FULLER'S

Investing in SUCCESS

Annual Report and Accounts 2024

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TO LEARN MORE ABOUT...

Confidence in...

At Fuller's, we have confidence in tomorrow because we are investing in success today.

During the year, we have invested in our properties, in our people and in gaining even more detailed knowledge of our customers. We do this because we have confidence in these areas and in the outstanding hospitality we deliver every day as part of our purpose in life – to create experiences that *nourish the soul.*

HIGHLIGHTS

Financial and Operational Highlights

- Revenue up 7%, against a 53-week year, to £359.1 million (FY2023: £336.6 million), driven by strong performances across the estate
- Like for like sales up 11.0%, significantly outperforming the industry's CGA RSM Hospitality Business Tracker on average by four percentage points
- Strong profit conversion, with adjusted profit before tax increased by 61% to £20.5 million (FY2023: £12.7 million)
- Operating cash flow used to fund estate enhancements and finance shareholder returns in the form of dividends and share buybacks – net debt stable at £133.1 million (FY2023: £132.8 million)
- Total dividend increased by 21% to 17.75p (FY2023: 14.68p)
- Bought back three million 'A' shares since September 2022, with a further one million 'A' shares in progress since March 2024. Today we announce our intention to buy up to a further two and a half million 'A' shares – bringing the total number of shares repurchased to 6.5 million shares.

Strategic Highlights

- An excellent year for the Company, with strong like for like sales and volume growth across all areas of the business:
  - Food like for like sales increased by 14.5%
  - Drink like for like sales increased by 9.8%
  - Accommodation like for like sales increased by 7.8%
- Invested £27.2 million in our existing estate of iconic properties, including transformational schemes at The Rising Sun in the heart of the New Forest, The Windmill at Portishead, The Butcher's Hook & Cleaver in Smithfield, and The Forester in Ealing
- Completed the roll out of our *Lead Your Way* programme to all General Managers – demonstrating our commitment to develop our people
- Continued proactive management of the estate to enhance shareholder value:
  - Transferred 23 pubs from Managed Pubs and Hotels to Tenanted Inns, generating an incremental £1.0 million profit in a full year
  - Agreed terms on the sale of The Mad Hatter in SE1, which will realise £20 million of value – due July 2024
  - Agreed sale of a portfolio of 37 non-core pubs to Admiral Taverns for £18.3 million, at a £1.6 million premium to the gross asset value of £16.7 million.

	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Revenue and other income	**359.1**	336.6
Adjusted EBITDA[1]	**60.8**	51.8
Adjusted profit before tax[2]	**20.5**	12.7
Statutory profit before tax	**14.4**	10.3
Basic earnings per share[3]	**15.16p**	12.98p
Adjusted earnings per share[3]	**24.48p**	16.10p
Dividend per share[3]	**17.75p**	14.68p
Net debt excluding lease liabilities[4]	**133.1**	132.8

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. Basic EPS is calculated using earnings attributable to equity shareholders after tax including separately disclosed items. Adjusted EPS excludes separately disclosed items.

4 Net debt excluding lease liabilities comprises cash and short-term deposits, bank overdraft, bank loans, debenture stock and preference shares net of debt issue costs.

Who we are

We are the premium pubs and hotels business that is famous for beautiful and inviting venues with delicious fresh food, a vibrant and interesting range of drinks, beautiful bedrooms and engaging service from passionate people.

Our diverse portfolio encompasses some 370 wonderful sites across London and the South of England. Our portfolio includes 190 Tenanted Inns and 180 Managed Pubs and Hotels, including six Bel & The Dragon country inns and seven Cotswold Inns & Hotels.

OUR PURPOSE

We create experiences that *nourish the soul*

OUR MISSION

We're crafting a family of distinctive pubs and hotels where people feel they belong

OUR VALUES

Doing things the right way

Being part of the family

Celebrating individuality

Always asking *what's next?*

SUSTAINABILITY PILLARS:

Life is too good to waste

See page 37

Our people

See page 40

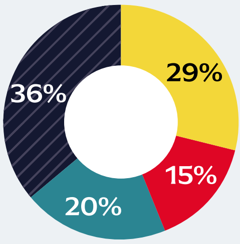
Our communities

See page 40

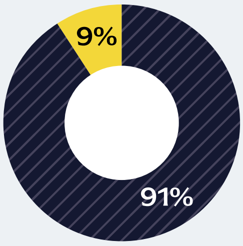
Our planet

See page 41

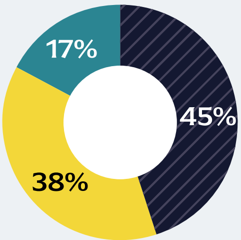
Managed Pubs and Tenanted Inns (%)



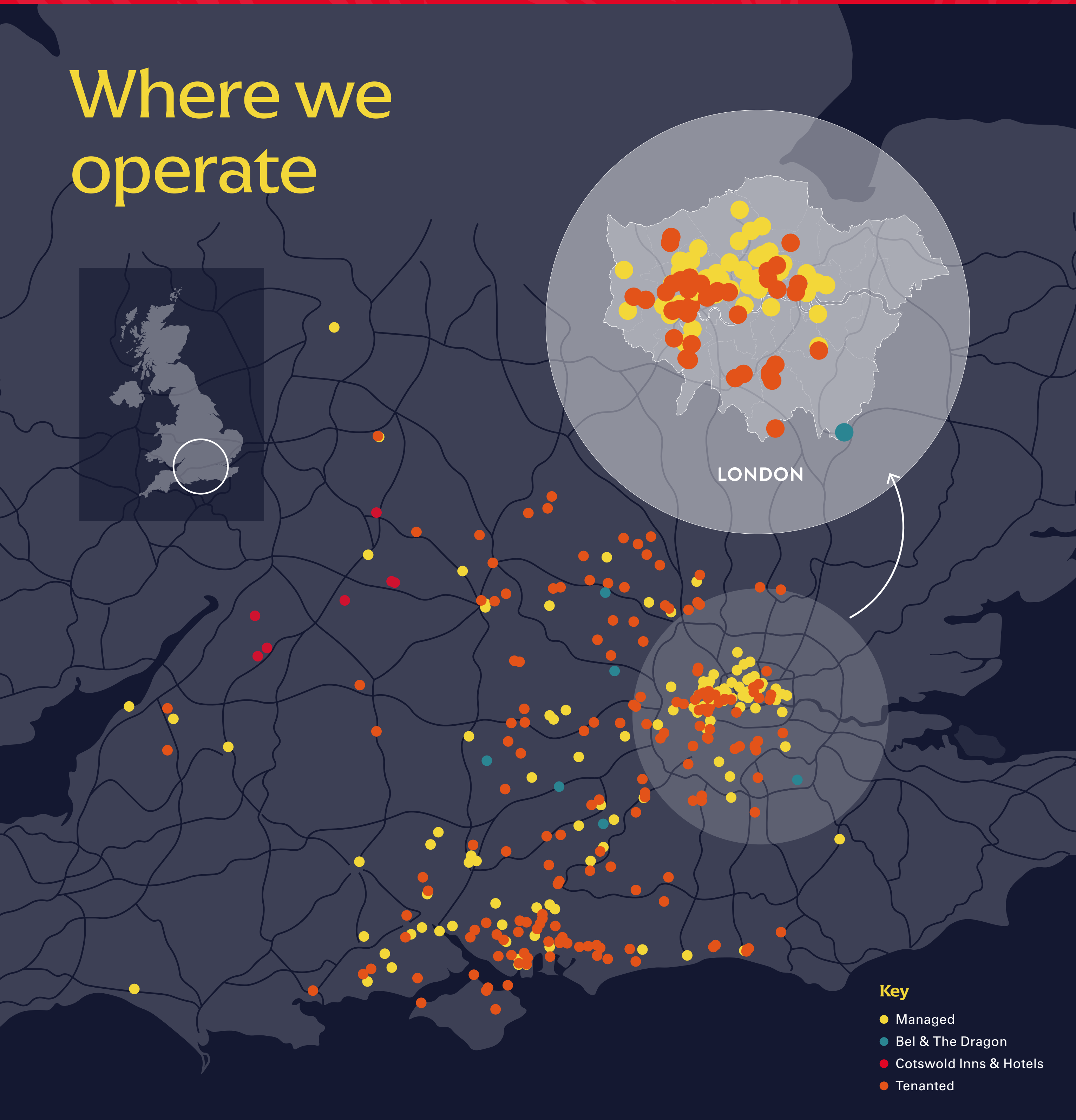
Revenue by Division (%)



Analysis of Managed revenue urban/ suburban/rural (%)



Where we operate



OUR PUBS AND HOTELS

167	6	7	190	34	73	73
Managed Pubs and Hotels	Bel & The Dragon	Cotswold Inns & Hotels	Tenanted Inns	Rural Managed Pubs and Hotels	Suburban Managed Pubs and Hotels	Urban Managed Pubs and Hotels

WE HAVE A CLEAR STRATEGY

We operate a family of characterful pubs and hotels in the South of England

- Our estate encompasses some 370 pubs and hotels across London and the South of England
- We operate in the premium segment while offering excellent value for money.

We source and create experiences that *nourish the soul*

- Most of our pubs are deeply entrenched in their local communities with generations of goodwill behind them. We are a regular part of our customers' lives, and we strive to earn the right to welcome them back again and again
- Our pubs are operated locally, with managers given the freedom to optimise the decor and the offer according to local characteristics. This extends to creating engaging experiences, from open-air Shakespeare to stand-up comedy and open mic nights.

Our teams are customer-centric, focused on delivering outstanding quality and service

- Memorable hospitality demands great people behind the bar and stars in the kitchen. Our focus on quality and service helps turn our customers into powerful ambassadors.

Our investment proposition puts us in a position of strength and security

WE OPERATE IN A MARKET WITH OPPORTUNITIES

Demographic strengths

- In our heartland of London and the South of England, incomes are traditionally more resilient. Hospitality spend in our regions is 8% greater than the UK average, and incomes are circa 12% higher. Our wide demographic also attracts mature customers, many of whom have greater disposable incomes.

Customers are attracted by our premium offer

- Every week we welcome thousands of people to our pubs and hotels, many being returning guests. Our customers look for a great experience and they appreciate the benefit of our premium offer.

Leveraging digital opportunities

- An increasing digital awareness among our customers allows us to get even closer to them, and provide a tailored experience which is smooth and seamless. We have developed our digital infrastructure to utilise robust user data and help enhance the effectiveness of our targeted marketing. We have also enhanced our online presence, from booking tables, rooms or events through to ordering and paying.

WE ACTIVELY MANAGE OUR ASSET PORTFOLIO

The Company has a high quality portfolio

- Freehold ownership represents 88% of our estate. Following the latest valuation reported in June 2022, this represented an asset value of £995.6 million.

We deliver capital appreciation as well as earnings growth

- As custodians of the portfolio, we protect and enhance its quality with maintenance investment and look for opportunities to enhance trade and grow income through investment. Each year we expect to invest in the region of £20–30 million improving the estate.

Our strong Balance Sheet provides us with access to capital

- We have a four year £200 million bank facility to May 2027. This also provides significant headroom to continue our acquisition strategy, building on the successful Cotswold Inns & Hotels and Bel & The Dragon transactions
- We actively manage the property portfolio to optimise returns – as demonstrated by the transfers of Managed pubs to Tenanted operations
- We continually gauge the performance of assets, considering fresh pub propositions, or the option of disposals.

WE ARE FAMILY, INSIDE AND OUT

Our multi-generation family business extends a sense of belonging to all our stakeholders

- For customers, we maintain the cherished ethos of "the local"
- Our people are also family. We create meaningful career paths and invest in their development. This shows in our senior leadership where around 55% of our General Managers and a number of our Tenants, joined us at entry level and have developed within the business
- Much of our kitchen talent is also home-grown and at our Chefs' Guild we set a clear pathway that can take kitchen assistants right up to executive chef level
- We welcome over 100 apprentices each year, giving them an inspirational start to careers in hospitality.

Great family businesses think and act long term

- We are custodians of the Company, with the clear goal of passing it on in even better health than we found it. This means managing our assets carefully, with the collective strength of our portfolio delivering increasing value.

WE HAVE A CLEAR AND CONSISTENT CAPITAL ALLOCATION FRAMEWORK TO ENHANCE LONG-TERM VALUE CREATION

We invest in the long-term organic growth of the business

- We invest annually to grow capital value, and to drive returns.

A sustainable and progressive dividend

- With a planned cover range of 2.5-3.0x, and growth in line with EPS growth to drive dividend yield.

Acquisition opportunities

- With a disciplined approach to inorganic investment and a view to increasing long-term returns.

Leverage

- With a target of up to circa 3x net debt/EBITDA. If achieved, surplus cash may be returned to shareholders.

WE OWN OUR IMPACT BECAUSE *LIFE IS TOO GOOD TO WASTE*

Our environment and our planet demand that we take meaningful action to protect them

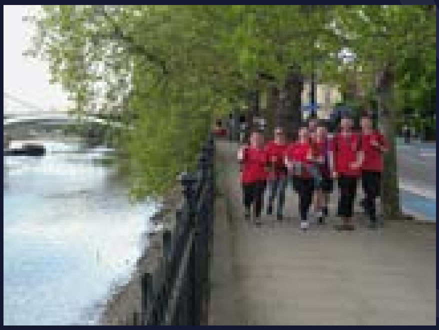
- We aim to be Net Zero by 2030 (operational) and 2040 (supply chain)
- We will continue to source 100% renewable energy
- We will reduce energy consumption by 25% and halve our gas usage.

We create spaces where communities are welcomed, supported and can come together

- Each site is encouraged to support at least one local group each year
- We donate 1% of our profits to good causes every year
- We create good job opportunities for people with additional needs.

Our governance is designed to build trust and ensure equal opportunities for everyone

- A diverse place to work with no barriers to entry and with clear development paths
- A place where everyone has a voice
- A place free from modern slavery and discrimination of any kind.



An excellent year and significant progress

It has been an excellent year for your Company – with significant progress and growth in all areas of the business. Of particular note is the rise in like for like sales in our Managed Pubs and Hotels of 11% and a 13% rise in our Tenanted Inns revenue.

"A plethora of outstanding schemes have been completed during the year from Portishead in the West to EC3 in the East, building on our commitment to always having one of the best estates in the industry."

MICHAEL TURNER
CHAIRMAN

Against this backdrop, we have seen total revenues rise by 7%, against a 53-week year, and adjusted profit before tax rise by 61%. This has resulted in an increase of the full year dividend of 21%, showing a continued return to a progressive dividend policy.

Simon Emeny and his team have made some excellent new appointments over the last couple of years. Sam Bourke, who we added to our team in the role of Marketing Director in autumn 2022, is making a real difference to the way we communicate with customers and the campaigns we undertake to attract new business and further build on our food, drink and accommodation offer. Carrie Joslin, our new Food & Drink Director who joined in September 2023, is already making an excellent contribution.

Meanwhile our People & Talent Director Dawn Browne – who may not be new to Fuller's but joined the Board in July 2023 – has brought her expertise in both people and operations to the boardroom, while also driving further investment in our talented team members.

On the property front, we have continued investing in our existing estate to deliver further value. A plethora of outstanding schemes have been completed during the year from Portishead in the West to EC3 in the East, building on our commitment to always having one of the best estates in the industry. While some of these are transformational schemes, which will open sites like The Rising Sun in the beautiful New Forest and The Forester in Ealing to new audiences, others are primarily to ensure our wonderful, iconic sites are always looking their best and deserving of their premium position.

During the year, we have used our capital wisely – buying back our own shares, which we know are currently still at a considerable discount to their true value. In 2021, you will remember that we raised equity through a placing of 6.5 million 'A' shares at £8.30 each. Since September 2022, we have bought back over three million of our shares and today we have announced that we intend to continue the buyback programme, aiming to repurchase up to the 6.5 million 'A' shares that were issued in 2021. To date, the buyback has been completed at a 30% discount to the £8.30 price of the share issue. This leaves your Company in a strong financial position and ready to take advantage of appropriate acquisition opportunities.

Finally, it just remains for me to pay tribute to our amazing team members across the business. They are the backbone of the Company and the source of our success. I am proud to be their Chairman and I thank each and every one for their continued contribution, dedication and enthusiasm.

Dividend

The Board is pleased to announce a final dividend of 11.12p (FY2023: 10.0p) per 40p 'A' and 'C' ordinary share and 1.112p (FY2023: 1.0p) per 4p 'B' ordinary share, representing a year on year increase of 11%. This will be paid on 25 July 2024 to shareholders on the share register as at 5 July 2024. The total dividend of 17.75p (FY2023: 14.68p) per 40p 'A' and 'C' ordinary share and 1.775p (FY2023: 1.468p) per 4p 'B' ordinary share represents a 21% year-on-year increase.

MICHAEL TURNER
CHAIRMAN
12 June 2024

Building on OUR SUCCESS *Always asking what's next?*

Making the customer journey simpler

When guests are coming to stay with us for a weekend, we want to make things as welcoming and easy as possible. That's why we have worked hard to build a really simple customer booking journey. You can always get the best rates by booking online through our websites, and the work we have carried out over the past few years has made that booking journey even easier for the customer.

From a simple online check in, to a quick way for the customer to also book dinner at the same time as they reserve their room, it adds value to the customer and to Fuller's. You can even add a ticket for one of our garden cultural performances to add that extra special touch to your stay.

We won't stop there though – we know there is more we can do with our systems, and we will keep working to make things better for our customers and grow the business for us.

1,009
Bedrooms in our Managed Pubs and Hotels

+7.8%
Rise in like for like accommodation sales

A great performance across the business

It has been a strong year for Fuller's, and I am pleased and proud of the progress we have made. All parts of the Company have performed well – with like for like sales in our Managed Pubs and Hotels increasing by 11%, Tenanted Inns operating profit rising 4% and adjusted profit before tax rising 61% to £20.5 million.

"Meanwhile, our focus on ensuring we have the best training and development for our people delivers an outstanding customer experience, setting Fuller's apart and delivering profitable sales growth."

SIMON EMENY
CHIEF EXECUTIVE

The actions we have undertaken during the year, doubling down on investing in our iconic pubs and hotels and in our amazing team, have delivered excellent results this year and will ensure continued growth in the future. The long-term strengths of the Company – a predominately freehold estate, premium position and strong Balance Sheet – provide excellent foundations for our consistent, clear and long-term strategy.

Investing in our iconic pubs and hotels ensures we maintain our premium position, which in turn optimises revenue and profit from our sites. Meanwhile our focus on ensuring we have the best training and development for our people delivers an outstanding customer experience, setting Fuller's apart and delivering profitable sales growth. This will result in further growth both organically and by generating the financial strength that will enable us to capitalise on appropriate acquisition opportunities if and when they arise.

We took a number of strategic decisions during the year which have also delivered excellent results including the transfer of 23 sites from our Managed Pubs and Hotels division to Tenanted Inns, which is on track to deliver an incremental £1 million in profit in a full year. We have also, as previously announced, agreed the sale of The Mad Hatter in Southwark for a total value of £20 million, and post year end, we agreed the sale of 37 non-core pubs to Admiral Taverns for £18.3 million.

This customer work has been particularly useful for transformational refurbishments and to target marketing activity, post-investment, at a number of our sites. This additional customer knowledge has driven decisions on menu options, drinks range, decor, and the events and activities we stage within our sites. While it is early days, the initial signs are positive and we continue to learn, develop and improve this process.

Supporting this wider piece of work is our desire to keep our customers coming back with exciting in-pub events. We have continued with our cultural events programme – with another successful summer season of Shakespeare and opera, while adding panto, classic plays and a host of other events and activities. We have also upweighted our focus on sport, including a wider range of sharing options on the menu and improved promotion of forthcoming sporting events. We have increased the number of sites that show sport, and we have exciting plans to build on this activity in the coming year, particularly around the imminent UEFA European Football Championship.

Trading Update

Our success during the year has been due to outstanding work by our teams across the estate and in our support office at Pier House. The team has rolled out new initiatives, focused on our long-term strategy and vision and delivered excellent results. We set ourselves a goal at the beginning of the financial year to deliver a record number of record sales weeks – and our teams across the business rose to the challenge. We smashed our target – not only generating great sales, but also motivating our team and giving plenty of opportunities to recognise, acknowledge and celebrate success.

Giving our customers reasons to visit

Knowing your customers is key for any business and during the year we have completed work to better understand our key customer groups. This work not only allows us to refine our offer, and monitor changes in behaviour post-Covid, but also to identify potential customers with similar characteristics that we can target both on and offline.

To further aid development, ideas and growth in our food business, and building on the appointment of Carrie Joslin as Food & Drink Director last autumn, we have opened a new development kitchen and training centre in Reading. This facility will allow for even more creativity and innovation, and we are excited by what the future could bring in this area.

Strong growth across food, drink and accommodation

During the year, we have seen growth in like for like sales and volumes in all our key areas – food, drink and accommodation.

Our food sales have risen by 14.5% on a like for like basis. This comes on the back of work completed to improve our menu development process, allowing for better bespoke dish creation and changes to the way menus are designed and presented that reflect the customer segment for that particular site. In addition, we have launched an exciting new kids' menu – by kids, for kids – during the year, appealing to our important family market. This has improved margins and was nominated for a Restaurant Marketer and Innovator award.

A first-class premium drinks range has always been at the heart of the great Fuller's pub, and our like for like drinks sales have risen by 9.8%. We have hosted over 100 guest cask ales in our pubs during the year – including a number of brews that are unique to Fuller's pubs from breweries including Siren and Tiny Rebel. Although we have always had a premium range, we have introduced a number of super premium spirits including Casamigos Tequila. We also continue to widen our appeal to those seeking low or no alcohol alternatives and sales in this category, for beers alone, have risen by 81% in value. Our bottled sales of no and low alcohol beers now account for one in five of all packaged sales.

Our accommodation business has also seen impressive growth during the year, with like for like accommodation sales rising 7.8%, RevPAR rising to £97.26 (FY2023: £89.47), a rise in occupancy rates to 79% (FY2023: 78%) and a 9% increase in average room rate to £119.84. We also continue to grow our direct bookings – which are up by 36% during the year – and we are using our digital platforms to make sure that our customers can enhance their stay with dinner bookings and events easily booked at the same time.

Investing for the future in our pubs and people

Over the last 12 months, we have taken the opportunity to increase investment in the pubs we already own and the teams that operate them. Hence, the last quarter of the financial year has been particularly busy for investments across our estate – both in terms of transformational schemes aimed at broadening the appeal of our wonderful pubs and hotels to new audiences, and light-touch investment to keep our pubs looking their absolute best. As a result, total investment spend for the year was £27.2 million.

Investment highlights over the last year include a substantial scheme at The Rising Sun in the heart of the New Forest, a pub we acquired in late summer 2022. A transformational refurbishment has broadened the pub's appeal and we have increased covers both inside and outside, with a wonderful garden scheme to maximise summer months and shoulder period trading.

We have also undertaken trade-enhancing investment schemes at sites including The Windmill in Portishead, overlooking the Severn Estuary, The Butcher's Hook & Cleaver in Smithfield, and The Forester in Ealing – a site that we transferred from our Tenanted Inns division to our Managed Pubs and Hotels business in June 2023. The results from all sites are already looking very positive.

On the people front, we have invested heavily in our leaders with a new leadership framework called *Lead Your Way*, which combines residential courses with online and face to face learning. This has been rolled out to all our General Managers, and in the coming financial year will be extended to Head Chefs and support centre managers. The programme has been incredibly well received and we are already seeing the benefits of this work.

+11%
Like for like Managed sales growth

61%
Increase in adjusted profit before tax

It has been another busy year for our People Team. We held our first General Managers' Conference for four years, completed a review and relaunch of our flagship Management Training Programme for the leaders of the future, recruited 144 new apprentices and launched our Inclusion Action Plan with a focus on age, neurodiversity and inclusion training for all our senior leaders.

Life is too good to waste

We have made good progress in all areas of our *Life is too good to waste* campaign – working on initiatives relating to our people, our planet and our communities. Starting with the last of these, we continue to raise awareness of, and money for, Special Olympics Great Britain. Last year's popular Bridge Walk and Football Tournaments raised a total of £37,000 across the two and we also completed work on a neurodiverse recruitment guide that was launched in April.

Kalaveti Ravouvou and Siva Naulago, from the Bristol Bears, at the opening of The Windmill in Portishead

Work continues on our commitment to achieve Net Zero by 2040 (2030 for Scope 1 & 2) and we were pleased to have had our science-based emissions reduction target approved by the Science Based Targets initiative. We now have 15 Sustainability Champions across our pubs and hotels to support our sustainability programme, help embed new initiatives, roll out best practice and share new ideas. We have committed to reduce our food waste by 50% by 2030 as a signatory to the Courtauld Commitment and we continue to improve our recycling rates.

The benefits of the focus on sustainability include reducing our electricity usage by 3.5% and our gas by 6.5% during the last financial year, with considerable associated cost savings. Other highlights for the year include increasing the number of fully electric kitchens – 10% of our Managed Pubs and Hotels now have fully electric kitchens – achieving the Green Tourism Bronze Award in 12 hotels and gaining BII Sustainability Champion status for our entire Managed estate.

Tenanted Inns

It has been another good year for our Tenanted Inns with revenue rising by 13%. The Business Development Team has strong relationships with all our Tenants and we have invested in further support around marketing and promotion to ensure our Tenants can grow their business – which in turn grows ours. Our core Tenanted business is very strong and delivers excellent returns for the business with high margins and relatively low capital.

The 23 pubs we transferred from our Managed Pubs and Hotels division to our Tenanted Inns during the first half of the year have performed well, generating £1 million of incremental annualised profit. It is particularly pleasing to see our former General Managers in some of these sites relishing their new life as Tenants. Despite the obvious additional responsibility, they are showing creativity and innovation – and that individuality allows these sites to flourish.

Fuller's is committed to owning and operating both Managed and Tenanted pubs as an integral part of the Company's future strategy – each operating model has its strengths and can learn from the other. The Company actively manages its pub estate, continually evaluating strategic

opportunities, and has agreed the sale of 37 pubs to Admiral Taverns allowing the Company to focus on the development of its retained Managed and Tenanted estates. The sale proceeds are £18.3 million, and it is due to complete on 25 June 2024.

Current Trading and Outlook

We have continued to build on the strong momentum of the last year with like for like sales in the first 10 weeks of the year rising by 4.4%. We have commenced a wide-ranging investment programme, with seven schemes already on site or completed since the start of the new financial year.

Complementing this investment in our properties is continued investment in our people. We will be rolling out our leadership development programme to our support centre managers and Head Chefs and continuing to provide development opportunities to team members at all levels across the business.

Fuller's has delivered excellent results in the last financial year, despite the high inflationary environment. As of today, those inflationary pressures – especially in regard to food and energy – have reduced, which gives us additional confidence in the coming year.

As a Company, we are primed for further success and growth. We will continue with our share buyback programme and we will benefit from the sale of The Mad Hatter in July 2024 for a total consideration of £20 million, and £18.3 million from the sale of 37 non-core pubs to Admiral Taverns.

With the solid financial foundation of a strong Balance Sheet and a first-class, predominately freehold estate of iconic pubs and hotels, combined with a team that has the ability and capacity to drive the business forward, we are confident and excited by the opportunities the future will bring.

Simon Emeny

SIMON EMENY
CHIEF EXECUTIVE
12 June 2024

Our resources

CUSTOMER OFFER
We are famous for delicious, fresh, seasonal food and an extensive range of beers, wines, spirits and soft drinks, as well as over 1,000 boutique bedrooms. We have a clear vision to deliver memorable experiences that ensure our customers leave happier than when they arrived.

PEOPLE
Our people make the real difference to our business. Whether dealing with consumers or colleagues, they deliver outstanding service from bar to boardroom. Our purpose is to create experiences that *nourish the soul* – and we strive to ensure that everyone knows the key role they play in delivering our purpose, vision and strategy.

ICONIC PROPERTIES
Our predominately freehold estate is mainly located in the South and South East of England. It is a great balance, with rural, suburban and urban sites. It includes some truly iconic sites such as The Still & West in Old Portsmouth and The Churchill Arms in Notting Hill.

DIGITAL TECHNOLOGY
This encompasses a myriad of digital touch points for the consumer in both pubs and hotels that, to achieve optimal efficiency and a frictionless journey, all need to be seamlessly interlinked. In addition, continued development of our digital technologies and systems further enhances our customer knowledge and understanding and creates efficiencies in our internal processes.

FINANCIAL STRENGTH
Our strong Balance Sheet and prudent approach to cash management ensure that we are well placed to grow both organically and through acquisition.

And stakeholder engagement....

PEOPLE
We have more than 5,000 team members in our business, across 180 pubs and hotels and in Support Centre roles. Our people make the difference in our pubs and hotels. They deliver outstanding customer service and play a critical role in the success of the business. They make the experience for our customers and deliver our business strategy on the front line.

CUSTOMERS
We welcome thousands of people to our pubs and hotels each week and strive to deliver positive and memorable experiences that *nourish the soul*. Our goal is to make sure that people leave that little bit happier than they arrive – ensuring their future repeat custom. We communicate with them in person at our pubs and hotels and also through direct marketing and social media.

COMMUNITIES
The great British pub has always been at the heart of the community and we strive to have a positive and lasting impact on the communities in which we operate by being a responsible business and a good neighbour, supporting worthy causes, providing employment and minimising our environmental impact.

TENANTS
Our Tenants are an extension of the Fuller's team and we look to recruit Tenants who share our vision and values. We have a team of Business and Sales Development Managers led by an experienced Director of Tenanted Operations, who ensure our Tenants are in the best place to operate a successful business that delivers a good return for both Tenants and the wider business.

SUPPLIERS
We work with our suppliers to monitor consumer trends and ensure we are offering the best of the season to our customers. An excellent supply chain is key and we look for genuine partnerships that provide a real point of difference, helping us to delight our customers.

SHAREHOLDERS
Our shareholders range from founding family members to retail shareholders and large institutional investors. They own our business and provide us with the capital that enables us to progress and deliver our strategy. Shareholders with over 1,000 shares also benefit from our Inndulgence discount card.

Continued over

Support value creation

UNIQUE COMBINATION OF MANAGED ESTATES AND TENANTED INNS

We own and operate 370 pubs, inns and hotels across the South of England, comprising 180 Managed Pubs and Hotels and 190 Tenanted Inns.

REINVESTMENT AND REFURBISHMENT

Keeping our fantastic, iconic properties in first-class condition is a key tenet for Fuller's.

Read more on page 25

OUR PURPOSE

To create experiences that nourish the soul

Read more on page 19

CONTINUOUS SUPPLIER COLLABORATION

We work closely with our suppliers in the spirit of mutual collaboration and often have bespoke products on our bars and menus that are available only at Fuller's.

REVENUE GENERATION

Revenues come from three main sources – primarily through operations in our Managed Pubs and Hotels and our Tenanted Inns, but also through some unlicensed property rental.

UNDERPINNED BY OUR COMMITMENT TO SUSTAINABILITY

Life is too good to waste

Read more on page 37

Enabling us to share value with…

PEOPLE

Our team members tell us that they enjoy being part of the Fuller's family and that they appreciate our investment in their wellbeing. We provide best-in-class training and development programmes and genuine opportunities to develop through internal career progression.

Read more on page 21.

23

Different training programmes delivered

CUSTOMERS

Our customers reward our efforts with their trade and their loyalty. They are ultimately the reason for everything we do and delighting our customers through delivering experiences that *nourish the soul* is our purpose. Our customer database allows us to keep them informed of what's new in their favourite pub or hotel.

See more details about our commitment to delighting our customers on page 23.

1.5m

Contactable customers on our database

COMMUNITIES

We strive to play a key role in the communities and neighbourhoods in which we operate with support for local events and groups. We support a number of charities, including Special Olympics GB at a corporate level. We also encourage our team members to raise money both through the pub and personally and, where possible, offer matched funding. We were delighted to see the opening of WEST – the Hammersmith Youth Zone run by Onside – as we were a founder patron of this amazing facility that offers support and activities for children in West London.

See more details about our commitment to our communities on page 40.

£218k

Donated to Special Olympics GB

£276k

Total charity donations

TENANTS

Having a Tenanted estate is a fundamental part of our business and we share best practice and learnings, as well as ensuring the benefit from initiatives like *Shakespeare in the Garden* and access to a number of our suppliers. Around a third of our Tenants are on a mutually beneficial turnover agreement.

You can learn more about our Tenanted Inns on page 11.

TENANTED PUB COMPANY OF THE YEAR 2023

SUPPLIERS

Having true partnerships with suppliers makes a real difference – to both parties. We always look to the long term and making commitments such as forward buying helps both parties to plan for the future with confidence and certainty. It also allows us to work collaboratively to come up with interesting, bespoke drinks and dishes, which are available only at Fuller's, to tantalise our customers' tastebuds.

113

Different cask beers sold in FY2024

SHAREHOLDERS

This year we have returned £22.4 million to shareholders through a combination of share buybacks and dividends. We have a progressive dividends policy and this year's dividend has risen by 21%. Over the past two years, we have returned £34.6 million of capital to our shareholders.

17.75p

Total dividend

STAKEHOLDER ENGAGEMENT
SECTION 172 STATEMENT

This section outlines how, as required by Section 172 of the Companies Act 2006 (the "Act"), the Directors have acted in a way they consider, in good faith, promotes the success of the Company for the benefit of its members as a whole, while having regard to the matters set out in Section 172(1)(a) to (f). The Board strives to ensure that its decision making is consistent and aligned to our purpose, values and strategy. During the year, the Directors consider that, in complying with their statutory duties, they had regard to:

The likely consequences of any decision in the long term A

For Fuller's and the Board, this has always been an integral part of our culture. As a long-established family business, the long term for Fuller's means much more than normal business modelling entails. It is at the heart of all decisions taken by the Board and is underpinned by our value of always asking *what's next*?

The interest of the Company's employees B

Our people are what makes Fuller's special and our commitment to their personal development is reflected through our value of celebrating individuality. Each and every one plays a key role in the success of the Company. Details of the normal engagement process with employees can be found in the Stakeholder Engagement section on pages 12 to 14, the Sustainability Report on pages 37 to 40 and the Corporate Governance Report on page 63.

The need to foster the Company's business relationship with suppliers, customers and others C

The Board believes that successfully delivering our strategy requires strong mutually beneficial relationships, in line with our value of being part of the family, with our Tenants, suppliers and customers, and with industry bodies that further the interests of the sector as a whole. More details of engagement can be found in the Sustainability Report on pages 37 to 41 and Stakeholder Engagement on pages 12 to 14.

The impact of the Company's operations on the community and the environment D

We are committed to always doing the right thing for our communities and the environment through our sustainability strategy *Life is too good to waste*. Details can be found from page 37.

The desirability of the Company maintaining a reputation for high standards of business conduct E

Fuller's is well regarded as a business because it has a consistent record of always doing things the right way – one of the most enduring key values of the business. This is integral to our culture.

The need to act fairly as between members of the Company F

The unique capital structure of Fuller's as a partly listed company has always required the Board to balance the interests of a diverse shareholder base. The focus on the long term is well understood by the Company's shareholders themselves.

Principal Decisions Taken During the Year

Share Buyback Programme

Factors considered A E F

Since its announcement in September 2022, the share buyback programme has bought back three million 'A' ordinary shares, with a further one million in progress. The Board has now announced its intention to repurchase up to the 6.5 million 'A' shares that were issued through the equity raise in 2021 and agreed to increase the quantum of the buyback by a further 2.5 million 'A' shares once the current programme completes.

In making this decision, the Board considered the effective management of cash and the need to balance existing and planned investment into the business.

The Board continues to support the share buyback programme as it aligns with the Company's strategy of long term sustainable growth and delivering value for our shareholders. To date, the buyback has been completed at a 30% discount to the £8.30 price of the share issue, representing significant value creation for long term shareholders.

Estate Rationalisation

Factors considered A B C D E

Fuller's is committed to owning and operating both Managed and Tenanted pubs as an integral part of the Company's future strategy. However, the Company proactively manages its pub estate, continually evaluating strategic opportunities.

The decision was made to sell a package of 36 Tenanted pubs and one Managed pub that the Board believes will be better aligned to a more specialist wet-led community operator. This long term strategic move will further strengthen the Company's balance sheet, enabling additional investment in its existing pubs, as well as supporting future acquisition opportunities, as appropriate, and continued investment in our people. Heads of terms have been agreed and it is anticipated that the transaction will complete on 25 June 2024.

The Board considered the impact on Tenants – both those exiting with the sale and those remaining with Fuller's – as well as employees to ensure that appropriate plans were in place to communicate details of the transaction in a timely and sensitive manner, as well as to offer continued support and handover through to completion of the transaction.

Director Board Appointment

Factors considered A B

As part of ongoing succession planning Dawn Browne, People & Talent Director, was appointed on the recommendation of the Nominations Committee to the Board with effect from 3 July 2024.

In making its decision, the Board considered the background and experience of Dawn and concluded, as a people-centric business, and given her unique skillset and in-depth knowledge of our team members, alongside her operational experience, she would strengthen the Board and provide invaluable insight.

Further, in light of the Board's priorities around culture and diversity and inclusion, it was agreed that Dawn would help drive this important agenda.

Details of the appointment were shared with colleagues in the business. The appointment demonstrated the Board's commitment to internal development and diversity, and received positive feedback from colleagues.

We're crafting a distinctive family of pubs and hotels where people feel they belong

1 DELIGHT OUR CUSTOMERS

Surprise and delight with distinctive service
- Every venue will be an individual experience
- Every team member trained in service
- An inspirational service coach at every site
- Reward and recognition for great service
- Measure through Net Promoter Score ("NPS").

Tailor the experience in every pub and hotel
- Empower our leaders to deliver a high quality, flexible offering that fits local customer needs
- Indulgent, great British pub classics with a modern twist, using seasonal ingredients on the menu
- Broad selection of beers, wines and spirits, plus artisan drinks ranges, served by knowledgeable team members
- Beautiful bedrooms, individually styled with the highest quality standards
- Delivering sector-leading like for like sales growth.

Create a smoother customer journey
- Optimise customers' digital journey for seamless interaction
- Continually evolve our bookings process to integrate and improve functionality
- Improve digital methods of communication and marketing through a multi-channel approach
- Measure by increase in traffic to micro sites and associated conversion to sales.

Attract new customers and increase visit frequency
- Refresh brand communications
- Extend our appeal to a broader customer base
- Deliver experience-led events to drive frequency and spend
- Drive a culture to maximise sales from event spaces.

2025 priorities
- Further build sales using our digital channels
- Continue to work with our teams to *Be the Difference* and deliver exceptional customer service every time
- Reinvigorate our roasts and build on our position as the natural home of great cask ale.

2 INSPIRE OUR PEOPLE

Create a workplace where everyone feels they belong
- Launch and deliver inclusion action plan
- Train and develop our people in inclusive leadership
- Create an inclusive culture through events
- Create a network of 150 mental health first aiders across the business.

Appreciate and value our colleagues
- Develop our listening culture using a range of tools including The Happiness Index survey, Fuller's Forum, My Voice, and Employee Resource Groups
- Fully embed our transparent pay structure to attract, retain and encourage development
- Evolve our distinctive benefits package.

Support and encourage career development
- Focus on internal promotions, particularly at General Manager level
- Provide at least 100 apprentices with career opportunities every year
- Develop our chefs through the Fuller's Chefs' Guild.

Attract the best talent
- Grow our *True to You* employer brand
- Utilise Brilliant Recruitment, our new recruitment system and practices
- Recruit for personality and train for skill.

2025 priorities
- Continue our *Lead Your Way* journey – rolling out to Head Chefs and support office managers
- Year four of the Happiness Index – looking to maintain high response rate and continue to improve happiness and engagement
- Embedding Attensi – our new learning system that utilises gamification.

3 ENHANCE OUR ESTATE

Care for our estate

- Continue to look after the fabric of our estate
- Utilise skills within the team and our pool of designers to enhance our offer
- Continue to uphold the highest standards in the industry
- Ensure the estate and capital value are protected for future generations.

Evolve through transformational investment

- Maximise the potential of our estate by evolving our pubs through investment
- Optimise our portfolio through active asset management
- Constantly assess optimal operating model for each site
- Work with and invest alongside our Tenants to drive returns.

Invest in growing the estate

- Invest in markets where we already excel
- Add scale to our core premium pub and hotel estate
- Complement the existing business in high income, premium demographic areas, with predominately freehold assets, and in-filling geographical gaps.

2025 priorities

- Targeted capital investment of £30 million to deliver returns and enhance the value of our estate
- Invest in growing the estate.

4 EVOLVE OUR BUSINESS

Innovate to excite future consumers

- Evolve and innovate our proposition to adapt to changes in consumer behaviour.

Grow our profitability

- Ensure our strategy is executed across the business to achieve our like for like sales growth ambition
- Grow EBITDA margins by growing sales, effective labour management and scheduling, and agile product portfolio management
- Mitigate central costs by improving the efficiency of processes
- Leverage the full benefits of our investment in systems to maximise efficiency.

Enhance our supplier partnerships

- Build genuine long-term partnerships
- Source authentic food and drink products, focusing around the seasons
- Continue our positive relationship with Asahi
- Leverage the appeal of our customer base and geographic position of our estate to retain and attract the best suppliers.

2025 priorities

- Invest in building a truly premium sports experience for our customers in targeted sites and use our CRM capability to target sports customers
- Drive pre-booked sales through our internal sales team and using our digital connectivity.

5 OWN OUR IMPACT

Take action to protect and respect our planet

- Our planet is too good to waste.

Create spaces for communities to connect and feel welcome

- Our communities are too good to waste.

Care for our people and foster a sense of belonging

- Our people are too good to waste.

2025 priorities

- Further reductions in gas usage through focused behavioural change and the conversion of kitchens to electric power
- Focus on measuring and reducing food waste in line with our agreement to the Courtauld Commitment
- Support more local community events across our pubs and hotels
- Launching training programme around safety, care and respect.

Confidence in OUR HOSPITA

LITY

Follow the Griffin

LEARN MORE ABOUT...

Our food and drink sales performance
p9

How we engage with our customers
p12

How we communicate with our customers
p16

Q&A

FRED TURNER
RETAIL DIRECTOR

What has been the secret to Fuller's operational success this year?
Everything has come together this year and that has been recognised by our customers. Small changes to the process behind menu design and creation have led to stronger food sales and the range of drinks on the bar is outstanding. Customers liked that and responded by visiting more frequently and spending more on their experience.

How will you build on that success in the coming year?
We are becoming much better at the way we launch new menus internally. With inflation falling, that gives us greater opportunity to innovate and I think we will see further upside when it comes to food sales in particular.

