 2022 - offer members of the Leadership Group time and space to focus on themselves and ignite their leadership capability, confidence, and potential.

Going into 2022, we're proud to have invested in a new Learning, Talent & Culture team – the first time we've had this resource within our business. This new team will build on the huge steps that we have taken this year within Learning & Development and help to implement engagement tools that will enable our teams to give feedback to us regularly. Surveying our teams in this way will allow us to track progress and seek improvements,

"Attracting and developing local talent from across the West Country continues to be very important to us"

decentralising our approach and empowering our leaders to become more agile when it comes to driving engagement within their teams.

COMMUNICATIONS

Our internal communications are key. Both our ability to share information across the business, but also to connect people and continually drive engagement.

Over the past year, we have invested in a new in-house Communications team to help steer internal and external communications and

to better align our corporate messaging. We have established a more defined tone of voice and a regular rhythm for our internal communications. A regular team update called the Weekly Digest – a snapshot of what's happening across the business – is sent out to the Company every Wednesday. We also issue a monthly communication to General Managers in our managed estate, called the Heads Up, and a quarterly update on our ESG activity.

We have introduced the Hub - our new company 'intranet', which sits within Microsoft Teams - a platform which has become integral to the way we work together across the business, wherever we are. The Hub is the go-to place for all the latest company news and announcements, upcoming events, internal job vacancies, organisation charts, company policies, video catchups, links to training, forms, and more.

In 2021, at a time when our teams were often working remotely or from home, keeping people informed, engaged, and motivated was critical. That's why, in the run up to our pubs reopening

"We have introduced the Hub - our new company 'intranet', which sits within Microsoft Teams - a platform which has become integral to the way we work together across the business, wherever we are"

after the third national lockdown, we launched a virtual campaign called 'Spring into Summer'. Each week – over a three-month period - a speaker from a different area of the business hosted a 30-minute run down of what they were doing in preparation for reopening and peak period. The sessions were well attended and gave our teams the opportunity to learn and engage with other areas of the business.

Following the success of Spring into Summer, our teams will be continuing to host virtual 'Spotlight Sessions' as we move forward. These 'Spotlight Sessions' will take place monthly and be used as a vehicle for our teams, particularly our Leadership Group, to share any exciting announcements or update on the progress of ongoing projects.

INVESTING IN RECRUITMENT

This year, our focus on attracting and retaining talent has been stronger than ever. We invested in a new in-house recruitment team and new software (Harri) to help streamline our processes – from the way we post jobs, to the way we interact with best fit applicants.

We also invested in our biggest ever recruitment campaign - Your Adventure Starts Here - due to launch at the start of 2022. Showcasing our employer brand in a refreshed light, the campaign plays on our incredible South West locations with the sea and great outdoors on our

doorstep. It also highlights the flexibility our range of roles can offer, allowing people to experience the amazing lifestyle our region has to offer.

We're delighted to have begun a new partnership with Only a Pavement Away – a charity that helps people facing or experiencing homelessness, prison leavers and veterans, by placing them into long-term, stable employment in the hospitality industry. Through the new partnership, we will work closely with Only a Pavement Away to bring more people going through difficult times into secure and sustainable jobs in our managed pub estate, helping them to rebuild their lives. By

2024, Only a Pavement Away is aiming to create more than 700 jobs across the hospitality sector.

Attracting and developing local talent from across the West Country continues to be very important to us. Many of those who qualify from our apprenticeship scheme go on to work for the business. In 2021, 17 of our apprentices qualified. Going into 2022, we have 48 working for the business while undertaking college courses. From brewing apprenticeships to commis chef roles in our managed estate, we are always looking to grow and evolve the opportunities we offer for young people in the South West region.

"We invested in our biggest ever recruitment campaign - Your Adventure Starts Here - due to launch at the start of 2022"



OUR SUPPLIERS

As a business, we are passionate about ensuring everything we do is both environmentally sound and economically valuable. We expect the same of our suppliers and their interconnected supply chains, so only seek to work with companies that share our values.

When making agreements with new suppliers, across our business, we always ask to see a copy of their Corporate Social Responsibility policy first. This is important to us. We ask plenty of questions and follow a rigorous process to ensure that they meet our standards before welcoming them on board. This includes considerations about human rights, health and safety and their ethical policies when making buying decisions.

We establish long-term relationships with our suppliers, providing forecasts and contracts, which

ultimately allow them to plan and create sustainable business platforms of their own.

We're 100% committed to local and sustainable sourcing and have built up a trusted network of local

West Country suppliers over the years, all of which are based in Devon, Cornwall, and Somerset.

FOOD & DRINK

Being based in the South West, we feel very fortunate

"All our dairy is sourced from Rodda's - a 130-year-old, family-owned creamery in Cornwall"

"The majority of fresh fish on our Cornish menus is landed in Newlyn"



to have access to the incredible selection of delicious food and drink in the area. We are committed to sourcing as much local produce as we possibly can - to support South West businesses and the local economy. In 2021, we reorganised our food supply to ensure more local produce on managed house menus than ever before, usually from the same county. For example, the majority of fresh fish on our Cornish menus is landed in Newlyn. All our dairy is sourced from Rodda's - a 130-year-old, family-owned creamery in Cornwall. As always, we continued to work closely with environmental charities during 2020 - including the Marine Conservation Society - who promote sound environmental procurement practices.

When it comes to our beers, over 800 acres of Cornish farmland was cultivated in 2021 to grow over 1,600

"All new fleet vehicles we obtain are now 100% hybrid, plug-in hybrid, or fully electric"

tonnes of Maris Otter barley for our business. The Maris Otter partnership is one of our key initiatives in supporting the local economy and cutting transport mileage, while building strong partnerships with Cornish farmers.

SUSTAINABILITY

One of our key focuses continues to be working with suppliers who can support us in our wider ESG mission and help us to reduce our carbon emissions.

All new fleet vehicles we obtain are now 100% hybrid, plug-in hybrid, or fully electric. As a business, we are no longer procuring pure petrol or diesel cars - a huge step forward in reducing our carbon emissions. We are installing charging points at our breweries in St Austell and Bath, as well as CDC.

Our Procurement Team worked with Marshall Leasing to pull together a fleet list which is environmentally friendly and offers a great choice of hybrid and electric vehicles.

"The Maris Otter partnership is one of our key initiatives in supporting the local economy and cutting transport mileage"



OUR COMMUNITIES

OUR CHARITABLE TRUST

Since its launch in 2003, the St Austell Brewery Charitable Trust has been supporting local charities, good causes, and individuals in need across the South West. The Trust is funded by contributions from the Brewery, along with donations and money raised through fundraising events held by our tenants, head office staff, managed house teams, and free trade customers. To date, the Charitable Trust has raised over £850,000.

The Charitable Trust forms a very important part of our sustainability efforts and allows us to give back to the communities across the region in which we operate. Throughout 2021, we donated over £26,000 to individual causes. These donations varied from small local charities to individual pieces of equipment like wheelchairs to transform a person's life. We have seen a marked increase in requests since the pandemic and continue to think of ways to maintain our income to help so many in need in our communities.

Our Charity of the Year for 2021 was the Marine Conservation Society - a UK charity campaigning for a cleaner, better-protected, healthier ocean. The charity tackles threats to habitats and species by working closely with communities, businesses, and governments, organising beach cleans and shaping government policy.

"Our Charity of the Year for 2021 was the Marine Conservation Society - a UK charity campaigning for a cleaner, better-protected, healthier ocean"

Through our korev brand, we sponsored the charity's annual Great British Beach Clean in which thousands of people take part in litter picks along the British coastline, doing their bit to help keep our beaches and oceans clean. We organised our own company beach clean for the event on Par Beach. 832 items were collected - 5 kg over a 100-metre stretch. Our data was used by the Marine Conservation Society to help inform regional and national studies on the impact that litter is having on our coastlines.

Other charities supported by the Charitable Trust during 2021 include Exeter Disability Centre, North Devon Hospice, Freedom for Kids, and the Soldiers' Charity.

SUPPORTING HOSPITALITY

In September, we supported National Hospitality Day - a nationwide celebration of Britain's brilliant and resilient restaurants, hotels, pubs and bars, and the suppliers that support them.

For every pint of St Austell Brewery and Bath Ales beer sold at our managed pubs, we donated £1 to charities helping UK businesses struggling to get back on their feet. We raised over £6,000 in total which was donated to four charities: The Drinks Trust, Hospitality Action, LTC, and Springboard. Each of these charities have worked extremely hard since the start of the pandemic to help business owners their



teams, who have been hit hardest.

We are very proud to continue supporting Pub is The Hub, the not-for-profit organisation that helps pubs to diversify and provide essential local services for their communities. Our relationship with Pub is the Hub goes back over a decade. In partnership with the organisation, we have encouraged some of our own great licensees to work with communities and provide additional services this year. For example, Martin and Natalie Watts at The Travellers Rest in Trevarrian Hill are helping local children learn more about the environment with the opening of a wildlife zone and eco-friendly play area. They

opened with expert help and a community services fund grant from Pub is The Hub. The wildlife zone has a pond as well as chickens, ducks, and hedgehog shelters for hibernation.

GRASSROOTS SPORTS SPONSORSHIPS

We are proud to support sports clubs across the South West, sponsoring many clubs and sports leagues across the region.

We support grass roots rugby in Cornwall, Devon, and Somerset as the Official Beer of South West Rugby, sponsoring 14 different leagues and many local teams. Tribute is also the Official Beer of Plymouth Argyle and also features at

Exeter City and Truro City, as well as many high profile non-league football clubs.

Bath Ales continues its partnership with Bath Rugby, with Bath Ales as the official beer of the club. In addition, Bath Ales Gem is sponsor of Gloucestershire County Cricket team.

korev is the official sponsor of Surfing England, the National Governing Body for the Sport of Surfing in England. It's run by surfers, and supports surf coaches, surf clubs, and surf schools nationwide. In 2020, korev also became the official sponsor of the Cornish Gig Rowing Association - a traditional sport which is hugely popular in our home county.

"korev also became the official sponsor of the Cornish Gig Rowing Association - a traditional sport which is hugely popular in our home county."



OUR ENVIRONMENT

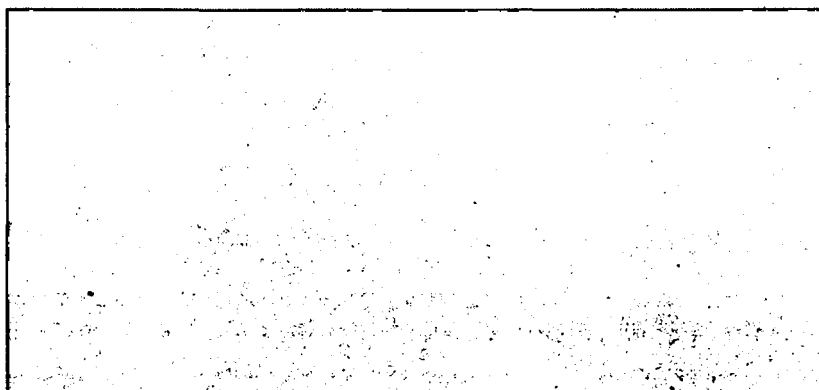
The issues surrounding our changing climate, and its implications, demonstrate the huge task we must all undertake to save our planet. If ever there was a time to act for our changing world, surely it is now.

At St Austell Brewery, we care passionately about operating in a sustainable way for our environment. We're working with some of the UK's largest hospitality operators on practical plans to reduce – and then eliminate – our industry's carbon footprint. As a business, we're committed to reaching net-zero before 2040.

ENERGY & CARBON

We are official members of the newly formed Zero Carbon Forum – an industry scheme to tackle and reduce emissions – pledging our commitment to decarbonising our business for future generations. The Zero Carbon Forum is a non-profit organisation, empowering members to reach sustainability targets with more speed, efficiency, and profit as a united effort.

With defined roadmaps – backed by peers, government, and leading sustainability experts – the Zero Carbon Forum has ambitious net-zero targets (to eliminate operational emissions by 2030 and achieve net-zero across supply chains by 2040). By 2030, we are committed to reaching net zero across all our production and retail sites. We are also committed to operating in a carbon neutral value chain by 2040. This means we will need to work closely with our suppliers, customers, and business partners to reduce our impact



"Our new CO₂ supply is sourced locally from green energy specialist, BioCarbonics Ltd, which generates green CO₂ from maize grown in the South West"

in the areas of agriculture, packaging, distribution, and cooling. We will be launching our own bespoke roadmap to net zero this year.

In 2019, 12% of the energy we produced in production and our depots was powered by our own renewable energy. Since June 2020, all the additional energy we buy is 100% REGO backed (Renewable Energy Guarantees of Origin), therefore our scope 2 emissions are net zero.

We would like to increase our renewable energy capacity in the future and plan to install an additional 120Kwp of solar panels at Bath Ales and look at further investment at CDC in the future. In addition to this, we are looking at other opportunities across the business as green technology advances including heat pumps and wind generation.

Our solar arrays at St Austell Brewery, Hare Brewery, and our Central Distribution Centre produced approximately 400,000 KWH of electric every year – enough to power our full distribution operation.

