



**STRICTLY EMBARGOED
UNTIL 7AM THURSDAY 9 JUNE 2022**

**FULLER, SMITH & TURNER P.L.C.
("Fuller's", the "Company", or the "Group")
Financial results for the 52 weeks to 26 March 2022**

Return to profitable growth with a strengthened Balance Sheet

Financial and Operational Highlights

	FY 2022	FY 2021
	£m	£m
Revenue	253.8	73.2
Group statutory profit/(loss) before tax	11.5	(59.2)
Adjusted profit/(loss) before tax¹	7.2	(48.7)
Net debt²	131.9	218.1
Adjusted earnings per share³	9.79p	(72.09)p
Basic earnings per share⁴	11.59p	(87.31)p
Dividend per share⁴	11.31p	Nil

All figures above are from continuing operations except for Group statutory profit/(loss) before tax which includes discontinued operations in the prior year

1 Adjusted profit/(loss) before tax is the profit/(loss) before tax excluding separately disclosed items.

2 Net debt comprises cash and short-term deposits, bank overdraft, bank loans, CCF, debenture stock, preference shares and excludes IFRS 16 lease liabilities.

3 Calculated using adjusted profit/(loss) after tax and the same weighted average number of shares as for the basic earnings/(loss) per share and using a 40p ordinary share.

4 Calculated on a 40p ordinary share.

- Revenues recovered to £253.8 million (2021: £73.2 million) despite being significantly impacted during the year by coronavirus related closures, restrictions and working from home guidance
- Adjusted profit before tax returning to growth at £7.2 million (2021: loss £48.7 million)

- Net debt excluding leases reduced to £131.9 million and headroom for future growth in place with new four-year £200 million bank facilities
- New Directors' valuation of the total property portfolio at £995.6 million, approximately £400 million above our current book value, which implies an adjusted net asset value per share of £13.80, demonstrating the underlying Balance Sheet strength of the business
- Return to a progressive dividend policy with a proposed final dividend of 7.41p in addition to the interim dividend of 3.90p paid earlier in the year.

Strategic Highlights

- Digital Transformation project delivered, improving the customer experience and enhancing our analytical capabilities to target new and existing customers
- Successfully implemented our new central finance system, which has enhanced the quality and timeliness of business information
- Launched new recruitment platform and employer brand to help attract and retain outstanding people
- Deployed our ESG strategy and honed our *Life is too good to waste* programme
- Continued to maintain capital investment in the estate, with £26 million invested in the year to enhance capital values and drive growth
- Secured new four-year bank facilities to provide headroom for future growth
- Strengthened and refined our long-term strategy to ensure we are evolving and responding to changes in consumer behaviour and market dynamics.

Chief Executive Simon Emeny said:

“During the year we have returned to profitable growth with revenues of £253.8 million and adjusted profit before tax of £7.2 million. It is testament to the dedication and resilience of our team, across the business, that we have managed to trade profitability under such difficult circumstances.

“As a company, we have used the last two years wisely. While steering the business through challenging trading conditions, we have also completed a number of strategic projects that will deliver benefits over the coming years. We have successfully honed our offer, completed a digital transformation project, rolled out a new central finance system, delivered an employer brand and new recruitment platform. We have also refined our branding and reviewed and evolved our long-term strategy.

“The new strategic framework, driven by our purpose to *create experiences that nourish the soul*, and the pillars that underpin it, will give everyone in the company clear direction and ensure we work as a team, from our kitchens to our boardroom, to deliver excellent results for all our stakeholders.

“In addition, we have worked hard to strengthen our Balance Sheet and highlight how we will continue to deliver long-term value through the application of our capital allocation framework. The completion of the bank refinancing provides us with the headroom to grow and the Directors’ valuation of the estate demonstrates that the implicit net asset value per share of our business is £13.80. Through the successful delivery of our strategic objectives, we plan to grow this value over the long term.

“While the last financial year has adversely affected Fuller’s – with some of our key sites being the most impacted by the pandemic, we have built a balanced business which positions us well to navigate the continued evolution in consumer trends and behaviour. The current year has started well. We welcome the gradual return of workers to the City and tourists to Central London, which is now underway, and we are seeing steady growth in our total weekly sales, which will have a positive impact in FY2023. Momentum in the City and Central London continues to build, and we are confident that we will see the benefits of our estate’s composition come into play.

“In the first 10 weeks of the new financial year total sales are up 4% on pre pandemic levels and are up 130% on the same period last year. On a like-for-like basis, excluding closed periods, sales in the first 10 weeks of the year are up 21.4% on last year. Furthermore, the investments we have made in the last two years are not yet comparable and the return on our capex projects will benefit the current year’s results.

“Market conditions remain challenging with fragile consumer confidence and well-documented high inflationary pressures. Our premium offering provides some protection from inflation, however we are certainly not immune from its effects. In common with our peers, we have seen significant increases in food and utility costs and are proactively working with our suppliers, and actively managing our offering, to mitigate the effects of inflation without impairing the customer experience.

“We remain confident that, despite the current market challenges, we will maintain our growth trajectory for revenues and profits and as such we are pleased to announce a final dividend of 7.41p, which means a total dividend to shareholders of £7.0 million for the year.

“In conclusion, we are looking back on a volatile year of highs and lows with many moving parts – but we are starting the new financial year on a high. We may be facing some bracing headwinds, especially around energy and inflation, but we are well placed to tackle the issues with clear measures and solutions in place.

"The great British pub has always been, and will always be, an affordable treat and has proved its resilience over time with its position at the very heart of the communities we serve. With an amazing team of people, great pubs and a clear strategy, we look forward to the future with confidence and excitement."

-Ends-

For further information, please contact:

Fuller, Smith & Turner P.L.C.

Simon Emeny, Chief Executive

020 8996 2000

Neil Smith, Finance Director

020 8996 2000

Georgina Wald, Corporate Comms Manager

020 8996 2198

Instinctif Partners

Justine Warren

020 7457 2010

Notes to Editors:

Fuller, Smith & Turner PLC is the premium pubs and hotels business that is famous for beautiful and inviting pubs with delicious fresh food, a vibrant and interesting range of drinks, and engaging service from passionate people. Fuller's has 207 managed businesses, with 1,030 boutique bedrooms, and 178 Tenanted Inns. The estate is predominately located in the South of England (44% of sites are within the M25) and stretches from our London heartland to the Jurassic Coast via the New Forest. Our Managed Pubs and Hotels include 16 iconic Ale & Pie pubs, seven stunning hotels in the Cotswolds, and Bel & The Dragon – seven exquisite country inns located in the Home Counties (with an eighth due to open imminently). In summary, Fuller's is the home of great pubs, outstanding hospitality and passionate people, where everyone is welcome and leaves that little bit happier than they arrived.

Photography is available from the Fuller's Press Office on 020 8996 2000 or by email at pr@fullers.co.uk.

This statement will be available on the Company's website, www.fullers.co.uk. An accompanying presentation will also be available from 12 noon on 9 June 2022.

FULLER, SMITH & TURNER P.L.C.
FINANCIAL RESULTS FOR THE 52 WEEKS ENDED 26 MARCH 2022

CHAIRMAN'S STATEMENT

Once again, the spectre of coronavirus has left its mark on our financial performance. However, when we were allowed to trade fully, our customers came back, and our teams delivered the Fuller's experience we are famous for. The contribution of our team members across our estate is a real source of pride. Their resilience in dealing with the constant highs and lows of the last two years is outstanding and I pay tribute to each and every one of them.

From the gradual reopening of the hospitality sector on 12 April 2021, when we could only open for groups of six and only outside, through 17 May 2021, when we could allow that group of six inside, to the high of the so-called Freedom Day last July, it was a delight to see our customers return. As we headed towards Christmas, everything was looking increasingly positive. I cannot express strongly enough my disappointment at the Government's handling of the Omicron variant. Despite all the information from South Africa, the decision to effectively close our businesses down at the busiest time of the year disproportionately impacted hospitality and, over and above the financial cost, set consumer confidence back six months at the precise moment it was beginning to return to normal. The subsequent total removal of restrictions showed how unnecessary they had been.

At Fuller's, under Simon Emeny's leadership, the Executive Team has used these strange times to focus on high level, strategic projects, which will be covered in the Chief Executive's Review. These projects will deliver financial returns in the coming months and years, and put Fuller's in a great place for the new financial year. We have refined our brand identity, there is a new buzz that comes from the open plan and collaborative layout of our support centre at Pier House, and the energy that has been sucked from us throughout the pandemic has returned.