How else do you make sure you are always delivering outstanding hospitality?
Our purpose in life is to create experiences that *nourish the soul*. Experiences often begin before you are welcomed at the door and don't finish until after you have left. As a result we are always working on the whole customer journey to keep enhancing every element.

What else are you doing to keep Fuller's in an industry-leading position?
We have great people and we will continue to invest in them, building the behaviours that make the team strong and the customers happy. It's not rocket science – it does take hard work, but we are definitely not scared of that!

Confidence in OUR PEO

PLE

Follow the Griffin

LEARN MORE ABOUT…

Q&A

DAWN BROWNE
PEOPLE & TALENT DIRECTOR

What's been your highlight of the year?
Holding our first General Manager conference since 2019. We are a people business and bringing everyone together to focus on the challenges and celebrate our successes is so important. The conference is a very special event – you can feel the energy on the day and afterwards.

What makes a Fuller's team member special?
About two years ago, we started a programme encouraging our team members to *Be the Difference* – taking ownership for truly delighting our customers. They have seized the opportunity to own the customer relationship and we have seen increases in our customer satisfaction scores as a result.

How are you planning to develop your teams this year?
We have always invested in our people and this year we launched our *Lead Your Way* programme. Our first attendees have been our pub and hotel General Managers. We know that great leaders develop stable, resilient and truly brilliant teams – the foundation of any successful business.

What else are you proud of this year?
We have rolled out our inclusion action plan – and that's a real game changer for us. We are focused on a few areas that we are passionate about – encouraging more over 50s to work with us and supporting our neurodivergent colleagues. We have a way to go but our team members appreciate the steps we are taking.

Confidence in OUR CUSTOM

ERS

Follow the Griffin

LEARN MORE ABOUT...

The way we market to our customers
p4

How we engage with our customers
p12

The outstanding hospitality we offer
p18

Q&A

SAM BOURKE
MARKETING DIRECTOR

What makes you confident in your customers?
We are fortunate because we have a loyal customer base who trust our pubs and hotels to deliver consistently. This is reflected both in our repeat visit numbers and directly from customers' feedback. We always know who our customers are and which pubs and hotels they visit.

And what do you know about them?
Last year we undertook a project to delve into what our customers expect from our pubs and hotels. We have beautiful properties, all with their own unique selling points. We are on a journey to use our customer behavioural and transactional data to tailor our food, drink, decor and room offering to meet and exceed their expectations.

And what should they expect from Fuller's?
Our intention is to delight and surprise our customers. We have developed spring / summer menus that reflect recent trends, seasonal ingredients and innovation alongside brilliantly executed traditional pub classics. We have also created a summer drinks menu that elevates our pub and garden experiences and offers creative alcohol-free options for those who are moderating but still want to join in.

What excites you most about the coming year?
Customers are seeking experiences so it's always exciting to find new ways to ensure they are having a good time. Our *Shakespeare in the Garden* and Opera programmes continue to attract good numbers and we are working with our pubs and hotels to create relevant reasons-to-visit by location such as murder mystery dinners, steak and wine evenings, comedy nights, and F1 watch parties.

Confidence in OUR PROPER

Follow the Griffin

LEARN MORE ABOUT...

Our investments over the last year
p10

The role of property in our business model
p13

Our property and investment strategy
p17

Electric kitchens
p41

Q&A

PETER TURNER
PROPERTY DIRECTOR

How have you chosen where to invest during the year?
We have always had a commitment to ensuring our pubs, both front of house for our customers and behind the scenes for our colleagues, are in excellent condition. Over and above normal maintenance, investing in our own pubs will often give the best financial returns. We have a long-term strategic plan to carry out a number of transformational refurbishments each year.

What is the aim of a transformational refurbishment?
We have a wide range of pubs, each with its own charm, history and characteristics. A transformational refurbishment is about broadening the appeal of a pub. A great example is The Rising Sun in the New Forest.

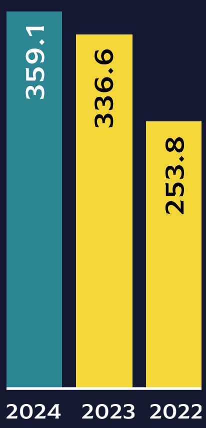
Can you tell us about a couple of other forthcoming projects?
We have another really exciting programme of investment coming up – from overhauling the bedrooms at The Head of the River in Oxford, carefully installing air conditioning into a listed building, to a major scheme at The Drayton Court Hotel in Ealing. The team are amazing at juggling very different looks, feels and locations simultaneously.

What else is a key priority for the coming year?
We will continue to invest in sites, including the electrification of kitchens in order to achieve our Net Zero targets.

We use financial indicators to monitor our progress in delivering against our strategy to create long-term sustainable value for all stakeholders.

REVENUE

£359.1m



Definition

Revenue comprises sales of goods and services, accommodation income and rental income. We have two main revenue segments: Managed Pubs and Hotels, and Tenanted Inns.

Why is it important for Fuller's?

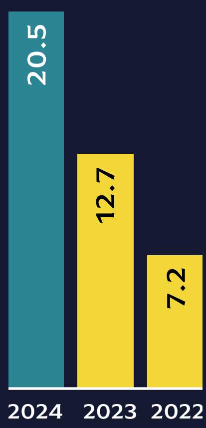
Revenue drives the overall business, resulting in cash generation which allows for investment in our estate, our people, rewards to our stakeholders and acquisitions.

Performance in 2024

Revenue increased by 7% compared to 2023 with a 6% increase in Managed Pubs and Hotels revenue and an increase of 13% in Tenanted Inns revenue. This increase is driven through volume as well as price increases.

ADJUSTED PROFIT BEFORE TAX

£20.5m



Definition

Adjusted profit before tax is profit before tax excluding separately disclosed items as shown in the Income Statement.

Why is it important for Fuller's?

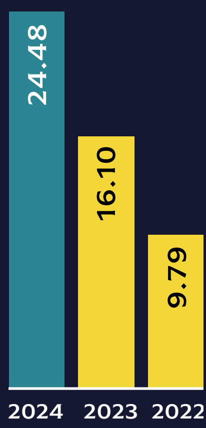
The Directors believe that this measurement of profitability allows stakeholders to analyse trends and performance without being impacted by separately disclosed items.

Performance in 2024

Adjusted profit before tax increased by 61% compared to 2023. This is mainly driven through revenue growth but is also through margin improvement, with operating margin improving from 7.4% to 9.6%.

ADJUSTED EARNINGS PER SHARE ("EPS")

24.48p



Definition

Adjusted earnings per share is profit after tax excluding separately disclosed items attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year.

Why is it important for Fuller's?

This measure shows how much profit the Group is generating for its shareholders. It takes into consideration changes in profit and loss after tax and movements in the number of shares but excludes the impact of separately disclosed items. It is an important variable in determining our share price.

Performance in 2024

Adjusted earnings per share increased by 52% compared to 2023 less than the increase in the adjusted profit before tax due to the increase in the corporation tax rate.

NET DEBT EXCLUDING LEASE LIABILITIES

£133.1m

Definition

Net debt comprises cash and short-term deposits, bank overdraft, bank loans, debenture stock and preference shares net of debt issue costs.

Why is it important for Fuller's?

This measure helps shareholders to determine the level of debt compared to liquid assets and analyse the overall financial stability of the Group.

Performance in 2024

Net debt increased marginally by £0.3 million compared to FY2023. Despite EBITDA improving by 17% against prior year, the Group has implemented its capital allocation framework through investment in the estate and returns to shareholders. A total of £27.2 million was invested in the existing estate in the year and £22.4 million returned to shareholders through dividends and share buybacks.

Non-financial performance metrics are used within the business, including employee engagement and satisfaction scores, customer NPS and environmental targets.

FINANCIAL REVIEW

Delivering sales and profit growth

We are pleased to have delivered an excellent set of financial results, showing significant progress in the year. Revenue grew by 7% to £359.1 million (FY2023: £336.6 million) and adjusted profit before tax increased by 61% to £20.5 million (FY2023: £12.7 million).

"Our teams have worked tirelessly to deliver a great experience for our customers – this has yielded great financial results."

NEIL SMITH
FINANCE DIRECTOR

The increased revenues, combined with effective cost management, have enabled operating profits to grow by 37% to £34.5 million with operating margins improving to 9.6% (FY2023: 7.4%). This was achieved despite a challenging inflationary environment with food inflation averaging 9.3% and the increase in National Living Wage resulting in labour inflation of 6.3%. However, there was some movement in our favour, with total utilities cost for the year reducing to £11.6 million, saving £2 million on the prior year (FY2023: £13.6 million) albeit remaining significantly higher than the £6.3 million charged in FY2020.

In our Managed Pubs and Hotels business like for like sales grew by 11% compared to the prior year, with total sales increasing by 6%. In the year, we transferred 23 sites from our Managed business to our Tenanted business, and excluding the impact of those sites, total sales were up 10%. The performance of our urban sites was particularly strong, with like for like sales up 15.6%, which follows an increase of 32.8% in the prior year. The revenues generated by Managed Pubs and Hotels are well balanced across all categories, with drink like for like sales up 9.8% and food like for like sales up 14.5%. We delivered volume increases in both categories, up 1.1% and 3.8% respectively, reflecting strong underlying growth and recognition of our customers' appreciation of our offer. Accommodation also performed well with total sales up 5.3% and RevPAR increasing by £7.79 to £97.26.

Tenanted Inns revenue grew by 13% from £29.8 million to £33.8 million. Profits also increased by 4% up to £13.7 million (FY2023: £13.2 million). There was a marginal decline in operating margins as a result of one-off costs associated with the transfer of the 23 sites from the Managed business.

Finance Costs

Total net finance costs (before separately disclosed items) have increased by £1.6 million to £14.0 million. This increase is due to the rise in the Bank of England base rate at the beginning of the year which has remained high at 5.25%. The Group has a zero premium cap and collar over £60 million of the term facility which has a floor of 310bps and a cap of 500bps. This gave some protection when the rate went over 500bps in August 2023. The Group also repaid one of its debentures of £6 million in December 2023 which had a fixed interest rate of 10.7%. Overall, this has meant that the average cost of borrowing was 8.0% in the current financial year compared to 7.0% in the prior year.

Separately disclosed items

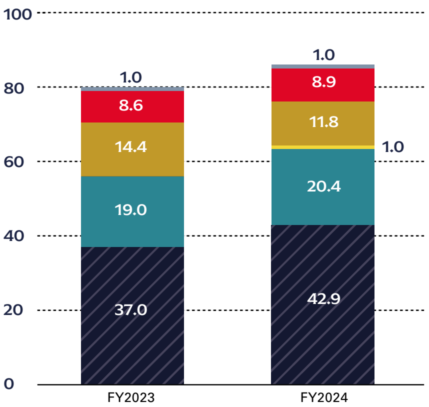
The net position on separately disclosed items is an expense of £6.1 million (FY2023: £2.4 million expense). This consists of a release of a VAT provision of £1.1 million on settlement of a claim; a net credit of £0.4 million for legal and insurance claims; a finance credit of £0.7 million on the Group's pension surplus; offset by an £8.3 million impairment charge relating to the write down on a number of properties and right-of-use assets to their recoverable value net of reversal of impairments on five properties.

Tax

The underlying effective tax rate has increased to 28.3% (FY2023: 22.8%). The increase in the effective tax rate is mainly due to the withdrawal of the capital allowance super-deduction from April 2023. The main driver of the increase in effective tax rate on adjusted profits over the standard rate of tax is non-deductible depreciation on assets that do not qualify for capital allowances.

During the 52 weeks ended 30 March 2024, the total tax contribution of the Group to the UK Exchequer was £86.0 million (FY2023: £80.0 million) in taxes borne and taxes collected on behalf of colleagues, customers and suppliers.

Total tax collected (£m)



- VAT
- PAYE and Employees' NI
- Corporation tax
- Business rates
- Employer's NI
- Other taxes and Apprenticeship Levy

Pension

The defined benefit pension scheme surplus has increased by £2.7 million to £17.3 million accounting surplus (FY2023: £14.6 million surplus) as a result of a decrease in the present value of pension obligations as the discount rate increased from 4.75% to 4.85%, offset by only a small decline in the fair value of scheme assets. As the Group has an unconditional right to refund under the pension trust deed, an asset has been recognised as at 30 March 2024.

Shareholders' return

The proposed final dividend of 11.12p per 'A' and 'C' ordinary share (FY2023: 10.0p), together with the interim dividend of 6.63p per share already paid makes a total of 17.75p per share which is an increase of 21% on the prior year and continues our return to a progressive dividend policy. The middle-market quotation of the Company's ordinary shares at the end of the financial year was 590p. The highest price during the year was 696p, while the lowest was 458p. The Company's market capitalisation as at 30 March 2024 was £347.4 million (FY2023: £282.6 million).

Capital allocation framework

The Group's capital allocation framework aims to enhance shareholder value whilst targeting leverage at no more than 3x net debt/EBITDA. The table below summarises the framework in which the Group will do this.

Policy	Targets & Philosophy	Outlook
Invest in long-term organic growth	Returns-based approach to capital investment	• Invested £27m into the estate in FY2024 with plans to invest over £30m in FY2025, including 26 transformational schemes
Sustainable & progressive dividend	Dividend cover normalised range of 2.5-3x	• FY2024 dividend 17.75p – up 21% • Progressive dividend growth in line with EPS growth once cover normalised
Invest in additional growth opportunities	Disciplined approach to assessing acquisition opportunities	• Strong Balance Sheet with headroom for high quality acquisition opportunities
Targeting leverage of 3x net debt / EBITDA	Strong Balance Sheet maintained – target leverage at 3x net debt / EBITDA	• Buyback of over 3 million 'A' shares with programme extended to repurchase a total of 6.5 million 'A' shares since Sept 2022

Cash flow	FY2024 £m
EBITDA	**60.8**
Interest, tax & pensions	(14.1)
Separately disclosed items	1.7
Working capital and share transactions	9.9
Lease payments	(8.7)
Cash available for allocation	**49.6**
Capital expenditure	(27.2)
Dividends	(10.0)
Share buyback	(12.4)
Cash flow	–
Non-cash movement	(0.3)
Net debt movement	**(0.3)**
Source of finance	
Bank debt	123.8
Debenture & Preference shares	21.5
Cash	(12.2)
Net debt before lease liabilities	**133.1**
Lease liabilities	65.9
Total net debt	**199.0**

Cash flow and net debt

Net debt (excluding leases) was at £133.1 million (FY2023: £132.8 million). This was a marginal increase from last year as the Group has implemented its capital allocation framework through investment in the estate and returns to shareholders. A total of £27.2 million was invested in the existing estate in the year with transformational schemes at The Sanctuary House in Westminster, The Rising Sun in the New Forest, The Forester in Ealing and The Counting House in the City.

A share buyback programme of two million 'A' shares was completed in FY2024 for a total of £12.4 million. A further share buyback programme of one million 'A' shares started at the end of March 2024 and is ongoing, and an intention to buy back up to an additional 2.5 million 'A' shares was announced today.

The improvement in EBITDA has meant that net debt/EBITDA is now at 2.5x which remains in line with our capital allocation framework and provides headroom for acquisition opportunities as they arise.

Sources of finance

The Group has unsecured banking facilities of £200 million, split between a revolving credit facility of £110 million and a term loan of £90 million. During the year, the Group agreed with its lenders to extend these facilities for a further year through to May 2027. The facilities bear interest at a margin dependent on the leverage covenant plus a base rate of SONIA.

The Group repaid £6 million of its debentures in December 2023 from the Group's current bank facilities. The debenture had an interest rate of 10.7% so the repayment will help to reduce the Group's future finance costs.

Financial risks and treasury policies

The Group operates a centralised treasury function, which controls cash management and borrowings and the Group's financial risks. The objectives of the function are to manage the Group's financial risk, to secure cost effective funding for the Group's operations, and to minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability, and on the cash flows of the Group. Transactions of a speculative nature are prohibited. The Group's treasury activities are governed by policies approved and monitored by the Board.

Going concern statement

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 6 to 57.

The financial position of the Company, its cash flows, net debt and borrowing facilities and the maturity of those facilities are set out on pages 124 to 179. In addition, there are further details in the financial statements on the Group's financial risk management, objectives and policies in Note 25. The Directors have outlined the assessment approach for going concern in the accounting policy disclosure in Note 1 of the consolidated financial statements. Following that review the Directors have concluded it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

Viability statement

The Corporate Governance Code requires that the Directors have considered the viability of the Group over an appropriate period of time selected by them. The Directors have chosen to assess this over three financial years through to March 2027 as this aligns with the Group's strategic planning which was reviewed and approved in February 2024. This three year plan is supported by the forecasts that are presented and approved by the Board. It takes into consideration the Group's current position, and the potential impact of the principal risk documented on pages 33 to 36 in the Strategic Report. The most significant risks impacting the forecasts are consumer demand shifts, cost of living and the impact they could have on sales volumes, as well as wage cost inflation.

Management have prepared, and the Board has considered, two key scenarios:

A "base case" is the Board-approved Budget for FY2025 which forms part of the three year plan to FY2027. The base case assumes an easing in cost inflation for food and utilities, but continued wage inflation mainly as a result of increases in National Living Wage. Under this scenario, the Group would have sufficient resources and headroom on its covenants through the duration of the viability period.

A "downside case" assumes that sales volume reduces by 10% compared to the base case, costs across food and staff do not ease and continue to rise at a higher rate than assumed in the base case and interest costs remain at current levels. The model assumes that these cost pressures remain during FY2026 and FY2027. The model also assumes that train strikes will continue through FY2025 at the same run rate as in FY2024 but are resolved in the longer term. In this downside case, management would implement mitigating actions such as overhead cost reduction and reduction of capital expenditure. Under this scenario, the Group would still have sufficient resources and headroom on its covenants through the duration of the period.

At 30 March 2024, the Group's Balance Sheet is comprised of 88% of the estate being freehold properties and available headroom on facilities of £75.0 million and £12.2 million of cash and resulting net debt of £133.1 million. The Group has unsecured banking facilities of £200 million, split between a revolving credit facility of £110 million and a term loan of £90 million. Under the facilities agreement, the covenant suite (tested quarterly) consist of net debt to adjusted EBITDA (leverage) and adjusted EBITDA to net finance charges. During the period, the Group agreed with its lenders to extend these facilities for a further year through to May 2027. The Group repaid £6 million of its debentures during the period out of the Group's current facilities. The remaining debentures of £20 million are not due for repayment until 2028.

Taking account of the Company's current position, principal risks facing the business and the sensitivity analysis discussed above, as well as the potential mitigating actions that the Company could take, the Board expects that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of assessment.

Further details on the forecast process and assumptions can be found in Note 1 to the accounts.

NEIL SMITH
FINANCE DIRECTOR
12 June 2024

Managing risks effectively is key to ensuring that we achieve our strategic objectives in the long term and continue to deliver the high standards our customers, our people and our shareholders expect.

Risk Management Governance Framework

The risk management process is operated by the Executive Team, supported by the Risk Manager, and is overseen by the Audit and Risk Committee and the Board, which is further supported by the external audit process.

Governance	Role	Output
BOARD	• Oversees the risk management and internal controls processes • Defines the Group's risk appetite and assesses the principal risks	• Final approval
AUDIT AND RISK COMMITTEE	• Provides guidance and direction and supports the Board in the management of risk • Reviews the effectiveness of the risk management strategy and internal controls process	• Recommendations to the Board
EXECUTIVE TEAM	• Responsible for day to day operational implementation of the risk management strategy • Provides advice and guidance to the business areas • Considers emerging risks • Accountable to the Audit and Risk Committee and Board	• Group risk register • Principal risk reviews • Audit and Board reports
BUSINESS RISK MANAGEMENT	• Implements and maintains risk management procedures • Maintains risk registers including identification of risk, mitigating controls and actions	• Division and Department risk registers
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES WORKING GROUP	• Oversees climate specific risks and integrates mitigation controls and actions into the wider risk strategy	• TCFD report and climate related risk mitigation approach

Risk arises both as a natural consequence of doing business and in the pursuit of our strategy.

Our risk management approach is governed through a robust framework, and we follow a consistent process for the identification and review of risk. The Board reviews these risks in the knowledge that currently unknown, non-existent or immaterial risks could turn out to be significant in the future, and ensures that a robust assessment has been performed.

Role of the Board

The Board is responsible for effective risk management and oversees a governance model that incorporates an integrated assurance model. It also formally articulates the Group's overarching appetite and tolerance for risk.

Through our risk governance structures, frameworks, processes and reporting mechanisms, Directors are provided with the information and insight needed to make a robust assessment of the Group's most material risks and to understand how they are being mitigated and managed in line with the Board's stated risk appetite and tolerance. The Board is responsible for monitoring the Group's culture to ensure it encourages openness and transparency across the business, which directly supports effective risk management.

Risk Appetite

The Group's approach is to take a long-term view of its business and to assess all risks accordingly, while ensuring we take opportunities to deliver economic reward in line with the Group's strategy, as follows:

- Risks should be managed consistently and in line with the Group's strategy, financial objectives and guiding principles
- Opportunities should only be pursued where the scope for appropriate reward is supported by an informed assessment of risk
- Risks should be actively managed and monitored through the appropriate allocation of management and other resources.

Changes to Risk Scores Versus Prior Year

↓ Consumer Demand Shifts	↓ Financing	↓ Cost Inflation	↓ Health & Safety	↑ Sustainability & Environment
Whilst many of the changes in consumer behaviour brought about by Covid-19 are undoubtedly here for the long term, these trends are now more established and better understood. The benefits of our investment in our digital transformation, which allows us to easily split our data by segment, are now embedded and being used to the advantage of our business and our customers by improving our ability to tailor our offer across the estate.	The extension of our existing facilities to May 2027 and improved trading increasing headroom means that the likelihood of the business being unable to find suitable financing when required has decreased.	Interest rates and inflation may have peaked with food inflation in particular falling in recent months. Taking into account the decreasing inflationary environment and our risk mitigation measures, such as hedging of utilities, our assessment of the impact of overall cost inflation has reduced. As material increases in the National Living Wage are projected to continue, our risk assessment of wage inflation specifically has diverged from general cost inflation, and therefore wage cost inflation has been split out as a separate principal risk.	The rigorous set of controls for the mitigation of Health & Safety risks has been embedded in our business for a number of years, and we have sustained high levels of employee training as well as strong but still improving results from third party audits. Embedding this compliance culture has led us to reduce our assessment of the likely impact of a Health & Safety failing in the business.	The effects of climate change are already apparent from the frequency of extreme weather events and increasing global temperatures. The work we have undertaken to assess the likely impact of climate change on our supply chains (see the TCFD reporting on pages 43 to 56), combined with the expected expansion of legislation to tackle climate change and increasing investor scrutiny on all areas of sustainability, has increased our assessment of the likelihood of this risk impacting our business.

Risk Management Process

The Executive Team follows a clear, simple and robust process to identify the Group's most significant risks, incorporating both top-down and bottom-up assessments:

- Both the Managed and Tenanted businesses as well as the Support Centre functions prepare their material risks in registers which are reviewed on a half yearly basis by the Executive Team
- This also includes a review of the climate-related risks considered over short, medium and long-term horizons. The detail of our climate related risks are disclosed in our TCFD reporting on pages 43 to 56
- We use a risk categorisation framework to analyse the risk registers
- The risks identified through this mechanism that are considered most significant, in terms of their materiality to the Group, are recorded in the Group risk register
- Emerging risks are discussed regularly by the Executive Team and escalated to the Audit and Risk Committee as required
- In addition, the Audit and Risk Committee conducts a deep dive on specific risk areas based on the judgement of the Committee, looking at: changes in risk likelihood; changes in the materiality of impact; any changes to the mitigation; and controls that are in place
- Every principal risk is assessed to see whether it could have a material strategic or commercial impact, either on its own or as part of a multiple risk scenario
- The Executive Team ensures principal risks are managed appropriately, monitored and reported internally and externally
- At each half year, the Executive Team considers and challenges whether risks are being managed to the tolerance approved by the Board, using principal risk reports to monitor how far material financial, operational and compliance controls and mitigations have been implemented, their effectiveness, and how close the current net risk rating is to our risk tolerance
- The outcomes of half yearly reviews considered by the Executive Team are reported to the Audit and Risk Committee and the Board, with particular focus on risks that are outside tolerance, and actions are agreed
- Principal risk reviews also support the Audit and Risk Committee and Board in monitoring and reviewing the effectiveness of the Group's internal control framework.

Risk Assessment

We rate risks by considering their potential financial and non-financial impacts and the likelihood that they will happen, using a consistent rating grid to compare and prioritise risks. The risk rating takes into account the controls and mitigations in place to reduce the likelihood and/or impact of the risk, its implementation status and effectiveness. Risk ratings are regularly reviewed to consider whether the external or internal context, strategy, business objectives or resources available to manage the risk have changed.

The suitability of the controls and mitigations are reviewed through robust reporting and monitoring which creates a feedback loop enabling a continuous improvement process to be in place regarding risk management. This includes reviewing ownership and accountability of risks and controls across the Executive and Management teams.

Assessment of Emerging Risks

As well as assessing ongoing risks, we continue to consider how the business could be affected by emerging risks. Our Executive Team and department heads horizon-scan to monitor any potential disruptions that could dramatically change our industry and/or our business, from both a risk and opportunity perspective, to understand the changing landscape and take appropriate actions. It is often possible to predict the potential impacts of emerging risks, but it is more challenging to predict their likelihood, timing and velocity.

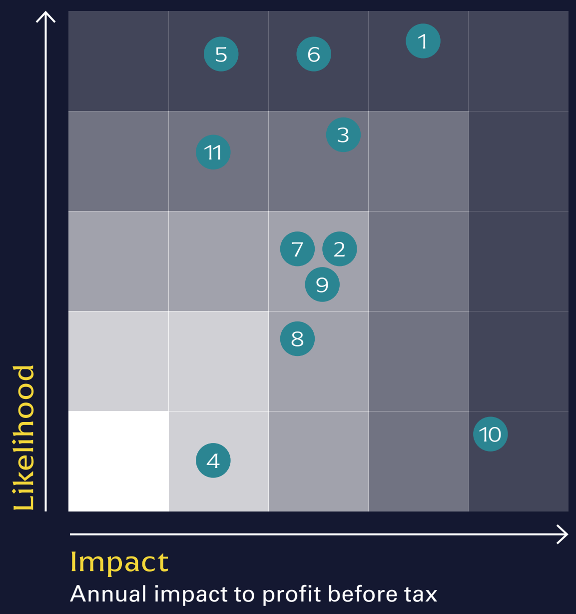
The emerging risks we consider most likely to impact the business include:

- Change of UK Government – there is a risk that a change of Government in July 2024 would bring about legislative changes requiring adaptations to the business's operations
- Geo-political instability – the effects of increasing global tensions could include further inflationary pressures as well as changes in consumer confidence and tourism
- Artificial Intelligence – there are risks associated with the use of AI technology both by and against the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The following heatmap sets out the impact and likelihood scores for our principal risks, and further details of these risks are set out in the table below.

The analysis is not intended to be a comprehensive list of all risks actively managed by the business. The key financial risks are detailed in Note 25 to the financial statements.



Risks

1. Economic Environment
2. Consumer Demand Shifts
3. Information Technology/Cyber Security
4. Financing
5. Cost Inflation
6. Wage Cost Inflation
7. Supply Chain
8. Recruitment & Retention
9. Health & Safety
10. Future Pandemic
11. Sustainability & Environment

Risk Key

Decrease Increase No change

PRINCIPAL RISKS

1. Economic Environment — Movement: No change

Owner	Description	Control and Risk Mitigation
Chief Executive	The inflationary environment, cost of living increases and the threat of recession could have an impact on demand. In addition, the impact of strike action – particularly transport strikes – has a significant impact on our city centre sites.	We closely monitor our cash flow to ensure we maintain an appropriate level of liquidity, continue to keep a diversified estate and review the composition. Our core customer group is typically at higher income levels, which helps mitigate some of the effects of inflationary pressures on our business. We are able to adjust our variable cost base to reduce the impact of strike action on our overall profitability.

2. Consumer Demand Shifts — Movement: Decrease

Owner	Description	Control and Risk Mitigation
Marketing Director	The Group's ability to anticipate and react to consumer demand remains key to its continued success. Changes around working from home and the corresponding demand shift in city venues vs rural continue to be relevant, as do trends towards healthier and environmentally sustainable options.	Management monitor and research trends for each of our key customer groups; gathering consumer feedback and data through Net Promoter Score surveys, online and social media reviews, customer complaints, purchasing records and basket analysis. This allows us to be focused in providing the right offer to the right customer whilst analysing retail pricing and market share data to ensure we are competitive but still premium. Our use of digital tools enables us to maximise visit frequency and spend from existing customers, and to target new ones.

3. Information Technology/Cyber Security

Movement –

Owner	Description	Control and Risk Mitigation
Finance Director	The Group is increasingly reliant on its information systems to operate, and trading would be affected by any significant or prolonged failures and/or data loss. In addition, the sophistication of cyber attacks continues to increase.	Our IT function has a range of facilities and controls in place to ensure that, in the event of an issue, normal operation would be restored quickly. These include a formal IT Recovery Plan, online replication of systems and backup data centres, and external support for hardware and software. We continue to introduce more preventive measures to reflect the increased risk. These include external reviews of our IT controls and a range of assessment and training for all team members who have access to our network.

4. Financing

Movement ↓

Owner	Description	Control and Risk Mitigation
Finance Director	Interest rates may still increase in the future, adversely impacting profit, and/or there could be a risk of breaching financial covenants. Should there be a downturn in market conditions which could affect liquidity we may be unable to find suitable financing when required.	Our current financing facility runs until May 2027, and improved trading has increased headroom. We maintain good relationships with our current lenders. The predominately freehold nature of our business means we have the ability to offer more certainty than many in our sector when raising finance, and alternative financing approaches are available. We closely monitor our cash flow and control of investments to ensure we maintain appropriate levels of debt cover. We have an interest rate cap and collar in place to mitigate some of the impact of rising rates.

5. Cost Inflation

Movement ↓

Owner	Description	Control and Risk Mitigation
Finance Director	Although there has been some softening of the rate of increase there remains a risk of rising input costs across all areas, including food, drink and utilities.	We regularly monitor prices using relevant commodity databases, review forward-looking inflation, and all key contracts are competitively tendered. We frequently review our margin, and our retail prices compared with our competitors. This allows us to act quickly if there are significant changes in input costs. Our property management platform allows us to control property costs. Our preference is to have long-term agreements in place. We have a Long-Term Supply Agreement ("LTSA") in place with Asahi Europe & International Ltd for the supply of beer, cider and other beverages to 2029, which caps the increase to below CPI. The majority of our energy use is covered by fixed-term prices. For the current financial year, we are fully hedged for both gas and electricity.

6. Wage Cost Inflation

Movement –

Owner	Description	Control and Risk Mitigation
People & Talent Director	Staff costs are expected to be impacted by further changes to the National Living Wage, a tightening of labour supply, and the demand for higher wages due to the cost of living increases and inflation.	We aim to mitigate the risk of staff cost increases through operational efficiency and continued optimisation of staffing levels.

7. Supply Chain

Movement –

Owner	Description	Control and Risk Mitigation
Retail Director	There is a risk that failure in our supply chain may damage customer satisfaction and could impact the profitability of the Group. Any large-scale issue with out-of-stock items could have an impact on trade in our businesses. We have also identified a potential long-term risk to our supply chain as a result of climate change.	The LTSA in place with Asahi Europe & International Ltd for the supply of beer, cider and other beverages ensures that products will meet certain brand performance metrics, and the supply service is subject to key performance indicators ("KPIs"). All other key suppliers are subject to service and quality KPIs which are monitored on a monthly basis. Our preference is for long-term agreements which enable strong relationships, and we work with smaller suppliers to ensure that they grow healthy sustainable businesses outside of their agreement with Fuller's. We have a reputation of honesty, trust and fairness, and our long-term collaborative approach has meant our suppliers continue to fulfil our needs. These relationships, coupled with our ability to replace and adapt our customer offering, help us to mitigate supply chain challenges. We seek to understand more about products at risk as a result of climate change and look to identify ways to mitigate this risk over time.

8. Recruitment & Retention

Movement –

Owner	Description	Control and Risk Mitigation
People & Talent Director	The recruitment and retention of high calibre team members is fundamental to our ability to deliver a distinctive experience for our customers, and to support our continued growth. While recruitment challenges have eased slightly over the last year, recruitment and retention remain key focus areas for us.	Due to our extensive listening work, we know that our team members stay with us because of the supportive and inclusive culture of the business and because of the career paths we offer, supported by training at all levels. We continue to invest heavily in training and development, including apprenticeships, and this year have launched a bespoke Leadership programme. We benchmark pay for our pubs teams quarterly, and annually for our support office colleagues, to ensure it remains competitive. We also regularly review our benefits, taking feedback from our listening channels. We have succession plans in place for key roles and have a strong track record of growing our own.

PRINCIPAL RISKS AND UNCERTAINTIES continued

9. Health & Safety

Movement

Owner	Description	Control and Risk Mitigation
Retail Director	The Health & Safety of our employees and customers, and the general public when on our estate, is a key priority for us. There is a risk that we do not adhere to the highest health and safety standards, further increased by the large number of sites we operate. There is a risk of a customer suffering from our staff failing to deliver our allergens policies and procedures.	We have a comprehensive training programme in place for our employees covering all aspects of health and safety. All sites complete a risk assessment and are required to undertake detailed weekly and monthly compliance checks which are then subject to review by our in-house health and safety team. The allergen procedures we have implemented to manage the risks are continuously reviewed to ensure controls remain appropriate. We continue to utilise the services of expert third party health and safety consultants to undertake annual audits covering food, fire and general health and safety risks on all our sites and to perform detailed investigations in instances where an incident does occur.

10. Future Pandemic

Movement

Owner	Description	Control and Risk Mitigation
Chief Executive	The Covid-19 outbreak had a seismic impact on our industry, most obviously through the closure of all our pubs and hotels followed by the enforced social distancing and other restrictions. There remains some risk of subsequent pandemics, either entirely new strains of a virus or evolutions of the current strain, and a government strategy in response to this that negatively impacts the business.	We closely monitor our cash flow to ensure we maintain an appropriate level of liquidity, continue to keep a diversified estate and review the composition in the light of recent events, negotiating more flexibility into leases going forward, keeping strong ties with government, building on our pandemic response plan, and maintaining and enhancing our flexibility in our customer offering and operational procedures.

11. Sustainability & Environment

Movement

Owner	Description	Control and Risk Mitigation
Chief Executive	Through our Climate Risk disclosure we have identified that climate change could have a material impact on our supply chain under certain climate scenarios. Uncertainties over how these risks will evolve may impact product availability which could lead to reduced revenues and profit. This could also impact trust and reputation among customers, investors and other stakeholders.	The Group has committed to the Net Zero Carbon Roadmap to Net Zero by 2030 for Scope 1 and 2 and 2040 for Scope 3. We have underpinned this commitment in setting carbon reduction targets out to 2030 in line with the Science Based Targets initiative's 1.5 degree scenario. We are already working on energy usage and supplier engagement to mitigate carbon emissions. Our TCFD reporting helps us to identify and assess key risks and opportunities and the impacts of climate change to our business. As part of our scenario analysis, we have assessed the impact on our direct business and our supply chain and set out a plan to mitigate these risks over time. We have implemented our *Life is too good to waste* programme which is across our people, communities and planet. Our Sustainability Director has identified a programme of changes and initiatives in our pubs, hotels, support office and supplier base to help us grow in a sustainable way.

Life is too good to waste

SUSTAINABILITY AT FULLER'S

Our *Life is too good to waste* programme provides a clear path, with strong goals, for our sustainability journey. We protect and respect the things that matter – our people, our planet and our communities.

OUR PEOPLE

Our people are the key to our success. We have confidence in our people and we want to make sure that they have confidence in us. We are committed to creating inclusive workspaces – where everyone can belong. Our team members' individualities are what makes Fuller's such a vibrant and inspiring place to work, and we aim to support everyone's right to be themselves. We are proud to celebrate individuality.

OUR COMMUNITIES

Fuller's pubs and hotels have always been at the heart of their communities. The Fuller's cartouche above the door is a strong image that our communities know they can rely on. We are committed to donating 1% of our profits to charity – but we also provide a place for locals to host events, gather with like-minded people and make new connections.

OUR PLANET

Future planning has kept Fuller's thriving for nearly 180 years. We know a healthy planet is essential to the future of our business, people and communities. We know that there is a lot of work to be done to reduce our impact on the planet – but we trust that our commitment to Net Zero, among other initiatives, will help us play our part in protecting the planet.

2024 Highlights

OPENED THE ADMIRALTY

Our first fully electric pub

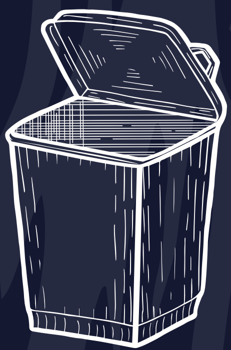
GREEN GOBLET

reusable cups saved 186k single-use plastic cups at The Cabbage Patch across all event days

Committed to reduce our food waste by

50%

by 2030 – as signatories of the Courtauld Commitment



ZERO

waste to landfill

328K

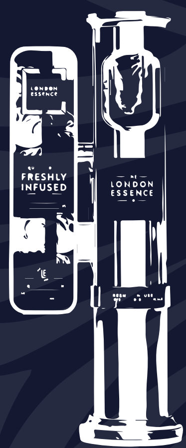
litres of cooking oil recycled, avoiding 632T of CO_2

Reduced our operational carbon emissions by

75%

Trialled Grassroots beef

– resulting in a 52% reduction in carbon emission related to beef



London Essence

tonic dispense solution saved use of 61k glass bottles

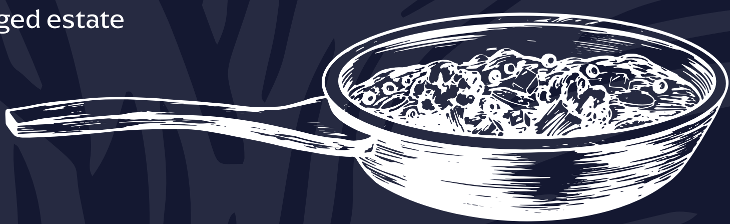
58%

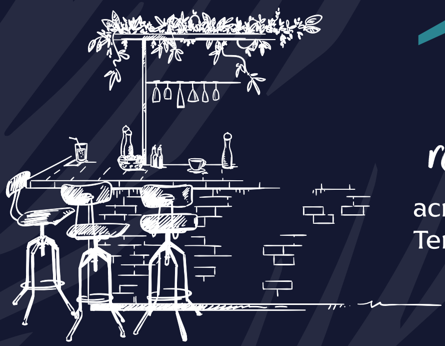
recycling rate

Electric kitchens in

10%

of our Managed estate





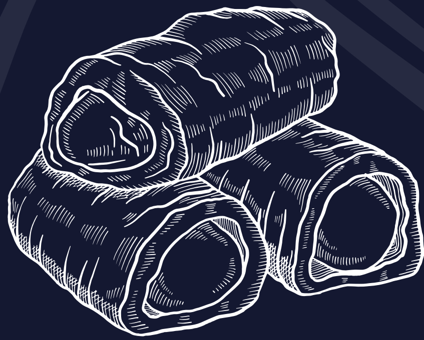
100%
renewable electricity
across our Managed estate and 22 Tenanted sites

£44K
donated to
local causes

Launched employee-led
INCLUSION GROUPS

£13K
donated to
Made in Hackney

Annual Sausage Roll Off raised
£5K
for Only a Pavement Away



£218K
donated to
Special Olympics

LAUNCHED
Intellectual Disability Hiring Guide

26
team members with intellectual disabilities

224
Apprentices

93
team members aged over 50 recruited
through Rest Less

OUR PEOPLE

We have worked with our charity partner, Special Olympics GB, to launch a guide for our managers on recruiting team members who are neurodiverse or have intellectual disabilities ("IDs"). There are 1.5 million people living with an ID in Great Britain and only 6% are in paid employment. As part of our inclusivity programme, we set the goal of employing at least 20 people with IDs by July 2023.

To help achieve this, we held workshops with General Managers from a handful of our pubs – and invited some Special Olympics GB athletes along to share their experiences of employment. The athletes, Matt Dodds and Mitch Camp, shared invaluable information on reasonable adjustments that we, as an employer, can easily make to help them in the workplace.

We then worked in partnership with Special Olympics GB and the Licensed Trade Charity ("LTC") to create a helpful guide for our managers. The guide covers every part of the recruitment journey – including tips on how to make job adverts accessible and clear that the position is open to all, hints on interviewing those with IDs, steps to take when onboarding the new team members and things to consider during their induction.

The guide has been launched internally initially – with a guide sent to every managed site, and offered to all of our tenanted pubs. We are also going to roll it out to the wider industry with the help of the LTC.

OUR COMMUNITIES

Fuller's is committed to donating 1% of profit to charity. We are extremely proud of our relationship with our charity partner Special Olympics GB – but we also support other causes that are local to our West London home, and our pubs and hotels. OnSide is a youth charity that builds Youth Zones in the most disadvantaged areas in England. Fuller's is one of the founder patrons of OnSide's new Youth Zone, WEST, in West London – which opened in April 2024.

As well as donating £150,000 to the development, we are looking at how we can further our partnership with WEST – such as our chefs running cooking sessions to inspire young people to cook healthy and nutritious meals, Fuller's team members volunteering at the Youth Zone, and providing information and support on employment and apprenticeships.

Fuller's Chief Executive, Simon Emeny, was invited to an opening event at WEST alongside special guest, William, Prince of Wales.

OUR PLANET

Electric Kitchens

To support our journey to Net Zero, we are committed to acquiring 100% of our electricity from renewable sources – such as hydro, wind and solar. To shift our sites to zero carbon energy sources, we need to transition our sites that have been historically powered by gas to electricity. As part of this transition, we have started to install electric equipment in our kitchens. This year, we have transitioned nine of our gas-led kitchens to electricity.

This is in addition to the existing seven kitchens that were already fully electric. The changes have led to a significant reduction in gas usage on these sites, between 40 and 100%, with nominal increase in electricity consumption.

The Admiralty on Trafalgar Square reopened in April 2023 as one of our first fully electric pubs. This not only eliminated the pub's gas usage entirely – but we also saw a reduction of approximately 20% in its electricity usage.

