



**STRICTLY EMBARGOED
UNTIL 7AM THURSDAY 15 JUNE 2023**

**FULLER, SMITH & TURNER P.L.C.
("Fuller's", the "Company", or the "Group")
Financial results for the 53 weeks to 1 April 2023**

Return to strong like for like growth

Financial and Operational Highlights

	53 weeks ended 1 April 2023 £m	52 weeks ended 26 March 2022 £m
Revenue and other income	336.6	253.8
EBITDA¹	51.8	44.3
Adjusted profit before tax²	12.7	7.2
Statutory profit before tax	10.3	11.5
Basic earnings per share³	12.98p	11.59p
Adjusted earnings per share³	16.10p	9.79p
Dividend per share	14.68p	11.31p
Net debt excluding lease liabilities⁴	132.8	131.9

All figures above are from continuing operations.

- 1 Earnings before interest, tax, depreciation, amortisation, profit on disposal of property, plant and equipment, and separately disclosed items.
- 2 Adjusted profit before tax is the profit before tax excluding separately disclosed items.
- 3 Per 40p 'A' or 'C' ordinary share. Adjusted EPS is calculated using earnings attributable to equity shareholders after tax excluding separately disclosed items. Basic EPS includes separately disclosed items.
- 4 Net debt excluding lease liabilities comprises cash and short-term deposits, bank overdraft, bank loans, debenture stock and preference shares.

Financial and Operational Highlights (cont)

- Revenues grew 33% to £336.6 million (FY2022: £253.8 million) as the business recovered from the impact of covid-related restrictions on trade
- Like for like sales in the year grew by 17.5% compared to prior year, with Central London growing by 40.1%
- Adjusted profit before tax increased by 76% to £12.7 million (FY2022: £7.2 million)
- Net debt at £132.8 million (FY2022: £131.9 million) with cash generated by the business funding investment in the estate and returns to shareholders
- Directors' valuation of the total property portfolio in May 2022 at £995.6 million, approximately £400 million above our current book value – giving implied adjusted net asset value per share of £14.07
- Total dividend of 14.68p declared, representing a 30% increase on last year
- Board to keep further share buybacks under review in line with its capital allocation framework.

Strategic Highlights

- Clear long-term strategy, with all elements contributing to growing sales momentum and profitability
- Maintained investment in the existing estate, with £25 million invested in the period to enhance capital values and drive further growth
- Maximising our pubs' potential through proactive portfolio management to ensure all pubs are operated to deliver a great customer experience, while optimising our returns
 - Three new pubs opened during the year – The Rising Sun in the New Forest, The Willow in Bourton-on-the-Water, and The Queen's Arms at Heathrow Terminal 2
 - Four pubs transferred from Managed operations to Tenanted Inns in the year, with a further 23 identified, of which four transfers have already completed
 - Small number of pubs earmarked for disposal
 - Sale agreed on The Mad Hatter, Southwark, which will realise £20 million in value and a profit on disposal of £17 million
- Continued investment in our people to develop the leaders of the future and deliver best in class service for our customers
- Dawn Browne, People & Talent Director, promoted to Main Board from 3 July 2023
- Implementing a wide range of energy reduction initiatives as part of our *Life is too good to waste* programme.

Current Trading

- Strong sales momentum with like for like sales for the 10 weeks to 10 June 2023 up 13.9%
- Reopened The Admiralty, our iconic pub on Trafalgar Square, following a major fire last July and completed £2.5 million refurbishment at The Sanctuary House, near Westminster Abbey
- Low level of vacancies across the estate and strong pipeline of home-grown General Managers
- Delivering on our long-term strategy, purpose and vision to grow our business in a sustainable manner.

Chief Executive Simon Emeny said:

“We have made good progress in the last year, with continued investment in our people and properties, providing the perfect post-covid springboard for the future. Looking forwards, that future looks very positive. We continue to build on our five strategic pillars, investing in the areas that have the greatest impact on our business and growing our profitability. We live by our values and our culture, and despite having had a lot to contend with over the last year – with interruptions from tube and train strikes and high-cost inflation in energy, food and wages – our teams across the estate are successfully delivering experiences that *nourish the soul*.

“We are delighted that our sales momentum has continued into the new financial year and like for like sales for the first 10 weeks are up 13.9%. Our recent investments at The Willow in Bourton-on-the-Water, The Sanctuary House by Westminster Abbey, and The Admiralty in Trafalgar Square are outperforming our expectations, and we have exciting projects planned for this financial year at The Counting House in the City, The Forester in Ealing, and The Rising Sun near Bashley in the New Forest.

“I am more optimistic about the future than I have been since before the pandemic. While the well-documented inflationary environment has been a challenge, there are positive signs on the horizon. In addition, we are ever hopeful of a resolution to the ongoing train strikes to allow us to further benefit from the increasing numbers of office workers and international tourists returning to the Capital.

“We have a clear pathway to further growth based on enhancing profitability from our underlying business, proactively managing our property portfolio to ensure we are getting the best returns and continuing to seek out appropriate acquisitions.

“I am excited by the opportunities ahead, optimistic about the future, and confident in our ability to deliver excellent service to our customers, careers for our people and returns for our shareholders.”

-Ends-

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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. Our purpose in life is to create experiences that *nourish the soul*. Fuller's has 200 managed businesses, with 1,024 boutique bedrooms, and 177 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 Cotswold Inns & Hotels – seven stunning hotels in the Cotswolds, and Bel & The Dragon – seven exquisite modern English inns located in the Home Counties. 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 be available from 12 noon on 15 June 2023.

FULLER, SMITH & TURNER P.L.C.
FINANCIAL RESULTS FOR THE 53 WEEKS ENDED 1 APRIL 2023

CHAIRMAN'S STATEMENT

The 2020s is fast becoming the decade that has seen an unprecedented use of the word unprecedented. A year ago, I reflected on the impact of the Omicron variant on our business. Since then, the war in Ukraine has continued, food and energy inflation, together with the cost of living in general, has spiralled, we have seen strikes across a wide range of industries and we have had three Prime Ministers, four Chancellors of the Exchequer and fiscal statements that have taken the economy in all manner of directions.