We have also made the switch to a 100% renewable and sustainable CO₂ supply – both in St Austell and at our sister site, Hare Brewery – home of Bath Ales. CO₂ is a crucial component in the brewing and production process. Examples of its uses include the carbonation of our packaged beers, the purging of road tankers, and the pressurising of kegs. Our new supply is sourced locally from green energy specialist, BioCarbonics Ltd, which generates green CO₂ from maize grown in the South West. The maize is broken down naturally via a process called anaerobic digestion, which produces the gas. Sourcing our CO₂ from a local supplier also significantly reduces road miles.

WATER MANAGEMENT

We continue to look at ways where we can reduce our water usage and the environmental impact of our brewhouse operations. Examples include fitting all water hoses with smaller diameter pipes, trigger high pressure guns, the installation of conical vessels, continuous review of cleaning regimes and brewhouse operations

(sparge volumes, spent grain water wastage, heat exchanger control etc), all of which will help reduce water consumption. Other actions we've taken include installing an economiser on our boiler, reducing boil times, and carrying out ongoing investigations into replacing kerosene fuel with greener alternatives.

We have made huge inroads so far in reducing our water usage. In the year 2000, it took our brewing team 13 pints of water to produce a pint of beer. In 2021, it takes just four pints of water. We want to improve on this in the coming years and have set ourselves a target of three pints of water for one pint of beer by 2030.

Our effluent plant, which helps us to recycle our used water, is now fully operational. It uses bacteria to break down organic matter, reducing the amount of treatment that is then required at our local wastewater plant. Environmental benefits include the production of green biomethane – this powers the CHP (combined heat and power) engine installed at the plant, which generates up to 65kW of electricity per hour and if the energy is not used by the plant, it is fed back into the grid. The water used to cool the engine also provides the heat required to keep the bacteria warm, happy, and actively producing biomethane. The plant also treats heavy effluent, reducing our road miles by 12,000 miles per year.

BIODIVERSITY

Biodiversity is a fundamental component of long-term business survival. Businesses rely on genes, species, and

ecosystem services as critical inputs into their production processes and depend on healthy ecosystems to treat and dissipate waste, maintain soil and water quality, and help control the air composition.

From 2022 we are starting a biodiversity programme which will see wild seed meadows, new insect and bird friendly plants, bug hotels, bird boxes and beehives installed at St Austell Brewery and our distribution centre in St Columb. We will also - in partnership with Tevi - be promoting biodiversity in 20 selected tenanted pubs this year. Our ambition is to then look at further sites across our pub estate that would benefit from this.

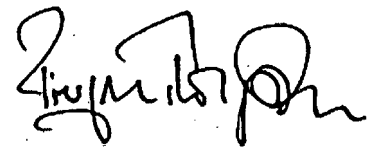
OUR TENANTS & LICENSEES

There's fantastic environmental work being done across our tenanted pub estate.

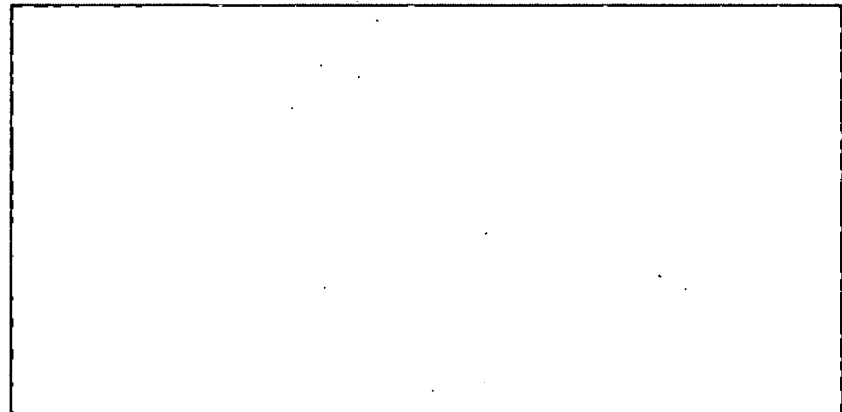
Mark Holden and his business partner Justin Barnett run three of our tenancies, including the Victoria Inn at Threemilestone. They've looked at their operation

from roof to cellar and, with the help of their landlords, made changes across the business. From an impressive 44-panel solar energy installation, to upgrading 90 per cent of their kitchen equipment so that oil can be reused, just about every aspect of consumption has been assessed and evaluated. Mark and Justin also invested in a fleet of electric vehicles to deliver meals to shielding customers during lockdown. They continue to offer this takeaway service and have installed EV charging stations outside all three of their pubs.

This is just one example of what can be achieved when we work in partnership with out tenants and licensees with the same objective - taking positive action towards a brighter future. It's this kind of collaboration that will pay dividends for all in the battle against climate change.



PIERS THOMPSON
External Relations Director



"This picture shows the biomethane burner of our effluent plant in action which powers the CPH (combined heat and power) engine that generates up to 65kW of electricity per hour."



ST AUSTELL BREWERY WASTE 2021

OUR WASTE

		General	Recyclate	Food	Wood	Glass	Total
% Recovered	2021	99.68%	100.00%	100.00%	100.00%	100.00%	99.89%
	2020	99.32%	100.00%	100.00%	100.00%	100.00%	99.75%
Total Tonnage	2021	654.26	221.13	368.90	11.62	602.00	1857.91
	2020	608.08	209.34	363.20	7.76	469.30	1657.68
Landfill Diversion	2021	652.19	221.13	368.90	11.62	602.00	1855.84
	2020	603.96	209.34	363.20	7.76	469.30	1653.56
Landfill Tonnage (Through Transfer Stations)	2021	2.06	0.00	0.00	0.00	0.00	2.06
	2020	4.12	0.00	0.00	0.00	0.00	4.12

ENERGY PRODUCED FROM OUR WASTE

2021		2020	
Energy kWh per one tonne of material		Energy kWh per one tonne of material	
General waste	500	General waste	500
Food waste	300	Food waste	300
Total Energy kWh Produced		Total Energy kWh Produced	
General Waste	326,095	General Waste	301,980
Food Waste	110,670	Food Waste	108,960
Total	436,765	Total	410,940

"An average family home uses **4,000 kWh's** per year. This energy equates to powering **109 homes**"

COLLECTED AND RECYCLED COOKING OIL

	2021	2020
Total UCO Metric Tonnes	107.5	83.16
Total Waste Oil Litres	117,064	90,560
Carbon Saving (kg)	215,836	142,121
Carbon Saving (Tonnes)	215T	142T

2021 STREAMLINED ENERGY & CARBON REPORT



Scope 1 direct emissions include combustion of natural gas for heating purposes.

Scope 2 indirect emissions include electricity purchased and used for operations.

Scope 3 indirect emissions include energy use and related emissions from business travel in rental cars or employee owned vehicles where the Company is responsible for purchasing the fuel but exclude upstream and downstream energy emissions.

PARAMETER	Units	Current Reporting Year 03/01/21 - 01/01/22	Comparison Reporting Year 29/12/19 - 02/01/21
Total energy consumption used to calculate emissions	kWh	25,210,197	28,388,446
Emissions from combustion of gas (Scope 1)	tCO ₂ e	3,599	2,859
Emissions from transportation in vehicles owned or controlled by reporting Company (Scope 1)	tCO ₂ e	1,400	1,305
Emissions from purchased electricity (Scope 2)	tCO ₂ e	-	960
Emissions from business travel in vehicles owned or operated by 3rd parties (Scope 3)	tCO ₂ e	8	8
Total gross emissions	tCO ₂ e	5,006	5,132
Intensity ratio: Total brewery gross emissions/total brewed product	tCO ₂ e/hL	0.007	0.009
Intensity ratio: Total managed house gross emissions/total turnover of MH estate	tCO ₂ e/Ek	0.037	0.058
Intensity ratio: Total Company gross emissions/total Company turnover	tCO ₂ e/Ek	0.032	0.043

Methodology

This report has been prepared following the GHG Reporting Protocol – Corporate Standard and using guidance set out in the environmental reporting guidelines, including streamlined energy and carbon reporting guidance – HM Government (March 2019).

Energy consumption data has been sourced from utility supplier invoices, or where this is not available calculated from site-based records and travel expense data.

Conversion from energy to emissions was completed by application of the relevant emissions factor from UK Government GHG Conversion Factors form Company Reporting for the appropriate year.

Energy Efficient Actions

Activities undertaken by the Company which have had a beneficial impact on energy use and therefore carbon emissions have included:

- 100% REGO-backed renewable electricity procurement
- Onsite renewable energy generation (solar)
- Smart and sub-metering
- Replacing inefficient kitchen equipment
- Voltage optimisation
- Building Energy Management System (BEMS) optimisation
- Inverters and variable speed drives
- Intelligent kitchen extract
- Commercial heat recovery and reuse
- Lower-impact refrigerants
- Efficient lighting solutions

Overview

Strategic Report

Governance

Financial Statements

Other Information



PRINCIPAL RISKS AND UNCERTAINTIES

In order to achieve our strategic objectives it is imperative that we manage risks effectively. The risk management process is managed by the Group Operating Board and is overseen by the Audit & Risk Committee and is reported to the Board as a whole. Risks are identified and considered at all levels within the business including operation, administrative and strategic risks. Risks are classified according to the likelihood of occurrence and the scale of potential impact (both financial and reputational) on the business. These risks are then assessed and appropriate mitigation and management plans are implemented to reduce the potential likelihood and impact. We have implemented a continuous feedback loop to ensure that these actions are reviewed on a regular basis. During the year we supplemented our risk management framework by instituting an internal audit function.

The following sets out the principal risks which affect the business at present and that may affect future performance. This is not intended to be a comprehensive list of all the risks that we face or that are being actively managed by the business.



PANDEMIC

SPECIFIC RISK AREAS

The COVID-19 pandemic has had a massive impact on our business and that of the entire hospitality sector. This has most obviously been felt through the mandatory closure of all our pubs, inns and hotels. Even when they re-opened the social distancing restrictions meant that we could only operate at limited capacity. The health and safety of our employees and customers is critical and so it was paramount that we implemented appropriate measures to ensure their safety.

There is an increased likelihood of new variants of the existing virus or new strains that are resistant to the vaccines. The impact of another pandemic would have a similar impact on the business as has been experienced over the past two years.

POTENTIAL IMPACT

During any period of enforced closure the Company's revenues and profits are significantly reduced. The cost of closure significantly outweighed the government support received by the Company in terms of the furlough scheme, grants and a temporary lower rate of VAT on accommodation, food and non-alcoholic drinks.

During the enforced closure we also chose to support our tenants by cancelling the vast majority of rents during this period. Indeed, we charged no rents to our tenants in 2021 until they were allowed to re-open fully albeit with restrictions from 17 May 2021.

Even when we re-opened the requirement to self-isolate if you were a close contact of someone who had caught the virus meant that our staff challenges were exacerbated and we had to close part or all of our operations at some of our pubs as a consequence. This meant that our revenues and profits were further affected.

MITIGATION

The Company's strong financial position and the fact that we had a diversified business with growth in the off-trade sector helped us in times of significant economic uncertainty.

We focus on the importance of preserving cash and targeting investment most effectively.

We continue to utilise technology to support our customers to enjoy their experience in all our pubs and ensure that we are able to enhance our flexibility in adapting to changes in the rules.

We maintain open and honest communication with our teams to ensure they feel safe and supported.

We participate in discussions with Government and trade bodies to lobby for the appropriate level of support and proportionate guidelines under which we are able to operate.



CONSUMER DEMAND AND CONFIDENCE

SPECIFIC RISK AREAS

The success of the business is closely linked to the strength of the economy and consumer confidence.

POTENTIAL IMPACT

A fall in consumer confidence, significant tax increases and high inflation could weaken the economy leading to a fall in demand for visiting pubs, inns and hotels whether our own or our free trade customers which in turn could lead to lower profits.

MITIGATION

The Board closely monitors economic trends in the UK and their potential impact on the UK economy and the hospitality sector and develop its strategy to respond accordingly.



INFORMATION TECHNOLOGY

SPECIFIC RISK AREAS

The Company is increasingly reliant on our information systems to operate and our trading performance would be impacted by any significant or prolonged failures and/or data loss.

The prevalence and increasing sophistication of cyber-attacks enhances this risk and indeed in March 2021 the Company were the victim of a malicious ransomware attack which could have led to significant financial loss.

POTENTIAL IMPACT

The cyber-attack we suffered in March 2021 could have had a major impact on the Company's ability to trade. Although our systems were impacted significantly the efforts of both our in-house teams and specialist advisors provided by our insurers meant that our operations were only partially impacted and then for only a relatively short period of time. This incident however highlighted the risk and vulnerability that we have to an attack on our technology systems.

MITIGATION

The cyber-attack of March 2021 highlighted the areas of key vulnerabilities within our systems. We have reviewed and made changes to certain key procedures to mitigate against the risk of an attack in the future.

We have also invested in new preventative measures to limit the impact of any potential future issue of this nature and continue to monitor effectiveness.

PRINCIPAL RISKS AND UNCERTAINTIES



BRANDS AND REPUTATION

SPECIFIC RISK AREAS

The Company has a wide range of strong brands and has an excellent reputation for the quality of its beer.