Over the years we have acquired, developed and continually invested in our wonderful iconic pubs. While others cut their investment programme during the pandemic, Fuller's did the opposite. This has proved to be the right decision and with pubs, people and systems aligned, we look forward to seeing the fruits of our labours in the next financial year and beyond.

Our Tenanted Inns division is in a strong position, and I am delighted to see a number of joint investments in this key part of our business. Our Tenants are well funded, with

debt at a very low level, and there is an energy and positivity that is delivering good results. Our entrepreneurial Tenants are a constant source of inspiration and the symbiotic relationship, with both parts of our business learning from the other, continues to deliver mutual benefit.

During the year, we welcomed Neil Smith to the Board as Finance Director. Neil joined us in November 2021, replacing Adam Councill, and comes with a wealth of relevant experience, having previously held positions at Domino's Pizza and Ei Group. Neil is already making an impact – as well as excellent financial acumen, he has a clear head, thoughtful insight, empathy and good judgement, all of which add further depth to both our Board and the Executive Team.

DIVIDEND

Finally, the Board is pleased to announce a final dividend of 7.41p (2021: nil) per 40p 'A' and 'C' ordinary share and 0.74p (2021: nil) per 4p 'B' ordinary share. This will be paid on 27 July 2022 to shareholders on the share register as at 8 July 2022. The total dividend of 11.31p per 40p 'A' and 'C' ordinary share and 1.13p per 4p 'B' ordinary share is over 50% of the 2019 dividend and marks a return to a progressive dividend policy.

Michael Turner
Chairman
8 June 2022

CHIEF EXECUTIVE'S REVIEW

OVERVIEW

While we are once again reporting on a year that has seen the devastating impact of coronavirus, and the Government's over-zealous response, the future is looking more positive. We didn't trade unfettered until July last year, from which point customers were returning and success was impeded more by the widely reported labour shortages than a lack of customers. Advice to work from home returned in December, destroying the Christmas trade, but despite the impact of Omicron, we ended the year where we expected to be financially, having effectively only traded fully for around six months.

During the year, the Company generated revenues of £253.8 million (2021: £73.2 million), with an adjusted profit before tax of £7.2 million (2021: loss of £48.7 million). We have also reduced our net debt¹ to £131.9 million (2021: £218.1 million). It is testament to the dedication and resilience of our team, across the business, that we have managed to deliver so much under such difficult circumstances.

As a Company, we have used the last two years wisely – undertaking a number of projects that will deliver benefits over the coming years – and I will cover these in more detail further on in this report. In short, we have successfully honed our offer, completed a digital transformation project, rolled out a new central finance system, and delivered an employer brand and new recruitment platform.

From a financial perspective, we have completed a refinancing, on more favourable terms, giving us £200 million of bank facilities, which provides a great platform for future growth. We have also reviewed our capital allocation strategy and completed a Directors' revaluation of our estate. The latter, which has not been done since 1999, has highlighted the intrinsic value – just shy of £1 billion – of our predominately freehold estate, around £400 million above our current book value. It is this solid financial foundation that provides the base for Fuller's current and future success and moves our net asset value from £7.27 per share to £13.80 per share.

We have also refined our branding. Having sold the Fuller's Beer Business in 2019, we need our look and feel to reflect our position as a leading, premium pubs and hotels business. While the continued use of the Griffin reflects the pride we have in our heritage and experience, the new look is cleaner, clearer and more concise – a great representation of our business as a whole.

Finally, we have also reviewed our long-term strategy. Like any company, we are cognisant that we need to evolve to meet the changing consumer environment and ensure we remain relevant to both existing and potential customers. Much remains

¹ Pre IFRS 16

the same, but we have tightened our focus on ensuring we continue that evolution and further increased our commitments around the ESG agenda.

This work has been undertaken by the Executive Team as a whole and is based around our existing values – which have not changed. We have a clear purpose, to *deliver experiences that nourish the soul*, and to do that we are crafting a family of distinctive pubs and hotels where people feel they belong. Underpinning this are five strategic pillars and I look forward to reporting on the delivery of this strategy both in this report and in the future.

While there are still some major external issues to deal with – particularly around recruitment, inflation and energy – I am pleased and confident that we have taken all the actions we can as a company to put us in the best possible place to clear these hurdles and take Fuller's forward on the next leg of our journey.

STRATEGIC AND BUSINESS REVIEW

Delight our customers

The first pillar of our strategy is to surprise and delight our customers with the quality of our offer and distinctive service. One of our values is to celebrate individuality and that allows our team members to tailor the experience for our customers in every one of our pubs and hotels. In order for a trip to a Fuller's pub to truly *nourish the soul*, it must match and exceed the expectations of the customer – and those expectations will be very different from a business lunch in the City to a romantic weekend in the Cotswolds. Whatever the occasion, our team will be ready and waiting to deliver the right experience at the right time.

Food is a key part of that customer experience, and our chefs, trained in-house through our Chefs' Guild academy, continue to deliver interesting, inspired and delicious dishes for our customers. Our focus on seasonal ingredients, and a supply chain that is founded on mutual trust and support with British-based suppliers and primarily local produce, is built on true partnerships, and this has also helped us to mitigate some of the worst of the well-documented supply chain issues across the wider industry.

Our connection with the Bocuse d'Or – the world's largest cooking contest – has further helped us to delight our customers with a range of dishes, available *Only at Fuller's*, and created by chefs including Simon Rogan and former Fat Duck head chef, Ashley Palmer-Watts. We are also delighted to have just agreed to work in partnership with *Made in Hackney*, a wonderful social enterprise focused on plant-based food. We will be working together to improve our plant-based choices –

further underpinning our commitment to ensuring we can also delight those customers on a vegetarian or vegan diet, or just looking for a meat-free day.

Inspire our people

It is, without doubt, our people that make the real difference – and it will be no surprise that this is a pillar of our strategy. The widely-reported recruitment shortages faced across the industry have highlighted the benefits of excellent training and development – allowing us to retain our best people, which in turn helps to recruit new talent.

In order to inspire our people, we need to understand how they feel – to ensure they feel part of the Fuller's family and have a voice within that family. Consequently, during the year we ran our first employee engagement survey for some years and this has shaped the people programme going forward.

In addition, we reviewed our benefits package across the business – driven by feedback from team members regarding elements that would be of genuine benefit and a feeling that loyalty could be better recognised. As a result, we now have an industry-leading healthcare cash plan, a portal of benefits across a range of retail and leisure providers, an improved discount in our Managed Pubs and Hotels that increases with tenure of service, and a range of other benefits such as access to mental health and wellbeing programmes.

We continue to grow and invest in our team members' development and in our award-winning apprenticeship programme – with another 100 apprentices being recruited this year. We have also aligned our internal development programmes with the apprenticeship framework so that completion results in a nationally recognised qualification. Our success is reflected in the fact that 123 of the general managers in our Managed Pubs and Hotels business are internal appointments.

Finally, all of this work is supported by a clear, identifiable employer brand and a compelling employee proposition around reward and development. Through this, we can use all our other channels to tell our stories and recruit the best talent to shape through our development programme and, underpinned with a new recruitment system which was launched at the start of this financial year, we maintain our strong position to recruit, retain and develop the best people.

Enhance our estate

The secure financial foundations of our business lie in our predominately freehold estate of iconic sites across the South of England – and this is reinforced by the recent Directors' valuation to the tune of £1 billion.

Throughout the pandemic, we have continued to invest in our capex programme, spending £26 million during the year on a range of projects including transformational refurbishments at The White Star Hotel in Southampton, The Jack Horner – an Ale & Pie site in Tottenham Court Road, The Kingswood near Banstead, an upgrade of the rooms at The Fox & Goose Hotel in Ealing, and a total repositioning of The Saint (formerly The Fine Line) at Bow Churchyard – the latter demonstrating our continued commitment to the City.

We acquired one new site during the year – The Carpenter's Arms in Sunninghill – and disposed of two leases. In addition, one site – The Plough at East Sheen – transferred from our Tenanted Inns estate to our Managed Pubs and Hotels business. Post the year end, four sites have gone the other way – into our Tenanted estate, reflecting the benefit of running both Managed and Tenanted pubs. We will continue to flex our estate in this way while also looking for suitable opportunities to grow both organically and through acquisition and we currently have four sites in advanced stages of negotiation.