Against this backdrop, your Company has delivered a good performance, and in times of short-term upheaval, long-term businesses come into their own. The Executive Team, under the leadership and guidance of Simon Emeny, is implementing our strategic plan to return to pre-pandemic levels of profitability and deliver long-term growth for the Company, our shareholders and our team members.

With our clear purpose to create experiences that *nourish the soul*, and five defined strategic pillars, our teams throughout the business understand the role they play in our success and have the skill, motivation and dedication to deliver it. Despite the twists and turns, the stops and starts, they have continuously bounced back to delight their customers and deliver an outstanding level of service. They are the heart and soul of Fuller's, and I would like to thank each and every one of them for their loyalty and commitment.

Underpinning our success is, and has always been, the strength of our excellent, predominately freehold estate. We have always maintained that operating both managed and tenanted models offers a wide range of benefits, particularly around portfolio management. And while I am always proud of all parts of the Fuller's business, I was particularly delighted to see the Tenanted Inns team pick up the award for Best Tenanted Pub Company at this year's Publican Awards.

We are seeing rising numbers of international tourists and ever more workers returning to the City and this, combined with the actions we are taking as part of the strategy to continue to improve profitability, gives me confidence and optimism in the future.

As part of our ongoing succession planning, I am delighted to announce that Dawn Browne has accepted our invitation to join the Board with effect from 3 July 2023. Dawn joined Fuller's in 2011 and, following roles in the Learning & Development Team and a successful term as Head of Operations for the City, has been our People & Talent Director since 2019. As a people-centric business, and given her unique skillset, she has an important role to play on the Board. Her in-depth knowledge of our team members, alongside her operational experience, will provide invaluable insight. We also look forward to her support to help us to drive and prioritise diversity and inclusion and to provide visibility on matters around culture and organisational change. I know her appointment will be received extremely well by the business.

DIVIDEND

The Board is pleased to announce a final dividend of 10.0p (FY2022: 7.41p) per 40p 'A' and 'C' ordinary share and 1.0p (FY2022: 0.741p) per 4p 'B' ordinary share, representing a year-on-year increase of 35%. This will be paid on 27 July 2023 to shareholders on the share register as at 23 June 2023. The total dividend of 14.68p (FY2022: 11.31p) per 40p 'A' and 'C' ordinary share and 1.468p (FY2022: 1.131p) per 4p 'B' ordinary share represents a 30% year-on-year increase and continues our return to a progressive dividend policy.

Michael Turner
Chairman
14 June 2023

CHIEF EXECUTIVE'S REVIEW

OVERVIEW

We have made good progress in the last year, with continued investment in our people and properties providing the perfect post-covid springboard for the future. Looking forwards, that future looks very positive. We continue to build on our five strategic pillars, investing in the areas that have the greatest impact on our business and growing our profitability. We live by our values and our culture, and despite having had a lot to contend with over the last year – with interruptions from tube and train strikes and high cost inflation in energy, food and wages – our teams across the estate are successfully delivering experiences that *nourish the soul*.

There is clearly more to come too, as international tourism numbers continue to rise, the rhythm of life grows louder across offices in our towns and cities, and cost pressures stabilise. Ongoing rail strikes are unhelpful – particularly in the Capital – but commuters are a resilient bunch and the impacts, while detrimental financially, are thankfully short-lived. Most importantly to Fuller's is that we have a long-term vision, continuing to stick to the things we do best, and this is validated by our customers' continued loyalty.

STRATEGIC REVIEW

We have forward momentum, a great team of people, we are already building on the 33% rise in total sales last year and have started the new financial year with excellent like for like growth. We will continue to achieve this through our long-term strategy – delighting our customers, inspiring our people, enhancing our estate, evolving our business and owning our impact. These strategic pillars have not changed, and they provide a framework that allows us to grow our business in a sustainable manner.

We are a proactive asset manager and have taken some significant portfolio management decisions to evolve our estate, ensuring it remains fit for the future. In order to improve and sustain returns in the long term, post year end we identified 23 of our Managed Pubs to transfer across into our Tenanted Inns division – four of which have moved across already. We have also taken the opportunity to crystallise the value of The Mad Hatter in Southwark, which we have contracted to sell as part of a larger property redevelopment, in a sale that will deliver Fuller's £20 million in value on completion next

year. These funds, combined with our ambition to continue to build our business, will allow us to grow both organically and through acquisition.

Like all businesses, margins have been increasingly squeezed due to cost inflation, but we are addressing this through a programme of action focused on delivering sales-led growth while keeping a tight rein on costs.

Delight our customers

We are confident that a trip to the great British pub will always be an affordable luxury and part of our national psyche. But customers have a choice, and they will choose to go to the pubs and hotels that deliver an outstanding customer experience at a price the consumer sees as good value.

In recent years, we have put a lot of effort and emphasis on the entire customer journey – starting with the digital touchpoints that attract the customer, through the in-pub experience around choice, service delivery and reasons to visit, and finishing with the correct level of follow up and future contact.

We are reaping the rewards of the digital transformation project that completed in the previous financial year, and which allows for easy, low cost per customer communications to promote the great activities that take place in our pubs. One of the activities that we will be looking at for the coming year is to build our presence around a premium sport experience – which will increase frequency of visit, spend per head and help acquire new customers.

We know that there is a demand for premium sports occasions – both in terms of near-stadium packages such as at The Cabbage Patch and The Turk's Head, both at Twickenham, and when watching live sport on the television. The pub is always seen as the next best place to being in the stadium for major sporting events and we will be giving our customers amazing hospitality, bookable spaces, great menus and atmosphere to build on these lucrative occasions, in collaboration with our drinks partners – particularly Asahi, who are one of the main sponsors of this year's Rugby World Cup.

To stay ahead of the competition, we are also in the process of a farm to fork project to ensure we keep our food offer fresh, interesting and relevant. This process has included some extensive customer segmentation work, which will further help us to ensure that we target the right offer, in the right style of venue, to the right customer – driving sales and reducing the acquisition and retention costs of new and existing customers.

Inspire our people

Hospitality is a people business and it is our amazing team members at the front line that can make the biggest impact on our customers. They will only deliver great service and an experience that *nourishes the soul* if they are well-trained, highly motivated, happy and engaged.