POTENTIAL IMPACT

There is a risk that unexpected events or incidents including the potential contamination of our beers could damage the reputation of our brands leading to lower sales and reduced profits.

MITIGATION

We have a security system at both our brewing sites which reduces the potential for unauthorised access to our key production facilities.

We have robust product recall procedures in place which we test on a regular basis. We also have insurance cover against product contamination.

We have an in-house communications team that monitors all external reviews, manages our reputation and liaises with the press and the media.

We have invested further in our quality control team to ensure that we seek to provide our customers with the best quality product at all times.



INCREASED LEGISLATION AND REGULATION

SPECIFIC RISK AREAS

We operate in a tightly regulated industry which pays a significant level of excise duty on what we produce.

We could also be impacted by other changes in legislation such as minimum unit pricing or changes to drink driving laws could also impact our business.

Our customers must be provided with accurate and reliable information on the food ingredients within our products.

In recent years there has been an increased focus over allergens both amongst the public at large as well as from the media.

POTENTIAL IMPACT

We are exposed to increasing levels of legislation and regulation across our operations. This increase could potentially lead to increased costs and lower profitability.

Any significant failure to adhere to regulations or other legislation could lead to brand damage and lower sales and profitability.

Any increases in the regulations affecting either us or our suppliers are likely to lead to greater disclosure and complexity in the information to be provided and this in turn may lead to increased cost.

MITIGATION

We have comprehensive policies and procedures in place to reflect current legislation and regulations. We obtain professional support as appropriate to review any new or amended legislation to understand how it might impact our operations.

We actively engage with Government, both directly and via trade associations. We are represented on key industry bodies and Committees through the attendance by our Directors and senior employees.

We seek to ensure compliance with the regulations through a range of policies, training and monitoring.

We work closely with our supply chains to ensure robust systems are in place for identifying constituent food ingredients.



HEALTH AND SAFETY

SPECIFIC RISK AREAS

The operation of two breweries, a number of distribution depots and a large number of pubs, inns and hotels increases the complexity of our business. The safety of our employees and customers is fundamental to these operations. We seek to achieve the highest level of safety standards.

POTENTIAL IMPACT

Any failure to maintain high standards of health and safety could damage the trust of both employees and customers.

Any non-compliance with health and safety legislation could have serious consequences for our stakeholders in particular our employees and customers.

MITIGATION

We have significantly increased the focus on health and safety with an Executive Director now having specific responsibility for health and safety across the Company.

The Executive Director is supported by a senior team from across the operations of our business to ensure that the importance of health and safety is fully appreciated and understood.

The aim of the health and safety team is to fully embed health and safety into the culture of the business. In January 2022 we stopped the business for a day so that all of our teams could focus on how health and safety could be improved across the Company.

The Company has also committed to investing into key areas to ensure the health and safety of all our teams.



FINANCING

SPECIFIC RISK AREAS

The Company's current funding arrangements are due to expire in 2023. The terms of these facilities mean we have to generate sufficient cash profits to meet our banking covenants.

Interest rates may increase which could adversely impact profitability.

POTENTIAL IMPACT

In order to continue to trade as a going concern we need to generate sufficient cash to meet our ongoing commitments. If we fail to meet our covenants there is a risk that we are unable to re-negotiate them and our debt facilities could be at risk of being withdrawn.

MITIGATION

We have excellent relationships with our banking partners. We managed our cash flows very effectively throughout the pandemic and this has meant that by the end of 2021 we were back in compliance with all of the financial covenants that were in existence prior to the pandemic. We have a mix of debt at fixed and variable interest rates and entered into a new long term interest rate swap during 2021 at very attractive rate. This will mitigate our exposure should interest rates start to increase.

↑ PRINCIPAL RISKS AND UNCERTAINTIES



RECRUITMENT, RETENTION AND DEVELOPMENT OF STAFF

SPECIFIC RISK AREAS

Our success is heavily reliant on the availability of good quality staff. A reduction in the UK's hospitality workforce and a skills shortage creates a significant challenge in this respect.

The staffing challenges in the hospitality sector are exacerbated in the South-West because of the significant lack of affordable housing. This further complicates the picture because even if we can recruit we often need to be able to provide suitable accommodation to be able to retain those people.

POTENTIAL IMPACT

There has been a fall in the workforce looking to work in hospitality. This is partly due to the pandemic and exacerbated by Brexit, making recruitment more difficult. This is an issue for many sectors and is likely to lead to higher employment costs and potential curtailment of operations which in turn reduces profitability.

MITIGATION

The Board closely monitor economic trends in the UK and their potential impact on the UK economy and the hospitality sector.

We are investing in our people by providing greater learning and development opportunities. We are seeking to ensure that we retain more of our teams by providing not only excellent rates of pay but by providing working conditions and employee engagement that seeks to encourage and reward employees.



SUPPLY CHAIN CHALLENGES

SPECIFIC RISK AREAS

Our supply chain is under pressure in a number of areas and further impacted by rising inflationary pressures. This provides us with challenges in ensuring we continue to be able to provide our customers with an excellent, value for money offer and experience. The UK's exit from the European Union has led to further disruption in our supply chains.

POTENTIAL IMPACT

There have been shortages of raw materials and significant increase in wage and utility costs. These exceptional increases are difficult to pass on to customers and potentially therefore lead to lower profitability.

MITIGATION

We have strong relationships with our key supply partners. We work hard to ensure that we mitigate as much as possible increasing costs for our customers but the inflationary pressures are likely to have an impact on profitability.

We seek to balance the importance of ensuring we have sufficient supply of raw materials to be able to meet production demands whilst not adversely affecting our cash position by building up too high levels of stock which then potentially risk obsolescence and lead to potential write offs.



ENVIRONMENT AND SUSTAINABILITY

SPECIFIC RISK AREAS

The acceleration of climate changes and the failure to effectively manage climate change is a significant and increasing risk to our operations and the UK and world economy.

The Company has a responsibility to continually aim to reduce its usage of natural resources and its negative impact on the climate.

POTENTIAL IMPACT

Climate change could impact profitability through increased taxation, regulation and supply chain uncertainty in addition to impacts on our reputation. Our stakeholders expect us to proactively address these risks. The pace of change in this area has only intensified with the pandemic with an increasing focus on longer term sustainability.

Rising sea levels and increases in average temperatures have brought changes in weather patterns which could impact our trading operations and lead to lower profitability.

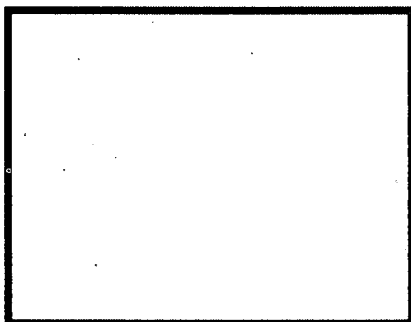
MITIGATION

During the year we have conducted extensive stakeholder engagement and a materiality assessment to help develop our sustainability objectives and targets. It is imperative that we understand the expectations of our stakeholders in this critical area so that we can meet their expectations. We have set ourselves challenging targets in key environmental areas and we are well on the way to achieving them. It is imperative that our ESG strategy becomes firmly embedded and is integral to our overall business strategy.

We have taken proactive steps to mitigate the impact of unusual weather patterns and increased risk of flooding. This includes ensuring where possible that we have appropriate insurance arrangements to protect against flooding and or flood defences.



BOARD OF DIRECTORS

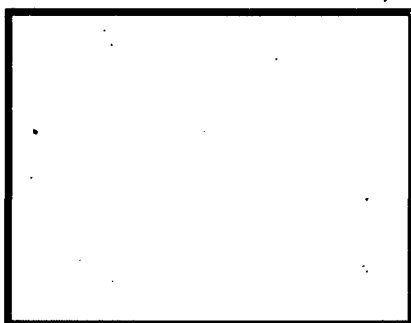


W F MICHELMORE DL (62) **Chairman (Non Executive)**

Length of Service 25 years.
Appointed to the Board in 1996 and became Chairman in 2008.

Board Committees **N**

External Appointments
Director of Bricks Finance Limited.

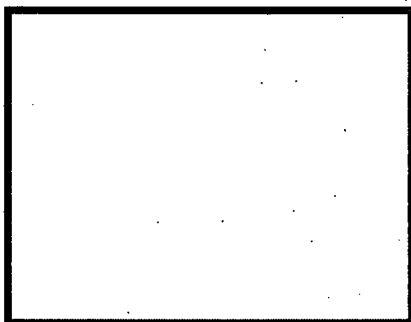


K R GEORGE (52) **Chief Executive**

Length of Service 6 years.
Appointed to the Board in 2015 and appointed Chief Executive in 2020.

Board Committees None.

External Appointments
Chairman of the British Beer and Pub Association.
Non-Executive Director of Shepherd Neame Limited.

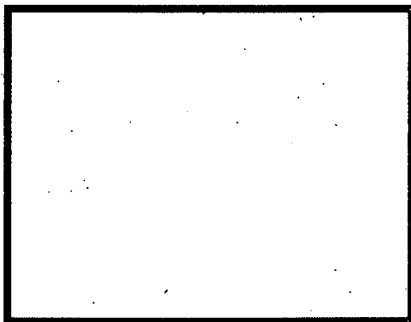


G H BARNES CA (54) **Non-Executive Director / Vice-Chairman**

Length of Service 16 years.
Appointed to the Board in 2005.

Board Committees **A N R**

External Appointments
Chief Executive, Smart RTMS Ltd.
Director of Smart Medical Clinics Ltd.

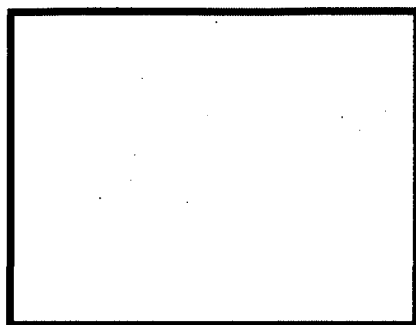


J CASEBERRY (56) **Senior Independent / Non-Executive Director**

Length of Service 4 years.
Appointed to the Board in 2018.

Board Committees **A N R**

External Appointments
Non-Executive Director at Bellway Plc, Halfords Plc, C&C Plc and Bakkavor Plc.



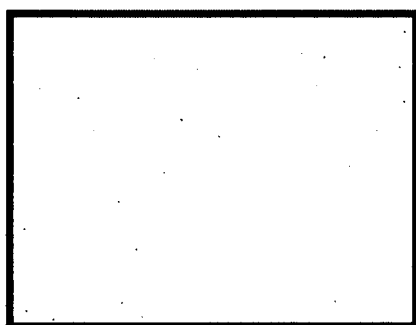
K HUBBARD (58) **Non-Executive Director**

Length of Service Less than one year.
Appointed to the Board in 2022.

Board Committees **A** **N** **R**

External Appointments

Non-Executive Director at Redu Group Limited, Custom Materials Limited and Fun Brands Group Limited



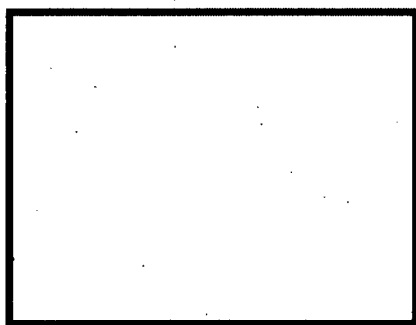
C J STRATTON ACA (57) **Chief Financial Officer/ Company Secretary**

Length of Service 25 years.
Joined the Company in 1996, appointed Company Secretary in 1998 and was appointed to the Board in 2017.

Board Committees None.

External Appointments

Non-Executive Director of CCMS (2000) Ltd.
Non-Executive Director of Cornwall IVF Limited.



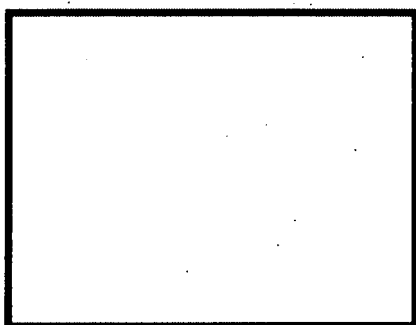
P M THOMPSON (51) **External Relations Director**

Length of Service 28 years.
Joined the Company in 1993 and was appointed to the Board in 2011.

Board Committees None.

External Appointments

Chairman of the Charitable Trust, Clean Cornwall and Pub is the Hub South West.



A T S TURNER (44) **Managing Director of Beer & Brands**

Length of Service 1 year.
Appointed to the Board in November 2020.

Board Committees None.

External Appointments None.

KEY TO COMMITTEES



Nomination Committee



Remuneration Committee



Audit & Risk Committee



Committee Chairman



DIRECTORS' REPORT

The Directors present their Annual Report and Accounts for the 52 weeks ended 1 January 2022.

ACTIVITIES AND REVIEW OF BUSINESS

The principal activities of the Group, being St Austell Brewery Company Limited and its subsidiary companies are the operation of pubs, inns and hotels both directly under management or via tenanted and lease arrangements, the brewing and packaging of beer and the wholesaling of alcoholic and non-alcoholic drinks including our own and third-party products. This report should be read in conjunction with the Strategic Report which covers the statements and reviews on pages 22 to 45. The Strategic Report gives information on the strategy of the Group and provides further details of the performance in the 52 weeks ended 1 January 2022, and likely future developments.