Evolve our business

While our strategy may be designed for the long term, like all great businesses it is imperative that we continue to evolve over time. We must innovate to excite and attract future customers and grow our profitability through encouraging more customers to visit our premium pubs and hotels more often.

The key elements of this strategic pillar will be delivered through our digital transformation project – the benefits of which will start to be realised in the coming year. We know the value of data and the work we have undertaken will vastly improve our connectivity across our various digital touchpoints and, more importantly, create a seamless digital customer journey.

This completed project opens the door to better understanding of our customers and their habits, better communication with them, and increases our ability to identify and target like-minded potential customers. We expect this to grow our contactable database by over 10%. Finally, the project will improve our conversion rates – turning browsers into buyers, thus increasing our hotel bookings, table reservations and function sales.

There are four workstreams to this digital transformation project – websites, bookings, system integration and CRM – with each area bringing its own range of benefits to the Company. Our new websites will be easier to maintain and update, deliver a tailored customer journey through increased personalisation and bespoke offers, which will drive loyalty. These new websites have already gone live.

The new booking engine will allow customers to book all of their requirements in one place, rather than booking a room and then having to book a table for dinner separately. All the data will be held centrally – building on our already successful single customer view database. The key benefit to building a great booking engine – with strong marketing capabilities – is that it will further increase direct bookings, reducing the commission fees paid to online travel agents. This booking engine will run across Fuller's, Bel & The Dragon and Cotswold Inns and Hotels, further strengthening our data. The new booking journey is going live this month.

Finally, the system integration and the move to a new CRM system – Acteol Adreemo – perfectly combines these initiatives. This new system will act as a gateway for all our digital communications across the Company and will improve the ability and methods of communication and marketing to our customers. The increased visibility of data will allow us to cross sell between our brands, deliver personalised communications and capture a wider set of data about customers through the insight we will gain from their behaviour and spending patterns. For our customers, the benefit is that they will receive relevant marketing, tailored to them, which will drive frequency of spend and loyalty. The first targeted emails under this system went out in April and we are very excited by the possibilities this system will bring in the coming years.

Own our impact – because *Life is too good to waste*

The final pillar of our strategy – and the one that underpins all the others – is our commitment to ESG and the work that has been carried out through our *Life is too good to waste* campaign.

Focused on our planet, our people, and our communities, we are already seeing a broad range of initiatives implemented under the stewardship of our first Sustainability Director, Oliver Rosevear. While these will be covered in greater detail in the Annual Report and Accounts, I would like to focus on a couple of the areas around carbon footprint.

We have ambitious targets and are aiming to have Net Zero carbon emissions for our operations by 2030, and within our supply chain by 2040. In October 2021 we committed to ensuring all Company-owned sites used 100% certified green electricity, primarily wind and hydroelectricity.

We have also taken additional steps to tackle our energy consumption – which is often hindered by the nature of our estate. We have many wonderful and iconic pubs – but they are often old and listed buildings, which makes for an interesting challenge and means they tend to be heated by natural gas or oil. Before we can move to greener systems such as heat pumps, electric fryers and induction hobs, we need to reduce our current electrical demand within these sites through the use of

LED lights, energy audits and monitoring systems, cellar heat recovery units and educating our team members to ensure they take responsibility for lowering our energy usage.

Finally, we have also undertaken a number of other steps to reduce our carbon footprint and reduce waste. By 2025, we aim to recycle at least 75% of our operational waste and divert 100% from landfill and by 2030, we aim to eliminate all unnecessary plastic from our operation. Steps already taken include glass-only bottles for water, working with our toiletry suppliers across our accommodation businesses to introduce refillable bottles, trialling a new reusable plastic cup system at certain pubs where plastic glasses are used for big sporting occasions, and improving our recycling through a new partnership with Veolia, the waste management and recycling solutions business.

Tenanted Inns

Our Tenanted Inns remain a key part of our strategy and complement our strategic framework and, as such, it seems fitting to add some further colour on the performance of this part of the business. The Tenanted division has remained consistently profitable when open, regardless of restrictions, with EBITDA margins of 51.6%, delivering operating profit of £11.1 million. We ended the year strongly with an increase in the number of Tenants on longer agreements and very low levels of debt – substantially ahead of the industry average.

The commitment we showed to our Tenants throughout the pandemic continued during this year. Our approach, which saw us sharing the financial pain, led to all those Tenants that had a garden opening as soon as they were allowed (from 12 April 2021) and the remaining pubs following suit and opening at the earliest opportunity. Our Tenants started this year in a strong financial position, and this is reflected in the investments they have made, both independently and jointly with Fuller's, in their pubs and businesses.

Our focus on five-year agreements – both on a traditional and turnover basis – has continued to prove popular with our Tenants. To help grow sales in our turnover pubs, we appointed a sales development manager to work with them, ensuring standards remain high and there is a portfolio of customer-building activity. This has been further supported across the estate with the relaunch of our regular Tenant's Magazine, which has proved popular as a way of sharing ideas, generating interest for new products and helping to build trade.

In the coming year, there will be a sharp focus on utility costs – with many Tenants being forced to pay vastly inflated rates to renew their energy contracts. In light of this, we are currently undertaking a trial project whereby Tenants can acquire their utilities through Fuller's. The project is in its infancy but will also further enhance Fuller's

buying power making it a win-win for both entities. It is early days, but the move is yet another example of the symbiotic relationship that exists between Fuller's and its Tenants.

FINANCIAL REVIEW

Income statement

The results for this financial year continued to be severely impacted by the pandemic. The year began with the entire estate closed, from 12 April 2021 trading outdoors was allowed, indoor space opened from 17 May 2021 before all restrictions were lifted and the entire estate reopened on 19 July 2021. The Group began to build trading momentum as workers started to return to offices and visiting tourist numbers began to increase.

In the run up to Christmas our bookings were in good shape, and we were confident that December would be a strong month as customers could finally celebrate unencumbered. However, on 8 December 2021, the Government announced Plan B guidance following the rapid spread of the Omicron variant. This had a severe impact on sales as it meant Christmas parties were cancelled and people were once again advised to work from home. Fortunately, Omicron was short-lived and by the end of January we started to see sales build week on week, with like for like sales at 96% of pre-pandemic levels for the last week of the financial year.

Group revenue and other income was £253.8 million for the financial year, which was a 246% increase on FY2021, reflecting the steady momentum in sales post restrictions. Adjusted profit before tax increased substantially from a loss of £48.7 million in FY2021 to a profit of £7.2 million in the current financial year. The increase was largely due to our ability to open the estate to trade for more of the year. Both financial years were bolstered by support from the Government through the Coronavirus Job Retention Scheme ("CJRS") and the business rates holiday, as well as property grants. In FY2022, the Group received £9.7 million, net of operating costs (2021: £45.9 million), through such support.

In FY2022, costs were impacted by the sharp increase in utility costs, predominately in the second half of the year. We were able to mitigate some of that increase through the energy agreements we had in place from the beginning of FY2022 which hedged 94% of our gas and 76% of our electricity pricing for the entirety of FY2022. We have continued to hedge in FY2023 and have locked in our pricing for Q1 FY2023 for both electricity and gas, and 50%/75% respectively for the remainder of the year. Despite this, we still anticipate utilities cost to increase by c.£4 million in FY2023.

Total net finance costs (before separately disclosed items) have increased by £2.9 million to £11.3 million. The increase is largely due to higher interest rate margins on the banking facilities. In the prior year, the Group utilised the Covid Corporate Financing Facility ('CCFF'), which had an interest rate margin of 64bps compared to an increased interest rate margin agreed as part of the Amend and Extend in April 2021. The CCFF was repaid in May 2021. This meant that the average cost of borrowing was 4.2% in the current financial year compared to 2.5% in the prior year.

The net position on separately disclosed items of £4.3 million profit (2021: £9.1 million expense) comprises £6.3 million of profits on the disposal of 12 predominately unlicensed properties, impairments of £3.3 million on six properties, reorganisation costs of £0.8 million incurred as a result of corporate reorganisation and the implementation of new infrastructure offset by a £2.1 million credit on the release of a provision relating to the sale of the Fuller's Beer Business.

The overall effective tax rate of 38.3% (2021: 16.6%) is due to the change in corporation tax rate which is expected to come into effect from April 2023. This has resulted in deferred tax liabilities increasing by £3.3 million and the movement has been shown in tax on separately disclosed items as it is unrelated to underlying trade.