Another benefit of electric kitchen equipment is that it only switches on when in use – unlike gas equipment, such as hobs, which are often left on during food service times. It has also led to our kitchens being cooler in summer months. Feedback from our chefs who use the electric equipment shows that it makes for a much more pleasant working environment.

The Willow, Bourton-on-the-Water

Grassroots Beef

We know from our review of our carbon footprint that beef makes up a significant part of our Scope 3 carbon emissions. In March 2024, we introduced Grassroots beef to a number of our sites as part of a trial to introduce products that are less carbon intensive on our menus. Grassroots beef is farmed using methods that have less of an impact on the planet.

Founded by Alastair Trickett, James Evans and James Daniel, Grassroots is a collective of farmers that provides a supply of beef from farms that have been audited and certified to Grassroots' regenerative farming standards. Grassroots beef is independently assessed using the Farm Carbon Toolkit – which measures carbon emissions. The toolkit found that beef from Grassroots farms produces half the amount of carbon of typical beef herds in the UK.

Grassroots incorporates six principles within its standards – including animal welfare and protecting the local environment. It's been proven that this approach can reduce emissions from beef by up to 52% when compared with typical beef farmed in the UK. When farmed following all six principles, the beef produced not only has less impact on the planet, it is also extremely high quality.

STREAMLINED ENERGY AND CARBON REPORTING ("SECR") REPORT

This report details Fuller's greenhouse gas ("GHG") emissions and energy use for FY2024.

Methodology:

Fuller's has collated data relating to its Scope 1 and Scope 2, and partial Scope 3 emissions, and energy use for activities over which it has financial control. The calculations have been made in line with HM Government Environmental Reporting Guidelines and the GHG Protocol methodology.

The table below summarises emissions and energy use in recent years:

	FY21	FY22	FY23 (restated)**	FY24
Scope 1 energy consumption kWh	**23,590,317.4**	**43,047,444.9**	**40,972,459.3**	**38,470,945.3**
Scope 2 energy consumption kWh	**18,503,251.4**	**30,438,473.0**	**32,767,748.3**	**32,907,053.3**
Scope 3 energy consumption kWh	**202,475.6**	**827,608.5**	**1.025,618.3**	**1,034,448.7**
Total energy consumption kWh	**42,296,044.4**	**74,313,526.4**	**74,765,825.9**	**72,412,447.3**
Scope 1 emissions tCO_2e	**4,419.1**	**8,119.0**	**8,007.5**	**7,791.0**
Scope 2 emissions tCO_2e	**4,313.8**	**6,463.0**	**6,336.6**	**6,553.8**
Scope 3 emissions tCO_2e	**47.6**	**928.3**	**253.0**	**249.4**
Gross Scope 1, 2 and 3 emissions tCO_2e	8,780.5	15,510.3	14,597.1	14,594.2
Net Scope 1, 2 and 3 emissions tCO_2e	8,780.5	11,910.6	8,260.5	8,147.3
Gross intensity ratio: tCO_2e / turnover £m	120.0	61.1	43.4	40.7
Net intensity ratio: tCO_2e / turnover £m*	120.0	46.9	24.5	22.7

* Fuller's purchases renewable electricity in the majority of buildings and therefore associated emissions can be deducted from the gross total to give net emissions, also known as market-based emissions.

** FY2023 has been restated due to additional information becoming available.

Observations from SECR review

Fuller's continues to reduce net carbon emissions through a commitment to energy saving and switching consumption from non-renewable gas and stationary fuel (liquefied petroleum gas and heating oil) to renewable electricity supply. In addition, Fuller's has moved nearly all Company-owned vehicles to electric.

A baseline period of 1 April 2019 to 31 March 2020 has been selected as this reflects a more appropriate representation of a normal trading period when compared to the following year, due to the global pandemic which greatly affected business operations and significantly reduced trading, and thus reduced energy consumption.

Since establishing the baseline performance levels, Fuller's has continued to explore opportunities to reduce energy consumption and establish an energy saving strategy for the business. The opportunities for energy reduction explored to date include:

- Behavioural change programmes to focus on energy reduction
- The introduction of smart meters to measure, monitor and reduce usage
- Energy controls introduced in cellars and walk-in fridges
- The electrification of kitchen, heating and hot water systems
- More regular heating servicing and the use of EndoTherm and heat recovery for water to reduce gas usage
- LED lighting as standard in all sites
- On-site energy audits to facilitate targeted initiatives and identify areas of capex spend.

These actions are leading to a continued drive for energy efficiency as illustrated in the repeated reduction shown in the intensity ratio metrics year on year.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

Reporting of Scope 3 Greenhouse Gas Emissions

Fuller’s commitment to Net Zero is in line with the Science Based Targets initiative. Moving forward, Fuller’s intends to report its Scope 3 carbon emissions on an annual basis.

This year, we are pleased to report for the first time our full Scope 3 emissions – which have been calculated in accordance with the Greenhouse Gas Protocol. These are detailed below for FY2024 as well as for FY2020, which is the base year for our near-term targets and Net Zero commitment.

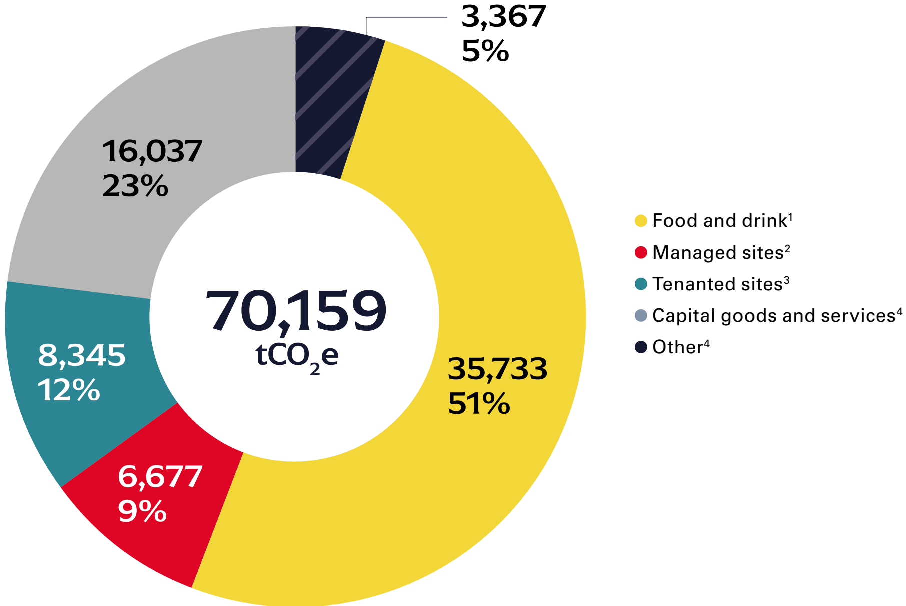
	Baseline FY2020	Results FY2024
Scope 3 GHG emissions tCO_2e*	71,631**	70,159

* These metrics have not undergone external verification or assurance.

** Updated from 74,756 tCO_2e to 71,631 tCO_2e to reflect improvements to data and methodology since first calculating and submitting our Scope 3 emissions to the Science Based Targets initiative in 2023.

Below is a breakdown of Fuller’s Scope 3 carbon emissions showing the key areas of emissions:

Total Scope 3 tCO_2e FY2024



1 Includes emissions from procured food and drink – including from transportation.

2 Includes emissions from stationary gas, electricity, and company vehicle use not included in Scope 1 and Scope 2 at our managed properties – as well as from water use, on-site waste disposal, and employee commuting.

3 Includes emissions from stationary gas and electricity use from our Tenanted properties. These include both Fuller’s branded franchises and non-branded leased out properties.

4 Includes emissions from the disposal of sold products by customers off-site, business travel, and the procurement and transport of non-food and drink consumable products.

Introduction

The year ending 30 March 2024 represents the third year in which we have disclosed our climate related risks in line with the TCFD framework. With last year's report representing a significant development in the maturity of our TCFD reporting activities, we are pleased to continue our progress. We have reviewed and reconfirmed the assessment of our climate related risks and opportunities; conducted further scenario analysis on them; and developed new metrics and targets to advance our approach to managing and monitoring climate related risks. We continue to view our TCFD disclosures as an evolving area of work for the business. As we progress and advance our understanding of climate related risks and opportunities, we will seek to keep enhancing the maturity of our disclosures.

The table below sets out where in this report you can find our TCFD disclosures for each of the framework's recommendations:

TCFD disclosure recommendations	FY2024 compliance	Page reference for disclosure
Governance	✓	Pages 45 to 46
a. Describe the Board's oversight of climate-related risks and opportunities.	✓	
b. Describe management's role in assessing and managing climate-related risks and opportunities.	✓	
Strategy	✓	Pages 46 to 47
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	✓	
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	✓	
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	✓	
Risk Management	✓	Pages 48 to 51
a. Describe the organisation's processes for identifying and assessing climate-related risks.	✓	
b. Describe the organisation's processes for managing climate-related risks.	✓	
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	✓	
Metrics & Targets	✓	Pages 52 to 56
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	✓	
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	✓	
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	✓	

Governance

Our approach to the governance of sustainability and climate related matters remains unchanged this year. We firmly believe that our top-down and bottom-up approach to managing risks, with responsibility integrated throughout the business, ensures that we manage our climate related risks appropriately, while continuing to deliver on the business strategy.

The Board

Fuller's Board continues to take overall responsibility and accountability for the management of all of our risks and opportunities, and this includes our climate related risks.

The Audit and Risk Committee supports the Board in its execution of this responsibility, through both its oversight of our integrated risk management assurance model and its consideration of the potential materiality and impact of climate related risks. This forms a key part of the Committee's broader role in ongoing risk management. As part of its continued support to the Board, the Committee receives briefings, at appropriate junctures, on the progress of the TCFD work to date and our plans for further development. These updates are provided throughout the year, with input and advice from senior leaders, such as the Property and Sustainability Directors, to guide the Committee's consideration and oversight of our TCFD work.

More broadly, the Board also considers the business's material climate related issues when reviewing strategic projects and business objectives, such as the acquisition of new sites or investment in redevelopment of existing sites, to ensure that the business continues to perform in the short and long term. This process is informed by the updates, support and advice provided by senior leaders in the business to the Board as described above.

Executive Team

Our Executive Team provides the crucial link between the business's day to day management of climate related matters and the strategic consideration and oversight of them by the Board.

The Chief Executive holds overall responsibility for all sustainability matters, including climate change, and oversees the delivery of our *Life is too good to waste* strategy. The Finance Director supports the Chief Executive in this area and is the designated Board member responsible for overseeing our TCFD work programme.

Our senior leadership team, the Sustainability Director and the Environment Committee support the Executive Team in delivering our sustainability agenda and TCFD work programme. The Sustainability Director acts as a key link between the Board, the Executive Team, the Environment Committee and our senior leadership team. Regular updates on the TCFD work programme are provided by the Sustainability Director to the Environment Committee, Audit and Risk Committee and the Finance Director. The Environment Committee is one of our Sustainability Committees. It is chaired by the Retail Director, who oversees the delivery of our climate related targets and objectives and is a member of the Board.

Through this integration of our Executive Team and senior leaders in the governance of our climate related matters, we ensure that these topics are considered as part of the business's strategic and financial planning. This complements and informs the Board's strategic consideration of climate related matters, as set out above.

Senior leadership team and internal stakeholders
As detailed in last year's disclosure, our TCFD Working Group represents the primary forum through which we progress our work on identifying and managing the business's climate related risks and opportunities. It is convened by the Sustainability Director as a sub-committee of the Environment Committee and membership is drawn from our senior leadership team. Current Working Group members include the Property Director, the Group Financial Controller, the Food & Drink Director, the Company Secretary, and the Group Tax and Risk Manager.

Outside of this forum, our Sustainability Director leads the day to day work on our sustainability, climate and TCFD agendas, and works with departments across the business to ensure we are delivering on our sustainability commitments. The Sustainability Director also provides regular updates to the Board on our sustainability and TCFD work, including our climate related risks and opportunities, and our performance against the targets and objectives that we have set ourselves.

The business's performance against these sustainability targets and objectives is described on pages 52 to 56 and forms part of the criteria for the remuneration of our Executive Team. Further detail on this can be found on page 102.

Strategy

Our approach to strategy disclosures
With last year's disclosures representing a significant development of our approach to TCFD, we are pleased to have continued this trend this year through our TCFD work programme. A primary focus has been understanding in greater depth the exposure to climate risk in our supply chain. Further detail on the work we have undertaken in this area is provided in the scenario analysis section below.

We have also completed our annual review and confirmation of the business's key climate related risks and opportunities. These remain unchanged from our disclosure last year and are set out below. We define these key climate related risks as those that we consider potentially material to Fuller's, its investors and its other stakeholders. Further information on how we identify, assess and manage our climate related risks is provided in the Risk Management section of this disclosure.

We continue to recognise the importance of taking an approach to climate related risks that allows the business to identify potential risks early, actively monitor them and implement mitigation strategies. We believe that our current approach provides this for the business and positions us well to take advantage of the opportunities that will be presented by a transition to a low carbon economy.

Scenario analysis

Last year, we completed our first climate scenario analysis, and this involved the use of qualitative and, for selected risks, quantitative analysis to understand how the business's key risks could evolve in different climate scenarios. Scenario analysis – as identified by the TCFD framework – is a key tool to support the business's assessment of its key climate related risks, and we are pleased to have continued to develop our use of this tool.

This year, one of the focus areas of our TCFD work programme has been to develop our understanding of the business's exposure to climate related risks in the supply chain. This focus is an important area of interest, and this was reinforced by last year's TCFD work, which identified "increased supply chain disruption" as one of the business's key climate related risks (as set out in the risk table on the next page).

As in last year's exercise, we have continued to use the scenario analysis tools and framework published by the Network for Greening the Financial System ("NGFS")[1]. This regularly updated resource remains a highly valuable input for our scenario analysis work. For continuity and comparability, we have used two of the three scenarios – "Current Policies" and "Delayed Transition" – that were used in last year's scenario analysis. We used these scenarios to conduct qualitative scenario analysis of our key food and drink supply chains to further understand how our business and suppliers could be impacted by a changing climate up to 2050. With a particular focus on the potential impact of physical climate risks, we were particularly interested in these two scenarios, given their association with GHG emissions and global warming trajectories above a 1.5-degree future.

As our own scenario analysis work conducted this year recognised, climate change has been identified as a significant risk to the UK and European food and drink sector. Cognisant of this risk, and building on our own work, we have begun to integrate these considerations into the business's strategic planning for sourcing and our supply chains. The implementation of this work is reflected in our updated approach to Metrics & Targets, where we have included a new target on supply chain engagement. More detail on the new target can be found in this section of the disclosure.

With this being only our second year conducting climate scenario analysis, we recognise that this area continues to represent a complex and relatively new process for the business. However, we continue to develop our approach and are looking to further our work in this area such that we can provide further insights in our future TCFD disclosures.

Our identified climate related risks, opportunities and consideration of our resilience

In the table on the next page, where we set out our key climate related risks, we categorise each one as either a physical or transition risk and set out the timeframes in which we see them potentially materialising as impacts on our business.

These timeframes have been defined based both on the nature of climate related risks, which generally require organisations to take a long-term view beyond traditional business planning cycles, and how we view the life of our physical assets and business models. The periods are therefore defined as: short (1-5 years); medium (5-15 years); and long (>15 years).

The risks listed in the table represent those that we have identified as key for the business across these time horizons. For each risk, we have set out how we view them and their potential impact on Fuller's, as well as detailing the mitigation activities identified as strategies to control and mitigate the potential impact.

Where relevant, we have indicated whether these mitigation strategies have already been implemented, are planned in the near future, or are currently being considered as part of the business's strategic and financial planning.
As appropriate for these risks and the dynamic picture that climate change presents, we continually review our mitigation strategies to ensure that the business's approach remains resilient to the potential impacts of climate change.

In light of the approach to climate related risks and information set out above, each year, we consider the business's overall resilience to climate change. We base this judgement on a consideration of the risks that we have identified as key to the business; the mitigations we have in place; and the insights gathered from our TCFD work programme and scenario analysis.
This year, it remains the business's view that climate related risks do not represent a material concern to the business in the short term, and that there are currently no material concerns pertaining to the resilience of the business or our strategies.

1. The Network for Greening the Financial System ("NGFS") is a group of central banks and supervisory bodies that share best practice and analytical tools to support climate risk management in the financial sector. In recognition of the value and broader applicability of the Group's work, corporate organisations outside of the financial sector, such as Fuller's, have also engaged with the NGFS's guidance to develop their approach to climate scenario analysis.

Risks

Risk	Type of risk?	Risk sub-category	Timeframe	How do we define this risk and see it impacting our business?	Mitigation activities
Introduction of a carbon tax	Transition	Policy	Medium	The introduction by the UK Government of mandatory carbon pricing. This risk could lead to a direct cost to the business based on our direct Scope 1 and Scope 2 operational emissions.	• Our science-based targets were approved by the SBTi this year, and we have committed to reducing our absolute Scope 1 and 2 GHG emissions 42% by FY2030 from a FY2020 base year. We have also committed to reducing our absolute Scope 3 GHG emissions 25% within the same timeframe. • We are in the process of implementing our decarbonisation plans to deliver these targets and in parallel, will be looking to develop our first climate transition plan over the next two years. • Our recent decarbonisation actions include moving to 100% renewable energy supply for our Managed estate; pursuing electrification of sites where possible; shifting to low global warming potential refrigerants; and transitioning the company car fleet to electric vehicles.
Legislative changes to support climate change initiatives	Transition	Policy	Medium	The introduction by the UK Government of mandatory policies to support the transition to Net Zero in 2050 (e.g. more stringent legal requirements for minimum energy performance standards in commercial properties). This could result in increased costs as the business adapts to comply with any new legislation (e.g. the need to invest in our properties to raise Energy Performance Certificate ("EPC") ratings). This could also lead to an increased risk of costs associated with non-compliance.	• The implementation of our climate and broader sustainability strategy, which will lower our overall impact as a business, should position the business well to respond to potential legislative changes. • Our Sustainability Director continues to work with external consultants and industry bodies to monitor potential legislation that may impact our business and regularly meets with the Executive Team and the Board, to keep them informed of any relevant developments and how the business may need to respond. • Regarding proposed legislation on increased Minimum Energy Efficiency Standards, we are aware of our Tenanted estate's current performance and the changes that would be required.
Energy price volatility	Transition	Market	Medium	The fluctuation of energy prices as economic conditions, supply availability and changing weather patterns affect the energy market. This could result in increased operating costs for properties in our Managed estate. In our Tenanted estate, under extreme energy price rises, this could result in a loss of income if tenants were unable to meet the obligations of their leases.	• We are exploring opportunities to secure long-term electricity supply for our Managed estate through on- and off-site renewable installations, such as a power purchasing agreement ("PPA"). • We are implementing an energy efficiency strategy across our Managed estate to reduce on-site energy consumption. • We continue to engage with our Tenanted estate to help them effectively manage their energy use and costs.

Risk	Type of risk?	Risk sub-category	Timeframe	How do we define this risk and see it impacting our business?	Mitigation activities
Increased supply chain disruption	Physical/ Transition	Chronic/ Market	Medium/ Long	Disruption in global supply chains arising as a second-order effect of either physical or transition risks. This risk could lead to increased procurement costs and, in some cases, the reduced availability of products for our sites. This could, in turn, have an impact on customer demand.	• The scenario analysis conducted this year on the potential impact of climate change on our supply chain has further informed our strategy to mitigate our risks in this area. • We continue to pursue, where appropriate, a diversified supplier base, which we believe will allow the business to adapt to potential disruption more effectively. • In 2024, we have plans to engage with our key suppliers on sustainability issues, including climate risk, to understand what actions they are taking to address their own impacts and risks. See the Metrics & Targets section of this disclosure for more detail. • More broadly, our flexible food and drink offering prevents over-reliance on any single product/category of product. We continue to prioritise the use of local and seasonal produce where possible.
Flooding	Physical	Acute/ Chronic	Short	Increased inland and coastal flooding due to more frequent and severe precipitation and rising sea levels. This risk would primarily affect properties in the estate that are in flooding-prone areas and result in costs for the business associated with repairs and business interruption, where these are not covered by insurance. In the longer term, the businesses could also see increases in insurance premiums and reduced asset values for sites that are highly impacted by flood risk. This risk could also manifest in any proposed site acquisitions and this is therefore something that we take into account when considering such strategic projects.	• We are aware of the risk exposure of our estate at a property level, for both inland and coastal flooding, and have suitable insurance provisions in place. These provisions are reviewed annually to ensure they remain appropriate. • For properties considered particularly exposed to this risk, we engage with local partners, such as the Environment Agency, to implement mitigation measures, including flood defences or dredging, where possible. The business has also invested in these sites to improve their resilience, for example, through the installation of site flood defences. • We plan to actively evaluate our exposure for certain at-risk properties in the medium to long term and explore how this can be mitigated appropriately.

Risk	Type of risk?	Risk sub-category	Timeframe	How do we define this risk and see it impacting our business?	Mitigation activities
Water stress and drought	Physical	Acute/ Chronic	Medium	Drought events and/or prolonged periods of abnormally dry weather leading to water scarcity. This risk could lead to increased operating costs for properties in our Managed estate as the cost of water supply increases. In some cases, business interruptions costs may also arise where localised droughts severely impact water availability on sites. This risk could also lead to disruption in our supply chain. For example, it could disrupt the supply of key beverages, such as beer.	• We continue to manage our properties' water use by proactively identifying and repairing leaks in partnership with our water consultants. • We are investing in the estate to improve water use efficiency through the installation of low flow taps, showers and toilets. We work with our landscaping contractors to minimise use of water through the installation of drip watering for hanging baskets and planters.
Heat stress	Physical	Chronic	Medium	Prolonged periods of abnormally hot weather affecting the operation of Fuller's sites. This could affect our business through (temporary) changes in customer demand during sustained periods of hot weather and the need for increased capital investment to manage the impact of hotter weather on our properties.	• We continue to invest in our estate and, where appropriate, we are continuing to look into glazing and shading opportunities as part of our site investment and development work. • We have also been installing air conditioning units in affected sites to mitigate the impact of heat on both our customers and our people.
Storm damage	Physical	Acute	Medium	Site damage or interruption of service caused by extreme weather such as high winds, heavy rain or snowstorms. This risk could lead to increased costs associated with repair or business interruption, where these are not covered by insurance. Further, extreme weather may also lead to a fall in customer demand if visiting sites becomes undesirable or unsafe.	• Through our insurance provisions, we are aware of the risk exposure of our property estate to storm damage. • We carry out annual property and maintenance reviews to ensure that our estate is in a good condition and that appropriate action has been taken where necessary to mitigate any property-specific storm risks.

Opportunities

Opportunity	Category	Timeframe	How do we define this opportunity and see it impacting our business?
Changing consumer expectations and demand	Market/Reputation	Medium	The demand from consumers for "greener" menu options is a potential trend that we remain well positioned to respond to given our flexible menu offering and our continued implementation of our *Life is too good to waste* strategy. For example, we are currently exploring how we can reduce the emissions of our menu by introducing alternative and innovative production methods into our supply chain, such as regenerative and vertical farming. The recent launch of regenerative beef on some of our menus, in partnership with Grassroots Farming, is an example of how we are already piloting this in our business. This type of initiative could generate market and reputational advantages in responding to changing customer expectations and meeting new demands.
Site investment – reduced costs, increased efficiency	Operations	Medium	Investment in our sites to meet our climate targets and respond to potential legislative requirements could realise reductions in our operating costs in the medium to long term. We continue to explore, where appropriate, shifts to renewable energy on- and off-site; the electrification of kitchens and hot water heating; and the adoption of energy efficiency measures for our sites. Such investments could contribute to mitigating multiple climate related risks for Fuller's and help to future-proof our business for a more uncertain world. Our programme of work to electrify our kitchens is recognised this year with a new target. See the Metrics & Targets section for more detail.

Risk Management

We view the effective management of our risks as a key to ensuring that we achieve our strategic objectives in the long term, while continuing to deliver the high standard that our customers, our people and our shareholders expect.

Our approach to the identification, assessment and management of our climate related risks and opportunities remains unchanged this year. We continue to use a framework for assessing climate related risks that aligns with our approach to assessing our other corporate risks, but has been adapted to reflect the complex nature of climate related risks. We consider climate related risks as a subset of our wider corporate risks to ensure that they are appropriately integrated into our corporate risk assessment framework.

The TCFD Working Group, with support from external advisors, oversees the annual review and assessment of our identified climate related risks. These are identified and assessed with input from departments across the business and evaluated on the basis of their potential impact, likelihood and timeframes. This year's review scrutinised the findings of last year's work to identify whether the business still considered them a fair and reflective view. The results were shared with the Executive Team and the Audit and Risk Committee for further input and appraisal. We found that last year's disclosure remains an accurate reflection of our view of the business's relevant climate related risks, and hence, the risks in this year's disclosure remain unchanged.

We also consider these individual climate related risks as part of our broader assessment of the sustainability and climate change related risk to the business. This assessment is reflected in the inclusion of a sustainability and climate change risk in our corporate risk register (see page 36). It captures our view of the overall risk associated with the climate related risks identified in this disclosure and other sustainability related risks. The Chief Executive holds responsibility for this overall risk, with the responsibility for the individual climate related risks and opportunities assigned to the TCFD Working Group, Sustainability Director, Environment Committee and Executive Team. In line with our top-down and bottom-up governance structures, we believe that this approach ensures that we have comprehensive and robust oversight of the risks from the Board through to our departments.

Metrics & Targets

Metrics & Targets has represented an area of focus in our TCFD programme of work this year in recognition that, as stated last year, we wished to further develop our approach to this part of the TCFD framework. We are therefore pleased to be able to present some significant updates.

This year, we are setting new targets, with associated metrics, as we implement our climate strategies and continue to manage and mitigate our climate related risks. Further information on these new Metrics & Targets is provided below. We believe that these new targets are an important first step on our journey towards a Net Zero and climate-resilient future and intend to build on this initial set of Metrics & Targets over time. A key step in this direction will be the development of the business's first climate transition plan. While we have previously conducted work to understand the pathway to our near-term targets, the finalised guidance of the Transition Plan Taskforce provides us with a detailed framework to build on and enhance this work. We are therefore looking forward to beginning the work this year, with the intention of publishing our first transition plan in 2026. We will seek to provide a more significant update on our progress in this area next year.

We are also pleased to have achieved a major milestone this year in the form of the validation of our near-term company-wide GHG emission reduction targets by the SBTi. This represents a significant step for the business and as detailed throughout this disclosure, and our wider annual sustainability report, we are hard at work delivering on these targets. Alongside this significant update to our GHG emissions targets, we are also able to disclose a breakdown of our full Scope 3 GHG emissions for the first time (see page 43). This is the culmination of significant work we have undertaken, and continue to undertake, with our supply chain to gather the necessary data to calculate our Scope 3 emissions. The introduction of the SBTi Food, Land and Agriculture ("FLAG") guidance, and related targets in the past year, marks a further development in this space that we will also be implementing in the coming year. We look forward to providing an update on this work in next year's disclosure.

Target	Metric	Absolute/ Intensity	Relevant climate related risk/ opportunity	Current, and historical, performance	Future delivery plans
New this FY Metrics & Targets					
By the end of FY2025, 90% of our Chefs and General Managers will have completed our sustainability training suite and 100% of inductions for new employees will feature sustainability training. To deliver this, we are developing a bespoke sustainability training suite.	% of Fuller's Chefs and General Managers who have completed sustainability training % of inductions completed with sustainability training as a compulsory module Base year: FY2024	Absolute	Applicable across all of our key climate related risks and opportunities	New this year.	• We have already been exploring the roll out of sustainability training for all of our colleagues and, with this new target, we are committed to developing and delivering a bespoke training suite for the business this year to support our colleagues. • As part of this roll out, we will look to integrate this training within all new employee inductions in the business to embed sustainability as an everyday business concern and practice. • We will also seek to ensure that, once we have rolled out this training suite to the business, we engage with our key leaders on our sites and in our kitchens – our Chefs and General Managers – to ensure that they have undertaken this training.

Target	Metric	Absolute/ Intensity	Relevant climate related risk/ opportunity	Current, and historical, performance	Future delivery plans
100% of Board members and the senior management team will have undergone sustainability training by the end of FY2025.	% of Board members and senior management team who have undergone sustainability training Base year: FY2024	Absolute	Applicable across all of our key climate related risks and opportunities	New this year.	• Sustainability and climate change training have already been provided to the Board and senior management team, as appropriate, in the last few years alongside regular updates from the Sustainability Director and Environment Committee. • We have formalised a commitment to enhanced and in-depth training this year to recognise the increasing importance of this area in the oversight and management of our business. We will be undertaking a formal training programme, with the support of external advisors, to deliver on this commitment.
We will engage with the suppliers representing 95% of our food and drinks spend on their sustainability strategies and climate risk mitigation plans by the end of FY2025.	% of Fuller's supplier spend covered by engagement with suppliers on their sustainability and climate risk strategies Base year: FY2024	Absolute	Risk: Increased supply chain disruption	New this year.	• In recognition of the importance of our supply chain and suppliers, including the potential impact of climate related risks, we are looking to undertake engagement with our top suppliers in the coming year to further build our understanding of this area.
In alignment with the Courtauld Commitment, we are committed to reducing the food waste footprint of our operations by 50% by 2030 from a FY2025 base year.	% reduction in operational food waste footprint Base year: FY2025	Absolute	Risk: Legislative changes to support climate change initiatives Opportunity: Changing consumer expectations and demand Site investment – reduced costs, increased efficiency	New this year.	• The Courtauld Commitment is a voluntary agreement in the UK food sector to deliver farm-to-fork reductions in food waste, GHG emissions and water stress. • We are pleased to be able to align ourselves with this ambitious commitment to reducing the impact of the sector on the environment.
We will electrify 20% of Fuller's Managed estate kitchens by the end of FY2025.	% of Managed estate kitchens that are fully electric	Absolute	Risk: Introduction of a carbon tax Energy price volatility Legislative changes to support climate change initiatives Opportunity: Site investment – reduced costs, increased efficiency	New this year.	• We continually invest in our sites to improve the experience of our customers and colleagues. • As part of this work, we have been investing in the electrification of our sites to increase efficiency and reduce our impact. • With this work already underway, we have plans to deliver on a significant number of investments in the coming year to progress this work further.

Target	Metric	Absolute/ Intensity	Relevant climate related risk/ opportunity	Current, and historical, performance	Future delivery plans
Existing Metrics & targets					
Net Zero across our operational emissions by 2030, and across our supply chain by 2040.	Scope 1, 2 and 3 GHG emissions	Absolute	Risk: Introduction of a carbon tax Opportunity: Site investment – reduced costs, increased efficiency Changing consumer expectations and demand	• Delivered a 6.1% reduction in gross operational carbon emissions in FY2024 (Scope 1 and 2). • We electrified seven kitchens and opened our first fully electric pub – The Admiralty. • We continued to procure renewable electricity covering 100% of our Managed estate's consumption leading to a to a net carbon emissions reduction of 31.6% vs FY2022. Please see pages 52 to 56 for our GHG emissions figures, and associated intensity metrics.	• We have continued to invest in energy efficiency measures on our sites and provide training to our teams to support them to reduce their site's energy use. • We are also investing in the electrification of our kitchens, where local power supplies are sufficient, or can be upgraded to support this. • The development of our comprehensive transition plan by the end of FY2026 to map out our longer-term pathway to Net Zero will represent a key step for the business. • Our new commitment to work with our suppliers representing 95% of our food and drink spend also represents an important step in our Net Zero plans as we seek to work with them on their long-term plans for decarbonisation and improve the accuracy and reliability of our Scope 3 emissions reporting. • The introduction of the SBTi FLAG Guidance and related targets, alongside the GHG Protocol's *Land Sector and Removals Guidance*, has represented a significant development in the last year. We will be implementing these revised approaches to FLAG emissions in our own work in the coming year and will look to provide an update on this in the next report.
SBTi targets • A 42% reduction of our absolute Scope 1 and 2 GHG emissions by FY2030, from a FY2020 base year. • A 25% reduction of our absolute Scope 3 GHG emissions within the same timeframe.	% reduction in our Scope 1, 2 and 3 GHG emissions	Absolute	Risk: Introduction of a carbon tax Opportunity: Site investment – reduced costs, increased efficiency Changing consumer expectations and demand		
Securing 100% renewable electricity supply long term.	% of electricity supply covered by renewable energy certificates/ instruments/ power purchasing agreements ("PPAs")	Absolute	Risk: Introduction of a carbon tax Energy price volatility Legislative changes to support climate change initiatives Opportunity: Site investment – reduced costs, increased efficiency	• We continue to purchase renewable electricity covering 100% of our Managed estate's consumption.	• We continue to review opportunities for securing supply for our estate from off-site renewable generation, and we are considering longer-term options, such as a PPA. • Where possible, we are also reviewing the potential for on-site renewable installations on several of our key sites. • As outlined above, we are pursuing electrification of our sites to reduce our consumption of natural gas.

Target	Metric	Absolute/ Intensity	Relevant climate related risk/ opportunity	Current, and historical, performance	Future delivery plans
By 2025, we aim to recycle at least 75% of our operational waste and divert 100% from landfill.	% of operational waste that is recycled % of operational waste that is sent to landfill	Absolute	Risk: Legislative changes to support climate change initiatives Opportunity: Site investment – reduced costs, increased efficiency Changing consumer expectations and demand	• FY2022 – 39% recycling rate with 98% diverted from landfill • FY2023 – 56% recycling rate with 100% diverted from landfill • FY2024 – 58% recycling rate with 100% diverted from landfill	• Throughout the business, we have implemented further training on reusing and recycling to drive efficiency and waste reductions. • We are also working with our suppliers to reduce the volume of packaging sent to our sites in the first place. • To deliver food waste reductions, we have introduced a scheme to support waste segregation before recycling and, more recently, introduced a training programme for kitchen teams to begin measuring and reducing food waste. • As outlined above, we have also committed this year to the Courtauld Commitment and a 50% reduction in our food waste footprint by 2030.
By 2030, we aim to reduce our overall energy usage by at least 25%.	% reduction in operational energy usage	Absolute	Risk: Introduction of a carbon tax Energy price volatility Legislative changes to support climate change initiatives Opportunity: Site investment – reduced costs, increased efficiency	• Since the baseline year of FY2020, electricity usage has reduced by 11.5% and gas usage has reduced by 22.6%	
By 2030, we aim to eliminate the use of natural gas, oil and liquefied petroleum gas ("LPG") where feasible.	% of sites where natural gas, oil and LPG are still used OR % reduction in use of natural gas, oil, and LPG across sites	Absolute	Risk: Introduction of a carbon tax Energy price volatility Legislative changes to support climate change initiatives Opportunity: Site investment – reduced costs, increased efficiency Changing consumer expectations and demand	• Since the baseline year of FY2020, we have reduced natural gas usage by 22.6%. We also have several properties including The Head of the River and The Admiralty where we have eliminated the use of natural gas.	• As detailed above, we continue to invest in our Managed estate to deliver the electrification of our kitchens. For sites using LPG and oil, we continue to plan to transition them to electric kitchens and hot water and heating systems. • Where eliminating oil and gas is not possible due to building constraints, we will focus on implementing reduction measures and upgrading heating systems to be more efficient.

Target	Metric	Absolute/ Intensity	Relevant climate related risk/ opportunity	Current, and historical, performance	Future delivery plans
By 2030, we aim to eliminate all unnecessary plastics from our operations.	% reduction in use of single-use plastics in operations	Absolute	Risk: Legislative changes to support climate change initiatives Opportunity: Site investment – reduced costs, increased efficiency Changing consumer expectations and demand	• Continued implementation of Green Goblet reusable cups for major events to replace single-use plastic cups.	• We are working with our suppliers to transition away from single-use plastic items, primarily in our Hotels estate. • As outlined above, we are also working with our suppliers to reduce the volume of packaging in our supply chain.

We also continue to track several internal metrics including packaging waste output; waste processing and destination; and water consumption. Our performance against these metrics is monitored against targets that we have set in our *Life is too good to waste* strategy.

With the above disclosure on Metrics & Targets representing a significant development of our maturity in this part of our TCFD disclosure this year, we are looking forward to building on this progress in the coming year and delivering on our new targets. The development of the business's first climate transition plan will represent a major next step for our sustainability and climate agenda. We look forward to providing further updates on this work, and how the business will achieve Net Zero by 2040 (across all emissions scopes) in alignment with the hospitality industry's Net Zero Roadmap, in the coming years.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The table below, together with signposts to other relevant sections of the Annual Report and Fuller's website, constitutes the Company's non-financial information statement, in compliance with Sections 414CA and 414CB of the Companies Act 2006.

Reporting requirement	Key policies/standards/frameworks	For additional information
Business model		Business Model on pages 12 to 14
Principal risks and impact on business		Risk Management on pages 30 to 36
Non-financial Key Performance Indicators		Strategic Report on pages 16 and 17 Sustainability Report on pages 37 to 41
Environmental matters, including climate related disclosures	Sustainability strategy – Our planet Responsible Sourcing Policy*; Environmental Policy*	Sustainability Report from page 37 TCFD Report on pages 43 to 56
Employees	Sustainability strategy – Our people People policies including flexible working; parental leave including maternity, paternity and adoption leave; mental wellbeing; employee conduct; recruitment, training and development; and health and safety Whistleblowing Policy	Sustainability Report from page 37 Stakeholder Engagement on pages 12 to 14 Corporate Governance Report on page 62
Social matters	Sustainability strategy – Our people, planet and communities; Gender Pay Gap reporting*	Sustainability Report from page 37
Human rights	Modern Slavery Statement* Privacy policies in relation to employees, customers* and Tenants*	Stakeholder Engagement on pages 12 to 14 Directors' Report on page 112
Anti-corruption and anti-bribery matters	Anti-Bribery and Corruption Policy (covering gifts and hospitality); Responsible Sourcing Policy* Whistleblowing Policy	Audit and Risk Committee Report on page 78

* Available at www.fullers.co.uk

2024 Strategic Report

The Group's Strategic Report, encompassing pages 6 to 57, was approved by the Board and signed on its behalf by:

SIMON EMENY
CHIEF EXECUTIVE
12 June 2024

Doing things the right way is one of Fuller's values, and this is especially important when it comes to governance.

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 30 March 2024.

This has been a year of significant progress and growth in the business and the Board remains dedicated to ensuring effective corporate governance.

"I am grateful to my fellow Board members and the Executive Team for their continued contribution to the success of the business."

MICHAEL TURNER
CHAIRMAN

As a business we all have a role to play in delivering our purpose, vision and strategy for the long term benefit of all our stakeholders. Details of our well-established corporate governance framework and compliance with the UK Corporate Governance Code are set out in the following pages.

The Board met regularly throughout the year both at Pier House and in some of the excellent meeting rooms in our pubs and hotels across the estate. Our Board Committees have been busy during the year and you can read more about their key activities, and more detail of their work, on pages 68 to 111.

I am grateful to my fellow Board members and the Executive Team for their continued contribution to the success of the business. Each year, they overcome unexpected challenges while continuing to drive growth and strategic change.

The Nominations Committee, which I chair, has continued to review the composition and diversity of the Board throughout the year. At the top of the agenda has been succession planning and prioritising diversity and inclusion initiatives within our policies and objectives. More details on the work of the Nominations Committees throughout the year can be found on pages 68 to 73.

As a people focused business, valuable and regular engagement with our team members is important. Members of the Executive Team and senior management are invited to make presentations to the Board on key business and strategic projects regularly throughout the year. Board members also make time to visit our sites and meet team members so we can hear their views first-hand. Our Non-Executive Director, Helen Jones, is our designated Director responsible for employee engagement and provides bi-annual updates to the Board. You can read more about Helen's role and employee engagement on page 63.

Sustainability is deeply embedded in our approach to people, communities and the planet, and we know that governance around sustainability is fundamental to the success of the business. The Board puts sustainability at the front and centre of decision making and proactively manages risks and opportunities. We are provided with regular updates on sustainability matters from our Executive Team and Oliver Rosevear, our Sustainability Director. Throughout the year we have continued to evolve our TCFD reporting, forming an internal TCFD working group and adding more bespoke metrics and refinement to the governance structure. Details of this can be found on pages 43 to 56.

I firmly believe that our Directors possess the skills required to run this business, providing a good balance of experience, independence and knowledge, as outlined on pages 60 to 61.

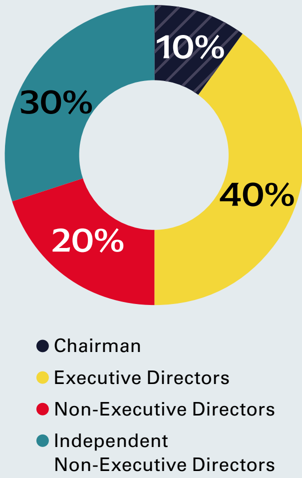
As mentioned in my Chairman's Statement, the appointment of Dawn Browne to the Board in July 2023 has been an excellent addition to the group. Throughout the year Dawn has enriched Board discussions with her in-depth knowledge of our team members and operational expertise.

The Board carried out an internal review this year which was led by our Senior Independent Director, Juliette Stacey. The results show that the Board and its Committees continue to work effectively and add value. Our progress against last year's review, as well as the outcome from this year's review, has been considered and discussed by the Board. Further details of the evaluation and progress against our action plan from last year can be found on page 73.

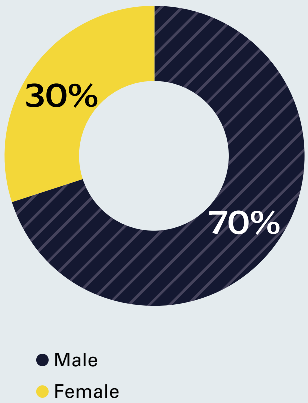
This year our AGM will take place at The George IV in Chiswick, London, on 23 July 2024 and, along with my Board colleagues, I look forward to meeting you on the day and answering any questions you may have about the business.

MICHAEL TURNER
CHAIRMAN
12 June 2024

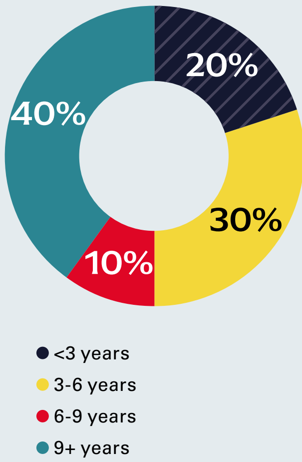
Board Composition (%)



Board Gender Balance (%)



Board Tenure (%)



BOARD OF DIRECTORS

CHAIRMAN

1

MICHAEL TURNER N

NON-EXECUTIVE CHAIRMAN

Date appointed to the Board: January 1985

Experience: Michael brings an in-depth understanding and knowledge of this long-established family business and extensive experience in leadership and executive management. A Chartered Accountant with international experience, Michael joined Fuller's in 1978, initially running the Wine Division as Wine Director. Appointed Marketing Director in 1988, Managing Director in 1992, Chief Executive in 2002 and Chairman in 2007. Chairman of the British Beer and Pub Association 2008 – 2010. Master of the Worshipful Company of Vintners 2011 – 2012.