DIVIDENDS

An interim dividend of 50p (2 January 2021: nil) was paid on the ordinary shares during the 52 weeks ending 1 January 2022. The Directors recommend that a final dividend of 80p shall be paid on the ordinary shares (2 January 2021: nil).

IMPORTANT EVENTS SINCE THE END OF THE PERIOD AND LIKELY FUTURE DEVELOPMENTS

As permitted under section 414C(11) of the Companies Act 2006, the Directors have chosen to include in the Chairman's Statement and Chief Executive's Review (on pages 6 to 21) particulars of important events affecting the Company which have occurred since the end of the period and an indication of likely future developments in the Company's business.

COMPLIANCE WITH SECTION 172 OF THE COMPANIES ACT 2006

Section 172 of the Companies Act 2006 requires Directors to promote the success of the Company for the benefit of its members as a whole and in doing so have regard to the interest of stakeholders, including shareholders, clients, employees, regulators and the wider society in which it operates. Throughout this report and the Strategic Report, we have set out how we engaged with our key stakeholders and how the Board have considered their interests during the year when making strategic decisions.

GOING CONCERN

These financial statements have been prepared on a going concern basis. The Board is confident that in the current circumstances the Group will generate sufficient net internal cash flows and have adequate undrawn bank facilities to meet all of its needs for the foreseeable future. The Group's forecasts and projections over the period to 30 June 2023 show that the Group should be able to operate within the level of its current facilities. At 1 January 2022 the Group had £42m of available headroom within its existing bank facilities. The strong balance sheet backed by a large freehold estate of pubs, inns and hotels provides further reassurance over the Group's ability to continue as a going concern.

The economic outlook for the year ahead appears more stable and the hospitality sector has welcomed the lifting of all related COVID trading restrictions in February 2022. The main business challenges we anticipate facing in 2022 is cost inflation, especially on utilities, food, labour and building supplies. The Group has produced a financial model which allows the Board to see the impact of these cost increases on the likely forecast outturn for 2022. The model enables a variety of sensitivity analyses to be performed including assessing the impact of increased cost pressures, resulting in higher overheads and reduced operating profit.

The Board has considered an extreme downside scenario that reflects the uncertainty in the UK economy around energy costs, general inflationary pressures and reduced footfall due to lower disposable income. The results of this scenario show that we would still be able to comply with our existing covenants throughout the going concern assessment period. We are therefore confident



that in all reasonably expected scenarios the Group will be able to comply with its covenants. At 1 January 2022 the Group had existing bank facilities of £102.5m. These include a total of £25m of borrowings under the Coronavirus Large Business Interruption Loan Scheme (CLBILS) from two of our banking partners, of which £5m will need to be repaid in September 2022. In addition, the Company has revolving credit facilities of £77.5m with three banks which are available until September 2023.

The Group is required to comply with four financial covenants at the end of each quarter during 2022. These include ensuring that we have a minimum liquidity (i.e. headroom) available of £12.5m, a minimum of £10m of EBITDA in the preceding twelve months, a minimum level of interest cover and a leverage ratio that is no more than 4.75 times by the end of 2022. Based on our most recent reforecast we are confident that we will be able to meet these covenant tests for a period of at least 12 months from the date of signing these financial statements.

The Company continues to have strong, long-term supportive relationships with its banks and remains in regular dialogue with them. Based on all of the information available to them the Directors consider that there is no material uncertainty about the Company's ability to comply with its banking covenants and therefore its ability to continue as a going concern for at least a period of 12 months from the date of signing these financial statements.

DIRECTORS

The Directors, who served during the year and subsequently up to the date of this report, were as follows:

W F Michelmores (Chairman)	C J Stratton
K R Georgel (Chief Executive)	P M Thompson
T A Luck (retired 31 December 2021)	S Worrall (resigned 22nd February 2021)
J Caseberry	A Turner
G H Barnes	K Hubbard (appointed 1 March 2022)

At every AGM one-third of the Directors who are subject to retirement by rotation or, if their number is not three or any multiple of three, then the number nearest to but not exceeding one-third shall retire from office.

THIRD-PARTY INDEMNITY PROVISIONS

The Company has in place a Directors' and Officers' Liability Insurance policy which indemnifies the Directors and Officers from any claim or claims on them in the course of their business activities to the extent that they do not relate to acts of fraud or dishonesty.

PURCHASE OF OWN SHARES

During the year the Company did not purchase any shares. At the 2022 AGM shareholders will be asked to give authority to the Company to purchase up to 50,000 G deferred shares under the Company's Long-Term Incentive Plan ("LTIP").

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who held office as at the date of approval of this Directors' Report confirm that:

- (1) so far as they are each aware, there is no relevant audit information (as defined in Section 418(2) of the Companies Act 2016) of which the Group's auditor is unaware; and
- (2) each Director has taken all the steps they ought to have taken as a Director to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

POLITICAL DONATIONS

No political donations were made during this or the prior year.

AUDITOR

Ernst & Young LLP has expressed its willingness to continue in office and a resolution to reappoint the firm as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board.

C J Stratton, Company Secretary
14 April 2022



CORPORATE GOVERNANCE REPORT

THE BOARD

The Board is collectively responsible for the performance and long-term success of the Company. The Directors help to establish and oversee the implementation of the Company's strategy and regularly review the progress being made in achieving the Company's long term strategic financial objectives. The Board also has responsibility for ensuring that the Company has an appropriate overall funding strategy and for authorising acquisitions, disposals and all major developments or investments. The Board also approves the annual financial statements and the annual operating and capital expenditure budget as well as overseeing the Company's systems for internal control, governance and risk management.

The Board is led by the Non-Executive Chairman, Will Michelmores and also includes the Chief Executive, Kevin Georgel and three further Executive Directors and three Non-Executive Directors. At the end of December 2021 Adam Luck retired as a Non-Executive Director and he was replaced on 1 March 2022 by the appointment of Karen Hubbard. The Board includes three direct descendants of the founder of the Company, Walter Hicks. The presence of family members on the Board ensures that the values and ethos of the family remain at the heart of the way that the business operates. These family values are complemented by experienced, professional management which ensures that the business benefits from

a wide range of knowledge and expertise that helps to underpin the long-term sustainable success of the Company.

Each Director is subject to re-election at the third Annual General Meeting (AGM) after the meeting at which he or she was previously elected or re-elected. All newly appointed Directors stand for election at the AGM following their appointment.

The offices of Chairman and Chief Executive are separate and distinct and the divisions of responsibility between them has been clearly established, set out in writing and agreed by the Board.

There is a formal schedule of matters reserved for Board consideration and this is reviewed on a regular basis to ensure it remains fit for purpose. This schedule identifies those decisions that are to

be taken by the Board. The Board has delegated some of its responsibilities to formally constituted Committees, each of which operates under written terms of reference approved by the Board. All Committee Chairs report on the proceedings of their Committees to the Board.

The Board meets formally at least five times a year and meetings typically take place over a two-day period. Telephone or virtual online meetings are also held to discuss relevant issues that arise between face-to-face meetings. Board meetings enjoy open dialogue and encourage constructive challenge on the issues being discussed. The process for agreeing the agenda is managed by the Company Secretary in consultation with the Chairman. There is emphasis placed on ensuring that the Directors receive the appropriate level of information prior to meetings

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Directors	Board	Nomination Committee	Audit and Risk Committee	Remuneration Committee
Executive Directors				
Kevin Georgel	8	-	-	-
Colin Stratton	8	-	-	-
Piers Thompson	8	-	-	-
Steve Worrall (*)	1	-	-	-
Andrew Turner	8	-	-	-
Non-Executive Directors				
Will Michelmores	8	4	-	-
Gerard Barnes	8	3	3	4
Jill Caseberry	6	4	3	4
Adam Luck	8	4	3	4

(*) Resigned on 22 February 2021



in order to facilitate effective and timely decision making at meetings. This is supplemented by using a market leading software system to share and store information safely and securely and provide smooth access to all Board members.

In addition to scheduled meetings, the Board also meets every year for an in-depth review of the Company's strategy which includes amongst other things discussions about consumer and market trends and the competitor landscape. In order to facilitate a broad discussion the Board are joined by other members of the Group Operating Board and other employees who are able to provide strategic insight and data.

An evaluation of the Board's own performance is carried out annually and its performance and effectiveness is independently reviewed by an external specialist every few years. In early 2021 an external review of the Board's effectiveness was carried out by an independent third party. This report concluded that despite the unprecedented challenges posed by the pandemic the Board had remained effective and harmonious throughout this period and it was clear that the Board as a whole remained highly committed to continually improve its performance and this underpinned its dedication to build a long term, progressive and profitable business, fit for future generations. Regular reviews are carried out of the training and development needs of the Board and its Committees. The Company has made available resources to Board members to ensure that their skills and knowledge of the Company and the wider industry challenges are appropriately maintained and updated.

The Company has in place appropriate Directors' and officers' liability insurance.

The Directors are required to

disclose all actual and potential conflicts of interest prior to their appointment. These declarations of interest are then subject to ongoing review and annual confirmation. All Directors are aware that the disclosure and authorisation of any potential conflict situation does not detract from their requirement to notify the Board separately of an actual or potential conflict in relation to any proposed transaction involving the Company.

COMMITTEES OF THE BOARD

NOMINATION

The Nomination Committee is chaired by Will Michelmores and the other members are all Non-Executive Directors. Gerard Barnes, Jill Caseberry and Adam Luck served during all of the year although Adam Luck stepped down from the Committee on 31 December 2021 when he retired from the Board. Following approval by the Board Karen Hubbard joined the Committee on 1 March 2022. The Committee is responsible for reviewing the structure, size and composition of the Board. It leads the process for the appointment of Directors for approval by the Board. After an extensive and thorough process the Nominations Committee approved the appointment of Karen Hubbard as a new Non-Executive Director and she joined the Board on 1 March 2022.

Although the Board is mindful of the need to ensure that the composition of the Board promotes diversity in all its forms, the Board believes that appointments should be made on merit and are in the best interests of the business and all its stakeholders.

AUDIT AND RISK

The Audit and Risk Committee is chaired by Gerard Barnes. During 2021 the Committee also included Jill Caseberry and Adam Luck. Although Adam stepped

down at the end of 2021 it has been agreed that Karen Hubbard will join the Committee in his place. The Chief Financial Officer and external auditor attend meetings by invitation. The primary role of the Committee is to assist the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of the risk management framework and system of internal controls as well as consideration of ethics and compliance matters. It is also responsible for assessing the quality of the audit performed by, and the independence and objectivity of, the external auditor. The Committee also makes a recommendation to the Board on the appointment or reappointment of the external auditor. In addition, they oversee the work and quality of the internal audit function.

REMUNERATION

The Company's reward strategy is to pay its employees fairly and at a market competitive level whilst ensuring that remuneration arrangements support the execution of the business strategy and the creation of value for our shareholders. Over the last few years the Company has evolved its approach to remuneration for its senior employees to ensure that it is able to attract and retain high-calibre leaders in an increasingly dynamic external environment with senior management being incentivised to drive strong performance and to share in the success of the business through performance-related pay.

In 2021, the Remuneration Committee was chaired by Jill Caseberry. Members of the Committee during the year included Adam Luck and Gerard Barnes. Will Michelmores, Chairman, attended meetings by invitation. Adam Luck stepped down from the Committee when he retired from the Board at the end of December 2021 and was replaced by Karen Hubbard who joined the Board on 1 March 2022.



CORPORATE GOVERNANCE REPORT

GROUP OPERATING BOARD

The Board delegates all operational matters and execution of the strategy to the Group Operating Board. The Group Operating Board comprised the Executive Directors, the People and Communications Director, and the Property and Procurement Director. From 1 March 2022 this structure will change to reflect the appointment of Gareth James as our Operations Director with the Property and Procurement Director stepping down from the Group Operating Board. The Group Operating Board is chaired by the Chief Executive and meets on a regular basis and is responsible for reviewing the Company's operating performance and has delegated authority from the Board to deal with execution of the Company's strategy, operational matters such as the approval of minor capital projects and refurbishments, the agreement and approval of contracts with third parties up to an agreed maximum financial limit and the appointment of employees.

INTERNAL CONTROL

The Board is ultimately responsible for implementing and reviewing the effectiveness of the Company's risk management framework and systems of internal control. The internal control system is designed to provide reasonable but not absolute assurance against material misstatements. The responsibility for the implementation and day-to-day operation of the systems of internal control are delegated to the Executive Directors and through them to certain managers and staff. The main features of the internal control system are detailed reviews of performance against budgets, forecasts and prior periods, investment appraisals prior to the authorisation of capital expenditure and a close involvement of the Executive

Directors in the operation of the business. During the year the Company created a new role to undertake and oversee an internal audit function across the Company.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to ensuring there is appropriate open and regular communication with the Company's shareholders. Information is provided to shareholders in the interim and annual financial statements. Shareholders are encouraged to attend the AGM. The Chairman, Chief Executive and Chief Financial Officer make an annual presentation covering the Company's financial results, its progress against its strategic financial objectives, as well as details of the Company's major investments. The AGM also provides shareholders the opportunity to raise any questions with the Board.