Balance sheet

In April 2021, the Group completed an equity placing which raised net proceeds of £51.8 million. The proceeds of the equity placing, along with the Group's existing facilities, were used to repay the £100 million of commercial paper drawn under the CCFF on 12 May 2021. At the same time as the equity placing, the Group also agreed an Amend and Extend Refinancing of its existing debt facilities with its relationship banks, extending the maturity of the £192 million facilities to 19 February 2023.

Since year end, the Group has refinanced all its banking facilities with a new unsecured £200 million facilities agreement for a tenure of four years, split between a revolving credit facility of £110 million and a term loan of £90 million.

The Group has also completed a Directors' valuation of the entire property estate. The outcome of the valuation was a total value of £995.6 million, which is c.£400 million higher than the net book value of £592.7 million included with the accounts. This would imply an increase in the current Net Asset Value per share from £7.27 to £13.80. We have not changed our accounting policies with regard to asset valuations but thought it useful for all stakeholders to provide a current assessment of the valuation of the Group's property portfolio.

Overall net debt at 26 March 2022 had decreased by £86.2 million to £131.9 million, excluding leases, which was largely due to the equity placing in April 2021 which raised net proceeds of £51.8 million, but also the improvement in EBITDA in the year. Including leases, net debt has decreased by £95.4 million to £212.6 million, reflecting a reduction in lease liabilities of £9.2 million mainly driven by the unwind of the liabilities but also partially due to some further rent concessions received in the first quarter of FY2022.

The defined benefit pension scheme deficit has decreased by £17.8 million to a £14.3 million accounting surplus (2021: £3.5 million deficit) as the fair value of scheme assets stayed largely in line with prior year but the present value of pension obligations decreased substantially. The present value of pension obligations decreased by £17.7 million to £129.6 million, which was driven by an increase in the discount rate from 1.95% to 3.00%. As the Group has an unconditional right to a refund under the pension trust deed, an asset can be recognised. Standard deficit recovery payments of £2.3 million were also made during the financial year.

Capital allocation framework

The Board has reviewed and refined its capital allocation framework with the aim of enhancing shareholder value while targeting leverage at around 3x net debt/EBITDA.

The framework provides stakeholders with clarity on where and why we will deploy capital. We will continue to invest in the long-term growth of the core estate applying a returns-based approach to the c.£20-30 million planned annual investment. In addition, we will maintain a sustainable and progressive dividend with the aim of operating at a normalised dividend cover range of 2.5-3.0 times. Inorganic growth opportunities will be considered on a disciplined internal rate of return basis and finally, should all other uses of cash be satisfied and we are operating at our desired leverage level, then other forms of return to shareholders, including resumption of share buybacks, will be considered.

CURRENT TRADING AND OUTLOOK

While the last financial year has adversely affected Fuller's – with some of our key sites being the most impacted by the pandemic, we have built a balanced business which positions us well to navigate the continued evolution in consumer trends and behaviour. The current year has started well. We welcome the gradual return of workers to the City and tourists to Central London, which is now underway, and we are seeing steady growth in our total weekly sales, which will have a positive impact in FY2023. Momentum in the City and Central London continues to build, and we are confident that we will see the benefits of our estate's composition come into play.

In the first 10 weeks of the new financial year total sales are up 4% on pre pandemic levels and are up 130% on the same period last year. On a like-for-like basis, excluding closed periods, sales in the first 10 weeks of the year are up 21.4% on last year. Furthermore, the investments we have made in the last two years are not yet comparable and the return on our capex projects will benefit the current year's results.

Market conditions remain challenging with fragile consumer confidence and well-documented high inflationary pressures. Our premium offering provides some protection from inflation, however we are certainly not immune from its effects. In common with our peers, we have seen significant increases in food and utility costs and we are proactively working with our suppliers and actively managing our offering to mitigate the effects of inflation without impairing the customer experience.

We remain confident that, despite the current market challenges, we will maintain our growth trajectory for revenues and profits and as such were pleased to announce a final dividend of 7.41p, which means a total dividend return to shareholders of £7.0 million for the year.

In conclusion, we are looking back on a volatile year of highs and lows with many moving parts – but we are starting the new financial year on a high. We may be facing some bracing headwinds, especially around energy and inflation, but we are well placed to tackle the issues with clear measures and solutions in place.

The work we have undertaken in the last year implementing our digital transformation project, launching a new recruitment platform, undertaking a Directors' revaluation of the estate and completing the refinancing of our bank facilities puts us in a great place to tackle the future.

The strategic framework, driven by our purpose to *create experiences that nourish the soul*, and the pillars that underpin it will give everyone in the Company clear direction and ensure we work cohesively as a team, from our kitchens to our boardroom, to deliver excellent results for all our stakeholders.

The great British pub has always been, and will always be, an affordable treat and has proved its resilience over time with its position at the very heart of the communities we serve. With an amazing team of people, great pubs and a clear strategy, we look forward to the future with confidence and excitement.

Simon Emeny
Chief Executive
8 June 2022

Fuller, Smith & Turner P.L.C.
Financial Highlights
For the 52 weeks ended 26 March 2022

	52 weeks ended 26 March 2022 £m	52 weeks ended 27 March 2021 £m
Revenue	253.8	73.2
EBITDA¹	44.3	(13.1)
Group statutory profit/(loss) before tax	11.5	(59.2)
Adjusted profit/(loss) before tax²	7.2	(48.7)
Net debt excluding lease liabilities³	131.9	218.1
Adjusted earnings/(loss) per share⁴	9.79p	(72.09)p
Basic earnings/(loss) per share⁵	11.59p	(87.31)p
Dividend per share⁵	11.31p	–

All figures are for continuing operations except for Group statutory profit/(loss) which includes discontinued operations in the prior year.

- 1 Earnings before separately disclosed items, interest, tax, depreciation and amortisation.
- 2 Adjusted profit/(loss) before tax is the profit/(loss) before tax excluding separately disclosed items.
- 3 Net debt comprises cash and short-term deposits, bank overdraft, bank loans, CCFF, debenture stock and preference shares.
- 4 Calculated using adjusted profit/(loss) after tax and the same weighted average number of shares as for the basic earnings/(loss) per share and using a 40p ordinary share.
- 5 Calculated on a 40p ordinary share.

Fuller, Smith & Turner P.L.C.
Condensed Group Income Statement
For the 52 weeks ended 26 March 2022

	52 weeks ended 26 March 2022			52 weeks ended 27 March 2021			
	Note	Before separately disclosed items £m	Separately disclosed items £m	Total £m	Before separately disclosed items £m	Separately disclosed items £m	Total £m
Continuing							
Revenue	2	253.8	–	253.8	73.2	–	73.2
Operating costs		(235.3)	(2.0)	(237.3)	(113.7)	(14.8)	(128.5)
Other income	2	–	–	–	0.2	–	0.2
Operating profit/(loss)		18.5	(2.0)	16.5	(40.3)	(14.8)	(55.1)
Finance costs	4	(11.3)	–	(11.3)	(8.4)	(0.1)	(8.5)
Profit on disposal of properties	3	–	6.3	6.3	–	5.8	5.8
Profit/(loss) before tax		7.2	4.3	11.5	(48.7)	(9.1)	(57.8)
Tax	5	(1.2)	(3.2)	(4.4)	8.9	0.7	9.6
Profit/(loss) for the year from continuing operations		6.0	1.1	7.1	(39.8)	(8.4)	(48.2)
Net loss from discontinued operations after tax		–	–	–	(0.5)	(0.9)	(1.4)
Profit/(loss) for the year		6.0	1.1	7.1	(40.3)	(9.3)	(49.6)

Fuller, Smith & Turner P.L.C.
Condensed Group Income Statement (continued)
For the 52 weeks ended 26 March 2022

Group	Note	52 weeks ended 26 March 2022 Pence	52 weeks ended 27 March 2021 Pence
Earnings/(loss) per share per 40p 'A' and 'C' ordinary share			
Basic	6	11.59	(89.84)
Diluted	6	11.51	(89.84)
Adjusted	6	9.79	(73.00)
Diluted adjusted	6	9.73	(73.00)
Earnings/(loss) per share per 4p 'B' ordinary share			
Basic	6	1.16	(8.98)
Diluted	6	1.15	(8.98)
Adjusted	6	0.98	(7.30)
Diluted adjusted	6	0.97	(7.30)
Continuing operations			
Earnings/(loss) per share per 40p 'A' and 'C' ordinary share			
Basic	6	11.59	(87.31)
Diluted	6	11.51	(87.31)
Adjusted	6	9.79	(72.09)
Diluted adjusted	6	9.73	(72.09)
Earnings/(loss) per share per 4p 'B' ordinary share			
Basic	6	1.16	(8.73)
Diluted	6	1.15	(8.73)
Adjusted	6	0.98	(7.21)
Diluted adjusted	6	0.97	(7.21)