Key external appointments: None

EXECUTIVE DIRECTORS

2

SIMON EMENY

CHIEF EXECUTIVE

Date appointed to the Board: May 1998

Experience: Simon has a detailed knowledge of Fuller's operations gained through his 25 years' experience with the Group and valuable commercial expertise in consumer-focused businesses. Joined in 1996 from Bass plc where he held a variety of senior operational and strategic planning roles. Appointed to the Board as Retail Director in May 1998, Managing Director, Fuller's Inns in July 2006, Group Managing Director in November 2010 and Chief Executive in July 2013. Previously Senior Independent Director and Chair of the Remuneration Committee of Dunelm Group plc. An economics graduate and alumnus of Harvard Business School.

Key external appointments: Non-Executive Director of The National Gallery Company Limited and UKHospitality, and Senior Independent Director of WH Smith PLC.

3

NEIL SMITH

FINANCE DIRECTOR

Date appointed to the Board: November 2021

Experience: As well as extensive financial experience in hospitality and consumer-focused businesses, Neil has strong commercial expertise, including business and strategic development. Previously served as Chief Financial Officer of Domino's Pizza Group PLC and, prior to this, Chief Financial Officer of Ei Group plc (formerly Enterprise Inns plc). Neil has also held senior financial roles at Compass Group plc, Virgin Media, Telewest Global Inc. and Somerfield plc. Qualified as a Chartered Accountant with PwC.

Key external appointments: None

KEY TO COMMITTEE MEMBERSHIP:

A	N	R	■
Audit and Risk Committee	Nominations Committee	Remuneration Committee	Committee Chair

4

FRED TURNER
RETAIL DIRECTOR

Date appointed to the Board: June 2019

Experience: Fred has a strong financial background and a deep understanding of Fuller's operations having worked in a number of roles in the business. Joined the Company in 2013 as an Operations Manager for Fuller's Inns. Appointed Head of Tenanted Operations in 2015 and Tenanted Director in 2018. Qualified as a Chartered Accountant with Grant Thornton UK LLP. Civil engineering graduate.

Key external appointments: None

5

DAWN BROWNE
PEOPLE & TALENT DIRECTOR

Date appointed to the Board: July 2023

Experience: Dawn is an experienced People and Development Director, with a background in both the hospitality and travel sectors, and has strong expertise in organisational change, diversity and inclusion, and culture. She brings a deep understanding of our people and Fuller's operations having worked in a number of roles in the business. Dawn joined the Company in 2011 as Group Development Manager and was appointed Head of Operations for the City in 2016 and People & Talent Director in 2019. Previously she was Head of Training & Development at Compass Group and held various people roles at Qantas and British Airways. She has an MSc in People & Organisational Development.

Key external appointments: None

NON-EXECUTIVE DIRECTORS

6

JULIETTE STACEY A N R
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Date appointed to the Board: March 2018

Experience: Juliette has over 30 years' leadership experience with a strong finance background. She brings extensive knowledge of business and strategic (including M&A) development, listed company experience and risk management. She is an experienced audit committee chair. Former Chief Executive of Mabey Holdings Limited. Former Chief Operating Officer (UK and Europe) and previously Finance Director (Commercial UK) of Savills plc. Qualified as a Chartered Accountant with Ernst & Young LLP and is a Fellow of the Royal Institution of Chartered Surveyors.

Key external appointments: Non-Executive Director and Chair of the Audit Committees of Renishaw PLC and Sanderson Design Group plc, and Non-Executive Director of Willmott Dixon Holdings Limited.

7

SIR JAMES FULLER, BT N
NON-EXECUTIVE DIRECTOR

Date appointed to the Board: June 2010

Experience: James has a deep understanding of the Fuller's business and provides a key link with family shareholders. Served in The Life Guards from 1991 to 1998. Employed by the Company from 1998 to 2003, working in the Tied and Managed Pub estate, and has since been running his own business.

Key external appointments: None

8

RICHARD FULLER
NON-EXECUTIVE DIRECTOR

Date appointed to the Board: December 2009

Experience: Richard has a deep understanding of the Fuller's business and operations, having worked for the Company since 1984. Appointed a Divisional Director in 1992 and to the Board in December 2009, with responsibility initially for sales then, additionally, personnel, corporate affairs and government relations. Became Non-Executive Director in February 2020. A GMP graduate of Harvard Business School. Master of the Worshipful Company of Brewers 2020 – 2022.

Key external appointments: Non-Executive Chair of both the Cotswold Cider Company and Kempton Park Racecourse.

9

HELEN JONES A N R
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date appointed to the Board: March 2019

Experience: Helen has over 35 years of commercial and general management experience in consumer-focused businesses. She brings valuable operations, marketing and branding expertise, and also remuneration committee chair experience in other plcs. In light of her background, Helen is the designated Director responsible for employee engagement for Fuller's. Formerly Group Executive Director of Caffè Nero and Managing Director of Zizzi, the Italian casual dining chain, and Non-Executive Director of international fast-dining restaurant group Vapiano SE.

Key external appointments: Non-Executive Director and Chair of the Remuneration Committees of Virgin Wines UK Plc, Premier Foods plc and THG PLC. She is also the workforce engagement director for Premier Foods.

10

ROBIN ROWLAND, OBE A N R
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date appointed to the Board: March 2020

Experience: Robin brings over 35 years' experience in the restaurant and food and beverage sectors, and has strong financial and commercial expertise, and business and strategic development experience. Previously Chairman and Chief Executive of YO! Sushi, and Non-Executive Director of Marstons PLC and Tortilla. Awarded an OBE in 2015 for outstanding services to hospitality.

Key external appointments: European Partner of TriSpan Private Equity with Chairman and Non-Executive Director roles with five portfolio companies: Mowgli, Pho, Rosa Thai, Rosa Mexicano (USA) and Thunderbird. Independent Non-Executive Director at Caffè Nero and UKHospitality.

11

RACHEL SPENCER
COMPANY SECRETARY

Date appointed to the Board: January 2021

Experience: Rachel is an experienced company secretary and has significant corporate governance, regulatory and compliance expertise. Previously held positions at a number of other listed companies, including Invensys PLC, Aldermore Group PLC (both the listed entity and the regulated bank) and, most recently, Clarkson PLC. Fellow of the Chartered Governance Institute. Rachel serves as a trustee to the Fuller, Smith & Turner Pension Plan.

CORPORATE GOVERNANCE REPORT

Statement of Compliance with the UK Corporate Governance Code 2018 ("the Code")

The Board is committed to maintaining effective corporate governance and integrity, enabling us to deliver our strategy for the long-term benefit of all our stakeholders. With this in mind, the Company has applied the main principles of the Code throughout the year. However, given the structure of the Group – we are a listed public company but still very much a family-controlled concern – there are some provisions of the Code where we do not comply but where we do consider our governance framework remains appropriate. These are summarised in the table below.

The Code can be found on the Financial Reporting Council's website at www.frc.org.uk

Code Provision	Detail of non-compliance	Further information
Principle 2: division of responsibilities		
11	At least half of the Board, excluding the Chairman, are not independent Non-Executive Directors.	The Board considers that membership is well balanced with the right mix of skills and experience. The presence of Non-Executive Directors who are long-standing family shareholders is important in this professionally run family business.
Principle 3: composition, succession and evaluation		
18	Directors are not subject to annual re-election.	In accordance with the Company's Articles of Association ("Articles"), all Directors are subject to election by shareholders at the first AGM after their appointment and to re-election at three yearly intervals. As part of the annual Board effectiveness review, the performance of the Directors is evaluated and forms the recommendation in the Notice of AGM as to why the Company believes an individual Director should be re-elected. In view of the Company's size, its ownership structure and its history, the Board is not minded to move to annual re-election of Directors but will keep this requirement under review.
19	Chairman has been in post for more than nine years.	The Board considers that the Chairman's knowledge and understanding of this long-established family business and its requirements is extremely valuable.
Principle 5: remuneration		
38	Pension contribution rates for the Chief Executive and Retail Director are not aligned with those available to the workforce.	Given the pension rate for the Chief Executive and Retail Director represents an existing contractual commitment, the Board does not consider it appropriate to make a reduction at this stage. The rate for the People & Talent Director who was appointed in July 2023 is aligned with the rate of pension that is available to the majority of Fuller, Smith & Turner P.L.C. employees.

The pages that follow in this Governance section explain how we have complied with and applied the Code during the year.

Board Leadership and Company Purpose

Role of the Board

Led by the Chairman, the Board is collectively responsible to the shareholders for the performance and long-term success of the Group, as well as to other stakeholders for the wider impact we have. Its role includes the establishment, review and monitoring of the Company's strategy, approval of major acquisitions, disposals and capital expenditure, setting the Company's purpose and values, overseeing the Group's systems of internal controls, governance and risk management, and ensuring that the appropriate resources are in place to deliver these.

The Board has an established governance framework which ensures we meet our responsibilities and enables effective decision making. An overview of the governance framework is set out on page 66.

A formal schedule of matters reserved for the Board is in place. The Board has delegated some of its responsibilities to mandated Committees, each of which operates under written terms of reference approved by the Board and reviewed annually. Committee Chairs report to the Board on their activities following meetings, and the minutes of those meetings are made available to Board members (other than if there is a conflict of interest in respect of any particular matter).

Board meetings enjoy open dialogue, and constructive challenge on all issues is encouraged. With a good information flow between and prior to Board meetings, decisions are made in a timely manner after appropriate questions are dealt with.

The Board delegates all operational matters and execution of the strategy to the Chief Executive, who is supported by his Executive Committee which comprises the Executive Directors, the Marketing Director and the Property Director.

As set out in the governance framework on page 66, a number of sub-committees report into the Executive Committee and are responsible for reviewing and approving capital related projects and investments and central costs, and driving and monitoring progress against the *Life is too good to waste* strategy. Regular updates from these sub-committees are reported to the Executive Committee.

Purpose, Values and Culture

The Board is responsible for establishing the Company's purpose, values and strategy, and for defining, monitoring and overseeing the Company's culture to ensure that they are aligned.
Our purpose of creating experiences that *nourish the soul* underpins our values of doing things the right way, being part of the family, celebrating individuality and always asking *what's next?*, and it defines our culture and everything that we do.

The Board, through the Executive Directors, strives to ensure that everyone understands the key role they play in delivering our purpose, vision and strategy.

Each quarter, we bring all the support team together so the Executive team can update on business performance, challenges and successes.
Different departments are also encouraged to update their colleagues on projects and progress. The event provides an opportunity for the Executive Team to re-articulate the Company's purpose and values and to outline the key strategic priorities for the year ahead.

In May 2024, our annual General Managers Conference took place which provided our operational team leaders with the same opportunity as well as an occasion to reconnect with colleagues and celebrate achievement.

The Board monitors the values and culture of the business through a number of channels, including regular updates from the Executive Directors on operational performance and health and safety reporting, the results of employee engagement surveys and action plans, and the approval of key policies. The Board also receives regular updates from the designated Non-Executive Director responsible for employee engagement (see below for more information).

Directors regularly visit our pubs and hotels in a personal capacity, outside of formal Board visits, which gives them a true insight into how our values and culture are embedded across the business and the guest experience our teams deliver.

Engagement with Employees

The Board receives regular updates on employee matters throughout the year from the Executive Directors, from the designated Non-Executive Director responsible for employee engagement, and through briefings on key employee matters provided by the People & Talent Director. The Chief Executive has continued to deliver occasional vlogs to the business, first introduced in 2020 in response to the Covid-19 pandemic, to keep everyone informed of key events and activity across the business and key decisions taken by the Executive Committee and the Board.

Helen Jones is the designated Non-Executive Director responsible for employee engagement. During the year, she has continued to work with the People & Talent Director to develop her role and connections with the wider business. Her work has included:

- attending Quarterly Business Updates, the General Managers Conference and similar events across the business
- becoming a regular attendee at meetings of the General Managers Forum and the Head Chefs Forum
- reviewing feedback from various listening channels including the Happiness Index survey; My Voice; recruitment and induction surveys; and exit interviews and Glassdoor reviews
- providing advice and guidance on employee engagement initiatives;
- providing regular reports to the Board on the themes emerging from the different listening channels, any relevant matters and concerns that may arise through the role.

We provide opportunities for the Non-Executive Directors to spend time in the business with members of the Executive Team and Operations Team. This helps to keep Non-Executive Directors up to date with the operations in our pubs and hotels and provides them with an opportunity to engage directly with a broad range of our team members and hear valuable feedback. Attendance at events such as the Quarterly Business Updates and General Managers Conference, as well as the "Long Service Celebration" to recognise employees reaching a service milestone of more than 15 years, provides Non-Executive Directors with another opportunity to engage with employees.

The Board recognises the benefits of encouraging employee share ownership, and the Company offers employees the opportunity to purchase shares in the Company at a discounted price through its Sharesave plan. The Company Secretary and the Executive Directors keep all employees, including employee shareholders, informed of publicly available financial updates and governance changes such as new Director appointments.

Engagement with Shareholders

The Company has an ongoing programme of individual meetings with institutional shareholders, allowing it to update shareholders on the performance of the business and the strategy for the future, and to give them an opportunity to discuss corporate governance matters. The Company's brokers also contact key shareholders to establish if they would like to see the Chief Executive and Finance Director in the days following the presentation of the preliminary and half year results.

The Chairman, Sir James Fuller and Richard Fuller are the key contacts with the Company's family shareholders and Sir James Fuller has a specific role to keep in touch with those shareholders.

The Senior Independent Director and the other Non-Executive Directors are available to attend meetings with shareholders or to be contacted by shareholders should they have any concerns which have not been resolved through the normal channels. All Board members receive feedback from the results presentations and meetings with shareholders, enabling them to keep in touch with shareholder opinion.

The Board supports the use of the AGM to communicate, in particular, with private investors, and the Chairman and Chief Executive make a detailed presentation to shareholders updating them on the Company's performance and progress. The Board is keen to encourage institutional investors to attend the meeting, in line with the duties set out in the Stewardship Code for institutional shareholders. Should they have concerns over any issues being voted upon at the AGM, they can then meet the Directors and discuss them in person. The Chairman arranges for the Committee Chairs to answer relevant questions at the meeting and encourages all Directors to be present.

The 2023 AGM was held at The George IV, in Chiswick, in July. Shareholders were given the opportunity to ask questions ahead of the meeting, using a dedicated email address if they were unable to attend in person. To enable all shareholders to vote on all resolutions in proportion to their shareholding, voting at the 2023 AGM was, in line with best practice, conducted by way of a poll.

Shareholders can opt to receive Company communications such as the Annual Report electronically in PDF format, either via email or from our website, or continue to receive a hard copy in the post. The Board continues to encourage shareholders to consider moving to electronic communications to benefit from timely and secure communications and to help reduce the cost and environmental impact of our communications.

Annual Reports and other key communications are also made available on request from the Company Secretary, should beneficial shareholders have difficulties receiving documentation via their nominee providers.

Board Activity

Key strategic matters considered by the Board in the year under review and to date included:

Standing agenda items

- Reports from the Executive Directors and Company Secretary covering operational, financial and governance matters in the period
- Employee engagement reports
- Reports from the Audit and Risk, Remuneration and Nominations Committees
- Monthly management accounts and Health and Safety reports
- Half yearly updates on employee engagement

Q1 FY2024

- FY2023 Results Announcement and Annual Report and Accounts, including risk review
- FY2023 final dividend payment
- Transfer of Managed sites to Tenanted
- Dawn Browne's appointment to the Board

Q2 FY2024

- FY2023 Board evaluation feedback and agreed areas of focus
- Anti-Bribery and Corruption Policy
- Group extension of banking facilities
- Modern Slavery statement
- Anti-Facilitation of Tax Evasion Policy

Q3 FY2024

- Environmental, Social and Governance ("ESG") training
- FY2024 Interim Results, including risk review
- Employee Engagement Survey outcomes and action plans
- Estate rationalisation plan
- FY2024 Interim dividend payment
- Cyber security update

Q4 FY2024

- Food and drink review
- Group interest rate hedging arrangements
- Tax strategy statement
- FY2024 Board evaluation and agreed areas of focus
- Annual review of Conflicts Register
- Estate rationalisation plan
- FY2025 Budget
- FY2025 Group-wide remuneration proposal
- Re-appointment of Robin Rowland and Juliette Stacey as Independent Non-Executive Directors

Q1 FY2025

- FY2024 Results Announcement and Annual Report and Accounts, including risk review
- Sale of portfolio of Tenanted sites
- FY2024 Final dividend payment

Engagement with Stakeholders

The Board recognises the importance of building strong relationships with its key stakeholders to ensure we understand how our decisions may impact them. We therefore actively encourage and carry out engagement with our key stakeholders to understand their views, predominantly through the Executive Directors, who ensure that the Board is kept informed of any key issues or changes, which helps to inform our decision making. Our Section 172 statement outlined on page 15 explains how the Board's duty to promote the success of the Company takes into account stakeholder considerations.

The Board holds at least six meetings a year, with additional meetings scheduled as required. Meetings are held in-person at the Group's Support Centre, Pier House, and also within the retail estate. Board calls which are scheduled to provide business updates between meetings are also held.

An annual programme of agenda items is agreed with the Board in advance of the start of the financial year. It is developed from the matters reserved for the Board, strategic objectives and the financial calendar, and provides a framework to ensure that key matters are addressed. The process for agreeing the final agenda is managed by the Company Secretary in consultation with the Chairman and with input from the Chief Executive.

The programme includes updates from each of the Executive Directors and the Company Secretary on matters for which they are responsible. It also includes presentations from members of the Executive Team and senior management. This gives the Board exposure to talent in the business while also providing an opportunity to engage in the key areas being worked on and agreed strategic projects. Presentations during the year have included initial observations from the newly appointed Marketing Director and the Food & Drink Director, a deep dive into the Cotswold Inns & Hotels business, an update on the Tenanted business and an annual report on Health and Safety. These sessions also enable the Board to provide feedback and guidance to the individual presenting.

In addition to scheduled meetings, the Board also meets every year for an in-depth review of the Group's strategy, which includes, among other things, discussions about market trends, consumer market, competitor landscape and capital structure. This year, the strategy day was held over two days in Bath. The Board was joined by members of the Executive Team to provide their views on the strategy, together with external speakers who provided input on the economic forecast for the UK, sector and consumer trends, and investor considerations.

As well as the dialogue within the boardroom, the independent Non-Executive Directors communicate privately, under the leadership of the Senior Independent Director, without the Executive Directors and other Non-Executives present. All Non-Executive Directors also meet informally with the Chairman and the Chief Executive on a regular basis. These meetings allow for the review of issues faced by the business, the continuation of dialogue on strategic issues, the discussion of Board appointments when appropriate, succession planning, and the provision of support to the Chairman and the Chief Executive in their roles.

Division of Responsibilities

Board balance and independence

The Board currently comprises the Chairman, four Executive Directors, and five Non-Executive Directors, of which two, Sir James Fuller and Richard Fuller, are family members, as is the Chairman Michael Turner.

The other three Non-Executive Directors, all of whom are deemed independent under the Code, are experienced business leaders, and collectively all of the Non-Executives bring a wide range of skills and experience to the Board. Although at least half of the Board (excluding the Chairman) does not comprise independent Non-Executive Directors, the Board considers it is well balanced as it has the right number of members for the size of the Group, with representation of the founding families on the Board being considered very important in a company with a high proportion of family shareholders.
The Directors agree that no one individual dominates discussions and that each makes a full and positive contribution.

Board and Committee structure

The Board has overall responsibility for governance across the Group and set out on the next page is the Company's governance framework. There is clear differentiation between the roles of Chairman, Chief Executive and Senior Independent Director, and the particular responsibilities of Board members are also set out on the next page.
The responsibilities of the Chairman, Chief Executive and Senior Independent Director, and the terms of reference of the Board Committees are set out in writing and are available on the Company's website.

GOVERNANCE FRAMEWORK

THE BOARD

Chairman
Is responsible for:

- Leading the Board and maintaining a culture of openness, debate and constructive challenge
- Setting the agenda, style and tone of Board meetings
- Monitoring the Board's effectiveness
- Ensuring effective communication with the Group's shareholders and other stakeholders

Chief Executive
Is responsible for:

- Day to day management of the business of the Group
- Developing and implementing the Group's strategy agreed by the Board
- Delivering the Group's sustainability strategy
- Ensuring effective communication with the Group's shareholders and other stakeholders

Finance Director
Is responsible for:

- Managing the Group's financial affairs and supporting the Chief Executive in the management of the Group
- Overseeing the implementation of strategy and monitoring the performance of the business
- Providing regular updates to the Board on all financial matters of significance

Retail Director
Is responsible for:

- Managing the Group's operational affairs and supporting the Chief Executive in the management of the Group
- Overseeing the implementation of strategy and monitoring the performance of the business
- Providing regular updates to the Board on all operational matters of significance

People & Talent Director
Is responsible for:

- Managing the Group's people and talent agenda including recruitment, training and development and succession planning
- Leading the safety programme
- Providing regular updates to the Board on all matters relating to team members, diversity and inclusion, culture and organisational change

Senior Independent Director
Is responsible for:

- Acting as a sounding board to the Chairman and an intermediary for Non-Executive Directors when necessary
- Being available to shareholders if they wish to raise concerns outside of the usual communication channels
- Evaluating the Chairman's performance as part of the annual Board evaluation process

Non-Executive Directors
Are responsible for:

- Providing independent judgement, knowledge and commercial experience to discussions and decision making
- Providing oversight of the Group's strategy
- Providing constructive challenge to the Executive Directors and scrutinising their performance against agreed performance objectives

Non-Executive Director responsible for employee engagement
Is responsible for:

- Facilitating two-way communication between the Board and the workforce through various employee engagement initiatives
- Ensuring that information feeding into the Board's decision-making process reflects the views of employees

Company Secretary
Is responsible for:

- Advising the Board on all corporate governance matters and ensuring good governance practices are followed throughout the Group
- Supporting the Chairman and Non-Executive Directors with their responsibilities
- Communications with shareholders and organisation of the AGM
- All Directors have access to the advice of the Company Secretary

BOARD COMMITTEES

Audit and Risk Committee
Monitors the integrity of the financial reporting for the Group, manages the relationship with the external auditors, and oversees the effectiveness of the risk management and internal control systems

Nominations Committee
Responsible for leading the process for appointment of Directors for approval by the Board, succession planning, reviewing the structure, size and composition of the Board and overseeing diversity and inclusion initiatives

Remuneration Committee
Sets the Remuneration Policy for the Chairman and the Executive Directors, and also reviews the remuneration framework for other senior management

Executive Committee
The Chief Executive is supported by the Executive Team consisting of the Executive Directors, the Marketing Director, the People & Talent Director and the Property Director

Approvals Committee
Responsible for reviewing and approving central costs, Support Centre staffing changes and material procurement contracts

Investment Committee
Responsible for reviewing and approving capital related projects and investments

Sustainability Committees
Responsible for developing the Group's sustainability strategy around our people, communities and the planet, and providing oversight of key sustainability initiatives, targets and objectives

Board and Committee Meetings

The table below shows the attendance of Directors at Board and Committee meetings held during the year under review.

Director	Board[1]	Audit and Risk Committee	Nominations Committee	Remuneration Committee
Michael Turner	9/9	–	5/5	–
Simon Emeny	9/9	–	–	–
Neil Smith	9/9	–	–	–
Fred Turner	9/9	–	–	–
Dawn Browne[3]	7/7	–	–	–
Sir James Fuller	9/9	–	5/5	–
Richard Fuller	9/9	–	–	–
Helen Jones	9/9	4/4	5/5	6/6
Robin Rowland[2]	9/9	3/4	5/5	6/6
Juliette Stacey	9/9	4/4	5/5	6/6

1 Includes scheduled and ad hoc meetings.

2 Unable to attend one scheduled meeting due to an external meeting being called at short notice at which it was critical he attended. Comments were provided on the papers beforehand.

3 Dawn Browne was appointed as an Executive Director on 3 July 2023.

Time Commitment

The Board is satisfied that all Directors can devote sufficient time to their roles to discharge their duties effectively. All Directors are required to seek permission before accepting any external appointments so that, amongst other things, the Board can be satisfied that they will continue to have sufficient time available to devote to the Company. Further, the Nominations Committee considers the time commitments of proposed candidates prior to appointment to the Board to ensure that they are able to dedicate sufficient time to the role.

Conflicts of Interest

The Board has adopted a procedure, in accordance with the Company's Articles, to consider and, if it sees fit, to authorise situations were a Director to have an interest that conflicts, or may possibly conflict, with the interests of the Company. Directors have a continuing duty to update any changes to their conflicts of interest. The Company maintains a register of authorised conflicts of interest which is reviewed at least annually and authorisations reconfirmed. The Board may impose certain limits or conditions when giving authorisation.

Advice for the Board

All Directors have access to the advice and services of the Company Secretary, whose appointment and removal is a matter for the whole Board. There is also a formal procedure in place under which Board members can, at the Company's expense, obtain independent professional advice should they decide it is necessary in order to fulfil their responsibilities as Directors.

The Company Secretary is responsible to the Board for ensuring that Board procedures are complied with. The Directors are satisfied that any concerns they raise at Board meetings are recorded in the minutes. The Company maintains appropriate insurance cover in respect of legal action against its Directors and Officers.

Nominations Committee
At a glance

"We were delighted to recommend the appointment of Dawn Browne, who has brought her talent in both people and operations to the Boardroom."

**MICHAEL TURNER
CHAIR OF THE NOMINATIONS COMMITTEE**

Members

Michael Turner (Chair), Juliette Stacey, Sir James Fuller Bt, Helen Jones, Robin Rowland

	Number of meetings held	Number of meetings attended
Michael Turner (Chair)	5	5
Juliette Stacey	5	5
Sir James Fuller Bt	5	5
Helen Jones	5	5
Robin Rowland	5	5

Key Duties of the Committee

- Lead the process for appointment and re-appointment of Directors, for approval by the Board
- Regularly review the size, structure and composition of the Board and its Committees
- Consider succession planning for the Board and senior management positions
- Oversee the development of the Company's policy and initiatives on diversity and inclusion
- Oversee Board induction, training and professional development
- Assist the Chairman and Senior Independent Director with the implementation of the annual Board evaluation.

Key Activities During the Year

- Reviewed the Board composition, supported by the Board's skills matrix and agreed the recommendation of Dawn Browne as a Director
- Considered succession planning for the Board and received updates on changes to Executive management roles
- Recommended the appointment of Dawn Browne, People & Talent Director to the Board
- Agreed the process for reporting on new gender and diversity requirements set out in the Listing Rules
- Recommended the re-appointment of Robin Rowland as a Non-Executive Director and Juliette Stacey as a Non-Executive Director and Chair of the Audit and Risk Committee at the expiry of their terms
- Facilitated the annual Board evaluation process for FY2024
- Reviewed the Company's Inclusion Plan which sets out our commitments and initiatives to promote diversity, equality and inclusion.

Dear Shareholder,

As Chair of the Nominations Committee, I am pleased to present the Nominations Committee Report for the year ending 30 March 2024.

The Nominations Committee comprises our three independent Non-Executive Directors, Juliette Stacey, Helen Jones and Robin Rowland, and Non-Executive Director, Sir James Fuller, who is the key contact with family shareholders. In the event of any matters being discussed concerning my role, Juliette Stacey, as Senior Independent Director, would chair the meeting in line with the Code requirements. The Chief Executive attends meetings by invitation and the Company Secretary acts as secretary to the Nominations Committee.

We were delighted to recommend the appointment of Dawn Browne to the Board with effect from 3 July 2023. She has brought her talent in both people and operations to the Boardroom. Although Dawn had been with Fuller's for 12 years she was given a formal customised induction programme to support her transition into the Director role. The induction aimed to provide business context, support her understanding of the role of the Director, and recommended commencement of a professional development programme. A more in-depth look at Dawn's induction can be found on page 70 of this Report.

As reflected in its terms of reference, the Nominations Committee has further strengthened its remit this year with regards to Board composition, succession and diversity and inclusion initiatives. These topics have been high on the Committee's agenda throughout the year.

Looking forward to the year ahead, the Nominations Committee will continue to focus on longer term succession planning to ensure that appropriate succession arrangements are in place for the Board and Executive Committee members. The Nominations Committee will also continue to oversee implementation of the Company's Inclusion Plan which sets out our commitments and initiatives to promote diversity, equity and inclusion.

MICHAEL TURNER
CHAIR OF THE NOMINATIONS COMMITTEE
12 June 2024

Composition, Succession and Evaluation

Board composition

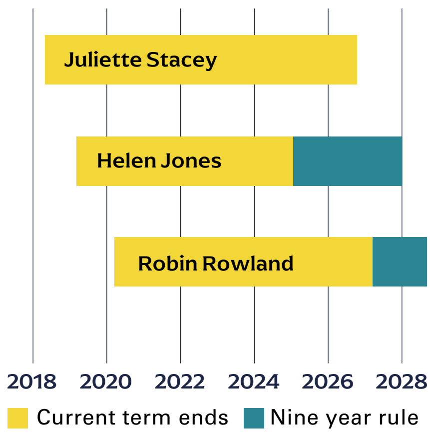
Details of the Directors, including their qualifications, experience and other commitments, are set out on pages 60 and 61. Dawn Browne was appointed to the Board as a Director with effect from 3 July 2023.

Under its terms of reference, a key area of focus for the Nominations Committee is to keep under review the composition of the Board and its Committees to ensure there is the right balance of skills and experience. The composition of the Board and its Committees is also considered as part of the annual Board evaluation. During the year, the Nominations Committee undertook a comprehensive review of the composition of the Board, taking into account the skills, experience, diversity and tenure of the Directors. The review was supported by the Board skills matrix which captures the current skills and expertise of the Board and assists the Nominations Committee in its discussions regarding future Board composition and succession planning.

The matrix demonstrates, along with the Director biographies on pages 60 to 61, that the Directors have a range of relevant skills and experience which has been further strengthened by the appointment of Dawn Browne.
The Nominations Committee is satisfied that the Board has the necessary mix of skills and subject matter expertise, further supported by the expertise of the Executive Committee members and functional heads.

While at least half of the Board, excluding the Chairman, is not independent as stipulated by the Code, the Committee believes that the presence of Non-Executive Directors who are long-standing family shareholders is important.
The Nominations Committee also acknowledges that the Chairman has been in post beyond nine years; however, the Nominations Committee considers that the Chairman's knowledge and understanding of this long-established family business and its requirements are extremely valuable.
In line with the Code and letters of appointment, independent Non-Executive Directors serve no more than nine years and the chart below summarises their current tenure and unexpired terms.

Independent Non-Executive Director Tenure



NOMINATIONS COMMITTEE REPORT continued

Induction and Professional Development

On appointment, the Nominations Committee will, in conjunction with the Chairman and the Company Secretary, ensure that new Directors undertake a tailored induction programme. This would typically consist of an introduction to the Board and the Executive Team, visits to pubs and hotels across the estate, an induction reference material pack, briefings on governance requirements and legal and regulatory obligations as a Director, and access to independent advisors. Details of Dawn Browne's bespoke induction programme – which takes into account her long tenure with the business – are set out below.

Directors are encouraged to attend training courses, industry forums and specialist briefings relevant to their role throughout the year. The Company Secretary, in consultation with the Chairman and Nominations Committee, has developed a Learning and Development programme for the Board and arranges for external speakers and specialists, such as the Company's brokers and legal advisors, to join Board meetings to brief the Board on topics of interest as appropriate. During the year, the Board received a market update and ESG teach-in presented by the Company's brokers. In line with our commitment to our sustainability journey, an external advisor facilitated a presentation on climate risk and TCFD reporting.

Executive Directors are permitted to hold one other paid directorship, with the Board's consent, as the Board believes that experience of how other boards work enhances the Directors' contribution to the Company.

Succession Planning

Succession planning is a key issue for a business that has low turnover amongst its senior management and is still very much a family-controlled concern while also being a public listed company.

Succession planning and the development of talent is a key focus of the Nominations Committee, and is a standing agenda item at each meeting. The Committee has reviewed and updated the plan that is in place for the succession of key roles. Talented and "critical to retain" individuals have been identified, and each individual has their own development plan, owned by the individual and supported and overseen by their leader and the People Team. Development plans are grounded in data from assessments and feedback, and external partners and experts are engaged to support development where required.

Role descriptions and personal specifications for key Board positions, including the Chairman and Chief Executive, have been reviewed by the Committee and updated to reflect the needs of the business and to support longer-term succession planning.

DAWN BROWNE
PEOPLE & TALENT DIRECTOR

"The induction process has been excellent – building the additional skills needed for my new role."

Even though she had been with Fuller's for 12 years, Dawn was given a formal and in-depth induction programme on joining the Board. She joined on 3 July 2023, and the programme supported her transition into the new role – building on Dawn's excellent understanding and knowledge of the Company, particularly in the area of operations and people. The induction aimed to provide additional context around the business and our markets, and a better understanding of the role of a Director and the framework in which the Board operates.

THE FIRST MONTH

- Meeting with the Chairman to discuss Board dynamics, output and behaviours
- Session with the Company Secretary to provide an understanding of the duties of a director, corporate governance requirements and Board processes
- Provision of a Director Information File including key corporate information and Board papers from the last 12 months
- Commencement of the IoD Certificate in Company Direction programme.

WITHIN THE FIRST THREE MONTHS

- Mentoring sessions with Juliette Stacey, Senior Independent NED
- Time out in trade with the Non-Executive Directors to build relationships
- Full participation in the September 2023 Board meeting, providing the first People & Talent update
- Commenced attendance at the Remuneration Committee as a standing invitee.

ONGOING DEVELOPMENT

- Introductions to the Company's principal advisers
- Coaching with an independent Board-level coach
- Feedback on any further induction requirements
- Working towards the IoD Diploma in Company Direction and Chartered Directorship.

During the year ahead, the Nominations Committee will continue to focus on longer-term succession planning to ensure that appropriate succession arrangements are in place for the Board and Executive Committee members.

Election and Re-election

The Nominations Committee is responsible for recommending to the Board the appointment of new Directors and the re-appointment of existing Directors.

The Committee considered the re-appointment of Robin Rowland as an Independent Non-Executive Director whose term expired in March 2024 and recommended that his term be renewed for a further three years, to March 2027. In addition, the Committee also discussed the re-appointment of Juliette Stacey as the Senior Independent Director and Chair of the Audit and Risk Committee, whose three year term will expire in July 2024, and recommended that her term be renewed for a further three years, to July 2027. Both recommendations were approved by the Board.

At every AGM, one-third of the Directors are subject to retirement by rotation. In addition, if any Director has, at the start of the AGM, been in office for more than three years since their appointment or re-appointment, they shall retire at that AGM and offer themselves for re-election. At the AGM in July 2024, Simon Emeny and Fred Turner will retire by rotation and offer themselves for re-election. The Board is of the opinion that each Director standing for election or re-election makes an effective and valuable contribution to the Company towards its long-term sustainable success.

The Nominations Committee has considered the Code requirement for Directors to be subject to annual re-election. In view of the Company's size, its ownership structure and its history, the Board agreed with the Nominations Committee not to move to annual re-election of Directors but will keep this requirement under review.

Diversity and Inclusion

The Board is committed to diversity and inclusion at both the Board level and across the business. Whilst the Board is alert to the need to ensure diversity in all its forms is promoted, it believes appointments should be made on merit and does not want to adopt targets that may affect its ability to make the right decision for the business and all its stakeholders.

As and when Board vacancies arise and, should the support of an executive search firm be required, the Board and the Nominations Committee will ensure that it only uses firms that have signed up to their industry's Voluntary Code of Conduct.

Fuller's is a signatory to the British Beer and Pub Association's ("BBPA") diversity and inclusion charter and our aim is to ensure all our venues are inclusive spaces and that we have a zero-tolerance approach to harassment or discrimination of any kind.

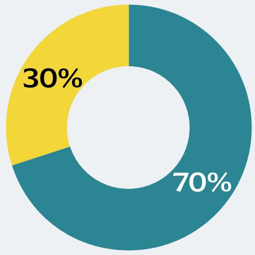
The Nominations Committee has increased its oversight of diversity and inclusion objectives across the business and reviewed the Company-wide Inclusion Plan which has been developed. Inclusive leadership training has been completed by the Board, Executive Team and our senior leaders. An annual report on diversity and inclusion initiatives is presented to the Nominations Committee by the People & Talent Director.

The Nominations Committee considered and reported to the Board details of new reporting requirements introduced by the Financial Conduct Authority ("FCA"). These changes set targets in relation to Board diversity and the disclosure of diversity and inclusion metrics at the Board and Executive Committee level going forward. A process for the collection of the required numerical data was agreed and the output of this has been included on page 72.

Currently, the Board does not meet the target of having women make up at least 40% of the Board or having at least one Board member from a non-white ethnic minority background. Juliette Stacey is our Senior Independent Director and therefore there is at least one woman in a senior Board position, as defined in the rules.

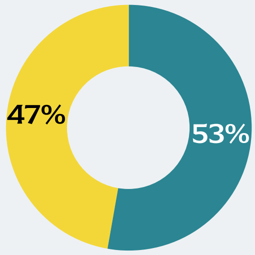
In line with the Code, the Nominations Committee has reviewed the gender balance of those in senior management, considered to be the Executive Committee members, and their direct reports at 30 March 2024. This information is illustrated on the right alongside details of the gender balance for the Board and all employees.

Board



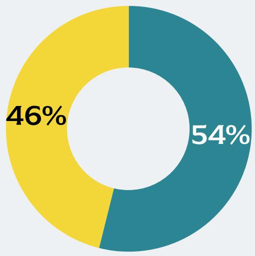
- Male 7
- Female 3

Executive Team and their direct reports



- Male 17
- Female 15

All Employees (excluding Directors and Executive Team)



- Male 2,743
- Female 2,304

Board and Executive Management Diversity Disclosures

As at our chosen reference date of 30 March 2024, our year end, the targets and reporting requirements set out in Listing Rule 9.8.6(9) and (10) respectively are reported below.

FCA targets

Target	Outcome	Position as at 30 March 2024
At least 40% of the Board are women	Not met	30% of the Board are women
At least one senior Board position held by a woman	Met	The position of Senior Independent Director is held by a woman.
At least one Board Director from a non-white ethnic minority background	Not met	No Directors are from a non-white ethnic minority background

Gender identity[1]

Director	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive management	Percentage of Executive management
Men	7	70%	3	4	57%
Women	3	30%	1	3	43%
Other categories	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

Ethnic background[1]

Director	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive management	Percentage of Executive management
White British or other white (including minority-white groups)	10	100%	4	7	100%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	0	0%	0	0	0%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group, including Arab	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

Notes:

1 For Board members and Executive management, data was collected via a manual process managed by the Company Secretary. Members were asked to self-report via an email data collection exercise with options aligned to the categories specified in the Listing Rules.

2 The Chief Executive, Finance Director, Retail Director and People & Talent Director are members of both the Board and Executive management and are counted in both groups in the above tables.

Board Evaluation

The annual Board and Committee evaluation continues to provide a valuable opportunity for the Board to reflect on how it operates, enabling it to improve its effectiveness and that of its Committees. Following the completion of an in-depth external review for FY2022, on the recommendation of the Nominations Committee, for FY2024, the Board completed an internal evaluation process between January and February this year, led by the Senior Independent Director. The evaluation consisted of a questionnaire which probed how the Board had operated during the year under review and included the performance of the Board as whole and its Committees, the effectiveness of the Executive Directors and Non-Executive Directors, key learnings from the year in review and considerations for future areas of focus.

Outcomes and Recommendations from FY2024 Evaluation

The consolidated output was finalised in March 2024. Overall, the output was positive and the evaluation concluded the Board and its Committees were cohesive and performing well. The Board was considered to comprise relevant skills and experience, and all Directors were committed to the success of the Company.

As would be expected, there were some opportunities identified by Board members to further improve effectiveness to ensure that the Company benefits from the combined expertise and insight of the Board. The key themes have been prioritised and will be incorporated in a tracker, alongside any ongoing recommendations from the prior year, to monitor progress.

Update on FY2023 Evaluation Recommendations

Good progress has been made against the recommendations arising from the Board evaluation completed at the end of FY2023 as set out in the table below.

Recommendation	Progress update
Increase reporting on people matters	Following the appointment of the People & Talent Director to the Board there is now a standing agenda item at Board meetings which provides increased focus on people matters and a clear connection between people plans and the long term strategy.
Broaden focus on succession planning to encompass all senior management roles	Following the broadening of the role of the Nominations Committee in 2023, there has been a deepened focus on longer term succession planning both for the Board and wider business. This now features as a standing agenda item at all Nominations Committee meetings.
Provide opportunities for Non-Executive Directors to spend days in trade and engage with the wider business	Arrangements are facilitated to provide the Non-Executive Directors with more opportunities to connect with the people in the Company and spend time in trade with the Executive Team and members of the Operations Team. Non-Executive Directors are now also invited to Quarterly Business Updates, the General Managers Conference and similar events across the business to enable them to interact with employees in a more relaxed environment.
Increase engagement with the Tenanted business	The forward planner for the Board has been amended to provide the Board with regular updates from the Tenanted Director.

Audit and Risk Committee

At a glance

"The Committee provides independent challenge to ensure a robust governance framework."

JULIETTE STACEY
CHAIR OF THE AUDIT AND RISK COMMITTEE

Members

Juliette Stacey (Chair), Helen Jones, Robin Rowland

	Number of meetings held	Number of meetings attended
Juliette Stacey (Chair)	4	4
Helen Jones	4	4
Robin Rowland	4	3

Key Duties of the Committee

- Monitors the integrity of the financial reporting for the Group
- Manages the relationship with the external auditor
- Oversees the effectiveness of the risk management and internal control systems.