During the last year, we have worked hard to ensure we are listening to our teams across the business – so we were delighted that response rates and levels of happiness and engagement rose when we conducted our second Happiness Index survey. In addition, we received a plethora of individual comments and suggestions – all of which have been read, recorded and collated into common themes and, in turn, shared and discussed by the Executive Team so future actions can be taken. This is only one strand of our listening strategy and is supported by new forums for our General Managers, our Head Chefs and our support centre team and regular catch-up sessions with Helen Jones, our designated Non-Executive Director responsible for employee engagement.

During the year, we also had our largest graduation event for all those undertaking development programmes, and our apprenticeship programmes – both front of house and through our Chefs' Guild – continue to deliver excellent results with 200 apprentices trained last year across six different programmes, making full use of our Apprenticeship Levy. There is more to come, with an anticipated 220 apprenticeships in the coming year, and I am delighted to see more of our General Managers choosing to take on the LEAP programme degree level apprenticeship. This investment in development, and in particular leadership, will secure our future success.

Enhance our estate

Operating both Managed and Tenanted pubs has always been a key tenet of our strategy. It allows us to holistically curate our pub estate, so we can operate individual sites under the business model that works best for the pub and its customers, best for the Company, and delivers the best return for our shareholders.

Over the years, we have always moved sites between the two businesses, but moves normally happen on an individual basis. Following 12 months of trading free of restrictions, and in light of the changing economics of running a pub, we undertook a detailed review of the estate post year end – particularly around profitability within our managed framework – and, as a result, decided to move 23 pubs into our Tenanted Inns division. Four of these transfers have already happened, with the remainder due to take place in the coming weeks.

In line with our values, we put our people first, and the majority of team members in the impacted pubs could either remain in situ with the new Tenant, apply to take on the Tenancy for themselves, or move to another Fuller's managed site.

During the year we decided to exit a small number of leasehold sites, including The Ship at Borough and The Inn of Court at Holborn, and earmarked for disposal a handful of pubs which no longer satisfy our internal returns criteria. We have also decided to accept an offer of £20 million in value for The Mad Hatter in Southwark, representing a significant premium above its net book value of £2.7 million. This transaction is due to complete in summer 2024.

Supporting all of this activity is our continued commitment to maintaining high standards in our existing estate and developing sites for the future. This is reflected with three new openings during the year – The Rising Sun in the New Forest, The Willow in the idyllic Cotswolds village of Bourton-on-the-Water, and The Queen's Arms at Heathrow Terminal 2.

In addition, we continue to invest to enhance the core pub estate. We were delighted to reopen The Admiralty – the iconic and only pub on Trafalgar Square – following a £3.3 million rebuild after a major fire last summer – and we recently completed a £2.5 million investment at The Sanctuary House, near Westminster Abbey, reopening in time to welcome customers for King Charles III's coronation.

Evolve our business

While we have a long-term strategy – we never stop monitoring trends, societal changes, and the behaviour of existing and potential customers. Reacting to those changes is imperative in delivering continued growth and this has been reflected in the investments we made through our digital transformation project and that we will make as we continually review and hone our food offering.

In November, I was delighted to welcome Sam Bourke to the Executive Team as Marketing Director. Sam has a long history in the hospitality sector having previously worked for ETM, The Restaurant Group and Wasabi. Sam is already adding value across the business with her drive, enthusiasm, and clear focus on the key trading opportunities that will deliver strong sales for our pubs and hotels.

As well as building on the opportunities provided through enhancing our premium sports packages, the marketing team is also reviewing our kids' menus and ensuring our family proposition is best in class. In addition, we are looking to capitalise on trading opportunities during all parts of the day, for example with an elevated and indulgent brunch offer.

The new Business Central finance system which was implemented in 2021 is delivering high quality information that aids the decision-making process and with finance, marketing and operations working in perfect harmony, we can make successful decisions based on our knowledge of consumer trends, supported by hard data, excellent supplier relationships, and outstanding operational capability.

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

Sustainability and decisions around our people, the planet and our communities, are at the heart of everything we do – and while doing things the right way has always been a Fuller's value, it is now absolutely part of business as usual.

We have a long-standing declared commitment to reach Net Zero by 2030 for our operational emissions and by 2040 for our supply chain. We have made good progress on our target to increase recycling and reuse, while driving down single use items, and we continue to send zero waste to landfill. In addition, we are currently rolling out a programme of sustainability champions to help us embed best practice across the estate.

There are, of course, added benefits to our sustainability programme with reductions in energy usage of 14% for gas and 13% for electricity. New equipment in our pubs continually moves us away from gas and both The Queen's Arms at Heathrow and The Admiralty are fully electric. Combined with the fact that all our electricity is from renewable sources, that means these two pubs are exclusively powered by zero carbon energy.

As well as our commitment to the environment, we continue to invest in our diversity and inclusion programme, with all senior leaders undertaking diversity and inclusion training. In a great example of creating a virtuous circle, we are recruiting more team members with intellectual disabilities through a programme supported by our corporate charity partner, Special Olympics Great Britain. It is joined up thinking that helps a company of our size punch far above its weight in this area.

TENANTED INNS

One of the highlights of the year was seeing our excellent Tenanted Team, under the leadership of Iain Rippon, pick up the award for Best Tenanted and Leased Pub Company (up to 500 sites) at this year's Publican Awards. It was great recognition for the excellent work Iain and the team have done supporting our Tenants, especially in the current inflationary cost environment.

We have always seen the benefit of operating both managed and tenanted models. The latter allows pubs to remain within the Fuller's estate but with lower capex, lower costs and shared risk and reward, enabling the innovative, entrepreneurial Tenants, which our pubs attract, to benefit from Fuller's operational expertise and vice versa. The flexibility it facilitates to move pubs between the models constantly proves useful to all parties and as well as the obvious benefits of the 23 houses that are moving into the Tenanted division, we see the benefits of moving in the other direction through sites such as The George & Dragon in Westerham and The Plough at East Sheen.

It has been particularly rewarding to see the success of those pubs on turnover linked agreements, where we have added additional marketing resource to help our Tenants build their business and access the benefits that come from also having a Managed estate. From Shakespeare and opera to panto, we can give our Tenanted pubs access to revenue building reasons to visit.