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Comprehensive Income
For the 52 weeks ended 26 March 2022

		52 weeks ended 26 March 2022 £m	52 weeks ended 27 March 2021 £m
	Note		
Profit/(loss) for the year		7.1	(49.6)
<i>Items that may be reclassified to profit or loss in subsequent years (net of tax)</i>			
Net gains on valuation of financial assets and liabilities		0.5	0.5
Tax related to items that may be reclassified to profit or loss	5	(0.1)	(0.1)
<i>Items that will not be reclassified to profit or loss in subsequent years (net of tax)</i>			
Net actuarial gains/(losses) on pension schemes	12	15.5	(1.0)
Tax related to items that will not be reclassified to profit or loss	5	(3.8)	0.2
Other comprehensive gains/(losses) for the year, net of tax		12.1	(0.4)
Total comprehensive income/(expenses) for the year, net of tax		19.2	(50.0)

Fuller, Smith & Turner P.L.C.
Condensed Group Balance Sheet
26 March 2022

		At 26 March 2022	At 27 March 2021
	Note	£m	£m
Non-current assets			
Intangible assets		29.5	27.3
Property, plant and equipment	8	592.7	590.2
Investment properties		1.6	3.1
Retirement benefit obligations	12	16.2	–
Right-of-use assets	10	73.8	81.9
Total non-current assets		713.8	702.5
Current assets			
Inventories		3.6	2.1
Trade and other receivables		10.7	11.5
Current tax receivable		0.6	4.0
Cash and short-term deposits	11	15.6	17.1
Total current assets		30.5	34.7
Assets classified as held for sale		5.4	9.6
Total assets		749.7	746.8
Current liabilities			
Trade and other payables		(57.1)	(28.7)
Provisions		(0.5)	(4.0)
Borrowings	11	(120.0)	(207.7)
Lease liabilities	10	(6.8)	(6.7)
Other financial liabilities		(0.1)	–
Total current liabilities		(184.5)	(247.1)
Non-current liabilities			
Borrowings	11	(27.5)	(27.5)
Lease liabilities	10	(73.9)	(83.2)
Other financial liabilities		–	(0.7)
Retirement benefit obligations	12	(1.9)	(3.5)
Deferred tax liabilities		(12.7)	(5.3)
Total non-current liabilities		(116.0)	(120.2)
Net assets		449.2	379.5

Fuller, Smith & Turner P.L.C.
Condensed Group Balance Sheet (continued)
26 March 2022

	Note	At 26 March 2022 £m	At 27 March 2021 £m
Capital and reserves			
Share capital		25.4	22.8
Share premium account		53.2	4.2
Capital redemption reserve		3.7	3.7
Own shares		(16.6)	(17.0)
Hedging reserve		(0.1)	(0.5)
Retained earnings		383.6	366.3
Total equity		449.2	379.5

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Changes in Equity
For the 52 weeks ended 26 March 2022

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total £m
At 28 March 2020	22.8	4.2	3.7	(17.1)	(0.9)	417.1	429.8
Loss for the year	–	–	–	–	–	(49.6)	(49.6)
Other comprehensive income/(expense) for the year	–	–	–	–	0.4	(0.8)	(0.4)
Total comprehensive income/(loss) for the year	–	–	–	–	0.4	(50.4)	(50.0)
Shares released from ESOT and treasury	–	–	–	0.1	–	(0.1)	–
Share-based payment credits	–	–	–	–	–	(0.3)	(0.3)
At 27 March 2021	22.8	4.2	3.7	(17.0)	(0.5)	366.3	379.5
Profit for the year	–	–	–	–	–	7.1	7.1
Other comprehensive income for the year	–	–	–	–	0.4	11.7	12.1
Total comprehensive income for the year	–	–	–	–	0.4	18.8	19.2
Issue of share capital	2.6	49.0	–	0.2	–	–	51.8
Shares released from ESOT and treasury	–	–	–	0.2	–	–	0.2
Dividends (note 7)	–	–	–	–	–	(2.4)	(2.4)
Share-based payment charges	–	–	–	–	–	0.8	0.8
Tax credited directly to equity	–	–	–	–	–	0.1	0.1
At 26 March 2022	25.4	53.2	3.7	(16.6)	(0.1)	383.6	449.2

Fuller, Smith & Turner P.L.C.
Condensed Group Cash Flow Statement
For the 52 weeks ended 26 March 2022

	Note	52 weeks ended 26 March 2022 £m	52 weeks ended 27 March 2021 £m
Profit/(loss) before tax for continuing operations		11.5	(57.8)
Net finance costs before separately disclosed items	4	11.3	8.4
Separately disclosed items	3	(4.3)	9.1
Depreciation and amortisation		25.8	27.2
		44.3	(13.1)
Difference between pension charge and cash paid		(2.3)	(2.3)
Share-based payment charges/(credit)		0.8	(0.3)
Change in trade and other receivables		0.5	(0.4)
Change in inventories		(1.5)	1.7
Change in trade and other payables		28.8	(6.4)
Cash impact of operating separately disclosed items	3	(1.9)	(1.5)
Cash generated from/(absorbed by) operations		68.7	(22.3)
Tax received		2.5	3.4
Cash generated from/(absorbed by) operating activities – continuing operations		71.2	(18.9)
Cash absorbed by operating activities – discontinued operations		–	(0.4)
Net cash generated from/(absorbed by) operating activities		71.2	(19.3)
Cash flow from investing activities			
Purchase of property, plant and equipment and intangibles		(25.8)	(16.5)
Sale of property, plant and equipment, right-of-use assets and assets held for sale		10.0	10.8
Cash absorbed by investing activities – continuing operations		(15.8)	(5.7)
Cash generated from investing activities – discontinued operations		–	0.3
Net cash (outflow) from investing activities		(15.8)	(5.4)
Cash flow from financing activities			
Receipts on release of own shares to option schemes		0.1	–
Interest paid		(7.2)	(4.5)
Preference dividends paid	7	(0.1)	(0.1)
Equity dividends paid	7	(2.4)	–
Net proceeds from equity placing		51.8	–
(Repayment)/drawdown of the CCFF	11	(100.0)	99.4
Drawdown/(repayment) of bank loans	11	12.6	(64.0)
Surrender of leases		(1.9)	–
Principal and interest elements of lease payments	10	(8.6)	(9.2)
Payment of loan arrangement fees		(1.2)	–

Fuller, Smith & Turner P.L.C.
Condensed Group Cash Flow Statement (continued)
For the 52 weeks ended 26 March 2022

	Note	52 weeks ended 26 March 2022 £m	52 weeks ended 27 March 2021 £m
Cash (absorbed by)/generated from financing activities – continuing operations		(56.9)	21.6
Cash absorbed by financing activities – discontinued operations		–	(0.1)
Net cash (outflow)/inflow from financing activities		(56.9)	21.5
Net movement in cash and cash equivalents		(1.5)	(3.2)
Cash and cash equivalents at the start of the year	11	17.1	20.3
Total cash and cash equivalents at the end of the year	11	15.6	17.1

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

1. Preliminary statement

The consolidated financial statements of Fuller, Smith & Turner P.L.C. for the 52 weeks ended 26 March 2022 were authorised for issue by the Board of Directors on 8 June 2022.

The financial information presented does not constitute the Group's annual report and accounts for either the 52 weeks ended 26 March 2022 or the 52 weeks ended 27 March 2021 within the meaning of Section 435 of the Companies Act 2006, but is derived from those accounts. The Group's statutory accounts for 2021 have been delivered to the Registrar of Companies and those for 2022 will be delivered following the Company's annual general meeting. The independent auditor's reports on both the 2022 and 2021 accounts were not qualified or modified, however the 2021 accounts drew attention to material uncertainties in respect of going concern. The independent auditor's reports for both 2022 and 2021 did not contain any statements under Section 498 of the Companies Act 2006.