Key Activities During the Year

- Reviewed the effectiveness of the Group's internal controls and risk management systems and assessed the need for an internal audit function
- Received updates on specific risk areas, including cyber risk and climate risk
- Reviewed the Group's principal risks register ahead of the announcement of the half year and full year results
- Reviewed all matters relating to the half year and full year results announcements, including reports presented by the external auditor Ernst & Young ("EY") and assessment of key judgements and accounting policies, and assessed whether, taken as a whole, the Annual Report was fair, balanced and understandable
- Conducted a review of the effectiveness of the external audit process and external auditor, and recommended EY's re-appointment
- Reviewed and recommended to the Board for approval the revised Anti-Bribery and Corruption Policy
- Reviewed and confirmed the appropriateness of the Policy on Auditor Independence and Provision of Non-Audit Services
- Reviewed and recommended to the Board for approval the Tax Strategy Statement for the year ended 30 March 2024
- Considered the Corporate Criminal Offence legislation and approved the Anti-facilitation of Tax Evasion Policy
- Considered reports on key areas of compliance, including data protection, employee relations, cyber security, and whistleblowing; and received an annual report on health and safety
- Received a climate risk annual update and training session from an external sustainability consultant
- Established a clear process for the development of our TCFD reporting (the TCFD Report is set out on pages 43 to 56)
- Considered the FRC's revisions to the Corporate Governance Code and established a plan to implement changes
- Reviewed EY's plan for the FY2024 audit, terms of engagement and proposed fee.

Dear Shareholder,

I am pleased to present the Audit and Risk Committee Report for the year ended 30 March 2024.

This report is intended to provide shareholders with an understanding of the work we have completed to provide assurance on the integrity of the Annual Report and Accounts for the year ended 30 March 2024. Much of the work of the Committee is necessarily targeted around the key areas of financial reporting, external audit, internal control and risk management, all of which is underpinned by a robust governance framework. A description of the main activities that the Committee considered during the year are set out on the opposite page.

During the year we continued to monitor the Government's corporate governance reforms and welcomed the FRC's approach in its revisions to the UK Corporate Governance Code that effective governance should be targeted and proportionate. We intend to update our terms of reference to reflect changes to the Code and will meet the required implementation dates. The release of the new Code in January 2024 has allowed us to finalise our roadmap for enhancing our internal control environment which will aid the Board in making their disclosures around the review of the effectiveness of material controls, and its outcome, in the FY2027 Annual Report.

In terms of other legislation, the Committee has considered the reforms to the identification doctrine arising from the Economic Crime and Corporate Transparency Act which significantly broadens the range of employees who can trigger corporate criminal liability. Economic crime training is to be provided to senior management. In addition, in respect of corporate criminal offences, the Committee intends to examine existing fraud detection and prevention processes to establish whether these need to be enhanced as a result of the new legislation expected to come into force in the next year.

Working with our Sustainability Director, the Audit Committee has supported the development of the Group's scenario planning and reporting in relation to the Task Force on Climate-Related Financial Disclosures ("TCFD"). Through this work, the Board has concluded that climate change – which is a principal risk – could have a material impact on our supply chain, and agreed the risk has increased. You can read the full TCFD Report on pages 43 to 56.

I will be attending the AGM on 23 July 2024 and I look forward to answering any questions about the work of the Audit and Risk Committee.

JULIETTE STACEY
CHAIR OF THE AUDIT AND RISK COMMITTEE
12 June 2024

Committee Membership

The Audit and Risk Committee comprises three independent Non-Executive Directors and has a good balance of skills, with competence and experience in the sector in which the Group operates. The Chair of the Audit and Risk Committee is a Chartered Accountant and has a broad range of experience in senior finance roles, and is therefore considered to meet the requirement under the Code that at least one member should have recent and relevant financial experience. The Audit and Risk Committee is advised internally by the Company Secretary, Rachel Spencer, who also acts as secretary to the Committee.

Meeting Attendance

All meetings are attended by the external auditor and the Company Secretary, and regular attendees include the Chairman, Chief Executive, Finance Director, Group Financial Controller and Risk Manager. Other senior management attend relevant meetings at the Audit and Risk Committee Chair's request or submit reports as required by the agenda.

The Audit and Risk Committee meets at least once a year with the external auditor, without management present, to discuss any matters they may wish to raise. The Audit and Risk Committee Chair also meets separately with the Finance Director and EY outside of the formal meeting programme, which helps to identify key areas of focus and emerging issues that may need to be added to the Audit and Risk Committee's agenda.

Key Activities

The Audit and Risk Committee has a detailed annual meeting planner which sets out the key items to be covered at its scheduled meetings. This includes reviewing the financial statements and announcements, monitoring changes in accounting practices and policies, and reviewing decisions with a significant element of judgement.

At each meeting, an update on risk management and internal controls is presented, together with reports on compliance, including employee relations, data protection and cyber security. In addition, an annual report on Health and Safety matters is presented to the Audit and Risk Committee. In light of the impact of inflation and ongoing tube and rail strikes on trading during the year, there has continued to be focus around potential risks arising from any ongoing economic and operational uncertainty.

The Audit and Risk Committee keeps abreast of regulatory and governance developments as part of ongoing reporting from the external auditor and the Company Secretary.

The effectiveness of the Audit and Risk Committee formed part of the Board evaluation process described in the Nominations Committee Report on page 73.

Financial Reporting and Significant Judgement

The Audit and Risk Committee monitors the integrity of the financial information published in the interim and annual financial statements and considers the extent to which suitable accounting policies have been adopted, presented and disclosed.

During its review of the Group's financial statements for the period to 30 March 2024, the Audit and Risk Committee has reviewed the key judgements and estimates applied in the preparation of the consolidated financial statements, including those communicated by the external auditor during their reporting. These are described in the accounting policies detailed in note 1 to the financial statements. The Board was made fully aware of any significant financial reporting issues and judgements made in connection with the preparation of the financial statements.

The key judgements and estimates considered by the Audit and Risk Committee are detailed in the table below:

Key accounting judgement and estimates	How the issue was addressed
Going concern	The Audit and Risk Committee considered the appropriateness of the decision to adopt the going concern basis of reporting in the preparation of the financial statements. The Audit and Risk Committee reviewed two scenarios – the "base case" and the downside "severe but plausible" case, as well as the reverse stress test and the mitigations available to the Group, as disclosed in note 1 to the financial statements. The Audit and Risk Committee has challenged the assumptions used in each scenario and is satisfied that, even under a severe but plausible scenario, the Group has adequate resources for the going concern assessment period and supports the Group adopting the going concern basis.
Impairment testing of property assets	The Audit and Risk Committee considered the proposed impairment of property assets as well as the reversal of impairments for both the Half Year Report and the Annual Report. The Audit and Risk Committee challenged management's approach, in particular the methodology and inputs used to estimate both value in use and fair value less cost to sell for site level impairment reviews, including challenging the underlying trading forecasts. The Audit and Risk Committee also reviewed the disclosures in the Annual Report to ensure their appropriateness. The Audit and Risk Committee was satisfied with the approach presented by management, the judgements made for those properties at risk of impairment and the related disclosures in the 2024 Annual Report and Accounts.
Separately disclosed items	The Audit and Risk Committee considered the nature of items classified as "separately disclosed items" in the financial statements. The Audit and Risk Committee was satisfied that the items management proposed to be shown as separately disclosed items were not linked to the underlying trading of the Group. Separately disclosed items include: • impairment on properties • settlement or provisions for legal claims and settlement of an insurance claim. In addition, the Audit and Risk Committee reviewed these disclosures within the 2024 Annual Report and Accounts to ensure they clearly identified and reconciled to the relevant GAAP measure.

Going Concern and Viability Statement

The Audit and Risk Committee assessed in detail the going concern and viability reviews undertaken by management, as detailed in the Financial Review on page 29. This involved looking at potential revenues, costs and cash flow modelling on both a prudent base case and downside case scenario where there was much greater uncertainty. The Audit and Risk Committee was satisfied with the approach presented by management, including the judgements made in the estimation of future cash flows and the Group's financing, and considering the high proportion of freehold property that underpins the estate.

In addition, the Audit and Risk Committee has reviewed the Group's assessment of viability over a period greater than 12 months. The Audit and Risk Committee considered the potential financial impact of the Group's principal risks and uncertainties, including the impact of climate change and climate change legislation on the Group's operations. The Audit and Risk Committee has concluded that the factors considered and assumptions used are appropriate in assessing the Group's viability.

Internal Control and Risk Management

The Board has overall responsibility for the Group's system of internal control and management of risks and for reviewing its effectiveness. The system was designed to provide reasonable but not absolute assurance of:

- the mitigation of risks which might cause the failure of business objectives
- no material misstatements or losses
- the safeguarding of assets against unauthorised use or disposal
- the maintenance of proper accounting records and the reliability of financial information used within the business or for publication
- compliance with applicable laws and regulations.

The Directors' statement on the Company's system of internal controls is set out below.

At the start of the year, the Audit and Risk Committee discussed the Company's risk management process and, on behalf of the Board, considered the Group's principal risks which had been reviewed by the individual risk owners. Where applicable, the mitigating actions and controls had been updated and the risk rating updated. Any significant changes to risks were discussed in each subsequent Audit and Risk Committee meeting.

During the year, a selection of key risks were presented to the Audit and Risk Committee or the Board. This has included risks around climate change and cyber security.

The Group maintains business continuity plans and normally tests the resilience of these plans on an annual basis. In May 2024, a scenario based crisis management exercise based around a food safety disruptive issue was completed. There were some learnings from the exercise which the Executive Team is evaluating with a view to implementing any actions to improve resilience and response capability. The Board and Audit and Risk Committee also consider the thorough responses by the Executive Team and the broader management teams to significant challenges they have faced during the year – the continued challenging trading environment due to inflation and the UK economic uncertainty, and the repeated disruption to trading due to tube and rail strike action – as solid evidence of the effectiveness of existing disaster recovery and business continuity plans.

The Finance Team is responsible for the appropriate maintenance of financial records and processes that ensure all financial information is relevant, reliable, in accordance with the applicable laws and regulations, and distributed both internally and externally in a timely manner.

The finance system, launched in November 2021, has simplified the accounting process and control framework. Following on from this, in November 2022, a budgeting and forecasting system was introduced to improve the quality of our budgeting process and insight used for management decision making. The Investment Committee and Approvals Committee, two sub-committees of the Executive Committee, further strengthen control and scrutiny of costs across the business below Board level authority.

The Investment Committee is responsible for reviewing and approving capital related projects and investments and for completing post-investment appraisals. The Approvals Committee is responsible for reviewing and approving central costs, Support Centre staffing changes and material procurement contracts. The Finance Director chairs both sub-committees and provides regular updates to the Executive Committee, and to the Audit and Risk Committee and the Board as required.

Throughout the period, the Executive Directors provided relevant and timely financial commentary to supplement the financial reporting, ensuring the Audit and Risk Committee and the Board were informed of the financial position and results of the Group.

The Audit and Risk Committee and the Board have considered the effectiveness of the Group's system of internal controls. Key elements of the system of internal control designed to address significant risks and uncertainties, as documented on pages 30 to 32, include:

- clearly defined levels of responsibility and delegation throughout the Group, together with well-structured reporting lines up to the Board
- the preparation of annual budgets for each division, including commentary on key business opportunities and risks
- the reviews by the Executive Team of actual monthly results against budget, together with commentary on significant variances and updates of both profit and cash flow expectations for the year
- a detailed investment approval process requiring Board authorisation for all major projects
- post-implementation appraisals of major capital expenditure projects as requested by the Board
- regular reporting of legal and accounting developments to the Board
- regular review of the Group's risk register and discussion of significant risks by the Audit and Risk Committee and the Board which, among other things, take account of the significance of ESG matters to the business
- information reported through any one of the whistleblowing channels
- regular reporting of compliance with data protection and health and safety, and the monitoring of accident statistics and the results of health and safety audits.

Internal Audit

The Group does not have a dedicated internal audit function but uses its own Finance Team and Retail Audit Team, augmented with external specialists as required, to provide assurance regarding the strength of the control environment and risk management.

The team of retail business auditors monitor, in particular, the controls over stock and cash in Managed pubs and hotels across the estate.

All sites were audited at least once since the beginning of the year. The Retail Audit Team has developed an improved risk dashboard to allow them to more quickly and objectively assess each site to support their risk based approach to audit visits. In addition, the Team have worked with operations to enhance training and controls around stock management.

The function reports into the Risk Manager who attends all meetings of the Audit and Risk Committee to provide an update on the activities of the Retail Audit Team. This includes reporting on any key control weaknesses which have been identified and progress against mitigating actions.

External resource is used when specialist advice is required on any areas of risk or controls where the Audit and Risk Committee considers the business may be exposed. The Audit and Risk Committee received regular reports covering third party audits on health and safety and food safety matters.

For FY2025, the Audit and Risk Committee confirmed that the existing arrangements of internal audit remained appropriate.

Climate Risk and TCFD Disclosure

The Audit and Risk Committee is responsible for overseeing that the effects and consequences of climate change are adequately reflected in our financial statements. Climate related risks are presented to the Audit and Risk Committee on an annual basis. During the year, 3Keel, who provide sustainability advice to the Company, presented an annual update on climate risk and the evolving reporting requirements.

The Audit and Risk Committee reviewed and agreed that the TCFD disclosures set out on pages 43 to 56 were appropriate and that the assumptions used in the financial statements are consistent with these disclosures.

Whistleblowing

The Audit and Risk Committee is responsible for reviewing the adequacy and security of the Company's arrangements for employees and contractors to raise concerns about any suspected wrongdoing, as set out in the Company's Whistleblowing Policy. The Company has in place mechanisms for concerns to be raised in confidence internally and anonymously through the appointment of an independent whistleblowing service operated by Safecall.

Any whistleblowing reports are reported immediately to the Audit and Risk Committee Chair and, following investigation, to the full Audit and Risk Committee and, at least annually, to the Board. A standing report is tabled at each Audit and Risk Committee meeting providing an update on employee relation matters in the period, which allows the Audit and Risk Committee to identify any trends.

Anti-Bribery and Corruption

To prevent bribery and corruption, the Group has a policy which all employees and contractors must follow. This includes guidance around the acceptance of gifts and hospitality. The policy sets out our commitment to conducting business in an honest and ethical manner and our zero-tolerance approach to bribery and corruption from our people and any third parties, including customers and suppliers.

External Audit

Ernst & Young LLP were first appointed in 2021, following a tender process, to conduct the audit of the Group's financial statements for the financial year to 27 March 2021, and this is its fourth year auditing the Group's Annual Report. In accordance with best practice and professional standards, the external auditor is required to adhere to a rotation policy whereby the audit engagement partner is rotated at least every five years. The FY2024 audit is the fourth year of Rachel Savage's tenure as lead audit engagement partner.

The external auditor is invited to attend all meetings of the Audit and Risk Committee and report on the plan and approach for the full year audit.

The Audit and Risk Committee Chair meets the auditor on a regular basis during the year, and the Audit and Risk Committee meets with the auditor, without management present, at least annually in order to allow both the members of the Audit and Risk Committee and the auditor to raise any issues directly and to discuss the auditor's remit.

The Audit and Risk Committee reviewed the effectiveness of EY's performance of the external audit process, taking into account:

- the quality and scope of the audit plan, and evaluation of delivery and performance against the plan
- qualifications, efficiency and performance of the audit team
- the communication between the Company and EY
- EY's understanding of the Group's business and industry sector
- the results of the FRC's Audit Quality Inspection Report on EY.

After considering these matters, the Audit and Risk Committee was satisfied with the effectiveness of the year end audit process and recommended to the Board that EY be re-appointed at the Company's AGM on 23 July 2024.

During the year, the Company complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Process and Audit Committee Responsibilities) Order 2014.

Auditor Independence and Non-Audit Services

Auditor independence and objectivity are safeguarded by a number of control measures, and a formal written policy was approved in January 2021 and reviewed during the course of the year to confirm its continued appropriateness. The policy sets out processes for assessing independence and objectivity, including disclosure requirements of the auditor, restrictions on the employment of the auditor's former employees and the circumstances in which the auditor may be permitted to undertake non-audit services.

The policy is in line with the recommendations set out in the FRC's Guidance on Audit Committees and the requirements of the FRC's Revised Ethical Standard 2019 (the "Standard"). In respect of non-audit services, only a very short list of non-audit services is now permitted under the Standard, which are detailed in the policy, and all spend has to be approved by the Audit and Risk Committee, which ensures full visibility.

In FY2024, the fees paid to EY for audit services were £485,000 (FY2023: £465,000). No fees were paid for non-recurring audit services (FY2023: £nil). During the year, fees paid to EY for non-audit services included £10,000 for the agreed upon procedures on the FY2024 Half Year Results Announcement (FY2023: £45,000 in relation to the review of the FY2023 Half Year Results Announcement). In addition, EY was paid £6,000 (FY2023: £5,000) for the completion of a compliance certificate from the auditor required under the terms of the 6.875% Debenture Stock 2028 Trust Deed.

In line with the approach taken by many companies, EY is not engaged to provide a review opinion on the half year results. However, the lead engagement partner attends all meetings of the Audit and Risk Committee, including the discussions to approve the half year results.

Fair, Balanced and Understandable

The Audit and Risk Committee reviewed whether the 2024 Annual Report, taken as a whole, was fair, balanced and understandable, and also whether it provided the information necessary for shareholders to assess the Company's position and performance, business model and strategy. In making its assessment, the Audit and Risk Committee took the following into account:

- A timetable for the production of the 2024 Annual Report was agreed by the Finance Team and the auditor, with overall co-ordination of the report being overseen by the Finance Director
- Each section of the report was prepared by a member of management with appropriate knowledge and experience, including representatives from finance, communications, company secretariat and risk
- Management's views on each of the key judgements, which were then discussed by the Audit and Risk Committee
- Reports and feedback from the auditor which were presented to the Audit and Risk Committee
- Board members received drafts of the report for review, which provided an opportunity to provide comments and ensure messaging was cohesive.

Following its review, the Audit and Risk Committee confirmed to the Board that the 2024 Annual Report was fair, balanced and understandable, and the Board's statement is set out on page 115.

JULIETTE STACEY
CHAIR OF THE AUDIT AND RISK COMMITTEE

12 June 2024

Remuneration Committee
At a glance

"Our goal is to appropriately incentivise the Executive Directors to drive forward the strategic plan and deliver sustainable long-term growth for the Company. Our current Remuneration Policy remains fit for purpose and is aligned with shareholder interests."

**HELEN JONES
CHAIR OF THE REMUNERATION COMMITTEE**

Members

Helen Jones (Chair), Juliette Stacey, Robin Rowland

	Number of meetings held	Number of meetings attended
Helen Jones (Chair)	6	6
Juliette Stacey	6	6
Robin Rowland	6	6

Key Duties of the Committee

- Sets the Remuneration Policy for the Chairman, Executive Directors, Executive Team members and Divisional Directors
- Determines the total remuneration package (including pensions, service agreements and termination payments) of the Chairman and Executive Directors and, in consultation with the Chief Executive, determines the total remuneration package of the members of the Executive Team and Divisional Directors
- Reviews workforce remuneration and related policies.

Key Activities During the Year

- Reviewed performance under the Long-Term Incentive Plan ("LTIP") including the Recovery LTIP Awards and Executive Share Option Scheme ("ESOS") awards granted in 2021 and confirmed vesting outcomes
- Set Executive Director objectives and bonus targets for FY2024 and approved proposals for the Executive Team and Divisional Directors
- Agreed the targets for the annual FY2024 LTIP awards and FY2024 ESOS awards
- Approved pay increases for FY2024 for Executive Directors, Executive Team and Divisional Directors taking into account the pay review for the wider workforce
- Considered remuneration arrangements for the wider workforce
- In conjunction with the Board, received regular reports on Group-wide remuneration for FY2024 and wider workforce remuneration arrangements and issues
- Reviewed the annual Gender Pay Gap Report
- Approved the remuneration arrangements for the appointment of Dawn Browne, People & Talent Director, to the Board on 3 July 2023
- Approved an invitation under the Group's all-employee Sharesave ("SAYE") Scheme for FY2024
- Completed a review of the Remuneration Policy (the "Policy"), last approved by shareholders at the 2021 AGM, and agreed the Policy being put forward to shareholders at this year's AGM would remain unchanged from the current Policy
- Noted remuneration proposals for the wider workforce for FY2025, implemented with effect from 1 April 2024
- Reviewed the independence and effectiveness of the Remuneration Committee advisor, Deloitte
- Conducted an annual review of the Remuneration Committee terms of reference.

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 30 March 2024, which includes our revised Directors' Remuneration Policy ("Policy") which will be put to shareholders for approval at the AGM on 23 July 2024.

Despite the high inflationary environment, this has been an excellent year for the Company with significant progress and growth across the business. Revenue grew by 7%, to £359.1 million, like for like sales were up 11.0%, and adjusted profit before tax increased by 61% to £20.5 million. Remuneration for FY2024 has been framed by this strong operational performance which has been delivered by the Executive and is reflected in pay-outs being awarded against variable elements of pay as detailed below.

Directors' Remuneration Policy

Our remuneration philosophy is to incentivise management to drive business performance to deliver sustained and profitable growth. Our Policy was last presented to shareholders at the AGM in 2021, where we received good support with a vote in favour of 86.15%. During the year, the Committee undertook a full review of the current Policy taking into account the Group's strategy, culture and values, evolving shareholder expectations and best practice.

Following this review, the Committee determined the current Policy remains fit for purpose and continues to support our strategy of achieving long-term sustainable value creation for our shareholders.

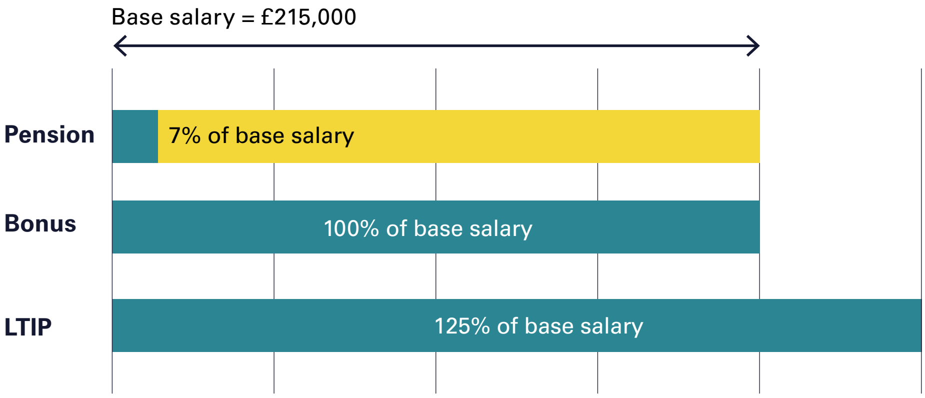
The Committee is not intending to make any significant changes to the current Policy. Only minor changes have been made to aid operation and to increase clarity. References to the Recovery LTIP have been removed from the Policy as this was a one-off award in 2021.

The proposed 2024 Policy is presented in full in this Report, for shareholder consideration and approval.

Remuneration Arrangements for the People & Talent Director

As previously announced, Dawn Browne, People & Talent Director, joined the Board on 3 July 2023. Her remuneration arrangements on appointment are detailed below and are in line with the current Policy:

Dawn Browne



Service agreement
12 months' notice from the Company

Incentive Outcomes for FY2024

Annual bonus

The annual bonus for FY2024 was based 80% on Group adjusted profit before tax (pre IFRS 16) performance and 20% on individual strategic performance. Group adjusted profit before tax (pre IFRS 16) was £21.1 million, which exceeded the maximum performance target of £18.9 million, therefore this element vested at 100% of maximum. Performance against individual strategic objectives was assessed and vested at 90% of maximum. Further details are disclosed on page 102. Overall, therefore an annual bonus of 98% of maximum has been awarded to each of the Executive Directors other than Dawn Browne. Dawn Browne was promoted to the Board (with effect from 3 July 2023) and at that time her entitlement increased from 50% to the 100% maximum salary level. She has therefore been awarded an annual bonus of 83.6% of maximum for FY2024. In the single figure table (page 101), the bonus figure for Dawn Browne relates to the portion of the year for which she was an Executive Director.

LTIP

The LTIP granted in September 2021 was based on Group adjusted EPS before tax performance targets measured over the period to FY2024. The EPS performance targets for the LTIP were not met and these awards will lapse in full.

Recovery LTIP

In September 2021, the Committee was concerned about the motivation and retention of the Executive Directors and Executive Team members in light of the challenges faced by the business during that time. The Committee decided to grant a one-off Recovery LTIP award to incentivise Executive Directors to rebuild the business and profit levels and provide a strong line of sight for management during this operational recovery. The stretching performance targets for the award were based on Group adjusted EBITDA (pre IFRS 16) performance, measured over the period to FY2024, and were set to align with the level of performance required to return the business to pre-Covid levels of profitability, to incentivise management to rebuild the business and profit levels.

During the performance period for the Recovery LTIP, the Company has faced exceptional macroeconomic challenges, including the impact of the war in Ukraine which resulted in an unprecedented and extraordinary spike in energy prices, with inevitable knock-on effects across the industry and subsequently the Group's adjusted EBITDA (pre IFRS 16) performance. When the targets were set, the extent to which energy costs would be impacted (tenfold increases) could not have been expected nor foreseen. The impact to the Group's performance due to this exceptional incremental cost increase is not considered by the Committee to be reflective of the underlying performance of the business. While adjusted EBITDA (pre IFRS 16) performance for FY2024 of £52.7 million is below the threshold target of £55.0 million, the Committee carefully evaluated the outcome against the performance of the Company and its competitors. Taking into account the strong growth in like for like sales, profit and dividend levels against the market, and the experience of shareholders and stakeholders, the Committee has concluded that the performance of the Executive Directors and Executive Team members in driving the business forward should be recognised and that they should not be penalised for external factors beyond their control. Accordingly, the Committee has deemed it appropriate to exercise its discretion to allow the Recovery LTIP to vest at the threshold level of 25%.

ESOS

No awards will vest based on performance for the financial year FY2024.

Conclusion

The Committee considers the level of pay-out for the incentives above are reflective of the overall performance of the Group over the relevant performance period and are appropriate.

Executive Director Remuneration for FY2025

Salary

The Remuneration Committee reviewed carefully the approach taken for the wider workforce when considering salary increases for Executive Directors, given the continued cost pressures faced by colleagues over the last 12 months. Salary increases across the Group consisted of increases of between 4% and 9%. Base salaries for Executive Directors have been increased by 4% in line with the lowest increase for the wider workforce. Executive Director pay increases will continue to be implemented with effect from 1 June of each year.

Annual bonus

The maximum annual bonus will continue to be 100% of base salary, based 80% on Group adjusted profit before tax (pre IFRS 16) performance and 20% on individual strategic objectives.

Long-term incentive awards

The maximum LTIP award will continue to be 125% of base salary for the Chief Executive, Retail Director and People & Talent Director and 100% of base salary for the Finance Director, based on the achievement of EPS performance for FY2027.

Awards under the ESOS will be granted to Executive Directors with reference to the tax efficient limit set by HMRC, to the extent they are eligible.

Non-Executive Director Fees

Non-Executive Director fees were reviewed in detail by the Board in December 2023. Based on the output and taking into account that there had been no increase in fees for two years, from 1 January 2024, the basic fee was increased from £50,000 to £58,000. This adjustment ensures the fee remains market competitive and acknowledges the additional time that NEDs are expected to spend in the business, as well as their expanding governance obligations in an increasingly complex legal and regulatory environment. The increase also improves our ability to attract and retain the best calibre NEDs bringing industry knowledge and specialist skills. No changes were made to the additional fees paid for chairing or attending a Committee or for any other additional duties. Further details about the additional fees are set out on page 105. The Chairman's fee was last reviewed by the Remuneration Committee in 2022 and remains unchanged for FY2025 at £210,000.

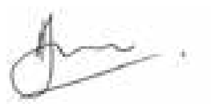
Employee Engagement and Support

The Remuneration Committee receives updates on workforce pay and benefits throughout the Group and considers workforce remuneration as part of the review of Executive remuneration. The agreed average annual pay increase for all employees was taken into account by the Remuneration Committee when agreeing pay reviews for the Executive Directors, Executive Team and Divisional Directors.

Shareholder Engagement

The Remuneration Committee welcomes ongoing shareholder dialogue. Our intention is that shareholder views will be sought when there is any significant change to Directors' remuneration. Should shareholders have any concerns about the Policy, the Remuneration Committee Chair will endeavour to meet with them, as appropriate, to understand and respond to any issues they may have.

I hope that you find the Report clear and comprehensive and that it helps demonstrate how Directors' remuneration is linked to the performance of the Company. On behalf of the Remuneration Committee, I would like to thank shareholders for your continued support and feedback over the year, and I hope that you are able to support the resolutions on the Directors' Remuneration Policy and the Annual Report on Remuneration being presented at this year's AGM on Tuesday 23 July 2024.



HELEN JONES
CHAIR OF THE REMUNERATION COMMITTEE
12 June 2024

Directors’ Remuneration Policy

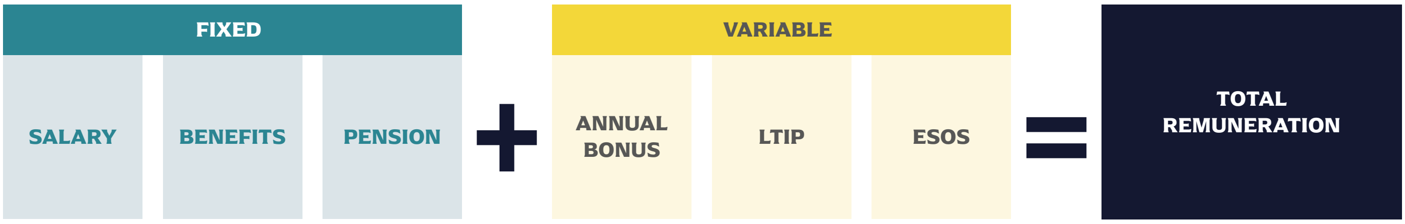
The pages on 84 to 97 set out our Remuneration Policy for Directors (the “Policy”). The Policy will be put forward to shareholders for their binding approval at the Company’s AGM on 23 July 2024 and will apply to payments made from this date.

Remuneration Philosophy and Principles

In developing the Policy, the Remuneration Committee considered the key principles set out in Provision 40 of the UK Corporate Governance Code. The Remuneration Committee believes that the Policy is clear and transparent and aligned with our culture. We operate a simple incentive framework of an annual bonus, an LTIP award, and an ESOS award, subject to maximum award levels set by HMRC. Award levels are capped with pay-out linked to performance against a limited number of measures which are linked to our strategy and with stretching but fair targets being set. This ensures that potential reward outcomes are clear and aligned with performance achieved, with the Remuneration Committee having the discretion to adjust pay-outs where this is not considered to be the case.

Pay levels are set taking into account external market levels as well as internal practice to ensure pay remains competitive while being equitable within the Company. Malus and clawback and discretion provisions, LTIP holding periods and shareholding guidelines, including post-employment, are in place to mitigate reputational and other risks.

Remuneration arrangements are determined throughout the Group based on the same principle: that the remuneration policies and practices should be aligned to the Company’s purpose and values, support the delivery of the strategy and promote long-term sustainable success.



Summary of Decision-making Process and Changes to Policy

During the year, the Committee undertook a full review of the Policy to ensure that our approach remains appropriate to support our strategy of achieving long-term sustainable shareholder value creation in line with our remuneration philosophy.

In determining the new Policy, the Committee followed a robust process which included discussions on the content of the Policy at Remuneration Committee meetings during the year. The Committee considered input from management, as well as considering best practice and guidance from major shareholders. Following this review, it was agreed that the current Policy remains broadly fit for purpose and continues to ensure that our approach remains appropriate to support our strategy of achieving long-term sustainable value creation for our shareholders and to ensure that our remuneration arrangements appropriately reflect best practice and shareholder expectations.

The Committee is not intending to make any significant changes to the current Policy. Only minor changes have been made to aid operation and to increase clarity. References to the Recovery LTIP have been removed from the Policy as this was a one-off award in 2021.

Executive Directors

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measure
Base salary	To recruit, retain and reward high calibre Executive Directors to deliver the Company's strategy. The salary will reflect each role, the importance of that role to the business and the experience the individual brings to it.	The Committee sets base salary taking into account: • the individual's skills, experience and their performance • salary levels at other companies of a similar size and complexity • pay and conditions elsewhere in the Group. Normally reviewed annually. Any salary increases are normally effective from 1 June.	Whilst there is no maximum salary, increases will normally be in line with the typical increases awarded to other employees in the Group. However, increases may be above this level in certain circumstances such as, but not limited to: • where an Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role, larger increases may be awarded to move salary positioning closer to typical market level as the Executive Director gains experience • where an Executive Director has been promoted or has had a change in responsibilities • where there has been a significant change in market practice or the size and complexity of the organisation.	Not applicable.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measure
Benefits	To provide a competitive benefits package to help recruit and retain high calibre Executive Directors and support their wellbeing.	The Company offers Executives a range of benefits which include, but are not limited to: • car allowance • life assurance and permanent health insurance • private medical insurance and regular medical check ups • optional cash vouchers for use in Fuller's pubs and hotels • subscriptions to professional bodies or other relevant organisations. Executives can also participate in Group-wide employee benefits, such as an employee discount which is linked to length of service and all-employee share plans up to limits approved by HMRC. The Committee may introduce other benefits or allowances if it is considered appropriate to do so. Executive Directors shall be reimbursed for all reasonable expenses, and the Company may settle any tax incurred. Where an Executive Director is required to relocate to perform their role, the appropriate one-off or ongoing benefits may be provided (e.g. housing, schooling, etc.).	The cost of the provision of allowances and benefits varies from year to year depending on the cost to the Company and there is no prescribed maximum limit. However, the Committee monitors annually the overall cost of the benefits provided, to ensure that it remains appropriate. The Committee takes into account relevant facts including, but not limited to, the overall costs to the Company in securing the benefits, individual circumstances, benefits provided to the wider workforce and market practice.	Not applicable.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measure
Annual bonus	To incentivise Executive Directors to deliver annual performance against stretching targets in line with the Group strategy and to align their interests with those of shareholders.	Bonuses are normally based on annual performance targets set by the Committee (typically measured over a financial year). Any bonus earned of up to 75% of salary will normally be paid in cash following the year end. Any bonus earned in excess of 75% will normally be deferred into shares under the Bonus and Deferred Bonus Plan ("BDBP") for three years subject to continued employment. The Committee may decide to pay the entire bonus in cash where the amount to be deferred into shares would, in the opinion of the Committee, be so small it is administratively burdensome to apply deferral. Bonuses are not pensionable. The Committee may, in its discretion adjust annual bonus payments if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period or that such pay-out level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When making this judgment, the Committee may take into account such factors as the Committee considers relevant. Malus and clawback provisions apply, as detailed on page 92.	Maximum annual bonus opportunity of 100% of base salary may be awarded in respect of a financial year. Normally 50% of the bonus shall pay-out for on-target levels of performance. The annual bonus normally starts to accrue for meeting threshold levels of performance. The Committee retains discretion to vary the level of payout for threshold and target performance if it considers it to be appropriate.	The Committee shall determine performance measures for the bonus each year. These may include financial measures (e.g. profitability) and other metrics linked to the delivery of the business strategy. Normally no less than 70% of the annual bonus will be based on financial measures.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measure
Long-Term Incentive Plan ("LTIP")	To align the long-term interests of the Executive Directors with the Company's objective of creating shareholder value and support alignment with shareholder interests. To incentivise value creation over the long term and support stewardship.	Awards can be in the form of conditional shares or in such other form that the Committee determines has the same economic effect. Awards can be over 'A' (listed), and 'B' and 'C' (unlisted) ordinary shares and the Committee may alter the distribution between the different classes of shares, provided that there is no increase in the aggregate market value of the award. Awards normally vest based on performance assessed over a period not shorter than three years. Awards granted will normally be subject to a holding period of two years following the end of the performance period. The Committee may, in its discretion, adjust LTIP vesting levels if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant, the Group or the experience of shareholders or other stakeholders over the relevant period or such vesting is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When making this judgment, the Committee may take into account such factors as the Committee considers relevant. Malus and clawback provisions apply, as detailed on page 92.	The maximum annual award in respect of a financial year is 125% of base salary. Normally 25% of awards vest for threshold levels of performance, with full vesting achieving maximum performance. No award normally vests for achieving below threshold performance.	Awards granted will vest subject to pre-tax adjusted EPS performance which will normally be measured over a period of three years. The Committee may use different performance measures for future awards if it is deemed appropriate and more reflective of the Group's strategy and metrics relevant to the business.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measure
Executive Share Option Scheme	To align the interests of Executive Directors with the Company's objective of alignment with shareholder interests.	A tax-advantaged market value share option plan. Executive Directors may be granted market value options up to a maximum total value set by HMRC. Options vest based on performance over a three year period. Once vested, options must be exercised before the tenth anniversary of grant.	Executives may be granted and hold options up to the maximum value set by HMRC at any one time. An ESOS option will vest in full if the threshold performance level is achieved.	The vesting of ESOS options is subject to the achievement of performance conditions which will normally be measured over a period of not less than three years. The Committee intends to use adjusted EPS as the performance condition. The Committee may, however, use different performance measures if it is deemed appropriate and more reflective of the Group's strategy and metrics relevant to the business.
Pension	To provide Executive Directors with long-term pension provisions on an appropriate basis.	The Company operates a variety of pension benefits. Executive Directors are either members of the Company's defined contribution pension plan or receive a salary supplement or a mixture of these.	For any new Executive Director appointed to the Board from 1 April 2020, the pension opportunity will be in line with the policy for the majority of the workforce. For Executive Directors appointed prior to 1 April 2020, the maximum annual pension contribution or cash allowance remains at 17.5% of base salary. Executive Directors will normally be expected to make a net contribution of 7% of base salary themselves. The Chief Executive is also a member of the main section of the defined benefit pension plan which is closed to future accrual.	Not applicable.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measure
Share ownership guidelines	Align the interests of Executive Directors and shareholders and encourage long-term shareholding and commitment to the Company both in and post-employment.	Executive Directors are expected to build and maintain a holding of shares in the Company equal to at least 200% of base salary. Executive Directors are expected to retain 50% of any post-tax shares that vest under any share incentive arrangements until this shareholding is reached. The Committee also has a policy to promote interests in shares following cessation of employment to enable the interest of former Executive Directors to remain aligned with the interests of shareholders for an extended period after leaving employment. Following ceasing to be an Executive Director, Executive Directors will normally be expected to maintain a minimum shareholding of 200% of base salary (or actual shareholding if lower) for the first 12 months following departure from the Board and 100% of base salary (or actual shareholding if lower) for the subsequent 12 months. The Committee retains discretion to waive this guideline if it is not considered appropriate in the specific circumstances.	Not applicable.	Not applicable.

Non-Executive Directors

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measure
Basic and additional fees	To attract and retain high calibre Non-Executive Directors by offering market competitive fee levels that recognise the time that the Non-Executive Directors commit to their various roles and reflective of the experience they bring to the role. Fees are set taking into account pay and conditions throughout the business.	The fees are paid in cash. Fees are reviewed periodically. The fees paid to the Chairman are determined by the Remuneration Committee. The fees paid to the other Non-Executive Directors are determined by the Chairman and the Executive Directors. Fees are set taking into account the time commitment required to fulfil the role and typical practice at other similar companies. The policy in relation to Non-Executive Directors' fees is to pay a basic fee for membership of the Board, and additional fees for the Senior Independent Director and for chairship of a Committee to take into account the additional responsibilities and time commitment of these roles. Additional fees may be paid to reflect additional Board or Committee responsibilities as appropriate (such as liaising with family shareholders).	There is no maximum fee level other than as provided by Article 112 of the Company's Articles of Association.	Not applicable.
Benefits	To provide suitable arrangements to allow Non-Executive Directors to discharge their duties effectively.	Reasonable costs in relation to travel and accommodation are reimbursed to the Chairman and Non-Executive Directors. The Company may meet any tax liabilities that may arise on such expenses. The Chairman and Non-Executive Directors do not participate in incentive schemes. None of the Non-Executive Directors are members of any Group pension scheme with the exception of Michael Turner and Richard Fuller who are both pensioners of the Directors' section of the defined benefit pension plan. The Chairman also receives life assurance cover and private medical insurance. Additional non-significant benefits may be introduced if considered appropriate.	There is no maximum benefit opportunity.	Not applicable.

Element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measure
Share ownership guidelines	Align the interests of Non-Executive Directors and shareholders and encourage long term shareholding and commitment to the Company	Non-Executive Directors are expected to hold a minimum shareholding level as agreed from time to time by the Board. This is currently set at £500-worth in nominal value of 'A' ordinary shares, representing 1,250 'A' ordinary shares.	Not applicable.	Not applicable.

Information Supporting the Policy

Malus and clawback

Cash annual bonus payments may be clawed back for a period of three years from the date of payment. Malus and clawback provisions apply under the BDBP and LTIP (including Recovery LTIP awards granted under the previous Policy) from award to the third anniversary of the grant date in the case of BDBP awards and sixth anniversary of the award date for LTIP awards. The circumstances in which malus/clawback may apply are a material misstatement of financial results, an error in assessing performance or in the information/assumptions used, a material failure of risk management, serious reputational damage, serious misconduct by the participant, or any other similar circumstances.

Share plan operation

The Committee will operate the annual bonus, BDBP, LTIP and ESOS in accordance with the Rules of the plans. Awards under any of the Company's share plans may:

- have any performance conditions applicable to them amended or substituted by the Committee in circumstances where the Committee determines an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy
- incorporate the right to receive an amount equal to the value of dividends which would have been paid on the shares under an award that vests up to the time of vesting (this provision does not apply to the ESOS). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis
- be settled in cash at the Committee's discretion (this provision does not apply to the ESOS). For Executive Directors, this provision will only be used in exceptional circumstances such as where for regulatory reasons it is not possible to settle awards in shares
- be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

Approved Payments

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with any applicable shareholder-approved Directors' Remuneration Policy in force at the time they were agreed or where otherwise approved by shareholders; or (ii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" no later than the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

Selection of Performance Measures

Annual bonus

The annual bonus performance measures are intended to incentivise Executive Directors to achieve the financial objectives of the Group and deliver the business strategy. The particular bonus metrics are selected by the Committee each year to ensure that Executive Directors are appropriately focused on the key objectives for the next 12 months.

LTIP and ESOS

Our long-term strategic objective is to provide long-term sustainable returns for all of our shareholders. It is intended that awards will be based on pre-tax adjusted EPS performance to provide a clear incentive for Executives to deliver on this objective.

Performance targets for the annual bonus, LTIP and ESOS are set taking into account internal budget forecasts, external expectations and the need to ensure that targets remain motivational.