Finally, it is training that is the key to running successful tenancies. At no cost to our Tenants, this currently includes a Fuller's induction day, covering the basics and introductions to key support team members, social media and marketing courses delivered locally, bespoke training for turnover agreement pubs, personal licence courses, a business development day held by a third-party trainer, and full access to the suite of FLOW online training. We also run an excellent cellar course at the Fuller's Brewery through our long-term supply agreement with Asahi.

FINANCIAL REVIEW

Income statement

Group revenue increased by 33% to £336.6 million (FY2022: £253.8 million). Both financial years had periods when trade was disrupted, with train and tube strikes in the current financial year and covid restrictions in the prior year. The train and tube strikes were particularly detrimental in Central London, where a significant proportion of our estate is situated, with commuters choosing to work from home. We estimate that the strike action has impacted sales by in excess of £5 million in the financial year.

The trading environment during the year was very challenging. The war in Ukraine caused our energy costs to increase substantially. Even with hedging arrangements in place, and reduced usage, our total energy costs increased to £14.2 million, compared to £7.6 million in the prior year. We have had to manage significant food and drink inflation and growing wage costs, as a result of labour shortages at the start of the year, as well as the increase in National Living Wage. This national inflationary environment has also led to the Bank of England raising interest rates, with our finance costs rising by nearly 10% from the prior year.

Despite the challenging backdrop, the Group has delivered an adjusted profit of £12.7 million, up 76% on the prior year (FY2022: £7.2 million). The financial year to 1 April 2023 comprised 53 weeks of trading, whereas the prior year represented 52 weeks. The additional week of trade contributed £5.7 million to the Group revenues and £0.3 million to Group adjusted profit.

In our Managed Pubs and Hotels business, like for like sales have grown by 17.5% compared to the prior year, with total sales increasing by 34%. Like for like sales in our Central London sites have risen by 40.1%, demonstrating both workers and tourists are returning to London and continue to do so.

Adjusted EBITDA for the Managed Pubs and Hotels business was £53.4 million, which represents an increase of 11% on the prior year (FY2022: £48.0 million). However, adjusted EBITDA margin declined from 21.0% to 17.4%, reflecting the impact of increased energy and labour costs. Additionally, in the prior year the UK Government was providing some support due to the pandemic. VAT rates for food and accommodation were at 5%, and then 12.5%, but increased back to 20% in the current year. We also received some support grants in the prior year, which were not repeated in the current year.

Tenanted Inns revenue grew by 19% from £25.0 million to £29.8 million. Adjusted EBITDA margin improved from 51.6% to 52.0%. The low cost base of the Tenanted business means it is a highly profitable part of the Group and continues to trade strongly despite the economic backdrop.

Total net finance costs (before separately disclosed items) have increased by £1.1 million to £12.4 million. The increase is due to the rising Bank of England base rate partially offset by the improved margins secured on the new bank facilities as part of the refinancing in May 2022. This means that the average cost of borrowing was 7.0% in the current financial year compared to 4.2% in the prior year.

The net position on separately disclosed items of £2.4 million expense (FY2022: £4.3 million credit) includes £11.8 million of profits on the disposal of nine predominately unlicensed properties, impairments of £14.3 million on 22 properties, costs of £0.5 million incurred as a result of corporate reorganisation and refinancing, offset by a £0.8 million credit in respect of a historical VAT provision.

The underlying effective tax rate was 22.8% (FY2022: 16.7%) as some movements are at the current corporation tax rate of 19% and others are at the future tax rate of 25%. Separately disclosed items have an effective tax rate of 20.8% (FY2022: 74.4%), resulting in an overall tax rate of 23.3% (FY2022: 38.3%).

Balance Sheet

During the year, the Group refinanced its banking facilities with new unsecured facilities of £200 million, comprising a revolving credit facility of £110 million and a term loan of £90 million. These facilities have been agreed for a tenure of four years through to May 2026. The new facilities bear interest at a margin dependent on the leverage covenant plus a base rate of SONIA. In the year, interest rates have increased sharply with SONIA increasing from 60bps to just under 420bps.

In order to mitigate the risk of high SONIA rates, on 2 September 2022, the Group entered into a zero-premium cap and collar over £60 million of the term facility. This instrument is in place for a three-year period to hedge some of the variability in interest rates. The Group

sold a floor of 310bps and bought a cap of 500bps, which gives some protection should SONIA exceed 500bps.

Net debt (excluding leases) was at £132.8 million (FY2022: £131.9 million). This is only a marginal increase from last year as the Group has delivered on its capital allocation framework through investment in the estate and returns to shareholders. A total of £30.7 million was invested in the estate in the year, including three new acquisitions – The Rising Sun near Bashley in the heart of the New Forest, The Willow in Bourton-on-the-Water in the Cotswolds and The Queen's Arms at Heathrow Terminal 2. The improvement in EBITDA has meant that net debt/EBITDA is now at 3x, which is in line with our capital allocation framework.

The net defined benefit pension scheme accounting surplus has increased by £0.3 million to £14.6 million (FY2022: £14.3 million surplus) as a result of both a decrease in the present value of pension obligations as the discount rate increased from 3.0% to 4.75%, and a similar quantum of decline in the fair value of scheme assets. In April 2023, the 2022 triennial valuation was concluded, and the Company has agreed to continue to pay contributions into the plan in line with the existing recovery plan. Under this plan, deficit reduction contributions started at £2.2 million per annum in July 2022. As of January 2023, the deficit reduction contributions have increased to £2.4 million.

Shareholder returns

Total dividends paid to shareholders were £7.4 million (FY2022: £2.4 million) and the Board has announced a final dividend of 10.0p (FY2022: 7.41p), which will be paid in July. In addition, and in line with our capital allocation framework, we have purchased 1 million 'A' shares at a total cost of £4.8 million. Share buybacks are an important element of capital allocation and will be evaluated on an ongoing basis.

CURRENT TRADING AND OUTLOOK

We are delighted that our sales momentum has continued into the new financial year and like for like sales for the first 10 weeks are up 13.9%. Our recent investments at The Willow, The Sanctuary House and The Admiralty are outperforming our expectations, and we have exciting projects planned for this financial year at The Counting House in the City, The Forester in Ealing, and The Rising Sun near Bashley.