The Group financial statements are presented in Sterling and all values are shown in millions of pounds (£m) rounded to the nearest hundred thousand pounds, except when otherwise indicated. The accounting policies used have been applied consistently, except where set out below, and are described in full in the statutory financial statements for the 52 weeks ended 26 March 2022, which will be mailed to shareholders on or before 23 June 2022 and delivered to the Registrar of Companies. The financial statements will also be available from the Company's registered office: Pier House, 86-93 Strand-on-the-Green, London, England, W4 3NN, and on its website, from that date.

Going concern

The Directors have prepared the 2022 financial statements on a going concern basis after assessing the Group's financing arrangement and other principal risks and uncertainties.

At 26 March 2022, the Group had a strong Balance Sheet with 92% of the estate being freehold properties and available headroom on facilities of £72.0 million and £15.6 million of cash and resulting pre IFRS 16 net debt of £131.9 million. At year end, the Group had existing facilities of £192 million.

The Group completed an equity placing on 20 April 2021 which raised net proceeds of £51.8 million. The proceeds of the equity placing, along with the Group's existing facilities, were used to repay the CCFF on 12 May 2021. At the same time as the equity placing, the Group also agreed an Amend and Extend Refinancing of its existing debt facilities with its relationship banks, extending the maturity of the £192 million facilities to 19 February 2023 and amending the financial covenants to a minimum liquidity level of £10 million to be tested monthly until 31 March 2022.

Since year end, the Group has secured a new facility of £200 million, split between a revolving credit facility of £110 million and a term loan of £90 million, for a tenure of four years to May 2026. Under the new agreement, the minimum liquidity covenant of £10 million tested monthly remains until November 2022. From December 2022 (and tested quarterly thereafter) the covenant suite will consist of net debt to EBITDA (leverage) and EBITDA to net finance charges.

The Group has modelled financial projections for the going concern period, which is defined as the 12-month period from the date of approval of these financial statements to June 2023, based upon two scenarios, the base case and the downside scenario. The base case scenario indicates that it will have significant resources, to continue to settle its debts as they fall due and operate well within its covenants for the going concern assessment period. The base case is the Board approved FY2023 budget as well as the Q1 FY2024 plan which forms part of the Board approved three-year plan. The base case assumes that there will still be some impact felt, particularly in urban areas, from the pandemic and costs will be impacted by the level of inflation currently seen and the increase in the national minimum wage.

The Group has also modelled a downside scenario whereby sales drop by c.7% from that assumed in the base case and inflation continues at an even higher rate than in the base case specifically utilities (10% increase from base) and food inflation (3% higher peak than the base case). Under this scenario the Group will still have sufficient resources and headroom on its covenants throughout the assessment period.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

1. Preliminary statement (continued)

The Group has also performed a reverse stress case which has shown that the Group could withstand a further 5% fall in sales, a further 5% increase in food inflation and another 10% increase in utilities during October - February 2023 compared to the downside scenario, before the covenant levels would be exceeded on 31 December 2022. The model assumes increased costs for this period as October 2022 is when the energy price cap is expected to increase again, and it is assumed this will have an impact on consumers and hence sales volumes. The stress test represents a 39% decline in EBITDA and therefore the Directors believe the scenario to be remote.

Under both the base case and downside scenarios modelled the Group would have sufficient headroom on its facilities throughout the going concern assessment period. Additionally, neither the downside scenario or the reverse stress test include any mitigating factors which the Group have in their control to either improve EBITDA or reduce net debt such as disposals of licensed and unlicensed properties, reduction in capex spend to only essential maintenance and decision not to pay dividends and bonuses.

The Directors have also determined that, over the period of the going concern assessment, there is not expected to be a significant impact on the Group because of climate change.

At the half year two material uncertainties were reported: (1) the refinance of the debt was not formalised which presented a material uncertainty; and (2) that under a severe but not implausible scenario of further government imposed closures, the Group's forecast showed it would be able to withstand two months of closure before it would forecast a breach of its leverage covenant at June 2022. The matters that gave rise to the above uncertainties have been resolved either in the year or post year end. On this basis, along with the facts and circumstances set out above, the Directors are satisfied that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern assessment period, being the 12 months from the date of signing these financial statements through to June 2023.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

2. Segmental Analysis

Operating Segments

For management purposes, the Group's operating segments are:

- Managed Pubs and Hotels, which comprises managed pubs, managed hotels, Bel & The Dragon and Cotswold Inns & Hotels.
- Tenanted Inns, which comprises pubs operated by third parties under tenancy or lease agreements.

The most important measure used to evaluate the performance of the business is adjusted profit, which is the profit before tax, adjusted for separately disclosed items. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit. The Managed Pubs and Hotels operating segments have been aggregated to one reportable segment on the basis they have similar economic characteristics. Economic indicators assessed in determining that the aggregated operating segments share similar characteristics include expected future financial performance, operating and competitive risks, and return on capital. As such the operating segments meet the aggregation criteria in paragraph 12 IFRS 8 Operating Segments (amended).

As segment assets and liabilities are not regularly provided to the Chief Operating Decision Maker ("CODM"), the Group has elected, as provided under IFRS 8 Operating Segments (amended), not to disclose a measure of segment assets and liabilities.

52 weeks ended 26 March 2022	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated¹ £m	Total continuing operations £m
Revenue				
Sale of goods and services	205.1	17.9	–	223.0
Accommodation income	21.9	–	–	21.9
Total revenue from contracts with customers	227.0	17.9	–	244.9
Rental income	1.8	7.1	–	8.9
Revenue	228.8	25.0	–	253.8
Segment result	24.7	11.1	(17.3)	18.5
Operating separately disclosed items				(2.0)
Operating profit				16.5
Profit on disposal of properties				6.3
Net finance costs				(11.3)
Profit before tax				11.5
Other segment information				
Additions to property, plant and equipment and intangible assets	20.2	2.3	2.6	25.1
Depreciation and amortisation	23.3	1.8	0.7	25.8
Impairment of property	3.0	0.3	–	3.3

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

2. Segmental Analysis (continued)

52 weeks ended 27 March 2021	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated ¹ £m	Total continuing operations £m
Revenue				
Sale of goods and services	56.6	6.9	–	63.5
Accommodation income	5.9	–	–	5.9
Total revenue from contracts with customers	62.5	6.9	–	69.4
Rental income	1.5	2.3	–	3.8
Revenue	64.0	9.2	–	73.2
Other income	–	–	0.2	0.2
Segment result	(26.1)	1.2	(15.4)	(40.3)
Operating separately disclosed items				(14.8)
Operating loss				(55.1)
Profit on disposal of properties				5.8
Net finance costs				(8.5)
Loss before income tax				(57.8)
Other segment information				
Additions to property, plant and equipment and intangible assets	12.6	0.7	1.1	14.4
Depreciation and amortisation	24.7	1.8	0.7	27.2
Impairment of property, right-of-use assets, assets held for sale, and goodwill	11.3	1.6	–	12.9

¹ Unallocated expenses represent primarily the salary and costs of central management. Unallocated revenue represents Transitional Services Agreement ("TSA") income while unallocated capital expenditure relates to additions to the head office and additions to IT development costs.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

3. Separately Disclosed Items

The Group presents separately disclosed items on the face of the Income Statement for those material items of income and expense which, because of the nature or expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year.

	52 weeks ended 26 March 2022	52 weeks ended 27 March 2021
	£m	£m
Amounts included in operating profit/(loss):		
Reorganisation costs	(0.8)	(1.9)
Impairment of intangible assets, properties and right-of-use assets	(3.3)	(12.9)
Release of provision on final settlement of the Beer Business	2.1	–
Total separately disclosed items included in operating profit/(loss)	(2.0)	(14.8)
Profit on disposal of properties	6.3	5.8
Separately disclosed finance costs:		
Finance charge on net pension liabilities	–	(0.1)
Total separately disclosed finance costs	–	(0.1)
Total separately disclosed items before tax	4.3	(9.1)
Exceptional tax:		
Profit on disposal of properties	(1.3)	(0.2)
Change in tax rate	(3.3)	–
Other items	1.4	0.9
Total separately disclosed tax	(3.2)	0.7
Total separately disclosed items	1.1	(8.4)

The reorganisation costs of £0.8 million during the 52 weeks ended 26 March 2022 (2021: £1.9 million) were largely incurred as a result of a corporate reorganisation of the Group, costs associated with the loan refinancing and licence costs associated with the implementation of a new finance system.

The £2.1 million credit is the release of the provision, net of the final settlement amount on the sale of the Fuller's Beer Business.