Adjustment of targets

The Committee retains the ability to adjust or set different performance measures or targets if events occur (such as a change in strategy, a material acquisition and/or divestment of a Group business or a change in prevailing market conditions) which cause the Committee to determine that the performance measures and/or targets are no longer appropriate and the amendment is required so that they achieve their original purpose and are not materially less difficult to satisfy.

Remuneration outcomes in different performance scenarios

Based on the Policy for FY2025, the charts below provide an illustration of the proportion of total remuneration made up of each component of the Policy by fixed and variable elements and at different levels of performance. A significant proportion is based on performance related pay, including shares, which aligns the interests of the Executive Directors with those of shareholders.

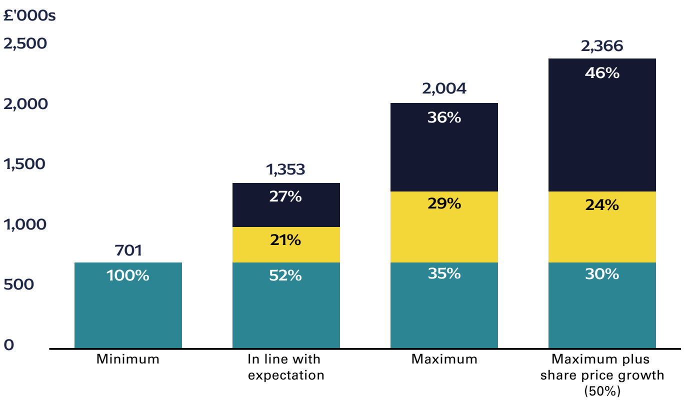
Four performance scenarios have been illustrated for each Executive Director:

Below threshold performance	• Fixed remuneration (base salary, benefits, and pension) • No annual bonus pay-out • No vesting under the LTIP
In-line with expectations	• Fixed remuneration (base salary, benefits, and pension) • 50% annual bonus pay-out • 50% vesting under the LTIP
Maximum performance	• Fixed remuneration (base salary, benefits, and pension) • 100% annual bonus pay-out • 100% vesting under the LTIP
Maximum performance plus 50% share price growth	• Fixed remuneration (base salary, benefits, and pension) • 100% annual bonus pay-out • 100% vesting under the LTIP plus 50% share price growth

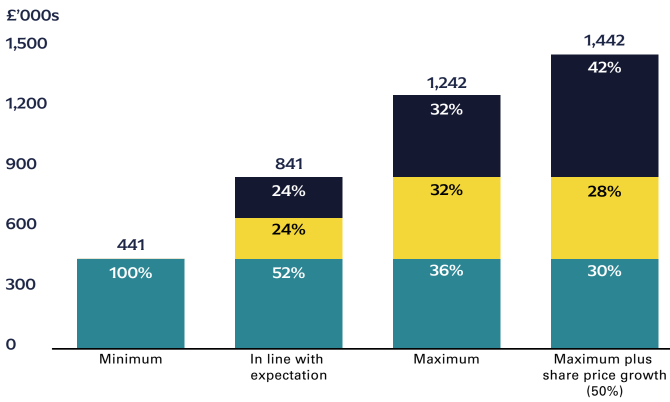
The charts have been prepared on the following basis:

- Base salary – the base salary in place at 1 June 2024
- Benefits – based on the disclosed benefits value in the single figure table for FY2024
- Pensions – based on the agreed contribution rates for the individual Executive Director
- Bonus – the normal maximum annual bonus of 100% of base salary
- LTIP – based on the maximum award of 125% for the Chief Executive, Retail Director and People & Talent Director and 100% for the Finance Director
- ESOS has not been included on the basis that awards are not granted at regular intervals
- No payment of dividend equivalents has been assumed
- Potential benefits under all-employee share plans have not been included
- No share price growth has been assumed other than where stated.

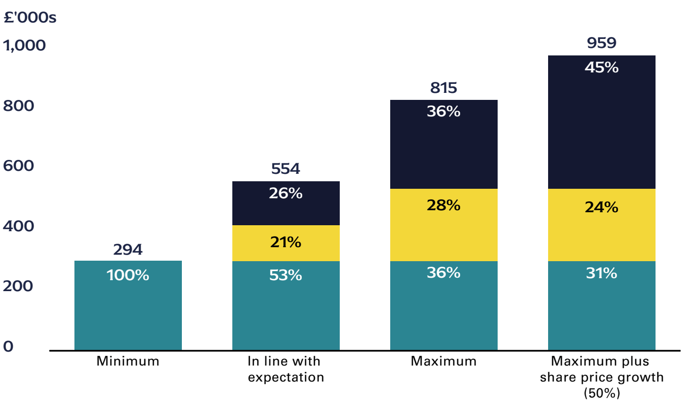
Simon Emeny – Chief Executive



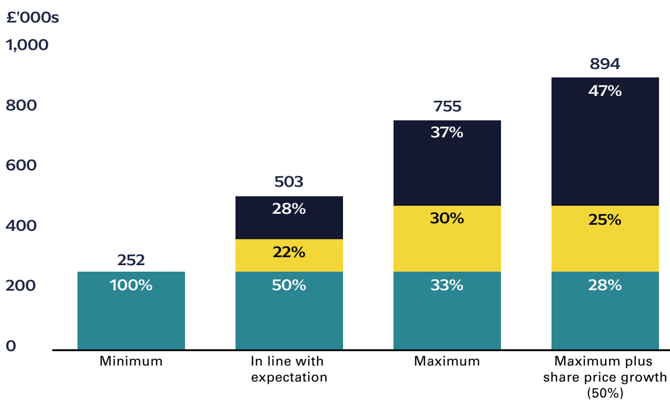
Neil Smith – Finance Director



Fred Turner – Retail Director



Dawn Browne – People & Talent Director



Fixed **Bonus** **LTIP/Share options**

Remuneration Arrangements Throughout the Group

Remuneration arrangements are determined throughout the Group based on the same principle; that the Remuneration policies and practices should be aligned to the Company's purpose and values and support the delivery of the strategy and promote long-term sustainable success.

Remuneration Policy for Newly Appointed Directors

When determining the remuneration package for a newly appointed Executive Director, the Committee would seek to apply the following principles:

- The package should be market competitive to facilitate the recruitment of individuals of sufficient calibre to lead the business. At the same time, the Committee would intend to pay no more than it believes is necessary to secure the required talent
- New Executive Directors will normally receive a base salary, benefits and pension contributions in line with the Policy described on pages 84 to 91 and would also be eligible to join the bonus and equity incentive plans up to the limits set out in the Policy
- In addition, the Committee has discretion to include any other remuneration component or award which it feels is appropriate taking into account the specific circumstances of the recruitment, subject to the limit on variable remuneration set out below. The key terms and rationale for any such component would be disclosed as appropriate in the Remuneration Report for the relevant year
- Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of their appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities. When determining any such "buyout", the guiding principle would be that awards would generally be on a "like for like" basis unless this is considered by the Committee not to be practical or appropriate
- The maximum level of variable remuneration which may normally be awarded (excluding any "buyout" awards referred to above) in respect of recruitment is 225% of salary, which is in line with the current maximum limit under the annual bonus and LTIP
- Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide assistance with relocation (either via one-off or on-going payments or benefits)
- In the event that an internal candidate is promoted to the Board, legacy terms and conditions would normally be honoured, including any accrued pension entitlements and any outstanding incentive awards.

To facilitate any buyout awards outlined above, in the event of recruitment the Committee may grant awards to a new Executive Director relying on the exemption in the Listing Rules which allows for the grant of awards, to facilitate, in unusual circumstances, the recruitment of an Executive Director, without seeking prior shareholder approval or under any other appropriate Company incentive plan.

The remuneration package for a newly appointed Non-Executive Director would normally be in line with the structure set out in the policy table for Non-Executive Directors.

Service Contracts and Letters of Appointment/Payments on Loss of Office

Executive Directors have rolling service contracts terminable on no more than one year's notice served by the Company or Director. In the event of early termination, Executive Directors are entitled to a payment equal to the salary due for the unexpired period of their notice, payable in monthly instalments, subject to mitigation. Simon Emeny's contract has been in place for a number of years and in the event of early termination, he would be entitled to a payment equal to his base salary and the value of all benefits for the unexpired period of his notice, without any reduction for mitigation.

The Chairman and Non-Executive Directors serve the Company on the basis of renewable letters of appointment which can be terminated by written notice by either party. No compensation is awarded on termination.

The following sets out the date of the Executive Directors' service contracts and Non-Executive Directors' dates of appointment:

Executive Directors	Date of contract	Notice period
Simon Emeny	13 January 1999	12 months
Neil Smith	16 June 2021	12 months
Fred Turner	23 May 2019	12 months
Dawn Browne	3 July 2023	12 months

Non-Executive Directors	Date of appointment	Term expires
Michael Turner[1]	1 July 2013	June 2025
Juliette Stacey	21 March 2018	July 2027
Sir James Fuller	1 June 2010	May 2025
Richard Fuller[2]	1 February 2020	January 2025
Helen Jones	12 March 2019	March 2025
Robin Rowland	23 March 2020	March 2027

1 Michael Turner was first appointed to the Board as an Executive Director in January 1985 and became Non-Executive Chairman on 1 July 2013.

2 Richard Fuller was first appointed to the Board as an Executive Director in December 2009 and was appointed as a Non-Executive Director on 1 February 2020.

Service contracts and letters of appointment are available for inspection at the AGM and at the Company's registered office.

When determining leaving arrangements for an Executive Director, the Committee takes into account any contractual agreements including the provisions of any incentive arrangements, typical market practice and the performance and conduct of the individual.

The Committee may make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with their cessation of office or employment.

Annual bonus

The Committee may determine that an Executive Director may remain eligible to receive a pro-rata bonus for the financial year in respect of the period they remained in employment. The Committee will determine the level of bonus taking into account time in employment, the circumstances of cessation of employment and performance.

Share plan leaver rules

The treatment of leavers under the Company's LTIPs is determined by the rules of the relevant plans.

	Good leavers	Leavers in other circumstances
BDBP	If a participant dies, their BDBP award will vest. If a participant becomes a good leaver for any other reason, BDBP awards would normally continue and vest in full on the normal vesting date. The Committee may exercise discretion to allow awards to vest at the time of cessation of employment or to pro-rate the vesting level to reflect the proportion of the vesting period served.	Awards lapse.
LTIP and Recovery LTIP	If a participant becomes a good leaver, LTIP awards will not lapse, but will normally be pro-rated to reflect the proportion of the performance period served and remain subject to performance conditions (unless the Committee determines otherwise). LTIP awards will normally vest on the normal vesting date. The Committee may determine that LTIP awards should vest as soon as practical following cessation of employment.	Awards lapse. If a participant ceases employment during the holding period (other than in the event of gross misconduct) then awards will normally continue and be released at the normal release date. The Committee may exercise discretion to allow awards to be released at the time of cessation of employment.
ESOS	If a participant dies, ESOS awards will not lapse, but may be exercised for a period of 12 months following death. If a participant becomes a good leaver for any other reason, ESOS awards will not lapse, but may be exercised until six months after the third anniversary of grant (or six months after cessation if later). ESOS awards will continue to be subject to performance conditions.	Awards lapse.
All-employee share plans	Leaver provisions are determined in accordance with HMRC-approved provisions.	

Terms and Conditions for the Chairman and Non-Executive Directors

The Chairman and Non-Executive Directors serve the Company on the basis of renewable letters of appointment which can be terminated by written notice by either party. No compensation is awarded on termination. Letters of appointment are available for inspection at the AGM and at the Company's registered office.

Change of Control

In the event of a takeover or winding up of the Company, share awards may vest early, subject (where relevant) to the extent to which performance conditions have been satisfied. Awards (other than awards under the BDBP) will normally be pro-rated for time since award unless the Committee determines otherwise. In the case of a demerger, special dividend or similar circumstances, awards may, at the Committee's discretion, vest early on the same basis as for a takeover.

Consideration of Employment Conditions Elsewhere in the Company

The Committee is advised of the proposed annual pay review for the wider workforce in advance of them considering the proposed pay reviews for Directors, so that this can be taken into account when determining Directors' remuneration for the relevant financial year. Salary increases will ordinarily be (in percentage terms) in line with those of the wider workforce, and significant variances would only be expected where there had been a significant change in an individual's responsibilities or a market review had been conducted which suggested that an individual's salary was no longer competitive, or where the Committee wanted to take account of an individual's performance or experience. The Committee would also be advised if there were any other key changes to the terms and conditions on which the wider workforce are employed.

Consideration of Employee Views

The Committee does not formally consult directly with employees on Executive pay or in drawing up the Remuneration Policy but does receive periodic updates from the People & Talent Director and from the Non-Executive Director responsible for workforce engagement and takes into account any relevant feedback from employee engagement surveys. Share ownership amongst the Company's employees is encouraged through the SAYE Scheme. These tax-advantaged schemes allow employees to participate as shareholders and align their interests with those of the shareholders.

Consideration of Shareholder Views

Based on the fact that no changes have been made from the Policy approved by shareholders in 2021, save for the removal of the Recovery LTIP, and no concerns have previously been raised by shareholders, the Committee agreed that it was not necessary to consult with shareholders. Our intention is that shareholder views will be sought when there is any significant change to Directors' remuneration. Should shareholders have any concerns about the Remuneration Policy, the Committee Chairman endeavours to meet with them, as appropriate, to understand and respond to any issues they may have.

Annual Report on Remuneration

This Annual Report on Remuneration from this page to page 111 will be put to an advisory shareholder vote at the Company's AGM on 23 July 2024.

Summary of implementation in FY2024:

FIXED

Current Policy	Key features	Implementation in FY2024
Base salary Reflects the importance of the role to the business and the experience the individual brings to it	Reviewed annually with increases normally effective from 1 June Increases will normally be in line with increases across the Group	Increased by 6% from 1 June 2023 in line with the wider workforce • Chief Executive – £556,500 • Finance Director – £385,000 • Retail Director – £222,500 Following appointment on 3 July 2023, the People & Talent Director's salary was set at £215,000
Benefits Provides competitive benefits which also protect the individual and provides preventative care for them	The Company offers Executive Directors a range of benefits consistent with the role	Taxable benefits included: • a car allowance • private medical insurance • optional cash vouchers for use in Fuller's pubs and hotels Non-taxable benefits included: • life assurance and permanent health insurance • Group-wide employee benefits, such as an employee discount linked to length of service and all-employee share plans
Pension Provides an appropriate level of retirement benefits	Executive Directors are either members of the Company's defined contribution plan or receive a cash allowance in lieu of pension	Pension rates are as follows: • Chief Executive – 17.5% of base salary • Finance Director – 5% of base salary • Retail Director – 17.5% of base salary On appointment to the Board, the pension contribution for the People & Talent Director was set at 7% of base salary which aligns to the pension rate available to those employed by Fuller, Smith & Turner P.L.C.

VARIABLE

	Key features	Implementation in FY2024
Annual bonus Incentivises achievement of annual financial objectives and delivery of the business strategy	Maximum opportunity of 100% of salary based on annual performance targets Any bonus earned in excess of 75% of salary will normally be deferred into shares for three years	The maximum bonus award for Executive Directors was 100% of base salary based 80% on Group pre-IFRS 16 adjusted profit before tax and 20% on individual strategic performance Bonus pay-out: • Chief Executive – £545,370 • Finance Director – £377,300 • Retail Director – £218,050 • People & Talent Director – £157,446 On appointment to the Board, the bonus opportunity for the People & Talent Director, Dawn Browne, was increased to 100% of salary. In the single figure table (page 101), the bonus figure for Dawn Browne relates to the portion of the year for which she was an Executive Director. Performance measures and targets are consistent with other Executive Directors.
LTIP Incentivises the delivery of long-term sustainable returns for all shareholders	The maximum annual award in respect of a financial year is 125% of base salary Awards vest based on performance over three financial years Normally 25% of awards vest for threshold levels of performance Recovery LTIP awards (granted on a one-off basis in 2021) have a maximum opportunity of 250% of base salary	The Chief Executive, Retail Director and People & Talent Director were granted awards of 125% of salary and the Finance Director was granted an award of 100% of base salary Awards were based on pre-tax adjusted EPS performance for FY2026 of: • Threshold – EPS of 39.78p • Maximum – EPS of 55.90p **2021 LTIP award** EPS performance was below the threshold target and therefore this award lapsed. **2021 Recovery LTIP award** Adjusted EBITDA (pre IFRS 16) performance was below the threshold target but in recognition of the extraordinary cost environment over the performance period which has impacted profitability, and management's strong performance, the Committee exercised discretion to allow for 25% of the award to vest (see page 103 for further details).
ESOS Aligns interests of Executive Directors with those of shareholders and incentivises delivery of long-term sustainable returns	Executive Directors may be granted market value options up to a maximum total value set by HMRC Options vest based on performance over three financial years Once vested, options must be exercised before the tenth anniversary of grant	Awards made to Executive Directors up to the maximum value set by HMRC at the time of award Awards were based on adjusted EPS performance for FY2026 of 23.58p

Statement of Implementation of Remuneration Policy for FY2025

This part of the Directors' Remuneration Report sets out how the Policy will be operated in the coming year.

Base Salaries

The Executive Directors' base salaries have been increased by 4% in line with the lowest increase received across the wider workforce. The Remuneration Committee reviewed carefully the approach taken for the wider workforce when considering salary increases for Executive Directors, given the continued cost pressures faced by colleagues over the last 12 months. Salary increases across the business consisted of increases of between 4% and 9%.

Following a change in 2022, pay increases across the wider business are now implemented with effect from 1 April of each year. Pay increases for Executive Directors, other members of the Executive Team and Divisional Directors will continue to be implemented with effect from 1 June of each year.

Salaries for the Executive Directors from 1 June 2024 are therefore as follows:

- Chief Executive – £579,000
- Finance Director – £400,500
- Retail Director – £231,500
- People & Talent Director – £223,500

Benefits

No changes to Executive Directors' benefits are proposed for FY2025.

Annual Bonus

For FY2025, we intend to operate an annual bonus in line with our normal Policy. The maximum annual bonus will be 100% of base salary for all Directors. The annual bonus will be based 80% on Group adjusted profit before tax (pre IFRS 16) performance and 20% on individual strategic performance.

Targets are considered to be commercially sensitive and have therefore not been disclosed. Our intention is to disclose targets in the FY2025 Directors' Remuneration Report, provided that these are no longer considered to be commercially sensitive at that time.

LTIP

The Remuneration Committee intends to continue to grant LTIP awards for FY2025 to ensure that management are aligned with shareholders and incentivised to deliver long-term performance. Awards will be granted at the Policy level of 125% of base salary to the Chief Executive, Retail Director and People & Talent Director, and 100% of base salary to the Finance Director.

The LTIP will be based on (pre-tax) adjusted EPS performance as the Remuneration Committee considers that this provides a clear objective for management and supports our strategy. The portion of the LTIP award that vests for threshold performance will be 25% of maximum. For FY2025 LTIP awards, EPS targets have been set as absolute pence targets for FY2027 as set out below.

We want to measure the performance of our Executive Directors against a criterion that aligns the Executive Directors' interest with the long-term interests of our shareholders. We believe that an earnings per share measure is more appropriate than a simple profit measure as the latter could be improved, for example, by the issuance of shares to raise cash or to finance an acquisition, having a consequent diluting effect on existing shareholders' interests. Additionally, given the aim of encouraging long-term performance, we believe that the earnings per share figure should not reflect short-term non-trading impacts on profit, whether positive or negative, for example, profits or losses on the sale of freehold properties, and such items should be adjusted for. Lastly, given that changes in tax rates are unrelated to Executive Directors' performance, we believe that any earnings per share measure for the LTIP should be based on pre-tax earnings.

The awards will be subject to clawback provisions and a two year post-vesting holding period.

Pre-tax adjusted EPS targets for the FY2025 awards are proposed as follows:

	Threshold (25% vesting)	Maximum (100% vesting)
(Pre-tax) adjusted EPS in FY2027[1]	43.00p	58.99p

1 Vesting increases on a straight-line basis between Threshold and Maximum.

These targets were set taking into account internal and external expectations of performance and the Committee considers that these targets are appropriately stretching taking into account the macroeconomic context.

ESOS

The Remuneration Committee intends to grant ESOS awards to Executive Directors, to the extent they are eligible, up to the maximum limit set by HMRC. The awards will be based on pre-tax adjusted EPS performance for FY2027 of 37.30p.

Pension and Benefits

No changes are proposed to the pension and benefits provision for Executive Directors for FY2025.

The Chief Executive and Finance Director receive an annual cash allowance in lieu of pension of 17.5% and 5% of base salary respectively. The Retail Director and People & Talent Director receive an annual pension contribution of 17.5% and 7% of base salary respectively. Pension entitlements are in line with the Policy that was in place at the time of appointment. The Remuneration Committee is aware of shareholder guidance that pensions for Executive Directors should be aligned with the wider workforce. However, where this is not the case, given the current rate represents an existing contractual commitment, the Remuneration Committee does not consider it appropriate to make a reduction at this stage. The Remuneration Committee will keep this approach under review.

As previously advised, the pension opportunity for new Executive Directors appointed to the Board will be in line with the maximum employer contribution available for the majority of the workforce.

Implementation of Remuneration Policy for FY2024

This part of the Directors' Remuneration Report sets out the Directors' remuneration paid in respect of FY2024. Sections in the Report not specifically stated as audited are not subject to audit. The Policy operated as intended during FY2024 and pay outcomes are considered by the Committee to be aligned with the experience of shareholders and other stakeholders.

Single Total Figure of Remuneration Table (audited)

	Salary/Fees		Taxable benefits[1]		Annual bonus[2]		LTIP/Options[3]		Pension		Total variable		Total fixed		Total	
	2024 £000	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Simon Emeny	**551**	523	**25**	25	**545**	–	**270**	–	**96**	91	**815**	–	**672**	639	**1,487**	639
Neil Smith	**381**	361	**23**	23	**377**	–	**145**	–	**19**	18	**522**	–	**423**	402	**945**	402
Fred Turner	**220**	209	**23**	23	**218**	–	**108**	–	**39**	37	**326**	–	**282**	269	**608**	269
Dawn Browne[4]	**162**	–	**14**	–	**157**	–	**43**	–	**11**	–	**200**	–	**187**	–	**387**	–
Michael Turner	**210**	241	**27**	27	**–**	–	**–**	–	**–**	–	**–**	–	**237**	268	**237**	268
Juliette Stacey	**82**	80	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**82**	80	**82**	80
Sir James Fuller	**57**	55	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**57**	55	**57**	55
Richard Fuller	**52**	50	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**52**	50	**52**	50
Helen Jones	**72**	70	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**72**	70	**72**	70
Robin Rowland	**62**	60	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**62**	60	**62**	60

1 Taxable benefits include a car allowance, family private medical insurance and cash vouchers for use in Fuller's pubs and hotels.

2 The annual bonus earned in respect to FY2024 will be paid 75% in cash and 25% deferred into shares for three years.

3 LTIP/Options may include the value transferred to Directors from the LTIP, ESOS and SAYE Schemes. For SAYE, the benefit is calculated as the share price at the grant date less the exercise price, multiplied by the number of shares under option being purchased. The 2021 LTIP award did not vest as the threshold performance target was not achieved. The value included in the LTIP column for 2024 relates to the 2021 Recovery LTIP which will vest and for which the performance metrics relate to the year ended 30 March 2024. The Committee exercised discretion such that 25% of the award vested (see page 103 for further details). The value is based on vesting of 25% and the average share price over the last three months of FY2024 of 622p. No portion of this value is attributable to share price growth. For Dawn Browne, the value of the Recovery LTIP award on vesting included in the single figure table, is the value of 9/36 of the vesting shares, reflecting the proportion of the three year performance period she has served as an Executive Director.

4 The figures in FY2024 above reflect Dawn Browne's remuneration from 3 July 2023 when she was appointed to the Board.

Base salary

Executive Directors' base salaries were increased by 6% in line with the increase received across the wider workforce, effective 1 June 2023. Dawn Browne's salary on appointment to the Board as People & Talent Director was £215,000.

Benefits

Executive Directors received taxable benefits which include a car allowance, private medical insurance and optional cash vouchers for use in Fuller's pubs and hotels. Executive Directors also received other non-taxable benefits including life assurance and permanent health insurance and other Group-wide employee benefits, such as an employee discount linked to length of service and all-employee share plans.

Annual bonus (audited)

The annual bonus for the year was based 80% on Group adjusted profit before tax and 20% on individual strategic objectives.

The following sets out details of actual performance against the targets set:

Financial targets (80%)

	Threshold		Target		Maximum			
Measure	% of financial target	Required performance	% of financial target	Required Performance	% of financial target	Required performance	Actual performance	Pay-out as % of max
Group adjusted profit before tax (pre IFRS 16)	10%	£16.2m	50%	£18.0m	100%	£18.9m	£21.1m	100%

Individual strategic performance (20%)

The non-financial element of the bonus for FY2024 was dependent on personal performance against non-financial strategic objectives approved by the Remuneration Committee. The table below summarises the achievements against each of those objectives.

Strategic performance measure	Outcome
1. Employee engagement and satisfaction Measured by reference to increasing the overall response rate to the annual Happiness Index survey and improving the overall engagement score	Both the response rate and the overall engagement score in the annual Happiness Index survey increased from the prior year
2. Customer satisfaction Measured by an enhancement in Net Promoter Score ("NPS")	Overall NPS score in FY2024 improved against the prior year
3. Sustainability agenda Measured with reference to a reduction in energy usage in FY2024 and a reduction in Scope 1 and 2 emissions for FY2024	On a like for like basis electricity usage for the year was down 3.25% and gas usage was down 6.5%
4. Food transformation Measured by reference to an improvement in food profitability	Significant year on year improvement in food gross profit achieved in a challenging inflationary environment

The Remuneration Committee discussed the formulaic outturns of the financial targets and individual strategic performance objectives in the context of the Group's overall performance and shareholder return performance. The Remuneration Committee noted that the Group adjusted profit of £21.1 million exceeded the maximum financial target of £18.9 million and the significant progress that had been made against the strategic objectives, therefore an annual bonus of 98% of maximum has been awarded to each of the Executive Directors other than Dawn Browne who was awarded an annual bonus of 83.6% of maximum.

On appointment to the Board, Dawn Browne's annual bonus opportunity was increased to 100% of salary and the annual bonus performance measures, weightings and targets was consistent with the other Executive Directors as disclosed above. In the single figure table, the bonus figure relates to the portion of the year for which she was an Executive Director.

LTIP awards vesting in respect of FY2024 (audited)

LTIP awards granted in September 2021 were based on pre-tax Group adjusted EPS performance for FY2024. The EPS targets were not met and therefore these awards will lapse. The Remuneration Committee did not exercise any discretion in relation to the LTIP outcome.

The following sets out details of performance against targets set. As threshold target was not achieved these LTIP awards will lapse.

	Target set					
	Performance measure	Minimum (25% vesting)	Maximum (100% vesting)	Value of award	Actual performance	Value of award
LTIP	Pre-tax Group adjusted EPS	44.89p	54.68p	Percentage vest of original grant: Minimum – 25% Maximum – 100%	34.14p	nil

Recovery LTIP awards vesting in respect of FY2024 (audited)
Recovery LTIP awards granted in September 2021 were based on adjusted EBITDA (pre IFRS 16) performance for FY2024. The stretching performance targets for the award were set to align with the level of performance required to return the business to pre-Covid levels of profitability and beyond to incentivise a full recovery of the business.

The following sets out details of performance against targets set:

	Target set						
	Performance measure	Minimum (25% vesting)	Maximum (100% vesting)	Value of award	Actual performance	Vesting level	Value of award
Recovery LTIP	Adjusted EBITDA (pre IFRS 16)	£55m	£73m	Percentage vest of original grant: Minimum – 25% Maximum – 100%	£52.7m	Committee exercised discretion to allow 25% of the award to vest	Chief Executive – £270,481 Finance Director – £144,893 Retail Director – £108,191 People & Talent Director – £40,572

During the performance period for the Recovery LTIP, the Company has faced exceptional macroeconomic challenges, including the impact of the war in Ukraine which resulted in an unprecedented and extraordinary spike in energy prices, with inevitable knock-on effects across the industry and subsequently the Group's adjusted EBITDA performance. When the targets were set, the extent to which energy costs would be impacted (tenfold increases) could not have been expected nor foreseen. The impact to the Group's performance due to this exceptional incremental cost increase is not considered by the Committee to be reflective of the underlying performance of the business.

While adjusted EBITDA (pre IFRS 16) performance for FY2024 of £52.7 million is below the threshold target of £55.0 million, the Committee considers that the Company has performed very strongly in the context of the macroeconomic environment. Performance highlights include:

- Strong like for like Managed sales growth of 11% in FY2024 and 17.5% in FY2023
- Adjusted earnings per share increasing from 9.70p in FY2022 to 24.48p in FY2024
- A return to paying dividends to shareholders, with a dividend of 17.75p in FY2024
- £34.6 million of capital returned to shareholders over the last two years in the form of dividends and share buybacks.

The Committee carefully evaluated the outcome against the performance of the Company and its competitors. Taking into account the strong growth in like for like sales, profit and dividend levels against the market, and the experience of shareholders and stakeholders, the Committee has concluded that the performance of the Executive Directors and Executive Team members in driving the business forward should be recognised and that they should not be penalised for external factors beyond their control. Accordingly, the Committee has deemed it appropriate to exercise its discretion to allow the Recovery LTIP to vest at the threshold level of 25%.

ESOS awards vesting in respect of FY2024 (audited)
No ESOS awards were granted in respect of FY2024.

Total pension entitlements
Michael Turner and Richard Fuller are pensioners of the defined benefit Company pension plan, which is closed to future accrual, under the Directors' section.

Simon Emeny became a deferred member of the defined benefit Company pension plan, under the main section, when the plan closed to future accruals on 1 January 2015. Prior to closure, he received a salary supplement of 17.5% of the excess of his base salary over the earnings cap for use as part of his retirement planning. Following closure of the pension plan, Simon Emeny is paid an annual salary supplement of 17.5% of his salary by the Company.

During the year, Neil Smith was paid an annual cash allowance of 5% of salary, in line with the Policy. Fred Turner received an annual pension contribution of 17.5% of salary, in line with his existing contractual arrangements. Dawn Browne received an annual pension contribution of 7% of salary following her appointment to the Board, in line with the pension rate available to those employed by Fuller, Smith & Turner P.L.C. Executive Directors who receive a cash allowance are required to use the supplement as part of their overall retirement planning. They are also normally expected to contribute 7% of their salary to their pension or another investment vehicle. The Remuneration Committee considers that the Policy operated as intended during the year.

Scheme Interests Awarded During the Financial Year (audited)

In respect of the 52 week period ended 30 March 2024, the following share awards were granted:

Director	Type of award	Number of 'A' shares	Number of 'B' shares	Face value at grant £'000s[1]	Date of grant	Performance period end[2,3]	% of award grant vesting at minimum threshold
Simon Emeny	LTIP	95,095	237,739	712	25/07/2023	31/03/2026	25%
	ESOS	10,000	–	60	25/07/2023	31/03/2026	100%
Total		**105,095**	**237,739**	**772**			
Neil Smith	LTIP	52,631	131,578	394	25/07/2023	31/03/2026	25%
	ESOS	5,000	–	30	25/07/2023	31/03/2026	100%
Total		**57,631**	**131,578**	**424**			
Fred Turner	LTIP	38,021	95,052	285	25/07/2023	31/03/2026	25%
	ESOS	9,166	–	55	25/07/2023	31/03/2026	100%
Total		**47,187**	**95,052**	**340**			
Dawn Browne	LTIP	36,739	91,848	275	25/07/2023	31/03/2026	25%
	ESOS	5,833	–	35	25/07/2023	31/03/2026	100%
	SAYE	1,413	–	9	19/12/2023	n/a	n/a
Total		**43,985**	**91,848**	**319**			

1 Face values have been calculated using the actual grant price of £5.852 per 'A' ordinary share and an assumed share price of £0.5852 per 'B' ordinary share for the LTIP, being the average share price during the five dealing days ending immediately before the date of grant, £6.00 per 'A' ordinary share for the ESOS, being the share price on the day immediately before the date of grant and £6.56 per 'A' share for the SAYE, being the average share price during the five dealing days ending immediately before the date of grant, although options were granted at a 20% discount.

2 The LTIP awards are subject to a pre-tax adjusted EPS performance condition, with the targets set on an absolute basis and measured over a period of three years. 25% of the awards vest for pre-tax adjusted EPS of 39.78p in FY2026, with 100% vesting for pre-tax adjusted EPS of 55.90p (straight-line vesting in-between).

3 The ESOS awards are subject to a pre-tax adjusted EPS performance condition, with the target set on an absolute basis and measured over a period of three years, of 23.58p in FY2026.

Non-Executive Directors' Fee

Non-Executive Directors receive a basic fee and additional fees for further duties and the Chairman receives a basic fee.

A review of the Non-Executive Director fee structure was conducted by the Board (excluding the conflicted Non-Executive Directors) in December 2023. As detailed on page 82, it was agreed that with effect from 1 January 2024, the basic fee would be increased from £50,000 to £58,000 per annum. No changes were made to the additional fees paid for chairing a committee or for additional duties. The Chairman's fee was last reviewed by the Remuneration Committee in 2022 and remains unchanged for FY2025.

A summary of the current fee structure for the Non-Executive Directors, including the Chairman, is set out below:

	Base fee	Senior Independent Director	Committee Chair	Committee member (Audit and Remuneration)	Family Shareholder Liaison	Total
Michael Turner	£210,000	–	–	–	–	£210,000
Juliette Stacey	£58,000	£10,000	£10,000	£10,000	–	£88,000
Sir James Fuller	£58,000	–	–	–	£5,000	£63,000
Richard Fuller	£58,000	–	–	–	–	£58,000
Helen Jones	£58,000	–	£10,000	£10,000	–	£78,000
Robin Rowland	£58,000	–	–	£10,000	–	£68,000

Payments to Past Directors (audited)

There were no payments made to past Directors in the period.

Payments on Loss of Office in Prior Year (audited)

No payments were made in respect of loss of office in respect of the financial year ended 30 March 2024.

Share Ownership

Executive Directors

The Company has share ownership guidelines for Executive Directors which state that they should hold shares worth at least 200% of their salary. Accordingly, until their guideline is met, Executive Directors are expected to retain:

- all shares they hold in the Share Incentive Plan ("SIP")
- all shares they acquire as a result of exercising SAYE options
- all shares that they acquire as a result of exercising options under the ESOS net of the cost of those options
- at least 50% of any post-tax and National Insurance vested shares under the LTIP and the BDBP.

Based on the share price on 30 March 2024 of £5.90, Simon Emeny held shares with a value of 252% of salary, Neil Smith held shares with a value of 9% of salary, Fred Turner held shares with a value of 416% of salary and Dawn Browne held shares with a value of 12% of salary. Simon Emeny and Fred Turner therefore meet the guidelines. Neil Smith, who joined in November 2021, and Dawn Browne, who was appointed in July 2023, do not currently meet the guidelines.

Executive Directors will normally be expected to maintain a minimum shareholding of 200% of base salary (or actual shareholding if lower) for the first 12 months following departure from the Board and 100% of base salary (or actual shareholding if lower) for the subsequent 12 months. The Remuneration Committee retains discretion to waive this guideline if it is not considered appropriate in the specific circumstances.

Non-Executive Directors

Non-Executive Directors are expected to hold a minimum shareholding level as agreed from time to time by the Board. This is currently set at £500-worth in nominal value of 'A' ordinary shares, representing 1,250 'A' ordinary shares.

As at 30 March 2024 all Non-Executive Directors held the minimum requirement.

Directors' Shareholdings (audited)

Directors' share interests	Beneficial interest at 30 March 2024[1]	Non-beneficial interest at 30 March 2024[1]	Beneficial interest at 1 April 2023	Non-beneficial interest at 1 April 2023
Michael Turner				
'A' ordinary 40p shares	271,378	–	271,378	–
'B' ordinary 4p shares	3,061,390	–	3,056,388	–
'C' ordinary 40p shares	624,260	–	624,260	–
2nd preference £1 shares	71	–	71	–
Simon Emeny				
'A' ordinary 40p shares	130,472	–	130,472	–
'B' ordinary 4p shares	1,055,684	–	1,055,684	–
'C' ordinary 40p shares	2,000	–	2,000	–
Neil Smith				
'A' ordinary 40p shares	6,000	–	6,000	–
Fred Turner				
'A' ordinary 40p shares	2,571	–	2,571	–
'B' ordinary 4p shares	534,223	–	502,400	–
'C' ordinary 40p shares	100,819	–	100,819	–
2nd preference £1 shares	4,342	–	4,342	–
Dawn Browne[2]				
'A' ordinary 40p shares	4,075		2,420	–
'B' ordinary 4p shares	1,489		1,489	–
Juliette Stacey				
'A' ordinary 40p shares	2,454	–	2,454	–
Sir James Fuller				
'A' ordinary 40p shares	88,942	–	88,942	–
'B' ordinary 4p shares	10,486,379	–	10,486,379	–
'C' ordinary 40p shares	2,727,879	621,050	2,703,003	621,050
Richard Fuller				
'A' ordinary 40p shares	15,267	893,937	15,267	893,937
'B' ordinary 4p shares	3,065,726	10,935,015	3,065,726	10,935,015
'C' ordinary 40p shares	20,000	–	20,000	–
2nd preference £1 shares	303	7,499	303	7,499
Helen Jones				
'A' ordinary 40p shares	2,970	–	2,970	–
Robin Rowland				
'A' ordinary 40p shares	7,165	–	7,165	–

1 There were no changes in the interests of any Director to 12 June 2024 other than Sir James Fuller whose beneficial interest in 'A' ordinary 40p shares, 'B' ordinary 4p shares and 'C' ordinary 40p shares was now 103,442, 9,194,079 and 2,690,813 respectively.

2 From date of appointment on 3 July 2023.

Scheme Interests Outstanding at the Year End (audited)

Executive Directors' share options

Director	Scheme[1,2,3]	As at 1 April 2023	Granted	Exercised	Surrendered	Lapsed	As at 30 March 2024	Exercise price	Date of grant	Performance period end	Exercisable from	Expiry date	Price at exercise date	Gain £'000s
Simon Emeny	ESOS	3,296	–	–	–	(3,296)	–	£9.10	01/07/13	31/03/16	01/07/16	30/06/23	–	–
	ESOS	–	10,000	–	–	–	10,000	£6.00	25/07/23	31/03/26	25/07/26	24/07/33	–	–
	SAYE	6,896	–	–	–	–	6,896	£4.35	30/09/20	n/a	01/11/25	01/05/26	–	–
Total		10,192	10,000	–		(3,296)	16,896						–	–
Neil Smith	ESOS	5,000	–	–	–	–	5,000	£6.00	05/07/22	31/03/25	05/07/25	04/07/32	–	–
	ESOS	–	5,000	–	–	–	5,000	£6.00	25/07/23	31/03/26	25/07/26	24/07/33	–	–
Total		5,000	5,000	–	–	–	10,000						–	–
Fred Turner	ESOS	2,590	–	–	(2,590)	–	–	£9.65	30/06/14	31/03/17	30/06/17	29/06/24	–	–
	ESOS	834	–	–	–	–	834	£6.00	05/07/22	31/03/25	05/07/25	04/07/32	–	–
	ESOS	–	9,166	–	–	–	9,166	£6.00	25/07/23	31/03/26	25/07/26	24/07/33	–	–
	SAYE	6,896	–	–	–	–	6,896	£4.35	30/09/20	n/a	01/11/25	01/05/26	–	–
Total		10,320	9,166	–	(2,590)	–	16,896						–	–
Dawn Browne	ESOS	4,167	–	–	–	–	4,167	£6.00	05/07/22	31/03/25	05/07/25	04/07/32	–	–
	ESOS	–	5,833	–	–	–	5,833	£6.00	25/07/23	31/03/26	25/07/26	24/07/33	–	–
	SAYE	1,655	–	(1,655)	–	–	–	£4.35	30/09/20	n/a	01/11/23	01/05/24	£6.78	4
	SAYE	1,718	–	–	–	–	1,718	£4.19	16/12/22	n/a	01/02/26	01/08/26	–	–
	SAYE	–	1,413	–	–	–	1,413	£5.25	19/12/23	n/a	01/02/27	01/08/27	–	–
Total		7,540	7,246	(1,655)	–	–	13,131						–	4

1 The ESOS and SAYE are both tax-advantaged share option schemes.

2 SAYE options are normally exercisable for a period of six months from the maturity date at an option price that is discounted by 20% of the average market price for the three days prior to grant for options granted in 2020 and five days prior to grant for options granted in 2023.

3 The ESOS performance conditions are disclosed in Note 27 to the financial statements.

Executive Directors' Long-Term Incentive Plan

Director	Total held at 1 April 2023	Awarded	Vested	Lapsed	Total held at 30 March 2024[1]
Simon Emeny					
'A' ordinary shares	379,818	95,095	–	(83,333)	391,580
'B' ordinary shares	949,546	237,739	–	(208,333)	978,952
Neil Smith					
'A' ordinary shares	152,873	52,631	–	–	205,504
'B' ordinary shares	382,184	131,578	–	–	513,762
Fred Turner					
'A' ordinary shares	151,905	38,021	–	(33,333)	156,593
'B' ordinary shares	379,768	95,052	–	(83,333)	391,487
Dawn Browne					
'A' ordinary shares	65,435	36,739	–	(15,000)[2]	87,174
'B' ordinary shares	163,590	91,848	–	(37,500)[2]	217,938

1 Includes annual LTIP awards and the one-off Recovery LTIP awarded to Executive Directors during FY2022. The performance conditions are disclosed in Note 27 to the financial statements.