I am more optimistic about the future than I have been since before the pandemic. While the well-documented inflationary environment has been a challenge, there are positive signs on the horizon. In addition, we are ever hopeful of a resolution to the ongoing train strikes to allow us to further benefit from the increasing numbers of office workers and international tourists returning to the Capital.

Fuller's is, and has always been, about the long term. We have an excellent vision and strategy that signposts the direction in which the Company is heading and what we will do to get there. We have a clear pathway to further growth based on enhancing profitability from our underlying business, proactively managing our property portfolio to ensure we are getting the best returns and continuing to seek out appropriate acquisitions. We have a strong set of values that guide us in how to get there, and we have an amazing team of people who will deliver all of the above. Finally, we have a predominately freehold estate, epitomised by iconic sites in outstanding locations.

I am excited by the opportunities ahead, optimistic about the future, and confident in our ability to deliver excellent service to our customers, careers for our people and returns for our shareholders.

Simon Emeny
Chief Executive
14 June 2023

Fuller, Smith & Turner P.L.C.
Condensed Group Income Statement
For the 53 weeks ended 1 April 2023

	Note	53 weeks ended 1 April 2023			52 weeks ended 26 March 2022		
		Before separately disclosed items £m	Separately disclosed items £m	Total £m	Before separately disclosed items £m	Separately disclosed items £m	Total £m
Revenue	2	336.6	–	336.6	253.8	–	253.8
Operating costs		(311.5)	(14.2)	(325.7)	(235.3)	(2.0)	(237.3)
Operating profit		25.1	(14.2)	10.9	18.5	(2.0)	16.5
Finance costs	3,4	(12.4)	–	(12.4)	(11.3)	–	(11.3)
Profit on disposal of properties	3	–	11.8	11.8	–	6.3	6.3
Profit before tax		12.7	(2.4)	10.3	7.2	4.3	11.5
Tax	5	(2.9)	0.5	(2.4)	(1.2)	(3.2)	(4.4)
Profit for the year		9.8	(1.9)	7.9	6.0	1.1	7.1

Fuller, Smith & Turner P.L.C.
 Condensed Group Income Statement (continued)
 For the 53 weeks ended 1 April 2023

Group	Note	53 weeks ended 1 April 2023	52 weeks ended 26 March 2022
		Pence	Pence
Earnings per share per 40p 'A' and 'C' ordinary share			
Basic	6	12.98	11.59
Diluted	6	12.96	11.51
Adjusted	6	16.10	9.79
Diluted adjusted	6	16.07	9.73
Earnings per share per 4p 'B' ordinary share			
Basic	6	1.30	1.16
Diluted	6	1.30	1.15
Adjusted	6	1.61	0.98
Diluted Adjusted	6	1.61	0.97

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Comprehensive Income
For the 53 weeks ended 1 April 2023

	Note	53 weeks ended 1 April 2023 £m	52 weeks ended 26 March 2022 £m
Profit for the year		7.9	7.1
<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		0.1	0.5
Tax related to items that may be reclassified to profit or loss	5	-	(0.1)
<i>Items that will not be reclassified to profit or loss in subsequent years (net of tax)</i>			
Net actuarial (losses)/gains on pension schemes	12	(2.5)	15.5
Tax related to items that will not be reclassified to profit or loss	5	0.6	(3.8)
Other comprehensive (losses)/gains for the year, net of tax		(1.8)	12.1
Total comprehensive income for the year, net of tax		6.1	19.2

Fuller, Smith & Turner P.L.C.
Condensed Group Balance Sheet
1 April 2023

	Note	At 1 April 2023 £m	At 26 March 2022 £m
Non-current assets			
Intangible assets		29.0	29.5
Property, plant and equipment	8	583.3	592.7
Investment properties		1.5	1.6
Retirement benefit obligations	12	16.1	16.2
Right-of-use assets	10	66.4	73.8
Other financial assets		0.1	–
Total non-current assets		696.4	713.8
Current assets			
Inventories		4.2	3.6
Trade and other receivables		10.2	10.7
Current tax receivable		0.7	0.6
Cash and short-term deposits	11	14.1	15.6
Total current assets		29.2	30.5
Assets classified as held for sale		7.0	5.4
Total assets		732.6	749.7
Current liabilities			
Trade and other payables		(54.6)	(57.1)
Provisions		(0.5)	(0.5)
Borrowings	11	(6.0)	(120.0)
Lease liabilities	10	(4.8)	(6.8)
Other financial liabilities		–	(0.1)
Total current liabilities		(65.9)	(184.5)
Non-current liabilities			
Borrowings	11	(140.9)	(27.5)
Lease liabilities	10	(67.0)	(73.9)
Retirement benefit obligations	12	(1.5)	(1.9)
Deferred tax liabilities		(14.7)	(12.7)
Total non-current liabilities		(224.1)	(116.0)
Net assets		442.6	449.2

Fuller, Smith & Turner P.L.C.
Condensed Group Balance Sheet (continued)
1 April 2023

	At 1 April 2023	At 26 March 2022
	£m	£m
Capital and reserves		
Share capital	25.4	25.4
Share premium account	53.2	53.2
Capital redemption reserve	3.7	3.7
Own shares	(21.3)	(16.6)
Hedging reserve	–	(0.1)
Retained earnings	381.6	383.6
Total equity	442.6	449.2

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Changes in Equity
For the 53 weeks ended 1 April 2023

Group	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total £m
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
Profit for the year	–	–	–	–	–	7.9	7.9
Other comprehensive income for the year	–	–	–	–	0.1	(1.9)	(1.8)
Total comprehensive income for the year	–	–	–	–	0.1	6.0	6.1
Shares purchased to be held in ESOT or as treasury	–	–	–	(4.8)	–	–	(4.8)
Shares released from ESOT and treasury	–	–	–	0.1	–	–	0.1
Dividends (note 7)	–	–	–	–	–	(7.4)	(7.4)
Share-based payment credits	–	–	–	–	–	(0.4)	(0.4)
Tax credited directly to equity	–	–	–	–	–	(0.2)	(0.2)
At 1 April 2023	25.4	53.2	3.7	(21.3)	–	381.6	442.6