The property impairment charge of £3.3 million during the 52 weeks ended 26 March 2022 (2021: £12.9 million) relates to the write down of six licensed properties (2021: 37 licensed properties) to their recoverable value.

The profit on disposal of properties of £6.3 million during the 52 weeks ended 26 March 2022 (2021: £5.8 million) relates to the disposal of 12 predominately unlicensed properties (2021: seven properties).

The 2021 Budget in March last year announced an increase in the UK corporation tax rate to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021. The UK corporation rate increase has resulted in an increase to the deferred tax liability of £3.3 million. This has been recognised

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

3. Separately Disclosed Items (continued)

within separately disclosed items in the tax charge for the period as it is unrelated to underlying trading and is one off in nature.

The cash impact of operating separately disclosed items before tax for the 52 weeks ended 26 March 2022 was £1.9 million cash outflow (27 March 2021: £1.5 million cash outflow).

4. Finance Costs

	52 weeks ended 26 March 2022	52 weeks ended 27 March 2021
	£m	£m
Finance Costs		
Interest expense arising on:		
Financial liabilities at amortised cost – loans and debentures ¹	(8.1)	(5.3)
Financial liabilities at amortised cost – preference shares	(0.1)	(0.1)
Financial liabilities at amortised cost – lease liabilities	(3.1)	(3.0)
Total finance costs before separately disclosed items	(11.3)	(8.4)
Finance charge on net pension liabilities (note 3)	–	(0.1)
Total finance costs after separately disclosed items	(11.3)	(8.5)

¹In the prior year, interest expense on loans and debentures is shown net of £0.6 million of grant income recognised in relation to the CCFF.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

5. Taxation

Group	52 weeks ended 26 March 2022 £m	52 weeks ended 27 March 2021 £m
Tax charged/(credited) in the Income Statement		
Current income tax:		
Current tax on profit/(loss) for the year	0.2	(1.0)
Adjustments for current tax on prior periods	0.6	(0.5)
Total current income tax expense/(credit)	0.8	(1.5)
Deferred income tax:		
Origination and reversal of temporary differences	2.2	(8.1)
Change in corporation tax rate	3.3	–
Adjustments for deferred tax on prior periods	(1.9)	–
Total deferred tax expense/(benefit)	3.6	(8.1)
Total tax charged/(credited) in the Income Statement	4.4	(9.6)
Analysed as:		
Before separately disclosed items	1.2	(8.9)
Separately disclosed items	3.2	(0.7)
	4.4	(9.6)

Reconciliation of the Total Tax Charge/(Credit)

The tax expense in the Income Statement for the year is higher (2021: tax credit is lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	52 weeks ended 26 March 2022 £m	52 weeks ended 27 March 2021 £m
Profit/(loss) from continuing operations before income tax expense/(credit)	11.5	(57.8)
Accounting profit/(loss) multiplied by the UK standard rate of corporation tax of 19% (2021: 19%)	2.2	(11.0)
Items not (taxable)/deductible for tax purposes	(0.3)	0.5
Current and deferred tax (over) provided in previous years	(1.3)	(0.5)
Net movements in respect of property	0.5	1.4
Change in corporation tax rate	3.3	–
Total tax charged/(credited) in the Income Statement	4.4	(9.6)

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

5. Taxation (continued)

Deferred tax relating to items charged/(credited) to the Income Statement	52 weeks ended 26 March 2022 £m	52 weeks ended 27 March 2021 £m
Deferred tax depreciation	(0.8)	(0.6)
Unrealised capital gains (on PP&E)	5.2	(0.4)
Retirement benefit obligations	1.6	1.6
Tax losses	(2.8)	(7.4)
Other	(0.7)	(0.1)
Corporate interest restriction	1.1	(1.2)
Deferred tax in the Income Statement	3.6	(8.1)
Tax relating to items charged/(credited) to the Statement of Comprehensive Income		
Deferred tax:		
Valuation gains on financial liabilities	0.1	0.1
Net actuarial gains/(losses) on pension scheme	3.8	(0.2)
Total tax charged/(credited) in the Statement of Comprehensive Income	3.9	(0.1)
Tax relating to items credited directly to equity		
Deferred tax:		
Share-based payments	(0.1)	–
Total tax credited to equity	(0.1)	–

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

6. Earnings/(Loss) Per Share

Group	52 weeks ended 26 March 2022 £m	52 weeks ended 27 March 2021 £m
Profit/(loss) attributable to equity shareholders	7.1	(49.6)
Separately disclosed items net of tax	(1.1)	9.3
Adjusted earnings/(loss) attributable to equity shareholders	6.0	(40.3)

	Number	Number
Weighted average share capital	61,264,000	55,207,000
Dilutive outstanding options and share awards	413,000	139,000
Diluted weighted average share capital	61,677,000	55,346,000

40p 'A' and 'C' ordinary share	Pence	Pence
Basic earnings/(loss) per share	11.59	(89.84)
Diluted earnings/(loss) per share	11.51	(89.84)
Adjusted earnings/(loss) per share	9.79	(73.00)
Diluted adjusted earnings/(loss) per share	9.73	(73.00)

4p 'B' ordinary share	Pence	Pence
Basic earnings/(loss) per share	1.16	(8.98)
Diluted earnings/(loss) per share	1.15	(8.98)
Adjusted earnings/(loss) per share	0.98	(7.30)
Diluted adjusted earnings/(loss) per share	0.97	(7.30)

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

6. Earnings/(Loss) Per Share (continued)

	52 weeks ended 26 March 2022	52 weeks ended 27 March 2021
	£m	£m
Continuing operations		
Profit/(loss) attributable to equity shareholders	7.1	(48.2)
Separately disclosed items net of tax	(1.1)	8.4
Adjusted earnings/(loss) attributable to equity shareholders	6.0	(39.8)

	Number	Number
Weighted average share capital	61,264,000	55,207,000
Dilutive outstanding options and share awards	413,000	139,000
Diluted weighted average share capital	61,677,000	55,346,000

40p 'A' and 'C' ordinary share	Pence	Pence
Basic earnings/(loss) per share	11.59	(87.31)
Diluted earnings/(loss) per share	11.51	(87.31)
Adjusted earnings/(loss) per share	9.79	(72.09)
Diluted adjusted earnings/(loss) per share	9.73	(72.09)

4p 'B' ordinary share	Pence	Pence
Basic earnings/(loss) per share	1.16	(8.73)
Diluted earnings/(loss) per share	1.15	(8.73)
Adjusted earnings/(loss) per share	0.98	(7.21)
Diluted adjusted earnings/(loss) per share	0.97	(7.21)

For the purposes of calculating the number of shares to be used above, 'B' shares have been treated as one-tenth of an 'A' or 'C' share. The earnings per share calculation is based on earnings from continuing operations and on the weighted average ordinary share capital which excludes shares held by trusts relating to employee share options and shares held in treasury of 1,744,564 (2021: 1,777,248).

Diluted earnings per share amounts are calculated using the same earnings figure as for basic earnings per share, divided by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential options into ordinary shares.

Adjusted earnings per share are calculated on profit after tax excluding separately disclosed items and on the same weighted average ordinary share capital as for the basic and diluted earnings per share. Adjusted earnings per share measures have been included as the Directors consider that these measures better reflect the underlying earnings of the Group.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

7. Dividends

	52 weeks ended 26 March 2022	52 weeks ended 27 March 2021
	£m	£m
Declared and paid during the period		
Equity dividends on ordinary shares:		
Final dividend for 2021: 0p (2020: 0p)	–	–
Interim dividend for 2022: 3.90p (2021: 0p)	2.4	–
Equity dividends paid	2.4	–
Dividends on cumulative preference shares (note 4)	0.1	0.1
Proposed for approval at the Annual General Meeting		
Final dividend for 2022: 7.41p (2021: 0p)	4.6	–

The pence figures above are for the 40p 'A' ordinary shares and 40p 'C' ordinary shares. The 4p 'B' ordinary shares carry dividend rights of one-tenth of those applicable to the 40p 'A' ordinary shares. Own shares held in the employee share trusts do not qualify for dividends as the Trustees have waived their rights. Dividends are also not paid on own shares held as treasury shares.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