2 The awards that lapsed during the year were granted to Dawn Browne prior to her appointment as an Executive Director.

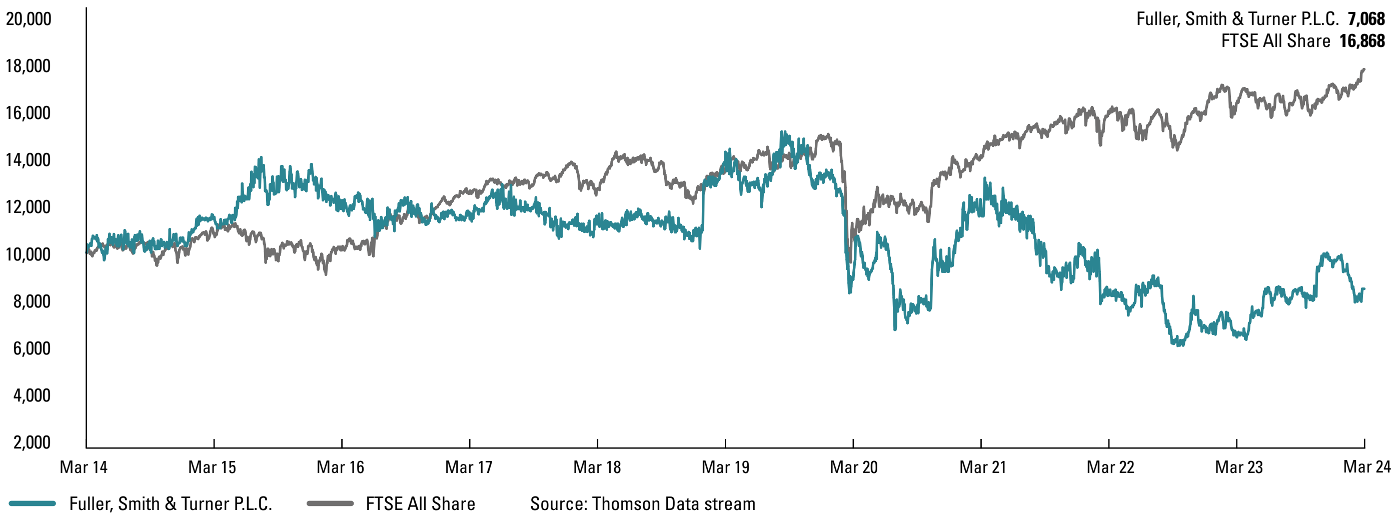
External Directorship Fees

The Board may give approval for Executives to hold one paid non-executive role and to retain any related fees paid.

Simon Emeny is the Senior Independent Director of WH Smith PLC, for which he receives and retains an annual fee of £79,950.

Performance Graph and Table

The graph below shows a comparison of the Total Shareholder Return ("TSR") for the Company's listed 'A' ordinary shares for the last 10 financial years against the TSR for the companies in the FTSE All Share Index. The Company is a constituent of this Index and therefore the Remuneration Committee considers that it is an appropriate choice for this Report.



The table below shows the total remuneration figure for the Chief Executive over the last 10 financial years and the annual bonus and LTIP pay-out for each year as a percentage of the maximum available:

	2015	2016	2017	2018	2019	2020[1]	2021[2]	2022	2023	**2024**
Single figure total remuneration (£'000s)	1,244	1,418	1,097	1,089	687	600	590	935	639	**1,487**
Annual bonus[3]	76%	85%	41%	48%	48%	nil	nil	61%	nil	**98%**
LTIP	96%	100%	100%	56%	nil	nil	nil	nil	nil	**25%**[4]

1 One-third of the annual bonus was due to pay-out, reflecting the Company's strong like for like sales performance vs the Peach Tracker. However, in light of the broader business circumstances following the outbreak of coronavirus in 2020, the Remuneration Committee and the Executive Directors agreed that it was not appropriate to pay this portion of the annual bonus.

2 Total remuneration includes the Chief Executive's voluntary 25% reduction in salary from 1 April 2020 to 30 June 2020.

3 Annual bonus as a percentage of the maximum available.

4 Value included is the Recovery LTIP for which the Committee exercised their discretion such that 25% of the award vested (see page 103 for further details).

Percentage Change in Remuneration of Directors and Employees

The table below shows the percentage change in the remuneration (based on salary, benefits and annual bonus) of the Board of Directors, with the exception of Dawn Browne, compared with that of the average of all employees of the Company taken as a whole. Dawn Browne was appointed part way through the year and therefore the annual comparison from FY2023 to FY2024 is not relevant and she has not been included in the table. The Chairman and Non-Executive Directors do not receive any variable pay.

	FY2023-FY2024			FY2022-FY2023			FY2021-FY2022			FY2020-FY2021		
	Change in annual salary/ fees[9]	Change in annual taxable benefits	Change in annual bonus[1]	Change in annual salary/ fees[9]	Change in annual taxable benefits	Change in annual bonus[1]	Change in annual salary/ fees[9]	Change in annual taxable benefits	Change in annual bonus[1]	Change in annual salary/ fees	Change in annual taxable benefits	Change in annual bonus[1]
Average of all employees[2,3]	7.6%	(0.3)%	257%	3.3%	(12.2)%	100%	2.3%	(17.0)%	(100)%	1.0%	(1.6)%	(1.2)%
Simon Emeny	5.5%	0.5%	100%	2.8%	0.2%	100%	8.4%	0.3%	nil%	(4.0)%	(0.1)%	nil%
Neil Smith[4]	5.6%	1.1%	100%	–	–	–	–	–	–	–	–	–
Fred Turner[5]	5.5%	1.4%	100%	2.8%	0.6%	100%	8.4%	1.0%	nil%	–	–	–
Michael Turner[6]	(12.8%)	1.8%	n/a	(3.7)%	0.8%	n/a	6.7%	1.3%	n/a	(6.2)%	1.5%	n/a
Juliette Stacey[7]	2.5%	n/a	n/a	4.9%	n/a	n/a	8.4%	n/a	n/a	(0.7)%	n/a	n/a
Sir James Fuller	3.6%	n/a	n/a	7.3%	n/a	n/a	9.3%	n/a	n/a	(6.2)%	n/a	n/a
Richard Fuller[7]	4.0%	n/a	n/a	8.1%	n/a	n/a	9.6%	n/a	n/a	(73.9)%	(93.8)%	n/a
Helen Jones[7]	2.9%	n/a	n/a	9.4%	n/a	n/a	10.1%	n/a	n/a	(4.5)%	n/a	n/a
Robin Rowland[8]	3.3%	n/a	n/a	6.7%	n/a	n/a	9.1%	n/a	n/a	–	n/a	n/a

1 Reflects the increase or decrease in the percentage of annual salary paid out as bonus. In the prior years, the change in annual bonus was based on actual bonus paid to the individual in the relevant financial year. In the current financial year, the change in annual bonus is based on bonus earned during FY2024. No bonus was paid to Executive Directors in FY2020, FY2021 and FY2023.

2 The employee comparator group excludes employees not employed by the Parent Company.

3 The change in taxable benefits is principally due to the phasing out of company cars into a car allowance benefit since 2020.

4 Neil Smith was appointed on 30 November 2021 part way through the year, therefore the annual comparison from FY2022 to FY2023 is not relevant.

5 Fred Turner was appointed on 1 June 2019.

6 Michael Turner's fee was reduced from £250,000 to £210,000 per annum from 1 January 2023.

7 A number of Non-Executive Directors changed roles in FY2020 (Richard Fuller, Juliette Stacey and Helen Jones), which impacted the year on year comparison.

8 Robin Rowland was appointed on 24 March 2020.

9 Board members took a voluntary pay decrease between April 2020 and June 2020. Non-Executive Director fees were increased in January 2022 and January 2024.

CEO Pay Ratio

The following table sets out CEO pay ratio figures, in respect of the financial year ended 30 March 2024.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY2024	Option B	59.4:1	51.5:1	43.3:1
FY2023	Option B	30.8:1	26.0:1	18.9:1
FY2022	Option B	49.1:1	43.6:1	30.7:1
FY2021	Option B	35.7:1	33.2:1	23.8:1
FY2020	Option B	33.0:1	32.6:1	31.6:1

The increase in the pay ratio between FY2024 and FY2023 is driven by the CEO being awarded a bonus in the current year whereas no bonus was awarded in FY2023.

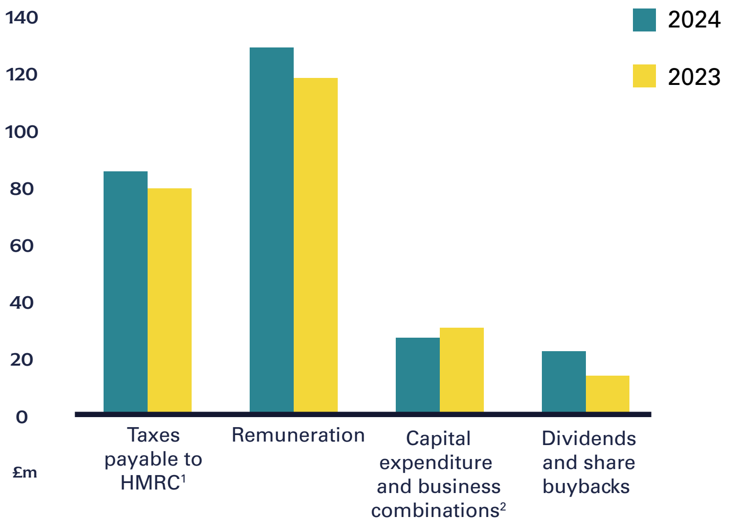
The relevant individuals have been identified using Option B, as defined under the relevant regulations, which the Remuneration Committee considered to be the most appropriate methodology based on the availability of data at the time the Annual Report was published. The respective single figure values for each individual for FY2024 have then been calculated. No estimates were required, and no elements of pay were omitted in calculating the relevant single figures. The figures do not include amounts paid to individuals in respect of their tronc share.

The single figure values for individuals immediately above and below the identified employee at each quartile within the Gender Pay Gap analysis were also reviewed. The chosen individuals were reviewed to determine if they were representative of the 25th percentile, median and 75th percentile employees. Where the chosen individual had left the business or had changed roles during the financial year, an alternative employee was used for the calculations. The alternative employee used in each instance was the closest employee to the relevant percentile, who was considered representative of that percentile. For the 52 weeks ended 30 March 2024, alternative employees were selected for the 25th, median and 75th percentile.

		Chief Executive	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Year	Supporting information	2024 £000	2024 £000	2024 £000	2024 £000
FY2024	Salary	£551	£25	£28	£33
	Total pay	£1,487	£25	£29	£34

Relative Importance of Spend on Pay

The graph below shows the total remuneration for the Group's employees compared with other key financial indicators:



1 Taxes payable to HMRC is based upon tax incurred in the year and includes corporation tax, VAT, PAYE, NI, duty, stamp duty, non-domestic rates, property licences, environmental levies and machine game duty.

2 Capital expenditure (including business combinations) represents cash paid in the year.

The Remuneration Committee

The Remuneration Committee consists entirely of independent Non-Executive Directors and the members during the period were Helen Jones (Chair), Juliette Stacey and Robin Rowland. Its terms of reference are available on the Company's website. The Chairman of the Company, Michael Turner, and the Chief Executive, Simon Emeny, are invited to attend the Committee meetings and to advise, where appropriate, on the remuneration and performance of the Executive Directors and related matters, except in circumstances where their own remuneration is being discussed. The People & Talent Director, Dawn Browne, regularly attends Committee meetings to advise on remuneration matters of the wider workforce. Members of the Remuneration Committee have no personal financial interest in the Company, other than as shareholders and Directors. The Remuneration Committee is advised internally by the Company Secretary, Rachel Spencer, who also acts as secretary to the Committee.

Employee Engagement

The Remuneration Committee receives updates on workforce pay and benefits throughout the Group and considers workforce remuneration as part of the review of Executive remuneration. The Remuneration Committee will take into account any feedback on Executive remuneration provided by the People & Talent Director and any relevant feedback from employee surveys. As part of her role as Non-Executive Director responsible for employee engagement, the Remuneration Committee Chair engages with employees which also provides an opportunity for feedback on remuneration matters. Share ownership amongst employees is encouraged and awards were made under the SAYE Scheme during the course of the year. This tax-advantaged scheme allows employees to participate as shareholders and aligns their interests with those of other shareholders.

Independent Advisors

Deloitte LLP was appointed by the Remuneration Committee in June 2019 and, during the year under review, provided the Remuneration Committee and the Company with advice in connection with remuneration matters as well as the Company's LTIP and share option schemes.

Deloitte is a founding member of the Remuneration Consultants' Group ("RCG"), which is responsible for the development and maintenance of the voluntary Code of Conduct that clearly sets out the role of executive remuneration consultants and the professional standards by which they advise their clients. Fees are charged on a time and expenses basis and totalled £9,500 (plus VAT) during FY2024 (FY2023: £7,750 (plus VAT)). During the year, Deloitte also provided other unrelated tax advice to the Company.

The Remuneration Committee is satisfied that advice received from Deloitte during the year was objective and independent and that all individuals who provided remuneration advice to the Remuneration Committee have no connections with Fuller's or its Directors that may impair their independence. The Remuneration Committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

XPS Pension Group provides the Company with advice on matters relating to the defined benefit Company pension plan (now closed). XPS Pension Group is authorised and regulated by the Financial Conduct Authority and its actuaries are also separately required to abide by Actuarial Profession Standards which include the requirement for them to provide objective and independent advice.

Committee Evaluation

The Remuneration Committee reviews its performance with Board members and other participants, through the annual Board evaluation. See further information on page 73.

Statement of Voting at Annual General Meeting

The results of the shareholder votes at the AGM on 23 September 2021 in respect of the Directors' Remuneration Policy and at the AGM on 20 July 2023 in respect of the Directors' Remuneration Report were as follows:

Resolution text	Number of votes cast for	Percentage of votes cast for	Number of votes cast against	Percentage of votes cast against	Total votes cast	Number of votes withheld
Approval of Remuneration Report 2023	100,519,567	97.17%	2,927,006	2.83%	103,446,573	211,838
Approval of Remuneration Policy 2021	89,801,044	86.15%	14,436,237	13.85%	104,237,281	5,833,531

The Directors' Remuneration Report, encompassing pages 80 to 111, was approved by the Board and signed on its behalf.

HELEN JONES
CHAIR OF THE REMUNERATION COMMITTEE
12 June 2024

DIRECTORS' REPORT

The Directors present their report to shareholders together with the audited financial statements for the 52 weeks ended 30 March 2024. The Directors' Report (pages 112 to 114) and the Strategic Report (pages 6 to 57) together constitute the management report for the purpose of Rule 4.1.8R of the Disclosure Guidance and Transparency Rules. Other information relevant to the Report, including information relevant pursuant to the Companies Act 2006 and UK Listing Rule 9.8.4R, is incorporated.

As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report as the Board considers them to be of strategic importance. Specifically, these are:

Information	Reported in	Pages
Future business developments	Strategy	16 and 17
Employee engagement	Stakeholder engagement Sustainability Report	12 40
Engagement with suppliers, customers and others	Stakeholder Engagement	12
Emissions reporting	Sustainability Report	42

Annual General Meeting

The 2024 AGM will be held at 11am on Tuesday 23 July 2024 at The George IV, 185 Chiswick High Road, London, W4 2DR. The Notice of Meeting which sets out the resolutions to be proposed has been posted to shareholders and is available on the Company's website at www.fullers.co.uk.

Articles of Association

The Company's Articles of Association were adopted in 2014. In accordance with the Companies Act 2006, the Articles of Association may only be amended by a special resolution of shareholders in a general meeting.

Directors

The names and biographical details of the Directors who served on the Board and Board Committees during the financial year and up to the date of this Report are given on pages 60 and 61. All Directors, apart from Dawn Browne who was appointed on 3 July 2023, served for the full year.

Appointment and retirement of Directors

The Articles state that the Board may appoint Directors and that at the subsequent AGM, shareholders may elect any such Director. Alternatively, the Company may directly appoint a Director. The Articles also contain the power for the Company to remove any Director by special resolution and appoint someone in his or her place by ordinary resolution.

There are various other circumstances under the Articles which would mean that the office of a Director would be vacated, including if he or she resigns, or becomes of unsound mind or bankrupt.

At every AGM, one-third of the Directors who are subject to retirement by rotation or, if their number is not three or any multiple of three, then the number nearest to but not exceeding one-third shall retire from office, but if there is only one Director who is subject to retirement by rotation, he or she shall retire. In addition, if any Director has at the start of the AGM been in office for more than three years since his or her last appointment or re-appointment, he or she shall retire at that AGM.

Powers of the Directors

Subject to the Company's Memorandum and Articles of Association and UK legislation, the business of the Company is managed by the Board, which may exercise all the powers of the Company. The Articles of the Company have a section entitled "Powers and Duties of the Board" which sets out powers such as the rights to establish local boards, to appoint agents, to delegate and to appoint persons with the designation "Director" without implying that the person is a Director of the Company. There are further sections of the Articles entitled "Allotment of Shares" setting out the Board's power to issue shares and purchase the Company's own shares, and "Borrowing Powers" setting out the provisions concerning the Company's power to borrow and give security. The Directors have been authorised to allot and issue ordinary shares. These powers are exercised under authority of resolutions of the Company passed at its AGM.

Directors' indemnities and insurance

The Articles of Association provide the Directors with indemnities in relation to their duties as Directors, including qualifying third party indemnity provisions (within the meaning of the Companies Act). The Company purchases Directors' and Officers' liability insurance, which gives appropriate cover for any legal action brought against its Directors. This insurance also covers the Trustees of the Company's defined benefit pension scheme.

Directors' interests

Details of all Directors' interests as at the end of the financial year are set out in the Directors' Remuneration Report on pages 106 to 107.

Dividends

The Company paid an interim dividend of 6.63p per 'A' and 'C' ordinary share of 40p each and 0.663p per 'B' ordinary share of 4p each on 2 January 2024 (FY2023: 4.68p per A' and 'C' ordinary share of 40p each and 0.468p per 'B' ordinary share of 4p each). The Directors now recommend a final dividend of 11.12p per 'A' and 'C' ordinary share of 40p each and 1.112p per 'B' ordinary share of 4p each. This makes a total dividend for the financial year of 17.75p per 'A' and 'C' ordinary share of 40p each and 1.775p per 'B' ordinary share of 4p each (FY2023: 14.68p per 'A' and 'C' ordinary share of 40p each and 1.468p per 'B' ordinary share of 4p each).

The total proposed final dividend on ordinary shares will be £6.5 million, which together with the 2024 interim dividend payment of £3.9 million and the £120,000 of cumulative preference share dividends paid in the year, will result in total dividend payments of £10.5 million.

Employees

The Company is committed to treating all of its employees and job applicants equally. No employee or potential employee receives less favourable treatment or consideration on the grounds of race, colour, religion, nationality, ethnic origin, sex, sexual orientation, marital status, or disability. We give full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by people with disabilities. We endeavour to retain the employment of, and arrange suitable retraining for, any employee who becomes disabled during their employment as well as providing training, career development and promotion to disabled employees wherever appropriate.

During the year, the Company maintained arrangements to provide employees with information on matters of concern to them, to regularly consult employees for views on matters affecting them, to encourage employee involvement in the Company's performance through share schemes, and to make all employees aware of financial and economic factors affecting the performance of the Group.

External Auditor

The auditor, Ernst & Young LLP, was appointed by the Directors in 2021 following a formal tender process. Ernst & Young LLP have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the AGM.

Human Rights

The Board has overall responsibility for ensuring the Company upholds and promotes respect for human rights. We respect all human rights and regard those rights relating to non-discrimination, fair treatment and respect for privacy to be most relevant in conducting our business. The Company seeks to anticipate, prevent and mitigate any potential negative human rights impacts as well as enhance positive impacts through our policies and procedures and, in particular, through our policies regarding employment, equality and diversity, treating our stakeholders and customers fairly, and information security. Group policies seek to ensure that employees comply with the relevant legislation and regulations in place to promote good practice.

We are committed to ensuring that there are no forms of modern slavery within our operations or supply chains. In line with the Modern Slavery Act 2015, we publish an annual Modern Slavery Statement on our website.

Information Required under the Listing Rules

For the purposes of LR9.8.4R, the information required to be disclosed by the LR9.8.4R can be found in the Annual Report in the following locations and is hereby incorporated by reference into this Directors' Report:

- Information about long-term incentives is disclosed in the Directors' Remuneration Report on page 107.
- Information about any waiver of dividends or future dividends by a shareholder is disclosed below in "Share Capital".

Political Donations

The Group does not make political donations.

Post-Balance Sheet Events

On 29 May 2024, the Group announced that it had agreed terms to sell a portfolio of pubs to Admiral Taverns Limited. See note 31 to the financial statements for further information.

Purchase of Own Shares

At the AGM held on 20 July 2023, the Company was given authority to purchase up to 3,883,397 'A' ordinary shares to be held as treasury shares to be used in connection with, among other purposes, the LTIP and/or other share option schemes. Shareholders will be asked to give a similar authority to purchase shares up to 10% of the 'A' ordinary capital at the 2024 AGM.

The Company's maximum issued ordinary share capital during the year was £25,381,446, comprising 41,182,339 'A' ordinary shares, 89,052,625 'B' ordinary shares and 13,366,013 'C' ordinary shares.

During the year, the Company purchased a total of 2,017,992 'A' ordinary shares at a total cost of £12,296,547 (exclusive of stamp duty). These share purchases represented 1.4% of the Company's maximum issued ordinary share capital and 4.9% of the Company's 'A' ordinary share capital.

126,119 'A' ordinary shares held in treasury were allocated to participants of the Savings Related Share Option Scheme on exercise of options, generating net cash proceeds of £548,617.65. As at 30 March 2024, a total of 4,143,691 'A' ordinary shares and a total of 4,327,915 'B' ordinary shares were held as treasury shares.

Share Capital

Information on the Company's financial instruments, capital structure and related restrictions is given in notes 25 and 26 to the financial statements. Details of significant shareholdings are set out on the following page.

As at 30 March 2024, Computershare Trustees Limited held a total of 142,699 'A' ordinary shares on behalf of employees of the Company who are participants in its SIP. This represents 0.3% of the issued 'A' ordinary share capital (excluding shares held in treasury). A dividend waiver is in place in respect of the shares that have not been allocated to participants. In respect of the shares that have been allocated, Computershare Trustees Limited exercises voting rights in relation to those shares, having consulted with the participants about their voting intentions.

As at 30 March 2024, the Fuller, Smith & Turner Employee Share Ownership Trust held 316,441 'B' ordinary shares and 5,935 'C' ordinary shares in the Company. A dividend waiver is in place to cover the entire holding. The Trustees do not exercise the voting rights attached to shares held in the Trust.

Substantial Shareholdings

The Company had been notified under the Disclosure Guidance and Transparency Rules of the following holdings of voting rights of its listed issued share capital:

'A' ordinary shares of 40p each

	% of total voting rights	
	As at 30 March 2024	As at 11 June 2024
Lansdowne Partners (UK) LLP	**10.00**	10.00
BlackRock, Inc	**9.97**	9.97
Ameriprise Financial, Inc. (Columbia Threadneedle)	**4.68**	4.68
Mr M.A. and Mrs N.D. Taylor	**4.02**	4.64
Azvalor Asset Management SGIIC SA	**3.13**	**3.13**

It should be noted that these holdings may have changed since the Company was notified of them as notification of any change is not required until the next notifiable threshold is crossed.

The Company is also aware of the following interests in 3% or more of the voting rights in the two classes of its unlisted share capital:

'B' ordinary shares of 4p each

	As at 30 March 2024	As at 11 June 2024
Mr A W M Mitchell & Burges Salmon Trustees Ltd[1]	**14.85**	14.85
Mr R H F Fuller & Mr P J Turner & Mr P A Sheils[1]	**7.66**	7.66
Mr A G F Fuller	**5.74**	5.74
Mr R H F Fuller & Mr P A Sheils & Mr P J Turner[1]	**4.62**	4.62
Mr R D Inverarity	**3.63**	3.63
Dunarden Limited	**3.60**	3.60
Mr G F Inverarity	**3.48**	3.48
Mr M J Turner	**3.40**	3.40
Miss S M Turner	**3.33**	3.33
Mr R H F Fuller	**3.08**	3.08
Mr T J M Turner	**3.00**	3.00

C' ordinary shares of 40p each

	As at 30 March 2024	As at 11 June 2024
Mr A W M Mitchell & Burges Salmon Trustees Ltd[1]	**33.56**	33.56
Mr T J M Turner	**6.71**	6.71
Miss S M Turner	**5.68**	5.68
Mr P A R Carter & Sir J H F Fuller[1]	**4.65**	4.65
Sir J H F Fuller & Mr A W M Mitchell[1]	**4.46**	4.46
Mrs D M St. C Turner	**3.35**	3.35
Mr C D W Williams	**3.27**	3.27

1 Shares held for the benefit of a Trust.

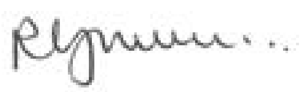
Significant Agreements

The Group has entered into a number of agreements with the major brewers operating in the UK under which it buys beer, and these agreements may be terminated by the other party should the Group undergo a change of control.

In the event of a change of control, the Company is obliged to notify its main bank lenders of such. The lenders shall not be obliged to fund any new borrowing requests and the facilities will lapse after 30 days from the change of control if terms on which they can continue have not been agreed. All borrowings including accrued interest will become repayable within 10 days of such a lapse.

The service agreements of the Executive Directors include provisions regarding a change of control. Further details are included in the Directors' Remuneration Policy on pages 95 to 97.

By order of the Board



RACHEL SPENCER
COMPANY SECRETARY

12 June 2024

Fuller, Smith & Turner P.L.C.
Pier House
86-93 Strand-on-the-Green
London W4 3NN

Registered in England under number: 241882

DIRECTORS' RESPONSIBILITIES STATEMENT

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Annual Report, the Remuneration Report, and the Group and Company financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and Company for the financial period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group financial statements are required to be prepared in accordance with International Financial Reporting Standards ("IFRSs"). In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 and make any changes in accounting estimates and errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- make an assessment of the Company's ability to continue as a going concern;
- state that the Group and Company have complied with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and enable them to ensure that the financial statements and the Remuneration Report comply with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure and Transparency Rules ("DTR") and in the case of the Group financial statements, with Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Preparation of Financial Statements

The Directors confirm, to the best of their knowledge:

- that these financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Company taken as a whole;
- that the Annual Report and the Strategic Report include a fair review of the development and performance of the business and the position of the Group and Company taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy, and is fair, balanced and understandable.

The Directors of Fuller, Smith & Turner P.L.C. are listed on pages 60 and 61.

Director's Statement as to Disclosure of Information to Auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 60 and 61. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of this Report of which the Company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board

MICHAEL TURNER
CHAIRMAN
12 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULLER, SMITH & TURNER P.L.C.

Opinion

In our opinion:

- Fuller, Smith & Turner P.L.C.'s Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 March 2024 and of the Group's profit for the 52 week period (the 'period') then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Fuller, Smith & Turner P.L.C. (the 'Company') and its subsidiaries (the 'Group') for the 52 week period ended 30 March 2024 (the 'period') which comprise:

Group	Parent company
Group balance sheet as at 30 March 2024	Company balance sheet as at 30 March 2024
Group income statement for the 52 week period then ended	Company statement of changes in equity for the 52 week period then ended
Group statement of comprehensive income for the 52 week period then ended	Company cash flow statement for the 52 week period then ended
Group statement of changes in equity for the 52 week period then ended	Related notes 1 to 30 to the financial statements, including material accounting policy information
Group cash flow statement for the 52 week period then ended	
Related notes 1 to 30 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of the Group's going concern assessment process and Management's related Board memoranda;
- We validated the covenants and terms of the debt facilities in the model to executed debt agreements and reperformed the calculation of the Net Debt and Interest cover covenants against the terms of these agreements;
- We assessed the appropriateness of the duration of the going concern review period to 28 June 2025, which is a period of at least 12 months from the date of approval of the financial statements, and considered whether there are any known events or conditions that will occur beyond the period;
- We obtained the cashflow forecast models (base case, downside, stress and reverse stress test) to 28 June 2025, used by the Board in its assessment, reviewed their arithmetical accuracy, whether they have been approved by the Board and considered the Group's historical forecasting accuracy;
- We challenged the cashflow forecasts with reference to historical trends and considered any evidence or market forecasts that contradicted the assumptions in management's forecasts;
- We assessed the consistency of the base case cashflows with the cashflow forecasts used within our impairment and deferred tax recoverability assessment;
- We challenged the integrity of the models used by re-performing calculations and testing of formulas applied throughout;
- We confirmed the calculation of the reverse stress test scenario;
- We enquired of any climate change commitments in the going concern period and challenged whether any associated cash outflows should be included within the forecasts;
- We read the Board minutes to identify any matters that may impact the going concern assessment; and
- We assessed the appropriateness of the going concern disclosures in describing the risks associated with the Group's ability to continue as a going concern for the review period to 28 June 2025.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for the review period to 28 June 2025.

In relation to the Group and Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of the Group, which accounted for 100% of the profit before taxation, 100% of revenue and 100% of total assets. Our approach to scoping and resulting coverage is consistent with 2023.
Key audit matters	• Impairment of property, plant and equipment and right-of-use assets • Management override in the recognition of revenue
Materiality	• Overall Group materiality of £1.80m which represents 0.5% of Group revenue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULLER, SMITH & TURNER P.L.C. continued

An overview of the scope of the Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. The Group's operations are based solely in the United Kingdom with a single head office and finance function and therefore all audit procedures are completed by one audit team at this location.

We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we performed full scope audit procedures over 100% of the Group's results for the year ended 30 March 2024 and 100% of the Group's total assets at that date. We obtained an understanding of the entity-level controls of the Group which assisted us in identifying and assessing risks of material misstatement due to fraud or error, as well as assisting us in determining the most appropriate audit strategy. This approach is consistent with the prior period.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on its operations will be from higher sourcing costs/supply issues for ingredients affected by increased extreme weather events impacting harvests and the risk of increased extreme weather events (e.g. flooding) in the UK causing reduced footfall/pub closures and impacting staff travel and wellbeing. These are explained in the Task Force on Climate Related Financial Disclosures on pages 43 to 56 and in the principal risks and uncertainties. They have also explained their climate commitments on page 41. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the basis of preparation (Note 1 of the financial statements) how it has reflected the impact of climate change in its financial statements. There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, its climate commitments, the effects of material climate risks disclosed on pages 44 to 48 and the significant judgements and estimates disclosed in note 1. As part of this evaluation, we performed our own risk assessment, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Impairment of property, plant and equipment (PPE) and right-of-use assets (ROUA) *Refer to the Audit and Risk Committee Report (pages 74 to 79); Accounting policies (page 134); and Note 13 of the Consolidated Financial Statements (page 152)* As at 30 March 2024, the carrying value of PPE is £581.9 million (2023: £583.3million) and right-of-use asset is £58.7 million (2023: £66.4 million). Impairment for tangible assets (PPE and ROUA) is tested on the basis of each individual cash generating unit (CGU) – an individual pub site. There is a risk that pubs may not achieve the anticipated business performance to support their carrying value. This could lead to an impairment charge that has not been recognised by management. Indicators of impairment reversals was considered at certain sites where actual trading performance has been better than the budgeted in previous impairment assessments. Significant judgement is required in forecasting future cash flows of each pub, the long-term growth rate and the rate at which cash flows are discounted. For a portion of the pub estate where the value-in-use model may indicate an impairment charge, an overlay based on the market value approach is performed which involves significant judgement in determining the fair value of these pubs.	We gained an understanding through a walkthrough of the process and controls management has in place over the impairment process. We validated that the methodology of the impairment exercise is consistent with the requirements of IAS 36 Impairment of Assets, including appropriate identification of cash generating units and the allocation of central service costs in the value in use calculations. We tested the arithmetical accuracy and integrity of the impairment model and confirmed that the forecasts were consistent with the Board approved forecasts and those used in the going concern assessment. We agreed the carrying value of each CGU back to the fixed asset register and confirmed the completeness of pub listing included in the assessment. Below we summarise the procedures performed in relation to the key judgements for the tangible (PPE and ROUA) assets impairment review: • In respect of the cost inflation and consumer spending habit assumptions on both short-term trading and the longer-term growth rate, we compared management's assumptions against external economic forecasts and actual performance from the last year. • We also performed sensitivity analysis based on reasonable possible changes to key assumptions determined by management being long term growth rate and discount rate. We assessed that the reasonably possible change in assumptions applied by management were appropriate by reference to the ranges independently established by our work. • We used our internal valuations specialists to support our assessment of the discount rate and long-term growth rate applied to cashflows by independently determining an acceptable range of values for each assumption. • Where management's pub impairment assessment was based on the fair value approach, we obtained an external desk-top property valuation from management's specialists on a sample of pubs and reviewed the methodology applied and audited the key assumptions that form part of the valuation in light of recent transactions in the market with the assistance of our internal valuation specialists.	Based on our audit procedures we have concluded the net impairment charge of £2.2 million is appropriately determined. We highlighted that a reasonably possible change in certain key assumptions including growth rate and discount rate could lead to material additional impairment charges. We concluded appropriate disclosures had been included by management for the above assumptions and that the impairment is appropriately presented as separately disclosed items given market practice.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULLER, SMITH & TURNER P.L.C. continued

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
The impairment charge and reversal of previous impairments are classified as a separately disclosed item in the Income Statement.	We reviewed management's indicators of impairment reversal; and tested management's estimate of the reversal value, challenging whether there has been sufficient improved performance to support any reversal of impairment. We reviewed the disclosures in notes to the financial statements against the requirements of IAS 36 Impairment of Assets, in particular the requirement to disclose further sensitivities for CGUs where a reasonably possible change in a key assumption would cause an impairment. We also considered the disclosure as separately disclosed items by reference to the Group's accounting policy, industry practice and the FRC guidance.	
Management override in the recognition of revenue *Refer to the Accounting policies (page 132) and Note 3 of the financial statements (page 142)* The Group recorded revenue of £359.1 million in the period (2023: £336.6 million), including £325.3 million in the Managed houses segment (2023: £306.8 million) and £33.8 million in the Tenanted Inns segment (2023: £29.8 million). The vast majority of the Group's revenue transactions are non-complex, with no judgement applied over the amount recorded. We consider the significant risk relating to fraud in revenue recognition to be through management override of controls and topside journals to revenue in the managed and tenanted estate. For managed houses, revenue is typically comprised of a large number of low value transactions. Although there is little management judgement involved, there is a risk that manual topside adjustments could be posted which could result in revenue being overstated or not recorded. For Tenanted Inns there is also a risk that manual topside adjustments could be posted to revenue.	We performed a walkthrough of each of the Group's significant revenue processes, including the recording of manual journal adjustments, and assessed the design effectiveness of the key controls that are in place. We applied correlation data analysis over the Group's entire revenue journal population to identify how much of the Group's revenue is converted to cash postings and to isolate non-standard revenue transactions for further analysis, focusing our testing on higher risk transactions identified. We determined the higher risk journal entries to be the adjustments made at or near the end of the reporting period, post-closing adjustments and other adjustments made to record transactions outside the normal course of business and performed substantive procedures to obtain sufficient appropriate audit evidence that those entries were properly supported and approved. We searched for any topside journals to revenue, but none were identified. We performed cut-off testing procedures including review of post period end cash receipts and journals, and an analytical review of significant variances to the prior year, to assess for completeness.	We concluded that revenue was reasonably stated. We did not identify any instances of management override in relation to revenue.

The above key audit matters are consistent with the prior year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £1.80 million (2023: £1.68 million), which is 0.5% (2023: 0.5% of Group revenue. We believe that Group revenue to be an appropriate materiality basis due to its prominence in the financial reporting the Group's equity and debt stakeholders in the context of the Group which has not returned to a normalised level of profit.

During the course of our audit, we reassessed initial materiality and there is no change in final materiality from original assessment at planning.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £1.35m (2023: £1.26m). We have set performance materiality at this percentage as we did not anticipate a significant level of audit differences following our FY23 audit.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £90,000 (2023: £84,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULLER, SMITH & TURNER P.L.C. continued

Matters on which we are required to report by exception

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

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

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

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 132;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 29;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 132;
- Directors' statement on fair, balanced and understandable set out on page 115;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 117;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 77; and
- The section describing the work of the Audit and Risk Committee set out on page 74.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 115, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the reporting frameworks (UK adopted international accounting standards), the Companies Act 2006, Money Laundering regulations, the UK Corporate Governance Code, the Listing Rules of the UK Listing Authority and UK tax compliance regulations.
- We understood how Fuller, Smith &Turner P.L.C. is complying with those frameworks by making inquiries of management, those charged with governance, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our inquires through inspection of board minutes and correspondence with regulatory authorities and through attendance at Audit and Risk Committee meetings.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by making inquiries of management, those charged with governance and various other individuals within the financial reporting function. We corroborated these inquiries by inspecting board minutes, retail audit reports and findings, reports to the Group's internal whistleblowing hotline and by understanding both the Group's bonus scheme structure and the expectations of investors and analysts, to understand areas in which individuals may be incentivised to commit fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making inquiries as described above, inspecting minutes of all significant board and committee meetings, reading correspondence with regulatory authorities, testing manual journal entries with higher risk characteristics and testing unusual or non-standard transactions.

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

Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee, we were appointed by the company on 27 January 2021 to audit the financial statements for the year ended 27 March 2021 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is four years, covering the years ended 27 March 2021 to 30 March 2024.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

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

Ernst & Young LLP

RACHEL SAVAGE
(SENIOR STATUTORY AUDITOR)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
12 June 2024

GROUP INCOME STATEMENT
FOR THE 52 WEEKS ENDED 30 MARCH 2024

		52 weeks ended 30 March 2024			53 weeks ended 1 April 2023		
	Note	Before separately disclosed items £m	Separately disclosed items £m	Total £m	Before separately disclosed items £m	Separately disclosed items £m	Total £m
Revenue	3	**359.1**	–	**359.1**	336.6	–	336.6
Operating costs	4,5	**(324.6)**	**(6.8)**	**(331.4)**	(311.5)	(14.2)	(325.7)
Operating profit		**34.5**	**(6.8)**	**27.7**	25.1	(14.2)	10.9
Net finance costs	5,6	**(14.0)**	**0.7**	**(13.3)**	(12.4)	–	(12.4)
Profit on disposal of properties	5	–	–	–	–	11.8	11.8
Profit before tax		**20.5**	**(6.1)**	**14.4**	12.7	(2.4)	10.3
Tax	7	**(5.8)**	**0.5**	**(5.3)**	(2.9)	0.5	(2.4)
Profit for the year		**14.7**	**(5.6)**	**9.1**	9.8	(1.9)	7.9
Earnings per share per 40p 'A' and 'C' ordinary share		Pence		Pence	Pence		Pence
Basic	8	**24.48**		**15.16**	16.10		12.98
Diluted	8	**24.29**		**15.04**	16.07		12.96
Earnings per share per 4p 'B' ordinary share							
Basic	8	**2.45**		**1.52**	1.61		1.30
Diluted	8	**2.43**		**1.50**	1.61		1.30

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 30 MARCH 2024

	Note	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Profit for the year		**9.1**	7.9
Items that may be reclassified to profit or loss in subsequent years *(net of tax)*			
Net gains on valuation of financial assets and liabilities	25	–	0.1
Items that will not be reclassified to profit or loss in subsequent years *(net of tax)*			
Net actuarial losses on pension schemes	22	**(0.3)**	(2.5)
Tax related to items that will not be reclassified to profit or loss	7	**0.1**	0.6
Other comprehensive losses for the year, net of tax		**(0.2)**	(1.8)
Total comprehensive income for the year, net of tax		**8.9**	6.1

GROUP BALANCE SHEET
30 MARCH 2024

	Note	Group 2024 £m	Group 2023 £m
Non-current assets			
Intangible assets	10	**28.6**	29.0
Property, plant and equipment	11	**581.9**	583.3
Investment properties	12	**1.5**	1.5
Retirement benefit obligations	22	**18.7**	16.1
Right-of-use assets	16	**58.7**	66.4
Other financial assets	14	**0.1**	0.1
Total non-current assets		**689.5**	696.4
Current assets			
Inventories	17	**4.0**	4.2
Trade and other receivables	18	**8.4**	10.2
Current tax receivable		**0.1**	0.7
Cash and cash equivalents	21	**12.2**	14.1
Total current assets		**24.7**	29.2
Assets classified as held for sale	19	**8.4**	7.0
Total assets		**722.6**	732.6
Current liabilities			
Trade and other payables	20	**(59.7)**	(54.6)
Provisions	24	**(0.8)**	(0.5)
Borrowings	21	**–**	(6.0)
Lease liabilities	16	**(4.4)**	(4.8)
Total current liabilities		**(64.9)**	(65.9)
Non-current liabilities			
Borrowings	21	**(145.3)**	(140.9)
Lease liabilities	16	**(61.5)**	(67.0)
Retirement benefit obligations	22	**(1.4)**	(1.5)
Deferred tax liabilities	7	**(18.2)**	(14.7)
Total non-current liabilities		**(226.4)**	(224.1)
Net assets		**431.3**	442.6
Capital and reserves			
Share capital	26	**25.4**	25.4
Share premium account	26	**53.2**	53.2
Capital redemption reserve	26	**3.7**	3.7
Own shares	26	**(32.9)**	(21.3)
Hedging reserve	26	**–**	–
Retained earnings		**381.9**	381.6
Total equity		**431.3**	442.6

Approved by the Board and signed on 12 June 2024.

Michael Turner

M J TURNER, FCA
CHAIRMAN
Registered Number: 241882

COMPANY BALANCE SHEET
30 MARCH 2024

	Note	Company 2024 £m	Company 2023 £m
Non-current assets			
Intangible assets	10	**5.3**	5.7
Property, plant and equipment	11	**581.9**	583.3
Investment properties	12	**1.5**	1.5
Retirement benefit obligations	22	**18.7**	16.1
Right-of-use assets	16	**58.6**	66.0
Other financial assets	14	**0.1**	0.1
Investments in subsidiaries	15	**108.0**	108.7
Total non-current assets		**774.1**	781.4
Current assets			
Inventories	17	**4.0**	4.2
Trade and other receivables	18	**8.4**	10.2
Current tax receivable		**0.7**	0.7
Cash and cash equivalents	21	**12.2**	14.1
Total current assets		**25.3**	29.2
Assets classified as held for sale	19	**8.4**	7.0
Total assets		**807.8**	817.6
Current liabilities			
Trade and other payables	20	**(212.8)**	(197.7)
Provisions	24	**(0.8)**	(0.5)
Borrowings	21	**–**	(6.0)
Lease liabilities	16	**(4.3)**	(4.7)
Total current liabilities		**(217.9)**	(208.9)
Non-current liabilities			
Borrowings	21	**(145.3)**	(140.9)
Lease liabilities	16	**(61.2)**	(66.6)
Retirement benefit obligations	22	**(1.4)**	(1.5)
Deferred tax liabilities	7	**(18.2)**	(14.7)
Total non-current liabilities		**(226.1)**	(223.7)
Net assets		**363.8**	385.0
Capital and reserves			
Share capital	26	**25.4**	25.4
Share premium account	26	**53.2**	53.2
Capital redemption reserve	26	**3.7**	3.7
Own shares	26	**(32.9)**	(21.3)
Hedging reserve	26	**–**	–
Merger reserve	26	**(1.6)**	(1.6)
Retained earnings		**316.0**	325.6
Total equity		**363.8**	385.0

Loss attributable to ordinary shareholders and included in the financial statements of the Parent Company was £0.8 million (2023: profit of £0.4 million). Approved by the Board and signed on 12 June 2024.