There is a Family Council which is made up of representatives from the Company's family shareholders. This provides a formal mechanism for the Company to update shareholders on the business strategy and performance as well as providing further background information which is helpful to their understanding of the business. This also provides the Company with the opportunity to keep in touch with shareholder opinion on key issues. Piers Thompson is the key contact with the Company's family shareholders. The Senior Independent Director, Jill Caseberry is willing to be contacted by shareholders should they have any concerns which have not been resolved through the normal channels.

The Company maintains a separate, secure section of its website to provide shareholders with regular information on the Company.

After two years of virtual AGM's the Board plans to hold the 2022

AGM as normal this year and preparations are being made for an in-person meeting to be held at The Brewery in St Austell on 6th May 2022, subject of course to any Government guidance in place at the time.

Approved by the Board of Directors and signed on behalf of the Board.

C J Stratton
Company Secretary
14 April 2022



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable UK accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST AUSTELL BREWERY COMPANY LIMITED

OPINION

We have audited the financial statements of St Austell Brewery Company Limited ('the Parent Company') and its subsidiaries (the 'Group') for the 52 week period ended 1 January 2022 which comprise Consolidated Profit and Loss Account, Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity (Group and Company), Consolidated Cash Flow Statement and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Group's and of the Parent Company's affairs as at 1 January 2022 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period to 30 June 2023.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.



Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 53, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST AUSTELL BREWERY COMPANY LIMITED

economic decisions of users taken on the basis of these financial statements.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are related to Companies Act 2006, FRS 102, Tax legislation (governed by HM Revenue & Customs), Employment Law and Health and Safety Regulations.
- We understood how St Austell Brewery Company Limited is complying with those frameworks by reading internal policies and assessing the entity level control environment, including the level of oversight of those charged with governance. We have made inquiries of management and those charged with governance of any known instances of non-compliance or suspected non-compliance with laws and regulations. We corroborated our enquiries through review of correspondence with regulatory bodies. We designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraph above. As well as enquiry and attendance at meetings, our procedures involved a review of board meetings to identify any non-compliance with laws and regulations. Our procedures also involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by making enquiries of senior management, including the Chief Financial Officer and Audit Committee Chairman. We planned our audit to identify risks of management override, tested higher risk journal entries and performed audit procedures to address the potential for management bias, particularly over areas involving significant estimation and judgement.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of key management and legal counsel, reviewing key policies, and reading key management meeting minutes. We also completed procedures to concluded on the compliance of significant disclosures in the financial statements with the requirements of the relevant accounting standard and UK legislation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

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

Ernst & Young LLP

Ernst & Young LLP, Statutory Auditor
Bristol
14 April 2022

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 1 January 2022

		52 Weeks Ended 1 January 2022			53 Weeks Ended 2 January 2021		
		Before other items*	Other items*	Total	Before other items*	Other items*	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	4	156,616	-	156,616	117,626	-	117,626
Cost of sales		(89,212)	-	(89,212)	(72,531)	-	(72,531)
Gross profit		67,404	-	67,404	45,095	-	45,095
Distribution expenses		(7,505)	-	(7,505)	(8,456)	-	(8,456)
Administrative expenses		(55,891)	(316)	(56,207)	(48,326)	(5,382)	(53,708)
Other Operating income		7,310	-	7,310	8,790	-	8,790
Profit on sale of tangible fixed assets		-	683	683	-	360	360
Operating Profit / (Loss)		11,318	367	11,685	(2,897)	(5,022)	(7,919)
Interest receivable and similar income	5	30	-	30	42	-	42
Interest payable and similar charges	5	(1,989)	1,000	(989)	(1,640)	(274)	(1,914)
Other finance cost on pension scheme		-	(211)	(211)	-	(243)	(243)
Profit / (Loss) on ordinary activities before taxation	6	9,359	1,156	10,515	(4,495)	(5,539)	(10,034)
Taxation	9	(1,994)	(990)	(2,984)	411	758	1,169
Profit / (Loss) for the financial period		7,365	166	7,531	(4,084)	(4,781)	(8,865)
Earnings / (Losses) per share							
Basic				£4.45			(£5.24)
Diluted				£4.39			(£5.24)

All results relate to continuing activities.

*Other items are analysed in note 11.

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STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 1 January 2022

		52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	Note	£'000	£'000
Profit / (Loss) for the financial period		7,531	(8,865)
Remeasurement of net defined benefit pension liability	26	13,161	(4,924)
Tax relating to components of other comprehensive income	19	(2,534)	1,089
Other comprehensive income / (expense)		10,627	(3,835)
Total comprehensive income / (expense)		18,158	(12,700)

CONSOLIDATED BALANCE SHEET

At 1 January 2022

		At 1 January 2022	At 2 January 2021
	Note	£000	£000
Fixed assets			
Goodwill	12	955	1,165
Intangible assets	12	2,061	2,203
Tangible assets	13	171,046	167,951
		174,062	171,319
Current assets			
Stocks	15	8,983	5,880
Debtors			
– due within one year	16	20,820	13,404
– due after one year	16	1,391	1,662
Cash at bank and in hand		4,844	2,618
		36,038	23,564
Creditors: Amounts falling due within one year	17	(28,163)	(21,449)
Net current assets		7,875	2,115
Total assets less current liabilities		181,937	173,434
Creditors: Amounts falling due after more than one year	18	(58,067)	(57,411)
Net pension liability	26	(3,961)	(17,386)
Provisions for liabilities and charges	19	(3,960)	-
Net assets		115,949	98,637
Capital and reserves			
Called-up share capital	22	1,714	1,692
Share premium account	22	122	-
Capital redemption reserve	22	1,108	1,108
Own shares	22	(144)	-
Retained earnings		113,149	95,837
Shareholders' funds		115,949	98,637

The financial statements of St Austell Brewery Company Limited, registered number 107021, were approved by the Board of Directors and authorised for issue on 14 April 2022. They were signed on its behalf by:



Kevin Georgel
Chief Executive
14 April 2022

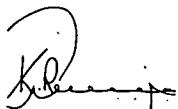
COMPANY BALANCE SHEET

At 1 January 2022

		At 1 January 2022	At 2 January 2021
	Note	£'000	£'000
Fixed assets			
Goodwill	12	955	1,165
Intangible assets	12	2,061	2,203
Tangible assets	13	171,046	167,951
Investments	14		
		174,062	171,319
Current assets			
Stocks	15	8,983	5,880
Debtors			
– due within one year	16	20,820	13,404
– due after one year	16	1,391	1,662
Cash at bank and in hand		4,844	2,618
		36,038	23,564
Creditors: Amounts falling due within one year	17	(28,163)	(21,449)
Net current assets		7,875	2,115
Total assets less current liabilities		181,937	173,434
Creditors: Amounts falling due after more than one year	18	(58,067)	(57,411)
Net pension liability	26	(3,961)	(17,386)
Provisions for liabilities and charges	19	(3,960)	-
Net assets		115,949	98,637
Capital and reserves			
Called-up share capital	22	1,714	1,692
Share premium account	22	122	-
Capital redemption reserve	22	1,108	1,108
Own shares	22	(144)	-
Retained earnings		113,149	95,837
Shareholders' funds		115,949	98,637

The Company has taken the exemption under section 409 of the Companies Act 2006 not to prepare a profit and loss account. The Company reported a profit for the financial period ended 1 January 2022 of £7,531,000 (2 January 2021: loss of £8,865,000).

The financial statements of St Austell Brewery Company Limited, registered number 107021, were approved by the Board of Directors and authorised for issue on 14 April 2022. They were signed on its behalf by:



Kevin Georgel
Chief Executive
14 April 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 1 January 2022

Group and Company		Called up share capital	Share premium	Capital redemption reserve	Own shares	Retained earnings	Total
	Note	£'000		£'000		£'000	£'000
At 3 January 2021		1,692	-	1,108	-	95,837	98,637
Profit for the financial period		-	-	-	-	7,531	7,531
Remeasurement of net defined benefit pension liability	26	-	-	-	-	13,161	13,161
Tax relating to items of Other Comprehensive income	19	-	-	-	-	(2,534)	(2,534)
Total comprehensive income for the period		-	-	-	-	18,158	18,158
Share Issue	22	22	122	-	(144)	-	-
Dividends paid	10	-	-	-	-	(846)	(846)
At 1 January 2022		1,714	122	1,108	(144)	113,149	115,949

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CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 1 January 2022

		52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	Note	£000	£000
Net cash flows from operating activities	24	5,726	19,746
Cash flows from investing activities			
Interest received		30	42
Interest paid		(1,696)	(1,636)
Preference dividends paid		(4)	(4)
Proceeds from disposal of tangible fixed assets		1,277	834
Purchase of tangible fixed assets		(8,702)	(13,782)
Net cash flows from investing activities		(9,095)	(14,546)
Cash flows from financing activities			
Dividends paid	10	(846)	(1,168)
Drawdown of borrowings			25,000
Repayments of obligations under finance lease		(59)	
(Decrease)/Increase in revolving credit facilities		6,500	(24,500)
Net cash flows from financing		5,595	(668)
Net increase in cash and cash equivalents		2,226	4,532
Cash and cash equivalents at beginning of period		2,618	(1,914)
Cash and cash equivalents at end of period		4,844	2,618

CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 1 January 2022

At 2 January 2021

Cash-flows

At 1 January 2022

	£000	£000	£000
Analysis in change of debt			
Cash at bank and in hand	2,618	2,226	4,844
	<u>2,618</u>	<u>2,226</u>	<u>4,844</u>
Revolving credit facilities	(29,000)	(6,500)	(35,500)
Coronavirus Large Business Interruption Loans	(25,000)	-	(25,000)
Debt due	<u>(51,382)</u>	<u>(4,274)</u>	<u>(55,656)</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 1 January 2022

1. ACCOUNTING POLICIES

A. GENERAL INFORMATION AND BASIS OF ACCOUNTING

The Company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 97.

The nature of the Company's operations and its principal activities are set out in the Chairman's Statement and Chief Executive's Review on pages 6 to 21.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of St Austell Brewery Company Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

St Austell Brewery Company Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key personnel.

B. BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to the nearest Saturday to 31 December each period. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

C. GOING CONCERN

These financial statements have been prepared on a going concern basis. The Board is confident that in the current circumstances the Group will generate sufficient net internal cash flows and have adequate undrawn bank facilities to meet all of its needs for the foreseeable future. The Group's forecasts and projections over the period to 30 June 2023 show that the Group should be able to operate within the level of its current facilities. At 1 January 2022 the Group had £42m of



available headroom within its existing bank facilities. The strong balance sheet backed by a large freehold estate of pubs, inns and hotels provides further reassurance over the Group's ability to continue as a going concern.

The economic outlook for the year ahead appears more stable and the hospitality sector has welcomed the lifting of all related COVID trading restrictions in February 2022. The main business challenges we anticipate facing in 2022 is cost inflation, especially on utilities, food, labour and building supplies. The Group has produced a financial model which allows the Board to see the impact of these cost increases on the likely forecast outturn for 2022. The model enables a variety of sensitivity analyses to be performed including assessing the impact of increased cost pressures, resulting in higher overheads and reduced operating profit.

The Board has considered an extreme downside scenario that reflects the uncertainty in the UK economy around energy costs, general inflationary pressures and reduced footfall due to lower disposable income. The results of this scenario show that we would still be able to comply with our existing covenants throughout the going concern assessment period. We are therefore confident that in all reasonably expected scenarios the Group will be able to comply with its covenants.

At 1 January 2022 the Group had existing bank facilities of £102.5m. These include a total of £25m of borrowings under the Coronavirus Large Business Interruption Loan Scheme (CLBILS) from two of our banking partners, of which £5m will need to be repaid in September 2022. In addition, the Company has revolving credit facilities of £77.5m with three banks which are available until September 2023.

The Group is required to comply with four financial covenants at the end of each quarter during 2022. These include ensuring that we have a minimum liquidity (i.e. headroom) available of £12.5m, a minimum of £10m of EBITDA in the preceding twelve months, a minimum level of interest cover and a leverage ratio that is no more than 4.75 times by the end of 2022. Based on our most recent reforecast we are confident that we will be able to meet the covenant tests for the going concern period to 30 June 2023.

The Company continues to have strong, long-term supportive relationships with its banks and remains in regular dialogue with them. Based on all of the information available to them the Directors consider that there is no material uncertainty about the Company's ability to comply with its banking covenants and therefore its ability to continue as a going concern for the going concern period to 30 June 2023.

D. INTANGIBLE ASSETS

(i) Goodwill

Goodwill is the difference between the cost of an acquired entity (including public houses) and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Goodwill arising on acquisitions is capitalised in the balance sheet at cost and is amortised in a straight line over its estimated useful life of between three and ten years.

(ii) Acquired brands

Brands that have been acquired are non-monetary assets which are without physical substance but are separately identifiable. They satisfy a recognition criteria and are initially measured at cost, based on the future discounted cash flows generated from the brand. They are capitalised in the balance sheet at cost and are amortised over their useful estimated life of twenty years. We do not capitalise internally generated brands.

E. TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the



NOTES TO THE FINANCIAL STATEMENTS

Accounting Policies

course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

- Freehold buildings over 50 years
- Long and short leasehold land and buildings over the lease term
- Plant, IT, machinery and furniture over 3 to 25 years

The carrying value of tangible fixed assets is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

F. INVESTMENTS

Investments held as fixed assets are stated at cost less provision for impairment.

G. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.



- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

In the Company balance sheet, investments in subsidiaries are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Group are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

(v) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

H. STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion or disposal. Provision is made for



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obsolete, slow-moving or defective items where appropriate.

I. IMPAIRMENT OF ASSETS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

(i) Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units (CGU) of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

(ii) Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

J. TAXATION

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



K. TURNOVER

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance, which is normally at the point of delivery. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes.

L. RETIREMENT BENEFITS

The Company operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. The regular cost of providing retirement benefits to employees during the period is charged to operating profit in the period. The full cost of providing amendments to benefits in respect of past service is also charged to operating profit in the period. The expected return on the assets of the scheme during the period based on the market value of scheme assets at the start of the financial period is included within other finance income. This also includes a charge representing the expected increase in liabilities of the scheme during the period, arising from the liabilities of the scheme being one year closer to payment. Differences between actual and expected returns on assets during the period are recognised in the statement of comprehensive income in the period, together with differences from changes in assumptions.

The net deficit on the defined benefit pension scheme is reported on the balance sheet as the net pension liability.

The Company also operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs represents the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid in the period are shown either as accruals or prepayments in the balance sheet.

M. OTHER ITEMS

In addition to presenting information in accordance with FRS102 the Group also presents adjusted profit/(loss) and earnings per share information that excludes certain items and the impact of any associated tax, which can vary significantly year on year or where their exclusion can help an understanding of the underlying performance of the Group. Adjusted profitability measures are presented excluding these items as we believe this provides both management and shareholders with useful additional information about the Group's performance and supports a more effective comparison of the Group's trading performance from one period to the next. Adjusted profit and earnings per share information is used by management to monitor business performance against both shorter-term budgets and forecasts but also against the Group's longer-term strategic financial objectives. Note 11 provides a detailed list of items excluded from underlying results. Note 9 provides information on the tax impact of items excluded from underlying results.

N. SHARE-BASED PAYMENTS

The Company operates an equity settled share-based arrangement for senior management under a Long Term Incentive Plan (LTIP). This awards Growth (G) shares to incentivise and retain certain key employees. The G shares once vested are equivalent to ordinary shares with the exception that they are non-voting. In order for any of the G shares to vest, the Company must achieve a minimum level of underlying earnings per share, in the third financial year after the G shares have been issued e.g. the performance test for the G shares issued in the 53 week period ended 2 January 2021 is the 52 week period ending 31 December 2022. The actual number of shares that vest will depend on the level of underlying earnings per share achieved at the end of that period. G shares can't be exercised for a further two years after they have vested. Own shares held are recognised as an element in equity until they are transferred at the end of the vesting period, and such shares are excluded from basic earnings per share.



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O. FOREIGN CURRENCY

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

P. LEASES

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Q. RESEARCH AND DEVELOPMENT

Research and development expenditure is charged to the profit and loss account as incurred.

R. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 33-1A of FRS 102 not to disclose transactions with wholly-owned Group companies.



CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

KEY SOURCE OF ESTIMATION UNCERTAINTY:

a. Impairment of intangible assets including goodwill

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash generating units to which acquired brands or goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating units and to apply a suitable discount rate in order to calculate present value.

The recoverable amount is based on a calculation of value in use based upon the budget for the forthcoming financial period, as approved by the Board. The calculation of value in use is sensitive to the achievement of the growth rate, the budgeted cash flows and the discount rate. The calculation is also dependent on future sales volumes of the acquired brands.

Detailed impairment calculations have been conducted for the period with key assumptions being based on management and historical knowledge. Management have considered a sensitivity analysis in the key assumptions of the value in use calculation specifically surrounding the discount rate used. The current assumptions use a discount rate of 9.5% (2 January 2021: 9.5%). The results of the impairment review resulted in no impairment recognised in the current period (2 January 2021: £1.554m).

b. Impairment of tangible fixed assets

The Company considers each pub to be a cash-generating unit (CGU) which are reviewed annually for indicators of impairment. When assessing impairment, the carrying amount is compared to the recoverable value amount.

If the asset values of the CGUs exceed the value in use then an impairment is required. The key assumptions used in the value in use calculations of the property estate are the discount rate of 6.2% (2 January 2021: 7.2%) as well as future growth rates in the managed estate and future rent projections in the tenanted estate. The discount rate applied is lower than in prior year primarily due to shift in level of market risk recognised in Cost of Equity compared to the same period last year.

During the 52 week period ended 1 January 2022 no net impairment to the property estate was recognised in the profit and loss account (2 January 2021: £1.636m) however an additional £221,050 impairment has been recognised in respect of the ERP system in development (2 January 2021: £651,000).

CRITICAL JUDGEMENTS

There have been no critical judgements made in the current or prior financial period.



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3. SEGMENTAL REPORTING

The Group has two operating segments, which are largely organised and managed separately according to the nature of the products and services provided - Beer & Brands and Pubs, Inns & Hotels. All other income and expenditure unallocated relates to central group support operations.

52 weeks ended 1 January 2022	Beer and Brands	Pubs, Inns & Hotels	Unallocated	Total
	£'000	£'000	£'000	£'000
Turnover	93,162	62,555	899	156,616
Underlying operating profit / (loss)	3,593	10,940	(3,215)	11,318
Items excluded from underlying results	15	573	(221)	367
Divisional operating profit	3,608	11,513	(3,436)	11,685
Net underlying finance costs				(1,959)
Finance costs excluded from underlying results				(211)
Fair value movements on SWAP				1,000
Profit on ordinary activities before taxation				10,515
Depreciation and Amortisation	2,227	3,807	588	6,622
Underlying divisional EBITDA	5,819	14,743	(2,627)	17,935
Capital expenditure	3,038	6,575	817	10,430

53 weeks ended 2 January 2021	Beer and Brands	Pubs, Inns & Hotels	Unallocated	Total
	£'000	£'000	£'000	£'000
Turnover	68,111	47,127	2,388	117,626
Underlying operating (loss) / profit	(3,847)	3,129	(2,179)	(2,897)
Items excluded from underlying results	(2,715)	(1,323)	(984)	(5,022)
Divisional operating (loss) / profit	(6,562)	1,806	(3,163)	(7,919)
Net underlying finance costs				(1,598)
Finance costs excluded from underlying results				(243)
Fair value movements on SWAP				(274)
(Loss) on ordinary activities before taxation				(10,034)
Depreciation and Amortisation	2,251	3,739	564	6,554
Underlying divisional EBITDA	(1,596)	6,868	(1,615)	3,657
Capital expenditure	881	12,396	505	13,782

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3. SEGMENTAL REPORTING (CONTINUED)

An analysis of the Group's turnover by geographical market is set out below.

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	£'000	£'000
Turnover		
UK	155,846	116,786
Rest of the World	770	840
	<u>156,616</u>	<u>117,626</u>

4. TURNOVER

An analysis of the Group's turnover is as follows:

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	£'000	£'000
Sale of goods	143,059	108,059
Accommodation Income	9,831	6,727
	<u>152,890</u>	<u>114,786</u>
Total turnover from contracts with customers		
Rental Income	3,726	2,840
	<u>156,616</u>	<u>117,626</u>

Turnover represents sales net of discounts, rent receivable and services rendered from continued trading activities, excluding value added tax.

5. NET FINANCE COSTS

		52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	Note	£'000	£'000
Interest receivable			
Other interest receivable and similar income		30	42
		<u></u>	<u></u>
Interest payable			
Bank loans and overdrafts		(1,984)	(1,586)
5% Cumulative preference share dividends		(4)	(4)
Other loans		(1)	(50)
		<u>(1,989)</u>	<u>(1,640)</u>
Other finance costs			
Fair value movement of interest rate swap	20	1,000	(274)
Net interest on defined benefit liability	26	(211)	(243)
		<u>789</u>	<u>(517)</u>
Net finance costs		<u>(1,170)</u>	<u>(2,115)</u>

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6. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX

Profit / (Loss) on ordinary activities before taxation is stated after charging/(crediting):

		52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
		£'000	£'000
Depreciation of tangible fixed assets	13	6,268	6,101
Impairment of tangible fixed assets		-	1,636
Impairment of intangible fixed assets		-	1,554
Amortisation of goodwill	12	212	212
Amortisation of other intangible assets	12	142	242
Impairment of ERP project costs		221	651
Coronavirus Job Retention Scheme income		(5,555)	(8,554)
Government grants		(1,755)	(236)
Operating lease rentals		2,228	2,189

We received money under the Coronavirus Job Retention Scheme as part of the Government's response to the COVID-19 pandemic. The scheme was aimed at compensating for staff costs and so we have recognised in the profit and loss account these receipts over the same period as the costs to which they relate and have disclosed the amount as Other Operating Income.

Also included within Other Operating Income are government grants from which the business has benefitted, including £1,755,000 relating to grants issued in response to the COVID-19 pandemic (53 weeks ended 2 January 2021: £236,000).

The analysis of the auditor's remuneration is as follows:

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	£'000	£'000
Fees payable to Ernst and Young LLP for the audit of the Group's annual accounts	115	100
Fees payable to Ernst and Young LLP for other services to the Group		
Taxation compliance services	13	13
Other non-audit services	-	10
Total fees payable to Ernst and Young LLP	128	123

Other non-audit services in the 53 weeks ended 2 January 2021 related to additional tax services and advice (52 weeks ended 1 January 2021: £nil).

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7. EMPLOYEES

The average monthly number of employees (including Executive Directors) was:

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	Number	Number
Brewery and depots	416	480
Hotels and public houses	1,037	1,116
	<u>1,453</u>	<u>1,596</u>

Their aggregate remuneration comprised:

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	£'000	£'000
Wages and salaries	25,595	23,406
Social security costs	2,654	2,232
Other pension costs	1,464	1,370
	<u>29,713</u>	<u>27,008</u>

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

The above employment costs are stated net of credit amounts recognised in respect of the Coronavirus Job Retention Scheme of £5.6m (53 weeks ended 2 January 2021: £8.7m).

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8. DIRECTORS' REMUNERATION AND TRANSACTIONS

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	£'000	£'000
Directors' remuneration		
Emoluments	1,293	944
Company contributions to Defined Benefit pension scheme	47	43
Company contributions to Defined Contribution pension scheme	18	17
Compensation for loss of office	144	-
	<u>1,502</u>	<u>1,004</u>

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	Number	Number
The number of Directors who:		
Are active members of the Defined Benefit pension scheme	2	2
Are pension members of the Defined Benefit pension scheme ^{*1}	1	2
Are active members of the Defined Contribution pension scheme	1	2
	<u>4</u>	<u>4</u>

^{*1} The Director who was a pension member of the Defined Benefit pension scheme retired from the board on 31st December 2021.

The total remuneration of the highest paid Director including salary, performance-related remuneration and benefits in kind was £490,346 (2 January 2021: £317,574).

The Company operates consistent remuneration policies and practices for all its Directors, including family Directors. No awards so far made under the Long-Term Incentive Plan were eligible to vest in respect of the period to 1 January 2022.

DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Details of transactions with Directors during the period are disclosed in note 27.



9. TAXATION

a) The tax charge comprises:

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	£'000	£'000
Current tax on profit / (loss) on ordinary activities		
UK corporation tax	1,786	(1,330)
Adjustments in respect of prior periods	39	(38)
Total current tax	1,825	(1,368)
Deferred tax		
Origination and reversal of timing differences	385	(66)
Adjustment in respect of prior periods	8	30
Effect of changes in tax rate	766	235
Total deferred tax (see note 19)	1,159	199
Total tax on profit / (loss) on ordinary activities	2,984	(1,169)

The standard rate of tax applied to reported profit on ordinary activities is 19.00% (2 January 2021: 19.00%).



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9. TAXATION (CONTINUED)

b) Reconciliation of the total tax charge:

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	£'000	£'000
Group profit / (loss) on ordinary activities before tax	10,515	(10,034)
Tax on Group profit / (loss) on ordinary activities at standard UK corporation tax rate of 19.00% (2 January 2021: 19.00%)	1,998	(1,907)
Effects of:		
- Expenses not deductible for tax purposes	244	578
- Income not taxable in determining taxable profit	(21)	(67)
- Losses transferred in	(50)	-
- Tax rate changes	766	235
- Exceptional adjustments to tax charge in respect of prior periods	-	(758)
- Adjustments to tax charge in respect of prior periods	47	750
Group total tax charge / (credit) for period	2,984	(1,169)

c) Factors that may affect future tax charges

In the 2021 Budget on 3 March 2021, the Chancellor announced an increase in the Corporation Tax rate to 25% effective from 1 April 2023. This new law was enacted on 24 May 2021. Deferred tax at the balance sheet date has been measured using these enacted tax rates and reflected in these financial statements.