Fuller, Smith & Turner P.L.C.
Condensed Group Cash Flow Statement
For the 53 weeks ended 1 April 2023

		53 weeks ended	52 weeks ended
		1 April	26 March
		2023	2022
	Note	£m	£m
Profit before tax for continuing operations		10.3	11.5
Net finance costs before separately disclosed items	4	12.4	11.3
Separately disclosed items	3	2.4	(4.3)
Depreciation and amortisation		26.7	25.8
		51.8	44.3
Difference between pension charge and cash paid		(2.3)	(2.3)
Share-based payment (credit)/charges		(0.4)	0.8
Change in trade and other receivables		2.5	0.5
Change in inventories		(0.6)	(1.5)
Change in trade and other payables		(3.0)	28.8
Cash impact of operating separately disclosed items	3	(0.5)	(1.9)
Cash generated from operations		47.5	68.7
Tax received		-	2.5
Net Cash generated from operating activities		47.5	71.2
Cash flow from investing activities			
Purchase of property, plant and equipment and intangibles		(30.7)	(25.8)
Sale of property, plant and equipment, right-of-use assets and assets held for sale		16.0	10.0
Net Cash (outflow) from Investing activities		(14.7)	(15.8)
Cash flow from financing activities			
Purchase of own shares		(4.8)	-
Receipts on release of own shares to option schemes		0.1	0.1
Interest paid		(8.7)	(7.2)
Preference dividends paid	7	(0.1)	(0.1)
Equity dividends paid	7	(7.4)	(2.4)
Net proceeds from equity placing		-	51.8
Repayment of CCFF	11	-	(100.0)
Drawdown of bank loans	11	-	12.6
Surrender of leases		(2.1)	(1.9)
Principal and interest elements of lease payments	11	(9.8)	(8.6)
Payment of loan arrangement fees	11	(1.5)	(1.2)
Net cash (outflow) from financing activities		(34.3)	(56.9)
Net movement in cash and cash equivalents		(1.5)	(1.5)
Cash and cash equivalents at the start of the year	11	15.6	17.1
Total cash and cash equivalents at the end of the year	11	14.1	15.6

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

1. Preliminary statement

The consolidated financial statements of Fuller, Smith & Turner P.L.C. for the 53 weeks ended 1 April 2023 were authorised for issue by the Board of Directors on 14 June 2023.

The financial information presented does not constitute the Group's annual report and accounts for either the 53 weeks ended 1 April 2023 or the 52 weeks ended 26 March 2022 within the meaning of Section 435 of the Companies Act 2006, but is derived from those accounts. The Group's statutory accounts for 2022 have been delivered to the Registrar of Companies and those for 2023 will be delivered following the Company's annual general meeting. The independent auditor's reports on both the 2023 and 2022 accounts were not qualified or modified. The independent auditor's reports for both 2023 and 2022 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 53 weeks ended 1 April 2023, which will be mailed to shareholders on or before 27 June 2023 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

At 1 April 2023, the Group's Balance Sheet comprises of 92% of the estate being freehold properties and available headroom on facilities of £79.5 million and £14.1 million of cash and resulting net debt of £132.8 million.

During the year, the Group secured a new facility of £200 million, split between a RCF 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 remained until November 2022. From December 2022 (and tested quarterly thereafter) the covenant suite consists 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 the period to 29 June 2024, based upon two scenarios, the base case and the downside case. The base case is the Board approved FY2024 budget as well as the Q1 FY2025 plan, which forms part of the Board approved three year plan. The base case assumes that sales will continue to recover, in particular in Central London. However, the budget remains cautious about the inflationary environment and also the impact on the consumer and therefore only assumes moderate levels of volume growth as well as continued pressure on margins. The base case scenario indicates that the Group will have sufficient resources to continue to settle its debts as they fall due and operate well within its covenants for the going concern assessment period.

The Group has also modelled a downside case which assumes that sales volume reduces by 10% from the base case, and costs across food, staff and interest continue to rise. This model also assumes that train strikes are more frequent than experienced in FY2023. In this downside case, management would implement mitigating actions such as overhead reduction and reduction of capital expenditure and other property spend to essential maintenance. Under this scenario, the Group would still have sufficient resources to settle liabilities as they fall due and headroom on its covenants through the duration of the period.

The Group has also performed a reverse stress case which shows that the Group could withstand a 24% reduction in volumes throughout the going concern period, as well as costs assumed to increase at a similar or higher rate than the downside scenario, before the covenant levels would be exceeded on 31 March 2024. The Directors consider this scenario to be remote as other than when the business was closed because of the pandemic have never seen volumes decline at anywhere close to that rate.

Under both the base and downside scenarios modelled, the Group would have sufficient headroom on its facilities throughout the going concern assessment period. Additionally, under the downside scenario, there are further mitigating actions which the Group has in its control to either improve EBITDA or reduce net debt, such as further reduction in capex spend to only essential maintenance and the decision

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

1. Preliminary statement (continued)

not to pay dividends and bonuses. Further mitigating actions would include disposals of licensed and unlicensed properties.

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

After due consideration of the matters 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 period to 29 June 2024, and have therefore adopted the going concern basis in the preparation of these financial statements.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

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.

53 weeks ended 1 April 2023	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated¹ £m	Total continuing operations £m
Revenue				
Sale of goods and services	271.6	21.2	–	292.8
Accommodation income	33.7	–	–	33.7
Total revenue from contracts with customers	305.3	21.2	–	326.5
Rental income	1.5	8.6	–	10.1
Revenue	306.8	29.8	–	336.6
Segment result	30.0	13.2	(18.1)	25.1
Operating separately disclosed items				(14.2)
Operating profit				10.9
Profit on disposal of properties				11.8
Net finance costs				(12.4)
Profit before tax				10.3
Other segment information				
Additions to property, plant & equipment and intangible assets	25.2	4.7	0.1	30.0
Depreciation and amortisation	23.4	2.3	1.0	26.7
Impairment of property, right-of-use assets and assets classified as held for sale	12.5	1.8	–	14.3

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

2. Segmental Analysis (continued)

52 weeks ended 26 March 2022	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated ¹ £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 & 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

¹ Unallocated expenses represent primarily the salaries and costs of central management. Unallocated capital expenditure relates to additions to the head office and in the prior year additions to IT development costs.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

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.