8. Property, Plant and Equipment

Group	Land & buildings – owned & used £m	Land & buildings – owned & acting as lessor £m	Plant, machinery & vehicles £m	Fixtures & fittings £m	Total £m
Cost					
At 28 March 2020	498.4	109.2	6.5	168.9	783.0
Additions	0.6	–	–	13.2	13.8
Disposals	(1.4)	(0.3)	–	(0.6)	(2.3)
Disposals of discontinued operations	(6.8)	–	(0.1)	(7.6)	(14.5)
Transfer to assets held for sale	(8.1)	(1.1)	(0.1)	(2.3)	(11.6)
At 27 March 2021	482.7	107.8	6.3	171.6	768.4
Additions	11.3	1.8	–	9.6	22.7
Disposals	(1.3)	–	–	(1.9)	(3.2)
Transfer to assets held for sale	(1.5)	–	–	(0.4)	(1.9)
Transfer from assets held for sale	2.4	–	–	0.6	3.0
At 26 March 2022	493.6	109.6	6.3	179.5	789.0
Depreciation and impairment					
At 28 March 2020	43.7	7.5	1.8	112.3	165.3
Provided during the year	3.9	0.7	–	14.0	18.6
Disposals	(0.2)	–	–	(0.6)	(0.8)
Disposals of discontinued operations	(4.7)	–	–	(5.8)	(10.5)
Impairment loss	7.4	1.6	–	–	9.0
Transfer to assets held for sale	(0.9)	(0.1)	(0.1)	(1.9)	(3.0)
Reclassification of impairment to right-of-use-assets	(0.4)	–	–	–	(0.4)
At 27 March 2021	48.8	9.7	1.7	118.0	178.2
Provided during the year	4.2	0.6	–	13.1	17.9
Disposals	(1.3)	–	–	(1.9)	(3.2)
Impairment loss	3.3	–	–	–	3.3
Transfer to assets held for sale	(0.1)	–	–	(0.3)	(0.4)
Transfer from assets held for sale	–	–	–	0.5	0.5
At 26 March 2022	54.9	10.3	1.7	129.4	196.3
Net book value at 26 March 2022	438.7	99.3	4.6	50.1	592.7
Net book value at 27 March 2021	433.9	98.1	4.6	53.6	590.2
Net book value at 28 March 2020	454.7	101.7	4.7	56.6	617.7

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

9. Impairment

Group	2022 £m	2021 £m
Impairment losses		
Intangible assets	–	0.6
Property, plant and equipment	3.3	9.0
Right-of-use assets	–	1.6
Assets held for sale	–	0.2
Lease receivable	–	1.5
Total net impairment charge	3.3	12.9

During the 52 weeks ended 26 March 2022, the Group recognised an impairment loss of £3.3 million (2021: £9.0 million) on property, plant and equipment and £nil (2021: £1.6 million) of impairment on right-of-use assets in respect of the write down of six properties where their asset values exceeded the higher of fair value less costs to sell or their value in use. The impairment losses were driven principally by changes in the local competitive environment in which the pubs are situated.

10. Leases

Amounts recognised in the Balance Sheet

Group	2022 £m	2021 £m
Right-of-use assets		
Properties	73.1	81.3
Equipment	0.6	0.2
Vehicles	0.1	0.4
	73.8	81.9
Lease liabilities		
Current	6.8	6.7
Non-current	73.9	83.2
	80.7	89.9

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

10. Leases (continued)

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

Group	Property £m	Equipment £m	Vehicles £m	Total £m
Net carrying value as at 27 March 2021	81.3	0.2	0.4	81.9
Lease amendments – rent concessions	(2.6)	–	–	(2.6)
Lease amendments – other ¹	1.3	1.1	(0.2)	2.2
Depreciation	(6.9)	(0.7)	(0.1)	(7.7)
Net carrying value as at 26 March 2022	73.1	0.6	0.1	73.8

¹ Lease amendments include lease terminations, modifications, reassessments and extensions to existing lease agreements.

11. Analysis of Net Debt

	At 27 March 2021 £m	Cash flows £m	Non- cash ¹ £m	At 26 March 2022 £m
52 weeks ended 26 March 2022				
Cash and cash equivalents:				
Cash and short-term deposits	17.1	(1.5)	–	15.6
	17.1	(1.5)	–	15.6
Financial liabilities:				
Lease liabilities	(89.9)	8.6	0.6	(80.7)
	(89.9)	8.6	0.6	(80.7)
Debt:				
Bank loans ²	(107.9)	(11.4)	(0.7)	(120.0)
CCFF	(99.8)	100.0	(0.2)	–
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(235.2)	88.6	(0.9)	(147.5)
Net debt	(308.0)	95.7	(0.3)	(212.6)

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

11. Analysis of Net Debt (continued)

	At 28 March 2020 £m	Cash flows £m	Non- cash ¹ £m	At 27 March 2021 £m
52 weeks ended 27 March 2021				
Cash and cash equivalents:				
Cash and short-term deposits	20.3	(3.2)	–	17.1
	20.3	(3.2)	–	17.1
Financial liabilities				
Lease liabilities	(112.9)	9.2	13.8	(89.9)
	(112.9)	9.2	13.8	(89.9)
Debt:				
Bank loans ²	(171.7)	64.0	(0.2)	(107.9)
CCFF	–	(99.4)	(0.4)	(99.8)
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(199.2)	(35.4)	(0.6)	(235.2)
Net debt	(291.8)	(29.4)	13.2	(308.0)

¹ Non-cash movements relate to the amortisation of arrangement fees, arrangement fees accrued and movements in lease liabilities.

² Bank loans net of arrangement fees and cashflows include the payment of arrangement fees.

12. Retirement Benefit Obligations

The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement plan are:

	2022 £m	2021 £m
Fair value of Scheme assets	143.9	143.8
Present value of Scheme liabilities	(129.6)	(147.3)
Surplus/(deficit) in the Scheme	14.3	(3.5)

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

12. Retirement Benefit Obligations (continued)

	Defined benefit obligation		Fair value of Scheme assets		Net defined benefit surplus/(deficit)	
	2022 £m	2021 £m	2022 £m	2021 £m	2022 £m	2021 £m
Balance at beginning of the year	(147.3)	(128.5)	143.8	123.8	(3.5)	(4.7)
Included in profit and loss						
Net interest cost	(2.8)	(3.0)	2.8	2.9	-	(0.1)
	(2.8)	(3.0)	2.8	2.9	-	(0.1)
Included in Other Comprehensive Income						
Actuarial gains/(losses) relating to:						
Actual return less expected return on Scheme's assets	-	-	0.6	19.5	0.6	19.5
Experience gains/(losses) arising on Scheme liabilities	14.9	(20.5)	-	-	14.9	(20.5)
	14.9	(20.5)	0.6	19.5	15.5	(1.0)
Other						
Employer contributions	-	-	2.3	2.3	2.3	2.3
Benefits paid	5.6	4.7	(5.6)	(4.7)	-	-
	5.6	4.7	(3.3)	(2.4)	2.3	2.3
Balance at end of the year	(129.6)	(147.3)	143.9	143.8	14.3	(3.5)

Key assumptions

The key assumptions used in the 2022 valuation of the Scheme are set out below:

Key financial assumptions used in the valuation of the Scheme	2022	2021
Rate of increase in pensions in payment	3.75%	3.35%
Discount rate	3.00%	1.95%
Inflation assumption – RPI	3.80%	3.40%
Inflation assumption – CPI (pre 2030/post 2030)	2.9%/3.8%	2.5%/3.4%

Mortality assumptions	2022 Years	2021 Years
Current pensioners (at 65) – males	22.2	22.2
Current pensioners (at 65) – females	24.5	24.4
Future pensioners (at 65) – males	23.6	23.5
Future pensioners (at 65) – females	25.9	25.9

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 52 weeks ended 26 March 2022

12. Retirement Benefit Obligations (continued)

Assets in the Scheme	2022 £m	2021 £m
Corporate bonds	25.0	25.5
Index linked debt instruments	26.0	28.3
Overseas equities	31.5	30.6
Alternatives ¹	56.5	53.7
Cash	1.6	1.9
Annuities	3.3	3.8
Total market value of assets	143.9	143.8

¹ Alternatives is composed of holdings in diversified growth investment funds.

13. Post Balance Sheet Events

On 27 May 2022, the Group successfully completed the refinance of its debt facilities of £192 million, which were due to mature in February 2023. The new debt facilities consist of a £90 million term loan and a £110 million revolving credit facility provided by a syndicate of seven banks. The new facilities have an initial maturity date of 27 May 2026 with an option to extend by a further year. The facilities are unsecured, and the borrowing cost of the facilities is determined by the level of Company leverage.