10. DIVIDENDS ON EQUITY SHARES

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	£'000	£'000
First interim dividend paid of 50p per ordinary share (2 January 2021: £nil)	846	-
Proposed final dividend of 80p per ordinary share (2 January 2021: £nil)	1,354	-
	2,200	-

The amount of dividends recognised in the 52 weeks ended 1 January 2022 is £846,192 (53 weeks ended 2 January 2021: £nil).

The Directors are proposing a final dividend for the year of 80p per ordinary share.

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11. OTHER ITEMS

		52 weeks ended 1 January 2022	53 weeks ended 2 January 2021
	Note	£'000	£'000
Included in Operating profit / (loss)			
Write off of ERP costs		-	(651)
Onerous lease provisions		-	(61)
Net impairment of tangible and intangible fixed assets	13	(221)	(3,190)
Insurance (expense) / income - Hope and Anchor		(95)	375
Profit on sale of tangible fixed assets		683	360
Covid-19 related charges		-	(1,855)
		367	(5,022)
Included in financing costs			
Interest receivable/ (payable) and similar charges – fair value movement in swap	20	1,000	(274)
Other finance income on pension scheme	26	(211)	(243)
		789	(517)
Total other items before tax		1,156	(5,539)
Tax (charge) / credit on other items		(224)	758
Tax rate changes		(766)	-
Total other items		166	(4,781)

In the 53 weeks ended 2 January 2021, income was recognised in relation to insurance proceeds expected to be received for the destroyed assets and rebuild of the Hope and Anchor. The actual insurance claim made during the current financial period has been lower than originally recognised, resulting in a write off of the insurance debtor for the unrealised claim portion.

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12. INTANGIBLE FIXED ASSETS

Group and Company	Brands	Goodwill	Total
	£'000	£'000	£'000
Cost			
At 2 January 2021 and 1 January 2022	4,847	3,414	8,261
Amortisation			
At 2 January 2021	2,644	2,247	4,891
Charge for the period	142	212	354
At 1 January 2022	2,786	2,459	5,245
Net book value			
At 1 January 2022	2,061	955	3,016
At 2 January 2021	2,203	1,165	3,368

Goodwill and brands acquired through business combinations have been tested for impairment at an individual cash generating unit level. This represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amount is based on a calculation of value in use based upon the budget for the forthcoming financial year. Cashflows beyond the budget period are based on management's expectations of future volumes of the beer brands acquired. We have applied a discount rate to these future cashflows of 9.5% (2 January 2021: 9.5%). No impairment has been recognised in the current financial period (53 weeks ended 2 January 2021: £1.554m). The net book value and remaining useful life of each brand considered material to the Group are shown in the table below.

Intangible fixed assets	Net book value	Estimated remaining useful life
	£'000	Years
Gem	1,182	14.5
Bath Ales	879	14.5

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13. TANGIBLE FIXED ASSETS

Group and Company	Freehold	Long leasehold	Short leasehold	Plant, IT, machinery and furniture	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 2 January 2021	140,955	5,519	6,197	72,604	3,369	228,644
Additions	2,741	-	15	3,278	4,396	10,430
Disposals	(243)	-	-	(242)	(455)	(940)
Transfers	364	-	-	2,770	(3,134)	-
At 1 January 2022	143,817	5,519	6,212	78,410	4,176	238,134
Depreciation						
At 2 January 2021	9,929	991	1,453	48,320	-	60,693
Charge for the period	829	142	215	5,082	-	6,268
Impairment	-	-	-	221	-	221
Disposals	(12)	-	-	(82)	-	(94)
At 1 January 2022	10,746	1,133	1,668	53,541	-	67,088
Net book value						
At 1 January 2022	133,071	4,386	4,544	24,869	4,176	171,046
At 2 January 2021	131,026	4,528	4,744	24,284	3,369	167,951

Included within Freehold is land at a cost of £39,797,000 (2 January 2021: £38,589,000) which is not depreciated.

No net property impairment losses/reversals were recognised in the period with all properties held at recoverable amount (2 January 2021: £1,636m impairment in respect of 11 licensed properties).

Impairment was assessed at the income-generating unit level which is considered to be an individual pub. An asset is determined as being impaired by comparing the carrying value against its estimated recoverable amount. The recoverable amount is taken as the higher of either the net realisable value or its value in use. The value in use is determined by carrying out a net present value calculation for each site. The long term growth rates applied are 2% (2 January 2021: 2.5%). The discount rate used in this review was 6.2% (2 January 2021: 7.2%).

Included in the net book value above are assets held under finance leases as follows:

	At 1 January 2022	At 2 January 2021
	£'000	£'000
Plant, IT, machinery and furniture	231	23

The depreciation charge for fixed assets held under finance leases was £62,686 (2 January 2021: £12,332).



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For the 52 weeks ended 1 January 2022

14. INVESTMENTS

PRINCIPAL GROUP INVESTMENTS

At 1 January 2022 the parent Company and the Group had investments in the following subsidiary undertakings.

	Country of incorporation or principal business address	Principal activity	Holding	%
Subsidiary undertakings				
Walter Hicks Limited	UK	Dormant	Ordinary shares	100
The Cornish Embassy Limited	UK	Dormant	Ordinary shares	100
St Austell Brewery Property Company Limited	UK	Dormant	Ordinary shares	100
Real Beer Company Limited	UK	Dormant	Ordinary shares	100
Bath Ciders Limited	UK	Dormant	Ordinary shares	100
Bath Ales Limited	UK	Dormant	Ordinary shares	100
Olde World Inns Holdings Limited	UK	Dormant	Ordinary shares	100
Olde World Inns Limited	UK	Dormant	Ordinary shares	100
Castle Hotel (Subco) Limited	UK	Dormant	Ordinary shares	100
Land's End Hotel Limited	UK	Dormant	Ordinary shares	100

All subsidiary companies are held directly by St Austell Brewery Company Limited except Olde World Inns Limited which is a wholly owned subsidiary of Olde World Inns Holding Company.

All the subsidiary undertakings have the same registered address as the Company. For details of the registered address, refer to page 97.

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For the 52 weeks ended 1 January 2022

SUBSIDIARY UNDERTAKINGS

Company	At 1 January 2022	At 2 January 2021
	£'000	£'000
Cost	-	-
At 1 January 2022 / 2 January 2021	-	4,500
Loss incurred	-	(126)
Dividend paid up by subsidiary	-	(4,374)
Carrying value - Company	-	-

15. STOCKS

Group and Company	At 1 January 2022	At 2 January 2021
	£'000	£'000
Raw materials and consumables	1,546	1,801
Work in progress	168	185
Finished goods and goods for resale	7,269	3,894
	8,983	5,880

In the opinion of the Directors there is no material difference between the balance sheet value of stocks and their replacement cost.

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16. DEBTORS

Group and Company		At 1 January 2022	At 2 January 2021
	Note	£'000	£'000
Amounts falling due within one year:			
Trade debtors		16,734	8,505
Other debtors		2,172	2,125
Prepayments and accrued income		1,710	1,486
Corporation Tax		204	1,056
Deferred tax asset	19	-	232
		<u>20,820</u>	<u>13,404</u>
Amounts falling due after more than one year:			
Trade loans		1,053	1,353
Other debtors		338	309
		<u>1,391</u>	<u>1,662</u>

17. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

Group and Company		At 1 January 2022	At 2 January 2021
	Note	£'000	£'000
Bank loans	18	5,000	-
Trade creditors		7,166	5,660
Other taxation and social security		4,041	3,468
Accruals and deferred income		11,862	12,321
Finance lease liability		94	-
		<u>28,163</u>	<u>21,449</u>

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For the 52 weeks ended 1 January 2022

18. CREDITORS – AMOUNTS FALLING AFTER MORE THAN ONE YEAR

Group and Company		At 1 January 2022	At 2 January 2021
	Note	£'000	£'000
Bank loans		55,500	54,000
Interest rate swap	21	1,244	2,245
Tenants' deposits		1,118	1,090
5% preference shares of £1 each		76	76
Finance lease liability		129	-
		<u>58,067</u>	<u>57,411</u>

Borrowings are repayable as follows:

Group and Company		At 1 January 2022	At 2 January 2021
	Note	£'000	£'000
Not later than one year	17	5,000	-
Later than one year and not later than five years		55,500	54,000
		<u>60,500</u>	<u>54,000</u>

The rates of interest payable on the bank loans attract a variable rate of interest above SONIA depending on the leverage ratio of the Company measured on a quarterly basis.

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19. PROVISIONS FOR LIABILITIES AND CHARGES

The Group and Company had the following provisions during the year:

Movement in provisions:	Deferred taxation	Provision relating to employment costs	Total
	£'000	£'000	£'000
At 3 January 2021	(233)	-	(233)
Adjustment in respect of prior periods	8	-	8
Deferred tax charge to profit and loss account for the period	1,151	-	1,151
Deferred tax charge in other comprehensive income for the period	2,534	-	2,534
Additions dealt with in profit and loss account	-	500	500
At 1 January 2022	<u>3,460</u>	<u>500</u>	<u>3,960</u>

The provision for deferred tax consists of the following deferred tax liabilities / (assets):

Group and Company	At 1 January 2022	At 2 January 2021
	£'000	£'000
Group and Company		
Accelerated capital allowances	4,792	3,445
Derivative financial liabilities	(245)	(251)
Post-employment benefits	(990)	(3,304)
Other timing differences	(97)	(123)
Deferred tax liability / (asset)	<u>3,460</u>	<u>(233)</u>

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

The provision relating to employment costs:

The provision is recognised for estimated employment related charges that have occurred in the last two financial periods.

NOTES TO THE FINANCIAL STATEMENTS



For the 52 weeks ended 1 January 2022

20. FINANCIAL INSTRUMENTS

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

		At 1 January 2022	At 2 January 2021
	Note	£'000	£'000
Financial assets			
Financial assets measured at amortised cost			
Long-term loans receivable	16	1,053	1,353
Trade and other debtors	16	20,954	12,425
		<u>22,007</u>	<u>13,778</u>
Financial liabilities			
Financial liabilities measured at amortised cost			
Loans payable	17, 18	60,500	54,000
Cumulative preference shares		76	76
Finance lease liability	17, 18	223	-
Trade and other creditors	17	23,069	21,449
Tenant's deposits	18	1,118	1,090
		<u>-</u>	<u>-</u>
Financial liabilities measured at fair value through profit and loss			
Derivative financial instruments	21	1,244	2,245
		<u>86,230</u>	<u>78,860</u>

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

		Group At 1 January 2022	Group At 2 January 2021
	Note	£'000	£'000
Interest income and expense			
Total interest income for financial assets at amortised cost	5	30	42
Total interest expense for financial liabilities at amortised cost	5	(1,989)	(1,640)
		<u>-</u>	<u>-</u>
Fair value gains and losses			
On financial assets (including listed investments) measured at fair value through profit and loss	5	1,000	(274)
		<u>-</u>	<u>-</u>



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For the 52 weeks ended 1 January 2022

21. DERIVATIVE FINANCIAL INSTRUMENTS

INTEREST RATE SWAP CONTRACTS

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

Group and Company	Average contract fixed interest rate		Notional principal value		Fair value	
	At 1 January 2022	At 2 January 2021	At 1 January 2022	At 2 January 2021	At 1 January 2022	At 2 January 2021
	%	%	£'000	£'000	£'000	£'000
Not later than one year	5.56	5.56	10,000	10,000	605	-
Later than one year and not later than five years						1,112
Later than five years	1.27	1.33	25,000	15,000	639	1,133
					<u>1,244</u>	<u>2,245</u>

The interest rate swaps settle on a quarterly basis. The floating rates on the interest rate swaps are based on SONIA. The Company will settle the difference between the fixed and floating interest rate on a net basis.



22. SHARE CAPITAL AND RESERVES

a) Share Capital

	Ordinary Shares of £1 each	Growth Shares of £1 each	Growth Deferred Shares of £1 each	Total
	£'000	£'000	£'000	£'000
At 3 January 2021	1,692	-	-	1,692
Issue of new Growth shares	-	22	-	22
Reclassification to Growth Deferred shares	-	(1)	1	-
At 1 January 2022	1,692	21	1	1,714

The Company's Ordinary shares have one vote per share and carry no right to fixed income.

The Company issued a new class of Growth shares to eligible senior executives. The shares carry a right to the same dividend as an ordinary share provided certain performance conditions are met over a three year period. The Growth Shares do not carry voting rights and if the performance conditions are not met and/or the senior executive in respect of the Growth shares leaves the business then the shares will become Growth Deferred Shares which carry no rights or value. No consideration was provided when shares were issued.

The Company's preference shares carry the right to a fixed cumulative preferential dividend of 5%. On a winding up of the Company, the preference shareholders have a right to receive, in priority to payments to ordinary shareholders, £1 per share plus any accrued dividend. They carry no votes at meetings unless the dividend thereon is six months or more in arrears. They are classified as non-current liabilities.

b) Share premium account

The balance in the share premium account represents the amount payable above nominal value on the issue of the Growth shares.

c) Capital redemption reserve

The capital redemption reserve arises from the buy-back of the Company's own ordinary share capital.

d) Own shares

The value of the own shares reserve is based on the cost price of unvested Growth shares.



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23. SHARE BASED PAYMENTS

Certain employees of the Company have been granted Growth (G) shares under a Long Term Incentive Plan (LTIP) in an equity-settled share based payment arrangement.