	53 weeks ended 1 April 2023	52 weeks ended 26 March 2022
	£m	£m
Continuing operations		
Amounts included in operating profit:		
Reorganisation costs	(0.5)	(0.8)
Impairment of properties, right-of-use assets and assets classified as held for sale (note 9)	(14.3)	(3.3)
Insurance claim	(0.2)	–
Adjustment related to settlement of the beer business	–	2.1
VAT provision release	0.8	–
Total separately disclosed items included in operating profit	(14.2)	(2.0)
Profit on disposal of properties	11.8	6.3
Separately disclosed finance credits:		
Finance credit on net pension liabilities	0.5	–
Finance charge on the write down of arrangement fees	(0.5)	–
Total separately disclosed finance credits	–	–
Total separately disclosed items before tax	(2.4)	4.3
Exceptional tax:		
Profit on disposal of properties	(1.0)	(1.3)
Change in tax rate	0.5	(3.3)
Other items	1.0	1.4
Total separately disclosed tax	0.5	(3.2)
Total separately disclosed items	(1.9)	1.1

The reorganisation costs comprise £0.5 million in relation to the corporate restructure during the 53 weeks ended 1 April 2023 (26 March 2022: £0.8 million).

The impairment charge of £14.3 million (26 March 2022: £3.3 million) relates to the write down of 22 properties to their recoverable value (26 March 2022: six properties).

The insurance claim of £0.2 million is the write off of property, plant and equipment and the cost of the rectification work (£2.7 million) net of insurance monies claimed (£2.5 million).

The VAT provision release relates to a VAT adjustment of £0.8 million. In the prior year, £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 profit on disposal of properties of £11.8 million during the 53 weeks ended 1 April 2023 (26 March 2022: £6.3 million) relates to the disposal of nine licensed and unlicensed properties (26 March 2022: 12 properties).

The cash impact of operating separately disclosed items before tax for the 53 weeks ended 1 April 2023 was £0.5 million cash outflow (26 March 2022: £1.9 million cash outflow).

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

4. Finance Costs

	53 weeks ended 1 April 2023 £m	52 weeks ended 26 March 2022 £m
Finance Income		
Interest income from financial assets	0.2	–
Finance Costs		
Interest expense arising on:		
Financial liabilities at amortised cost – loans and debentures	(9.6)	(8.1)
Financial liabilities at amortised cost – preference shares	(0.1)	(0.1)
Financial liabilities at amortised cost – lease liabilities	(2.9)	(3.1)
Net finance costs before separately disclosed items	(12.4)	(11.3)
Finance credit on net pension liabilities (note 3)	0.5	–
Finance charge on the write down of arrangement fees (note 3)	(0.5)	–
Net finance costs after separately disclosed items	(12.4)	(11.3)

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

5. Taxation

Group	53 weeks ended 1 April 2023 £m	52 weeks ended 26 March 2022 £m
Tax charged in the Income Statement		
Current income tax:		
Current tax on profit for the year	–	0.2
Adjustments for current tax on prior periods	–	0.6
Total current income tax expense	–	0.8
Deferred income tax:		
Origination and reversal of temporary differences	3.6	2.2
Change in corporation tax rate	–	3.3
Adjustments for deferred tax on prior periods	(1.2)	(1.9)
Total deferred tax expense	2.4	3.6
Total tax charged in the Income Statement	2.4	4.4
Analysed as:		
Before separately disclosed items	2.9	1.2
Separately disclosed items	(0.5)	3.2
	2.4	4.4

Reconciliation of the Total Tax Charge

The tax expense in the Income Statement for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are reconciled below:

	53 weeks ended 1 April 2023 £m	52 weeks ended 26 March 2022 £m
Profit before income tax expense	10.3	11.5
Accounting profit multiplied by the UK standard rate of corporation tax of 19% (2022: 19%)	2.0	2.2
Items not deductible/(taxable) for tax purposes	0.2	(0.3)
Current and deferred tax (over) provided in previous years	(1.2)	(1.3)
Net movements in respect of property	1.4	0.5
Change in corporation tax rate	–	3.3
Total tax charged in the Income Statement	2.4	4.4

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

5. Taxation (continued)

Deferred tax relating to items charged to the Income Statement	53 weeks ended 1 April 2023 £m	52 weeks ended 26 March 2022 £m
Deferred tax depreciation	1.5	(0.8)
Unrealised capital gains (on PP&E)	1.7	5.2
Retirement benefit obligations	1.8	1.6
Tax losses	0.7	(2.8)
Other	(3.4)	(0.7)
Corporate interest restriction	0.1	1.1
Deferred tax in the Income Statement	2.4	3.6
Tax relating to Items (credited)/charged to the Statement of Comprehensive Income		
Deferred tax:		
Valuation gains on financial liabilities	–	0.1
Net actuarial (losses)/gains on pension scheme	(0.6)	3.8
Total tax (credited)/charged in the Statement of Comprehensive Income	(0.6)	3.9
Tax relating to Items charged/(credited) directly to equity		
Deferred tax:		
Share based payments	0.2	(0.1)
Total tax charged/(credited) to equity	0.2	(0.1)

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

6. Earnings Per Share

Group	53 weeks ended 1 April 2023	52 weeks ended 26 March 2022
	£m	£m
Profit attributable to equity shareholders	7.9	7.1
Separately disclosed items net of tax	1.9	(1.1)
Adjusted earnings attributable to equity shareholders	9.8	6.0

	Number	Number
Weighted average share capital	60,875,000	61,264,000
Dilutive outstanding options and share awards	90,000	413,000
Diluted weighted average share capital	60,965,000	61,677,000

40p 'A' and 'C' ordinary share	Pence	Pence
Basic earnings per share	12.98	11.59
Diluted earnings per share	12.96	11.51
Adjusted earnings per share	16.10	9.79
Diluted adjusted earnings per share	16.07	9.73

4p 'B' ordinary share	Pence	Pence
Basic earnings per share	1.30	1.16
Diluted earnings per share	1.30	1.15
Adjusted earnings per share	1.61	0.98
Diluted adjusted earnings per share	1.61	0.97

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 2,134,152 (2022: 1,744,564).