The G shares once vested are equivalent to ordinary shares with the exception that they do not carry voting rights. In order for any of the G shares to vest, the Company must achieve a minimum level of underlying earnings per share, in the third financial year after the G shares were issued. The actual number of shares that vest will depend on the level of underlying earnings per share achieved at the end of that period. G shares cannot be sold for a further two years after they have vested.

52 weeks ended 1 January 2022

	No of shares	Weighted average price
	000's	£
Outstanding at 3 January 2021		
Granted	22	6.42
Forfeited	(1)	6.42
Outstanding at 1 January 2022	21	6.42

None of the shares issued had vested as at 1 January 2022 (2 January 2021: nil).

24. CASH FLOW STATEMENT

Reconciliation of operating profit / (loss) to cash generated by operations:

52 weeks ended 1 January 2022 53 weeks ended 2 January 2021

	£'000	£'000
Operating profit / (loss)	11,685	(7,919)
Adjustment for:		
Depreciation, amortisation and impairment	6,844	10,396
Profit on disposal of fixed assets	(683)	(360)
Operating cash flow before movement in working capital	17,846	2,117
(Increase) / decrease in stocks	(3,103)	3,709
(Increase) / decrease in debtors	(8,569)	15,531
(Increase) / decrease in creditors	792	(978)
Adjustment for pension funding	(474)	(442)
Corporation tax paid	(766)	(191)
Cash generated by operations	5,726	19,746

NON-CASH TRANSACTIONS:

The Company has acquired tangible fixed assets under finance leases. £281,000 has been capitalised as the cost of the asset being the present value of the minimum lease payments.

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For the 52 weeks ended 1 January 2022



25. FINANCIAL COMMITMENTS

Capital commitments are as follows:

	Group		Company	
	At 1 January 2022	At 2 January 2021	At 1 January 2022	At 2 January 2021
	£'000	£'000	£'000	£'000
Contracted for but not provided for	2,190	4,362	2,190	4,362

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	Plant and machinery	Total	Land and buildings	Plant and machinery	Total
	At 1 January 2022	At 1 January 2022	At 1 January 2022	At 2 January 2021	At 2 January 2021	At 2 January 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Group and Company						
- within one year	1,404	512	1,916	1,421	641	2,062
- between one and five years	5,504	653	6,157	5,485	870	6,355
- after five years	18,159	-	18,159	20,523	-	20,523
	25,067	1,165	26,232	27,429	1,511	28,940

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26. RETIREMENT BENEFIT SCHEMES

DEFINED CONTRIBUTION SCHEMES

The pension schemes referred to in this note relate to both the Company and the Group.

The Company operates a pension scheme for the benefit of employees at the brewery and depots and for senior managed house employees.

The defined benefit section of the scheme was closed to new members from 30 June 2001. On 1 March 2002, the Company set up a separate defined contribution section of the scheme to cater for new employees.

The assets of the defined contribution section of the scheme are held in separate trustee-administered funds. Contributions made by the Company during the period amounted to £600,117 (53 weeks ended 2 January 2021: £633,936). There are no unpaid contributions by the Company at either period-end.

The Company offers workplace pensions to all employees who are not members of the defined contribution section of the scheme. The Company offers these pensions through the People's Pension.

DEFINED BENEFIT SCHEME

The defined benefit section of the scheme is funded by the payment of contributions to a separately administered trust fund. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. The last full actuarial valuation was carried out as at 31 December 2019.

In accordance with the advice of the actuary following the results of the 2019 valuation, the contributions of the Company have been made at 27% of pensionable earnings and the employee contributions rate at 7% of pensionable earnings during the period.

	At 1 January 2022	At 2 January 2021
	%	%
Key assumptions used:		
Discount rate	1.8	1.25
Future pension increases	3.15	2.75
Inflation	2.45	2.05

26. RETIREMENT BENEFIT SCHEMES (CONTINUED)

MORTALITY ASSUMPTIONS

Investigations have been carried out within the past three years into the mortality experience of the defined benefit scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	At 1 January 2022	At 2 January 2021
	Years	Years
Retiring today:		
Males	86.5	86.7
Females	88.9	89
Retiring in 20 years:		
Males	87.5	87.7
Females	90.1	90.2

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	At 1 January 2022	At 2 January 2021
	£'000	£'000
Current service cost	(568)	(605)
Net interest cost	(211)	(243)
Past service cost	-	(17)
	(779)	(865)
Recognised in other comprehensive income	13,161	(4,924)
Total income / (cost) relating to defined benefit scheme	12,382	(5,789)

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26. RETIREMENT BENEFIT SCHEMES (CONTINUED)

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	At 1 January 2022	At 2 January 2021
	£'000	£'000
Present value of defined benefit obligations	(63,440)	(71,154)
Fair value of scheme assets	59,479	53,768
Net deficit recognised in the balance sheet	<u>(3,961)</u>	<u>(17,386)</u>

Movements in the present value of defined benefit obligations were as follows:

	At 1 January 2022	At 2 January 2021
	£'000	£'000
At the start of the period	71,154	65,022
Service cost	568	622
Interest cost	877	1,283
Actuarial (gains) / losses	(7,217)	5,996
Contributions from scheme participants	86	104
Benefits paid	(2,028)	(1,873)
At the end of the period	<u>63,440</u>	<u>71,154</u>

Movements in the fair value of scheme assets were as follows:

	At 1 January 2022	At 2 January 2021
	£'000	£'000
At the start of the period	53,768	52,364
Interest income	666	1,040
Return on plan assets (excluding amounts included in net interest cost)	5,945	1,072
Contributions from the employer	1,042	1,061
Contributions from scheme participants	86	104
Benefits paid	(2,028)	(1,873)
At the end of the period	<u>59,479</u>	<u>53,768</u>



26. RETIREMENT BENEFIT SCHEMES (CONTINUED)

The analysis of the scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	At 1 January 2022	At 2 January 2021
	£'000	£'000
Equity instruments	34,340	29,166
Bonds	7,384	7,865
Property	3,788	3,155
Target return	13,790	13,135
Value of insurance annuities	71	75
Cash	106	372
	59,479	53,768

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27. RELATED PARTY TRANSACTIONS

During the period the Group sold goods in the normal course of business to Bedruthan Hotel Limited for £54,000 (2 January 2021: £27,000) and Scarlet Hotel Limited for £9,500 (2 January 2021: £8,000). C J Stratton is a Director of St Austell Brewery Company Limited and he has a close family member who is a Director of both Bedruthan Hotel Limited and Scarlet Hotel Limited. At the period-end St Austell Brewery Company Limited had no outstanding balance owed by Bedruthan Hotel Limited (2 January 2021: £5,000) and no outstanding balance owed by Scarlet Hotel Limited (2 January 2021: £1,000).

J Caseberry is a Director of C&C Group Plc, owners of Matthew Clark Bibendum Ltd. During the period the Group purchased goods in the normal course of business from Matthew Clark Bibendum Ltd for £1,050,000 (2 January 2021: £22,000). At the period-end St Austell Brewery Company Limited owed £11,000 to Matthew Clark Bibendum Limited (2 January 2021: £1,000). During the period the Group also sold goods in the normal course of business to Matthew Clark Bibendum Ltd for £209,000 (2 January 2021: £342,000). At the period-end St Austell Brewery Company Limited was owed £43,000 by Matthew Clark Bibendum Limited (2 January 2021: £32,000).

During the period the Group has purchased goods/services in the ordinary course of business from BBPA Environmental Ltd trading as Sustain Drinks Packaging Partnership for £60,000 (2 January 2021: £21,000). BBPA Environmental Ltd is a subsidiary of British Beer & Pub Association for whom K R Georgel is a current Director. At the period end St Austell Brewery Company Limited had no balance owed to BBPA Environmental Ltd (2 January 2021: £nil). During the period in which K R Georgel has been a Director of Shepherd Neame Limited there has been no trading between St Austell Brewery Company Limited and Shepherd Neame Limited.

All the transactions referred to above were made in the ordinary course of business and outstanding balances

28. CONTROLLING PARTY

Due to the number of shareholders there is no ultimate controlling party.

29. POST BALANCE SHEET EVENTS

Post balance sheet date, Karen Hubbard was appointed as a Director on 1 March 2022.



OFFICERS AND PROFESSIONAL ADVISERS

For the 52 weeks ended 1 January 2022

DIRECTORS

W F Michelmores (Chairman)
K R Georgel (Chief Executive)
G H Barnes
J Caseberry
K Hubbard (appointed on 1 March 2022)
T A Luck (retired on 31 December 2021)
C J Stratton
P M Thompson
A Turner
S J Worrall (resigned on 22 February 2021)

SECRETARY AND REGISTERED OFFICE

C J Stratton
The Brewery
63 Trevarthian Road
St Austell
Cornwall
PL25 4BY

BANKERS

Barclays Bank plc
London

National Westminster Bank plc
Bristol

HSBC plc
Truro

Santander UK plc
Merseyside

AUDITOR

Ernst & Young LLP
Bristol

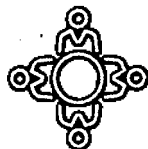
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NOTICE OF MEETING

For the 52 week period ended 1 January 2022

Notice is hereby given that the One Hundred and Eleventh Annual General Meeting of the Company will be held at the registered office, The Brewery, St Austell, Cornwall, on 6th May 2022 at 12 noon for the transaction of the following ordinary business of the Company:

ORDINARY RESOLUTION

1. To receive and consider the strategic report, the Directors' report and the financial statements for the 52 weeks ended 1 January 2022.
2. To declare a dividend on the ordinary shares.
3. To reappoint Ernst & Young LLP as auditor for the ensuing year, and to authorise the Directors of the Company to fix their remuneration.
4. To reappoint Gerard Barnes who retires by rotation and who, being eligible, offers himself for reappointment as a Director.
5. To reappoint Colin Stratton who retires by rotation and who, being eligible, offers himself for reappointment as a Director.
6. To reappoint Karen Hubbard who was appointed following the last AGM and who, being eligible, offers herself for reappointment as a Director.
7. To resolve that the Company be generally and unconditionally authorised for the purposes of Section 693A of the Companies Act 2006 to make one or more off-market purchases (as defined in Section 693(2) of the Companies Act 2006) for the purposes of or pursuant to an employees' share scheme (as defined in Section

1166 of the Companies Act 2006) of fully paid G Deferred Shares of £1.00 each in the capital of the Company (the "G Deferred Shares") on such terms and in such manner as the Directors may from time to time determine provided that:

(a) the authority be restricted to the purchase by the Company of up to a maximum of 50,000 G Deferred Shares;

(b) the minimum price (exclusive of expenses) which may be paid for each G Deferred Share is an amount equal to £1.00;

(c) the maximum price (exclusive of expenses) which may be paid for each G Deferred Share is an amount equal to £12.00; and

(d) the authority hereby conferred shall expire five years from the date of this resolution unless previously revoked, varied or renewed by the Company in a general meeting or by a written resolution of the shareholders; provided that the Company may make a contract to purchase G Deferred Shares under this authority which would or might be executed wholly or partly after the expiry of this authority, and may make a purchase of G Deferred Shares in pursuance of any such contract.

By order of the board

C J Stratton

Company Secretary

The Brewery, St Austell, Cornwall, PL25 4BY

A member entitled to attend and vote at the above Annual General Meeting may appoint a proxy. Such proxy need not be a shareholder of the Company.



FIVE YEAR SUMMARY

For the 52 week period ended 1 January 2022

	52 weeks ended 1 January 2022	53 weeks ended 2 January 2021	52 weeks ended 28 December 2019	52 weeks ended 29 December 2018	52 weeks ended 30 December 2017
	£'000	£'000	£'000	£'000	£'000
Turnover	156,616	117,626	189,621	179,645	169,307
Operating profit / (loss) before other items*	11,318	(2,897)	13,002	13,002	13,808
Net interest	(1,959)	(1,598)	(1,490)	(1,389)	(1,265)
Other items*	1,156	(5,539)	(657)	(366)	(225)
Profit / (loss) before taxation	10,515	(10,034)	10,855	11,247	12,318
Taxation (charge) / credit	(2,984)	1,169	(2,507)	(2,356)	(2,619)
Profit / (loss) after taxation	7,531	(8,865)	8,348	8,891	9,699
Dividends per share					
Interim and final	130p	0p	139p	162p	162p
Dividend cover	3.4	n/a	3.5	3.3	3.5
Dividend cover (excl. other items**)	3.3	n/a	3.9	3.4	3.6
Basic earnings / (loss) per share	£4.45	(£5.24)	£4.93	£5.26	£5.73
Basic earnings / (loss) per share (excl. other items**)	£4.35	(£2.41)	£5.48	£5.47	£5.86
Net debt (£ million)	55.7	51.4	55.4	53.0	49.6
Capital expenditure (£ million)	10.4	13.8	15.3	13.5	15.7
Shareholders' funds (£ million)	115.9	98.6	112.1	109.1	100.7
Net pension scheme deficit (£ million)	4.0	17.4	12.7	9.8	12.0
Average number of employees	1,453	1,569	1,619	1,519	1,553

* Other items includes only those items within profit before taxation

** Other items includes all other items within the profit and loss account

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