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 53 weeks ended 1 April 2023

7. Dividends

	53 weeks ended 1 April 2023 £m	52 weeks ended 26 March 2022 £m
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2022: 7.41p (2021: 0p)	4.6	–
Interim dividend for 2023: 4.68p (2022: 3.90p)	2.8	2.4
Equity dividends paid	7.4	2.4
Dividends on cumulative preference shares (note 4)	0.1	0.1
Proposed for approval at the Annual General Meeting		
Final dividend for 2023: 10.0p (2022: 7.41p)	6.1	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.

8. Property, Plant and Equipment

Group	Land & buildings - owned & used £m	Land & buildings - owned & lessor £m	Plant machinery & vehicles £m	Fixtures & fittings £m	Total £m
Cost					
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
Additions	12.0	2.3	–	15.7	30.0
Disposals	(1.4)	(0.3)	–	(6.6)	(8.3)
Transfer to asset held for sale	(7.8)	–	–	(1.4)	(9.2)
At 1 April 2023	496.4	111.6	6.3	187.2	801.5
Depreciation and impairment					
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 (note 9)	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
Provided during the year	4.8	1.0	–	13.3	19.1
Disposals	(0.8)	–	–	(6.3)	(7.1)
Impairment loss (note 9)	13.4	–	–	–	13.4
Transfer to assets held for sale	(2.3)	–	–	(1.2)	(3.5)
At 1 April 2023	70.0	11.3	1.7	135.2	218.2
Net book value at 1 April 2023	426.4	100.3	4.6	52.0	583.3
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

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

9. Impairment

Group	2023 £m	2022 £m
Impairment losses		
Property, plant and equipment	13.4	3.3
Right-of-use assets	0.5	–
Assets held for sale	0.4	–
Total net impairment charge	14.3	3.3

During the 53 weeks ended 1 April 2023, the Group recognised an impairment loss of £13.4 million (2022: £3.3 million) on property, plant and equipment, £0.5 million of impairment on right-of-use assets (2022: £nil) and £0.4m on assets held for sale (2022: £nil) in respect of the write down of a number of licensed 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	2023 £m	2022 £m
Right-of-use assets		
Properties	66.2	73.1
Equipment	0.2	0.6
Vehicles	–	0.1
	66.4	73.8
 Lease liabilities		
Current	4.8	6.8
Non-current	67.0	73.9
	71.8	80.7

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 53 weeks ended 1 April 2023

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 26 March 2022	73.1	0.6	0.1	73.8
Disposals	(1.0)	–	–	(1.0)
Lease amendments ¹	1.3	–	(0.1)	1.2
Depreciation	(6.7)	(0.4)	–	(7.1)
Impairment	(0.5)	–	–	(0.5)
Net carrying value as at 1 April 2023	66.2	0.2	–	66.4

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

11. Analysis of Net Debt

	At 26 March 2022 £m	Cash flows £m	Non cash ¹ £m	At 1 April 2023 £m
53 weeks ended 1 April 2023				
Cash and cash equivalents:				
Cash and short-term deposits	15.6	(1.5)	–	14.1
	15.6	(1.5)	–	14.1
Financial liabilities:				
Lease liabilities	(80.7)	11.9	(3.0)	(71.8)
	(80.7)	11.9	(3.0)	(71.8)
Debt:				
Bank loans ²	(120.0)	1.5	(0.9)	(119.4)
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(147.5)	1.5	(0.9)	(146.9)
Net debt	(212.6)	11.9	(3.9)	(204.6)

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11. Analysis of Net Debt (continued)

	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)	10.5	(1.3)	(80.7)
	(89.9)	10.5	(1.3)	(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)	97.6	(2.2)	(212.6)

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

² Bank loans are net of arrangement fees and cash flows include the payment of arrangement fees.

12. Pensions

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

	2023 £m	2022 £m
Fair value of Scheme assets	113.4	143.9
Present value of Scheme liabilities	(98.8)	(129.6)
Surplus in the Scheme	14.6	14.3

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12. Pensions (continued)

	Defined benefit obligation		Fair value of Scheme assets		Net defined surplus	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Balance at beginning of the year	(129.6)	(147.3)	143.9	143.8	14.3	(3.5)
Included in profit and loss						
Net interest credit	(3.9)	(2.8)	4.4	2.8	0.5	–
	(3.9)	(2.8)	4.4	2.8	0.5	–
Included in Other Comprehensive Income						
Actuarial (losses)/gain relating to:						
Actual return less expected return on Scheme's assets	–	–	(32.0)	0.6	(32.0)	0.6
Experience gains arising on Scheme liabilities	29.5	14.9	–	–	29.5	14.9
	29.5	14.9	(32.0)	0.6	(2.5)	15.5
Other						
Employer contributions	–	–	2.3	2.3	2.3	2.3
Benefits paid	5.2	5.6	(5.2)	(5.6)	–	–
	5.2	5.6	(2.9)	(3.3)	2.3	2.3
Balance at end of the year	(98.8)	(129.6)	113.4	143.9	14.6	14.3

Key assumptions

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

	2023 Years	2022 Years
Mortality assumptions		
Current pensioners (at 65) – males	22.0	22.2
Current pensioners (at 65) – females	24.2	24.5
Future pensioners (at 65) – males	23.3	23.6
Future pensioners (at 65) – females	25.7	25.9

The scheme is now closed to future accrual. The average age of the members who were active at closure is 58 for males and 55 for females. The average age of all non-pensioners is 57.

Key financial assumptions used in the valuation of the Scheme

	2023	2022
Rate of increase in pensions in payment	3.20%	3.75%
Discount rate	4.75%	3.00%
Inflation assumption – RPI	3.20%	3.80%
Inflation assumption – CPI (pre 2030/post 2030)	2.3%/3.2%	2.9%/3.8%

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12. Pensions (continued)

Assets in the Scheme	2023	2022
	£m	£m
Corporate bonds	56.4	25.0
Index linked debt instruments	28.7	26.0
Overseas equities	6.6	31.5
Alternatives ¹	19.0	56.5
Cash	0.3	1.6
Annuities	2.4	3.3
Total market value of assets	113.4	143.9

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