M J TURNER, FCA
CHAIRMAN
Registered Number: 241882

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 30 MARCH 2024

Group	Share capital (note 26) £m	Share premium account (note 26) £m	Capital redemption reserve (note 26) £m	Own shares (note 26) £m	Hedging reserve £m	Retained earnings £m	Total £m
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/(losses) 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 9)	–	–	–	–	–	(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**
Profit for the year	–	–	–	–	–	9.1	9.1
Other comprehensive expense for the year	–	–	–	–	–	(0.2)	(0.2)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**8.9**	**8.9**
Shares purchased to be held in ESOT or as treasury	–	–	–	(12.4)	–	–	(12.4)
Shares released from ESOT and treasury	–	–	–	0.8	–	(0.3)	0.5
Dividends (note 9)	–	–	–	–	–	(10.0)	(10.0)
Share-based payment expense	–	–	–	–	–	1.7	1.7
At 30 March 2024	**25.4**	**53.2**	**3.7**	**(32.9)**	**–**	**381.9**	**431.3**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 30 MARCH 2024

Company	Share capital (note 26) £m	Share premium account (note 26) £m	Capital redemption reserve (note 26) £m	Own shares (note 26) £m	Hedging reserve £m	Merger reserve £m	Retained earnings £m	Total £m
At 26 March 2022	**25.4**	**53.2**	**3.7**	**(16.6)**	**(0.1)**	**(1.6)**	**335.1**	**399.1**
Profit for the year	–	–	–	–	–	–	0.4	0.4
Other comprehensive income/(losses) for the year	–	–	–	–	0.1	–	(1.9)	(1.8)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**0.1**	**–**	**(1.5)**	**(1.4)**
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 9)	–	–	–	–	–	–	(7.4)	(7.4)
Share-based payment credits	–	–	–	–	–	–	(0.4)	(0.4)
Tax debited directly to equity	–	–	–	–	–	–	(0.2)	(0.2)
At 1 April 2023	**25.4**	**53.2**	**3.7**	**(21.3)**	**–**	**(1.6)**	**325.6**	**385.0**
Loss for the year	–	–	–	–	–	–	(0.8)	(0.8)
Other comprehensive expense for the year	–	–	–	–	–	–	(0.2)	(0.2)
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(1.0)**	**(1.0)**
Shares purchased to be held in ESOT or as treasury	–	–	–	(12.4)	–	–	–	(12.4)
Shares released from ESOT or as treasury	–	–	–	0.8	–	–	(0.3)	0.5
Dividends (note 9)	–	–	–	–	–	–	(10.0)	(10.0)
Share-based payment credits	–	–	–	–	–	–	1.7	1.7
At 30 March 2024	**25.4**	**53.2**	**3.7**	**(32.9)**	**–**	**(1.6)**	**316.0**	**363.8**

GROUP CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 30 MARCH 2024

	Note	Group 52 weeks ended 30 March 2024 £m	Group 53 weeks ended 1 April 2023 £m
Profit before tax for continuing operations		**14.4**	10.3
Net finance costs before separately disclosed items	6	**14.0**	12.4
Separately disclosed items	5	**6.1**	2.4
Depreciation and amortisation	4	**26.3**	26.7
Adjusted EBITDA[1]		**60.8**	51.8
Difference between pension charge and cash paid	22	**(2.6)**	(2.3)
Share-based payment charge/(credit)	4	**1.7**	(0.4)
Change in trade and other receivables		**0.6**	2.5
Change in inventories		**0.2**	(0.6)
Change in trade and other payables		**6.9**	(3.0)
Cash impact of operating separately disclosed items	5	**1.7**	(0.5)
Cash generated from operations		**69.3**	47.5
Tax paid		**(1.0)**	–
Net cash generated from operating activities		**68.3**	47.5
Cash flow from investing activities			
Purchase of property, plant and equipment		**(27.2)**	(30.7)
Sale of property, plant and equipment, right-of-use assets and assets held for sale		**–**	16.0
Net cash outflow from investing activities		**(27.2)**	(14.7)
Cash flow from financing activities			
Purchase of own shares	26	**(12.4)**	(4.8)
Receipts on release of own shares to option schemes	26	**0.5**	0.1
Interest paid		**(10.4)**	(8.7)
Preference dividends paid	9	**(0.1)**	(0.1)
Equity dividends paid	9	**(10.0)**	(7.4)
Drawdown of bank loans	21	**4.5**	–
Repayment of debenture	21	**(6.0)**	–
Surrender of leases		**–**	(2.1)
Principal and interest elements of lease payments	16	**(8.7)**	(9.8)
Payment of loan arrangement fees	21	**(0.4)**	(1.5)
Net cash outflow from financing activities		**(43.0)**	(34.3)
Net movement in cash and cash equivalents		**(1.9)**	(1.5)
Cash and cash equivalents at the start of the year	21	**14.1**	15.6
Total cash and cash equivalents at the end of the year	21	**12.2**	14.1

1 Adjusted EBITDA is EBITDA excluding separately disclosed items.

COMPANY CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 30 MARCH 2024

	Note	Company 52 weeks ended 30 March 2024 £m	Company 53 weeks ended 1 April 2023 £m
Profit before tax for continuing operations		**3.9**	3.1
Net finance costs before separately disclosed items		**24.2**	18.8
Separately disclosed items		**6.4**	3.2
Depreciation and amortisation		**26.2**	26.7
Adjusted EBITDA[1]		**60.7**	51.8
Difference between pension charge and cash paid	22	**(2.6)**	(2.3)
Share-based payment charge/(credit)		**1.7**	(0.4)
Change in trade and other receivables		**0.8**	(3.9)
Change in inventories		**0.2**	(0.6)
Change in trade and other payables		**6.8**	3.3
Cash impact of operating separately disclosed items		**1.7**	(0.5)
Cash generated from operations		**69.3**	47.4
Tax paid		**(1.0)**	–
Net cash generated from operating activities		**68.3**	47.4
Cash flow from investing activities			
Purchase of property, plant and equipment		**(27.2)**	(30.7)
Sale of property, plant and equipment, right-of-use assets and assets held for sale		**–**	16.0
Net cash outflow from investing activities		**(27.2)**	(14.7)
Cash flow from financing activities			
Purchase of own shares	26	**(12.4)**	(4.8)
Receipts on release of own shares to option schemes	26	**0.5**	0.1
Interest paid		**(10.4)**	(8.7)
Preference dividends paid	9	**(0.1)**	(0.1)
Equity dividends paid	9	**(10.0)**	(7.4)
Drawdown of bank loans	21	**4.5**	–
Repayment of debenture	21	**(6.0)**	–
Surrender of leases		**–**	(2.1)
Principal and interest elements of lease payments	16	**(8.7)**	(9.7)
Payment of loan arrangement fees	21	**(0.4)**	(1.5)
Net cash outflow from financing activities		**(43.0)**	(34.2)
Net movement in cash and cash equivalents		**(1.9)**	(1.5)
Cash and cash equivalents at the start of the year	21	**14.1**	15.6
Total cash and cash equivalents at the end of the year	21	**12.2**	14.1

1 Adjusted EBITDA is EBITDA excluding separately disclosed items.

NOTES TO THE FINANCIAL STATEMENTS

1. Authorisation of Financial Statements and Accounting Policies

Authorisation of Financial statements

The financial statements of Fuller, Smith & Turner P.L.C. and its subsidiaries (the "Group") for the 52 weeks ended 30 March 2024 were authorised for issue by the Board of Directors on 12 June 2024 and the Balance Sheet was signed on the Board's behalf by M J Turner. Fuller, Smith & Turner P.L.C. is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary 'A' shares are traded on the London Stock Exchange.

Significant Accounting Policies

Basis of preparation

The Group's and Company's financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with UK adopted International Financial Reporting Standards, and applied to the financial statements of the Group and the Company for the 52 weeks ended 30 March 2024. The principal accounting policies adopted by the Group and by the Company are set out in the accounting policies below.

The Group and Company financial statements are presented in Sterling and all values are shown in millions of pounds (£m) rounded to the nearest hundred thousand, except where otherwise indicated.

As permitted by Section 408 of the Companies Act 2006, a separate Income Statement for the Parent Company has not been prepared.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 6 to 57. The financial position of the Company, its cash flows, net debt and borrowing facilities and the maturity of those facilities are set out on pages 124 to 179.

In addition, there are further details in the financial statements on the Group's financial risk management, objectives and policies in note 25.

At 30 March 2024, the Group Balance Sheet comprises of 88% of the estate being freehold properties and available headroom on facilities of £75.0 million and £12.2 million of cash with resulting net debt of £133.1 million. The Group has unsecured banking facilities of £200 million, split between a revolving credit facility of £110 million and a term loan of £90 million. Under the facilities agreement, the covenant suite (tested quarterly) consist of net debt to adjusted EBITDA (leverage) and adjusted EBITDA to net finance charges. During the period, the Group agreed with its lenders to extend these facilities for a further year through to May 2027. The Group repaid £6 million of its debentures during the period out of the Group's current facilities. The remaining debentures of £20 million are not due for repayment until 2028.

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 28 June 2025, based upon two scenarios, the "base case" and the "downside case". The base case is the Board approved FY2025 budget as well as the Q1 FY2026 plan which forms part of the Board-approved three year plan. The base case assumes that sales will continue to grow, but with only modest food and drink volume growth. The base case also assumes that food and drink inflationary pressures ease and inflation returns to manageable levels. However, the base case assumes that staff costs will be impacted by the National Living Wage resulting in continued wage inflation across all job roles. 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% in FY2025 and 5% in FY2026 from the "base case" and that cost inflation continues at a higher rate than assumed in the "base case". In this "downside case", management would implement mitigating actions such as overhead cost reduction, reduction of capital expenditure and other property spend to essential maintenance and a decrease in bonus pay-out. 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 30% reduction in volumes from those assessed in the "base case" throughout the going concern period before the covenants would be breached in June FY2026. The Directors have concluded that the reduction in sales volumes required to breach the covenants is too remote and that this scenario is therefore considered implausible.

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 capital expenditure to only essential maintenance and decision not to pay dividends and all bonuses. Further mitigating actions would also 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 12 months from the date of signing these financial statements through to 28 June 2025, and have therefore adopted the going concern basis in the preparation of these financial statements.

Significant accounting judgements, estimates and assumptions

The areas of estimation and assumption which are considered to be significant in the preparation of the financial statements are as follows:

- The Group determines whether goodwill is impaired on an annual basis and this requires an estimation of the value in use of the cash-generating units ("CGUs") to which the goodwill is allocated. This involves estimation of future cash flows and choosing a suitable discount rate. Full details are supplied in note 13, together with an analysis of those key assumptions
- The Group reviews impairment of all property, plant and equipment and right-of-use assets at CGU level where there is any indication of impairment. This requires an estimation of the value in use and involves estimation of future cash flows and choosing a suitable discount rate. See note 13, which describes the assumptions used, together with an analysis of the key assumptions
- Measurement of defined benefit pension obligations requires estimation of future changes in inflation, as well as mortality rates, the expected return on assets and the selection of a suitable discount rate. These have been determined on advice from the Group's qualified actuary. The estimates used and the key assumptions are provided in note 22.

The areas of judgement which are considered to be significant in the preparation of the financial statements are as follows:

- Judgement is used to determine those items that should be separately disclosed to allow a better understanding of the underlying trading performance of the Group. The judgement includes assessment of whether an item is of a nature that is not consistent with normal trading activities or of sufficient size or infrequency. See note 5 for further details
- The Group has exercised significant accounting estimation and judgement in the recognition of deferred tax liabilities in respect of property, plant and equipment. Significant accounting estimates and judgements include those used to determine the amount of net book value of property, plant and equipment to which the initial recognition exemption applies, the calculation of the tax base on sale (which is subject to certain restrictions under tax law) and the offsetting of inherent losses against inherent gains where tax losses are expected to be utilised against future profits and gains.

Basis of consolidation

The Group financial statements consolidate the financial statements of Fuller, Smith & Turner P.L.C. and the entities it controls (its subsidiaries) drawn up for the 52 weeks ended 30 March 2024 (2023: 53 weeks ended 1 April 2023). Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to direct the relevant activities of the subsidiary which significantly affect the return of the subsidiary, so as to obtain benefit from its activities, and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. All intercompany balances and transactions, including unrealised profits arising from them, are eliminated.

Business combinations and goodwill

Business combinations are accounted for under IFRS 3 Business Combinations using the purchase method. Any excess of the consideration of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the Balance Sheet as goodwill and is not amortised. To the extent that the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised immediately in the Income Statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired. Any impairment of goodwill made cannot be reversed if circumstances subsequently change.

For the purpose of impairment testing, goodwill is allocated to the related CGUs (or group of CGUs) monitored by management. Where the recoverable amount of the CGU is less than its carrying amount, including goodwill, an impairment loss is recognised in the Income Statement.

The carrying amount of goodwill allocated to a CGU is taken into account when determining the gain or loss on disposal of the CGU, or of an operation within it.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis to write down the cost to the estimated residual value over the expected useful life of the asset as follows:

1. Authorisation of Financial Statements and Accounting Policies continued

Freehold buildings – Hotel accommodation and offices	Up to 50 years
Freehold buildings – Licensed retail property and unlicensed property	From 50 to 100 years
Leasehold improvements	The term of the lease
Roofs	From 10 to 50 years
Plant, machinery and vehicles, fixtures and fittings	From three years up to 25 years

As required under IAS 16 Property, Plant and Equipment, expected useful lives and residual values are reviewed every year. Land is not depreciated. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement when the asset is derecognised.

Hive-up transaction
When a subsidiary transfers its business to its parent immediately after acquisition (hive-up transaction) the assets are transferred at market value and the investment is reduced to reflect the net effect of a return of capital in the form of the underlying net assets with any difference taken to the merger reserve.

Investment property
The Group owns properties that are not used for the sale of goods or services but are held for capital appreciation or rental purposes. These properties are classified as investment properties and their carrying values are based on cost less impairment. Depreciation is calculated on a straight-line basis to write down the cost to the estimated residual value over the expected useful life of the asset, which for investment properties is between 50 and 100 years.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Impairment
Carrying values are reviewed for impairment if events indicate that the carrying value of the asset may not be recoverable. If such an indicator exists and where the carrying values exceed the estimated recoverable amount, the assets or CGUs are written down to their recoverable amounts. An asset's recoverable amount is the greater of the fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the smallest CGUs to which the asset belongs.

The Group bases its impairment calculation on most recent management approved budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of two years. A long-term growth rate is calculated and applied to project future cash flows after the second year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Impairment losses, and any reversal of such losses, are recognised in the Income Statement.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The lease payment also includes the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Extensions to leases are recognised when it is reasonably certain the option is going to be exercised.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

The Group's lease liabilities are included in Cash, Borrowings and Net Debt (see note 21).

c) Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Income Statement due to its operating nature.

Assets held for sale and discontinued operations
Assets are classified as held for sale when the carrying amount will be recovered principally through a sale transaction rather than continuing use. The criteria for held for sale classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets held for sale are valued at the lower of the carrying amount and fair value less costs to sell. No depreciation is charged whilst assets are classified as held for sale.

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, results for the discontinued operations are presented separately in the Group's Income Statement (for which the comparatives and related notes would be restated).

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the "Average Weighted Cost" method. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

Financial instruments
Initial recognition and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Authorisation of Financial Statements and Accounting Policies continued

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial Assets

Recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price in accordance with IFRS 15.

There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss. The Group's cash and cash equivalents, trade and other receivables fall into this category
- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI and will be recycled upon derecognition of the asset
- Fair value through profit or loss ("FVPL"): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the expected credit loss ("ECL") model. Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the future cash flows of the instrument.

When assessing impairment for trade receivables, the Group has applied the simplified approach to expected credit losses as per IFRS 9 Financial Instruments. The model focuses on an appraisal of the risk that a receivable will default rather than whether a loss has been incurred. This involves an unbiased assessment of a range of possible outcomes and their probabilities of occurrence, and is supported by past experience of collecting payments as well as changes in economic conditions that correlate with default on receivables. Expected credit losses are initially determined based on the Group's historical credit loss experience, any forward-looking factors specific to a particular trade receivable and the current economic environment.

The timing of initial recognition for impairment losses is the same period that the asset is recognised. Movements in expected credit losses are recognised in the Income Statement within operating costs. At the point a trade receivable is written off the ledger as uncollectable, the cost is charged against the allowance account and any subsequent recoveries of amounts previously written off are credited to the Income Statement.

In the Parent Company, amounts due from subsidiary undertakings are recognised at their original amount less allowance for impairment based on the ECL model. In determining the model, the Company considers the net assets and the resources available to that subsidiary.

Financial Liabilities

Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivative financial instruments and lease liabilities.

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss which are measured subsequently at fair value with gains or losses recognised in the Income Statement.
- Financial liabilities at amortised cost (loans and borrowings) which are measured using the effective interest method.

Bank loans, overdrafts and debentures
Interest bearing bank loans, overdrafts and debentures are initially recorded at the fair value of proceeds received, net of direct issue costs, and thereafter at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an effective interest rate basis in the Income Statement. Finance charges are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting
Recognition and measurement
The Group uses interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below.

The Group has interest rate swaps which are classified as cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses). Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, but the risk management objective remains the same, the hedge ratio is adjusted so that it meets the qualifying criteria again.

Classification of shares as debt or equity
When shares are issued, any component that creates a financial liability of the Company or Group is presented as a liability in the Balance Sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the Income Statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

1. Authorisation of Financial Statements and Accounting Policies continued

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not remeasured in subsequent years.

The Group's ordinary shares are classified as equity instruments. For the purposes of the disclosures given in note 25, the Group considers its capital to comprise its ordinary share capital, share premium, capital redemption reserve, hedging reserve and accumulated retained earnings plus its preference shares which are classified as a financial liability in the Balance Sheet. There have been no changes to what the Group considers to be capital since the prior year.

Preference shares

The Group's preference shares are reported under non-current liabilities. The corresponding dividends on preference shares are charged as interest in the Income Statement. Preference share dividends are at fixed rates.

Revenue

Revenue is recognised under IFRS 15 upon application of the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to each performance obligation
- Recognise revenue when a performance obligation is satisfied by transferring a promised good or service to a customer.

Managed Pubs and Hotels revenue primarily consists of food, drink and accommodation sales. Food and drink revenue is recognised when control of the goods/services has transferred, being at the point the customer purchases the food or drink. The Group also takes bookings for events and accommodation which require a deposit to secure the booking. A contract liability for the deposit is recognised at the time of the sale. The contract liability is released and revenue is recognised on a straight-line basis over the duration of the room occupation or event. A contract liability is recognised until the event is complete or the guest has occupied the room.

The Group also earns revenue through selling drink to the Tenanted Inns division which is supplied to Fuller's by Asahi under the Long-Term Supply Agreement ("LTSA"). Revenue is recognised as though the Group is the principal as it has primary responsibility over the product and also bears the inventory risk.

Revenue is recognised under IFRS 16 where the Group receives rental income from Tenanted and unlicensed properties. This is recognised on a straight-line basis over the lease term. Some rental income includes turnover rent which is based on the percentage of the income generated by that pub. This is recognised when the revenue is earned. Revenue is recognised for machine income when net takings are earned.

Separately disclosed items

The Group presents as separately disclosed items on the face of the Income Statement 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, so as to facilitate comparison with prior periods and to better assess trends in financial performance. Separately disclosed items are a key element used to demonstrate the underlying performance of the Group and reported as an alternative performance measure within the management commentary for the reporting period.

Share-based payments

The Group has an employee Share Incentive Plan that awards shares to employees based on the reported profits of the Group for the year, and a Long-Term Incentive Plan that awards shares to Directors and Senior Executives subject to specific performance criteria. The Group also issues equity-settled share-based payments to certain employees under approved and unapproved share option schemes and a Savings Related Share Option Scheme.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions. The Group has no equity-settled transactions that are linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest. At each Balance Sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous Balance Sheet date is recognised in the Income Statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Income Statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Income Statement.

Own shares

Shares to be awarded under employee incentive plans and those that have been awarded but have yet to vest unconditionally are held at cost by an employee share ownership trust ("ESOT") and shown as a deduction from equity in the Balance Sheet. ESOT is an independently managed trust and not controlled by the Group.

In addition to the purchase of shares by the various ESOTs for specific awards, the Group also from time to time acquires own shares to be held as treasury shares. These shares are occasionally but not exclusively used to satisfy awards under various share option schemes. Treasury shares are held at cost and shown as a deduction from total equity in the Balance Sheet.

Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost being taken to reserves. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The current tax payable is based on taxable profit for the year using UK tax rates enacted or substantively enacted at the Balance Sheet date and any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which they can be utilised.

Such deferred tax assets and liabilities are not recognised where the asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date.

Deferred tax is not recognised in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balance relates to the same taxation entities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods when the asset is realised or the liability is settled, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Current and deferred tax for the year

Current and deferred tax are recognised in the Income Statement except when they relate to items that are recognised in the Statement of Comprehensive Income or in equity, in which case the current and deferred tax are also recognised in the Statement of Comprehensive Income or directly in equity respectively.

Pensions and other post-employment benefits

Defined contribution schemes

Payments to defined contribution retirement benefit schemes are charged to the Income Statement as they fall due.

Defined benefit schemes

The Group operated a defined benefit pension plan for eligible employees where contributions were made into a separate fund administered by Trustees. The scheme closed to future accrual in January 2015.

1. Authorisation of Financial Statements and Accounting Policies continued

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method calculated by qualified actuaries. This attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Past service cost is recognised as an expense at the earlier of the date when a plan amendment or curtailment occurs and the date when an entity recognises any termination benefits, or related restructuring costs under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the Income Statement during the period in which the settlement or curtailment occurs.

The Group determines the net interest charge/(credit) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net pension liability/(asset) at the beginning of the period. The net interest charge/(credit) is recognised immediately as a separately disclosed finance cost/(income) in the Income Statement. Actuarial gains and losses are recognised in full in the Statement of Comprehensive Income in the period in which they occur.

The defined benefit pension asset or liability in the Balance Sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the sum of the present value of any amount the Group expects to recover by way of refunds from the plan or reductions in the future contributions.

Dividends

Dividends recommended by the Board but unpaid at the year end are not recognised in the financial statements until they are paid (in the case of the interim dividend) or approved by shareholders at the Annual General Meeting (in the case of the final dividend).

The Company's investments in subsidiaries

In its separate financial statements, the Parent Company recognises its investment in its subsidiaries on the basis of cost less provision for impairment.

New standards and interpretations issued but not yet applied

The International Accounting Standards Board and International Financial Reporting Interpretations Committee have issued the following standards and interpretations with an effective date for periods starting on or before the date on which these financial statements start:

- International Tax reform – Pillar Two Model Rules – Amendments to IAS 12 (effected 1 January 2023)
- IFRS18 Presentation and disclosure in financial statements (effected 1 April 2024).

The adoption of the above standards have not led to material effect in the financial statements. Other new standards and interpretations in issue but not yet effective are not applicable to the Company and therefore are not expected to have material impact on the Group's financial position and results.

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). More details of these segments are given in the Strategic Report on pages 6 to 57 of this Report.

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.

2. Segmental Analysis continued

52 weeks ended 30 March 2024	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated[1] £m	Total £m
Revenue				
Sale of goods and services	**288.1**	**24.1**	–	**312.2**
Accommodation income	**35.5**	–	–	**35.5**
Total revenue from contracts with customers	**323.6**	**24.1**	–	**347.7**
Rental income	**1.7**	**9.7**	–	**11.4**
Revenue	**325.3**	**33.8**	–	**359.1**
Segment result	**41.6**	**13.7**	**(20.8)**	**34.5**
Operating separately disclosed items				**(6.8)**
Operating profit				**27.7**
Net finance costs				**(13.3)**
Profit before tax				**14.4**
Other segment information				
Additions to property, plant and equipment	**23.0**	**3.9**	**0.1**	**27.0**
Depreciation and amortisation	**22.4**	**3.0**	**0.9**	**26.3**
Impairment of property and right-of-use assets net of reversals	**5.1**	**3.2**	–	**8.3**

53 weeks ended 1 April 2023	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated[1] £m	Total £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 and equipment	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

1 Unallocated expenses represent primarily the salaries and costs of central management and support services. Unallocated capital expenditure relates to additions to the Head Office.

3. Revenue

Geographical Information

All of the Group's business is within the UK and therefore the Group only has one distinct geographical market.

	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Revenue disclosed in the Income Statement is analysed as follows:		
Sale of goods and services	**312.2**	292.8
Accommodation income	**35.5**	33.7
Total revenue from contracts with customers	**347.7**	326.5
Rental income	**11.4**	10.1
Revenue	**359.1**	336.6

4. Operating Costs

	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 (Restated[1]) £m
Production costs and cost of goods used in retailing	**88.0**	85.0
Staff costs	**129.9**	119.1
Repairs and maintenance	**12.5**	8.5
Depreciation of property, plant and equipment and amortisation of intangible assets	**20.1**	19.6
Depreciation of right-of-use assets	**6.2**	7.1
Rental expense relating to short-term and low value leases	**0.3**	0.2
Variable lease payments[2]	**3.9**	3.5
Property costs	**15.6**	18.0
Utilities	**13.6**	19.6
Separately disclosed items (note 5)	**6.8**	14.2
Other operating costs	**34.5**	30.9
	331.4	325.7

1 Some costs in the prior year have been reclassified to allow better comparison.
2 Variable lease payments are dependent on turnover levels.

Details of income and direct expenses relating to rental income from investment properties are shown in note 12.

a) Auditor's Remuneration

	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Fees payable to Company's auditors:		
– Statutory audit fees of Group financial statements	**0.5**	0.5
	0.5	0.5

Other audit related services of £6,000 (2023: £5,000) for covenant reporting, £10,000 (2023: £nil) for agreed upon procedures on the half year announcement, and £nil (2023: £45,000) for interim review were also incurred in the period.

b) Employee Benefit Expenses[1]

	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Wages and salaries[1,2]	**116.1**	102.6
Social security costs	**8.5**	8.7
Pension benefits	**2.2**	2.2
Other staff costs[3]	**3.1**	5.6
	129.9	119.1

1 Includes Executive Directors.
2 Includes share-based charge of £1.7 million (2023: credit £0.4 million).
3 Includes temporary staff costs of £3.0 million (2023: £5.0 million).

c) Average Number of Employees[1]

The average monthly number of persons employed by the Group (including part-time staff) was as follows:

	2024 Number	2023 Number
Pub, hotel and restaurant teams	**5,177**	5,138
Support office[2]	**116**	109
	5,293	5,247

1 Includes Executive Directors.
2 Support office includes Finance, People Team, IT and other central functions.

d) Directors' Emoluments

Full details are provided in the Directors' Remuneration Report and tables on pages 80 to 111.

5. 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 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Amounts included in operating profit:		
Reorganisation costs	**–**	(0.5)
Impairment of properties, right-of-use assets and assets classified as held for sale net of reversal of impairments (note 13)	**(8.3)**	(14.3)
Insurance and legal claims	**0.4**	(0.2)
VAT provision release	**1.1**	0.8
Total separately disclosed items included in operating profit	**(6.8)**	(14.2)
Profit on disposal of properties	**–**	11.8
Separately disclosed finance credits:		
Finance credit on net pension liabilities	**0.7**	0.5
Finance charge on the write down of arrangement fees	**–**	(0.5)
Total separately disclosed finance credits	**0.7**	–
Total separately disclosed items before tax	**(6.1)**	(2.4)
Exceptional tax:		
Profit on disposal of properties	**–**	(1.0)
Change in tax rate	**–**	0.5
Other items	**0.5**	1.0
Total separately disclosed tax	**0.5**	0.5
Total separately disclosed items	**(5.6)**	(1.9)

5. Separately Disclosed Items continued

The impairment charge of £8.3 million (1 April 2023: £14.3 million) relates to an impairment charge of £10.4 million for the write down of thirty properties and three right-of-use assets to their recoverable value (1 April 2023: 22 properties) net of reversals of impairment of £2.1 million.

The insurance and legal claims of £0.4 million relate to three separate proceedings: a credit of £0.3 million on the part settlement of a legal claim that the Group has brought against its insurers in relation to the pandemic. The matter is still ongoing. A credit of £0.3 million in relation to the settlement of a class action which the Group was part of. This is net of a provision of £0.2 million in relation to an ongoing legal claim against the Group. Further information has not been disclosed as it could prejudice the outcome of the proceedings.

The VAT provision release of £1.1 million relates to the unwind of a provision on the settlement of a VAT claim.

There were no disposals of properties in the year (1 April 2023: £11.8 million recognised on the sale of nine properties).

The cash impact of operating separately disclosed items before tax for the 52 weeks ended 30 March 2024 was £1.7 million cash inflow (1 April 2023: £0.5 million cash outflow).

6. Finance Costs

	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Finance Income		
Interest income from financial assets	**0.3**	0.2
Finance costs		
Interest expense arising on:		
Financial liabilities at amortised cost – loans and debentures	**(11.1)**	(9.6)
Financial liabilities at amortised cost – preference shares	**(0.1)**	(0.1)
Financial liabilities at amortised cost – lease liabilities (note 16)	**(3.1)**	(2.9)
Net finance costs before separately disclosed items	**(14.0)**	(12.4)
Finance credit on net pension liabilities (note 5)	**0.7**	0.5
Finance charge on the write down of arrangement fees	**–**	(0.5)
Net finance costs after separately disclosed items	**(13.3)**	(12.4)

7. Taxation

Tax on Profit on Ordinary Activities

Group	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Tax charged in the Income Statement		
Current tax on profit for the year	**1.7**	–
Total current tax expense	**1.7**	–
Deferred income tax:		
Origination and reversal of temporary differences	**4.0**	3.6
Adjustments over provided in previous years	**(0.4)**	(1.2)
Total deferred tax expense	**3.6**	2.4
Total tax charged in the Income Statement	**5.3**	2.4
Analysed as:		
Before separately disclosed items	**5.8**	2.9
Separately disclosed items	**(0.5)**	(0.5)
	5.3	2.4

7. Taxation continued

Reconciliation of the Total Tax Charge

The tax expense in the Income Statement for the year is higher (2023: tax expense is higher) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are reconciled below:

	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Profit before tax expense	**14.4**	10.3
Accounting profit multiplied by the UK standard rate of corporation tax of 25% (2023: 19%)	**3.6**	2.0
Items not deductible for tax purposes	**0.2**	0.2
Deferred tax over-provided in previous years	**(0.4)**	(1.2)
Net movements in respect of property	**1.9**	1.4
Total tax charged in the Income Statement	**5.3**	2.4
Deferred tax charged/(credited) to the Income Statement		
Deferred tax depreciation	**1.2**	1.5
Unrealised capital gains (on PP&E)	**(1.2)**	1.7
Retirement benefit obligations	**0.8**	1.8
Tax losses	**2.9**	0.7
Other	**(0.1)**	(3.4)
Corporate interest restriction	**–**	0.1
Deferred tax in the Income Statement	**3.6**	2.4
Tax relating to items credited to the Statement of Comprehensive Income		
Deferred tax:		
Net actuarial losses on pension scheme	**(0.1)**	(0.6)
Total tax credited in the Statement of Comprehensive Income	**(0.1)**	(0.6)
Tax relating to items debited directly to equity		
Deferred tax:		
Share-based payments	**–**	0.2
Total tax charged to equity	**–**	0.2

7. Taxation continued

Deferred Tax Provision

The deferred tax included in the Balance Sheet is as follows:

Deferred tax

Group	Deferred tax asset/(liability) Retirement benefit obligations £m	Tax losses carried forward £m	Employee share schemes £m	Decelerated tax depreciation £m	Unrealised capital gains (on PP&E) £m	Pension spreading £m	Other[1] £m	Total £m
Balances at 26 March 2022	**(3.5)**	**10.6**	**0.3**	**4.9**	**(27.1)**	**1.1**	**1.0**	**(12.7)**
(Charge)/credit to Income Statement	(0.8)	(0.7)	(0.1)	(1.5)	(1.7)	(1.0)	3.4	(2.4)
Credit to other comprehensive income	0.6	–	–	–	–	–	–	0.6
Charge taken directly to equity	–	–	(0.2)	–	–	–	–	(0.2)
Balances at 1 April 2023	**(3.7)**	**9.9**	**–**	**3.4**	**(28.8)**	**0.1**	**4.4**	**(14.7)**
(Charge)/credit to Income Statement	(0.8)	(2.9)	0.1	(1.2)	1.2	(0.1)	0.1	(3.6)
Credit to other comprehensive income	0.1	–	–	–	–	–	–	0.1
Balances at 30 March 2024	**(4.4)**	**7.0**	**0.1**	**2.2**	**(27.6)**	**–**	**4.5**	**(18.2)**

1 Includes £4.3 million of timing difference between tax and accounting treatment of capital disposals.

	2024 £m	2023 £m
Deferred tax assets	**13.8**	17.8
Deferred tax liabilities	**(32.0)**	(32.5)
	(18.2)	(14.7)

Company	Deferred tax asset/(liability) Retirement benefit obligations £m	Tax losses carried forward £m	Employee share schemes £m	Decelerated tax depreciation £m	Unrealised capital gains (on PP&E) £m	Pension spreading £m	Other[1] £m	Total £m
Balances at 26 March 2022	**(3.5)**	**10.5**	**0.3**	**4.9**	**(27.1)**	**1.1**	**1.0**	**(12.8)**
(Charge)/credit to Income Statement	(0.8)	(0.6)	(0.1)	(1.5)	(1.7)	(1.0)	3.4	(2.3)
Credit to other comprehensive income	0.6	–	–	–	–	–	–	0.6
Charge taken directly to equity	–	–	(0.2)	–	–	–	–	(0.2)
Balances at 1 April 2023	**(3.7)**	**9.9**	**–**	**3.4**	**(28.8)**	**0.1**	**4.4**	**(14.7)**
(Charge)/credit to Income Statement	(0.8)	(2.9)	0.1	(1.2)	1.2	(0.1)	0.1	(3.6)
Credit to other comprehensive income	0.1	–	–	–	–	–	–	0.1
Balances at 30 March 2024	**(4.4)**	**7.0**	**0.1**	**2.2**	**(27.6)**	**–**	**4.5**	**(18.2)**

1 Includes £4.3 million of timing difference between tax and accounting treatment of capital disposals.

	2024 £m	2023 £m
Deferred tax assets	**13.8**	17.8
Deferred tax liabilities	**(32.0)**	(32.5)
	(18.2)	(14.7)

8. Earnings Per Share

Group	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Profit attributable to equity shareholders	**9.1**	7.9
Separately disclosed items net of tax	**5.6**	1.9
Adjusted earnings attributable to equity shareholders	**14.7**	9.8
Weighted average share capital	**60,043,000**	60,875,000
Dilutive outstanding options and share awards	**482,000**	90,000
Diluted weighted average share capital	**60,525,000**	60,965,000

40p 'A' and 'C' ordinary share	Pence	Pence
Basic earnings per share	**15.16**	12.98
Diluted earnings per share	**15.04**	12.96
Adjusted earnings per share	**24.48**	16.10
Diluted adjusted earnings per share	**24.29**	16.07

4p 'B' ordinary share	Pence	Pence
Basic earnings per share	**1.52**	1.30
Diluted earnings per share	**1.50**	1.30
Adjusted earnings per share	**2.45**	1.61
Diluted adjusted earnings per share	**2.43**	1.61

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 3,410,735 (2023: 2,134,152).

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.

9. Dividends

	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2023: 10.0p (2022: 7.41p)	**6.1**	4.6
Interim dividend for 2024: 6.63p (2023: 4.68p)	**3.9**	2.8
Equity dividends paid	**10.0**	7.4
Dividends on cumulative preference shares (note 6)	**0.1**	0.1
Proposed for approval at the Annual General Meeting		
Final dividend for 2024: 11.12p (2023: 10.0p)	**6.5**	6.1

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.

10. Intangible Assets

	Group and Company			
	Goodwill £m	IT Development costs £m	Group Total £m	Company Total £m
Cost				
At 26 March 2022	31.8	3.0	34.8	6.6
At 1 April 2023	31.8	3.0	34.8	6.6
At 30 March 2024	**31.8**	**3.0**	**34.8**	**6.6**
Amortisation and impairment				
At 26 March 2022	5.1	0.2	5.3	0.4
Provided during the year	–	0.5	0.5	0.5
At 1 April 2023	**5.1**	**0.7**	**5.8**	**0.9**
Provided during the year	–	0.4	0.4	0.4
At 30 March 2024	**5.1**	**1.1**	**6.2**	**1.3**
Net book value at 30 March 2024	**26.7**	**1.9**	**28.6**	**5.3**
Net book value at 1 April 2023	26.7	2.3	29.0	5.7
Net book value at 26 March 2022	26.7	2.8	29.5	6.2

IT Development costs

Costs are capitalised as IT development costs where it is deemed that the Group has control of the underlying asset. IT development costs relate to the implementation of a finance system and are made up of consulting time and internal employee costs. Amortisation is recognised over the useful life of the asset of seven years.

Goodwill

	2024			2023
Goodwill is allocated to CGUs as follows:	Managed £m	Tenanted £m	Total £m	£m
Gales estate	**9.1**	**13.6**	**22.7**	22.7
Jacomb Guinness estate	**0.6**	**–**	**0.6**	0.6
Bel & The Dragon	**1.0**	**–**	**1.0**	1.0
Cotswold Inns & Hotels	**2.4**	**–**	**2.4**	2.4
	13.1	**13.6**	**26.7**	26.7

11. 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 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 assets held for sale (note 19)	(7.8)	–	–	(1.4)	(9.2)
At 1 April 2023	496.4	111.6	6.3	187.2	801.5
Additions	7.7	5.2	–	14.1	27.0
Disposals	(0.1)	(0.1)	–	(2.8)	(3.0)
Transfer of use[1]	(30.2)	30.2	–	–	–
Transfer to assets held for sale (note 19)	(1.4)	–	–	(0.3)	(1.7)
At 30 March 2024	**472.4**	**146.9**	**6.3**	**198.2**	**823.8**
Depreciation and impairment					
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 13)	13.4	–	–	–	13.4
Transfer to assets held for sale (note 19)	(2.3)	–	–	(1.2)	(3.5)
At 1 April 2023	70.0	11.3	1.7	135.2	218.2
Provided during the year	4.9	1.7	–	13.1	19.7
Disposals	–	–	–	(2.7)	(2.7)
Transfer of use[1]	(4.8)	4.8	–	–	–
Impairment loss net of reversal (note 13)	3.8	3.2	–	–	7.0
Transfer to assets held for sale (note 19)	(0.1)	–	–	(0.2)	(0.3)
At 30 March 2024	**73.8**	**21.0**	**1.7**	**145.4**	**241.9**
Net book value at 30 March 2024	**398.6**	**125.9**	**4.6**	**52.8**	**581.9**
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

1 During the year, 23 sites were transferred from Managed to Tenanted.

11. Property, Plant and Equipment continued

Company	Land & buildings – owned & used £m	Land & buildings – owned & acting as lessor £m	Plant, machinery & vehicles £m	Fixtures & fittings £m	Total £m
Cost					
At 26 March 2022	490.1	109.6	4.8	179.1	783.6
Additions	12.0	2.3	–	15.7	30.0
Disposals	(1.4)	(0.3)	–	(6.6)	(8.3)
Transfer to assets held for sale (note 19)	(7.8)	–	–	(1.4)	(9.2)
At 1 April 2023	492.9	111.6	4.8	186.8	796.1
Additions	7.7	5.2	–	14.1	27.0
Disposals	(0.1)	(0.1)	–	(2.8)	(3.0)
Transfer of use[1]	(30.2)	30.2	–	–	–
Transfer to assets held for sale (note 19)	(1.4)	–	–	(0.3)	(1.7)
At 30 March 2024	**468.9**	**146.9**	**4.8**	**197.8**	**818.4**
Depreciation and impairment					
At 26 March 2022	50.7	10.3	2.5	127.4	190.9
Provided during the year	4.8	1.0	–	13.3	19.1
Disposals	(0.8)	–	–	(6.3)	(7.1)
Impairment loss	13.4	–	–	–	13.4
Transfer to assets held for sale (note 19)	(2.3)	–	–	(1.2)	(3.5)
At 1 April 2023	65.8	11.3	2.5	133.2	212.8
Provided during the year	4.9	1.7	–	13.1	19.7
Disposals	–	–	–	(2.7)	(2.7)
Transfer of use[1]	(4.8)	4.8	–	–	–
Impairment loss	3.8	3.2	–	–	7.0
Transfer to assets held for sale (note 19)	(0.1)	–	–	(0.2)	(0.3)
At 30 March 2024	**69.6**	**21.0**	**2.5**	**143.4**	**236.5**
Net book value at 30 March 2024	**399.3**	**125.9**	**2.3**	**54.4**	**581.9**
Net book value at 1 April 2023	427.1	100.3	2.3	53.6	583.3
Net book value at 26 March 2022	439.4	99.3	2.3	51.7	592.7

1 During the year, 23 sites were transferred from Managed to Tenanted.

12. Investment Properties

	Group and Company freehold and leasehold properties £m
Cost at 26 March 2022	**1.7**
Disposals	(0.1)
At 1 April 2023	**1.6**
At 30 March 2024	**1.6**
Depreciation and impairment at 26 March 2022	**0.1**
At 1 April 2023	**0.1**
At 30 March 2024	**0.1**
Net book value at 30 March 2024	**1.5**
Net book value at 1 April 2023	1.5
Net book value at 26 March 2022	1.6
Fair value at 30 March 2024	**6.7**
Fair value at 1 April 2023	6.7
Fair value at 26 March 2022	8.4

The fair value of investment properties has been estimated by the Directors, based on the rental income earned on the properties during the year and average yields earned on comparable properties from publicly available information, which is a Level 3 fair value valuation technique. An independent valuation of the properties has not been performed.

Impairment

The Group considers each trading outlet to be a CGU, and each CGU is reviewed annually for indicators of impairment. In assessing whether an asset has been impaired, the carrying amount of the CGU is compared to its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. During the 52 weeks ended 30 March 2024, the Group did not impair any investment properties (2023: £nil).

Management have determined that the highest and best use of the property is its current use.

Investment Property Income

The properties are let on both landlord and tenant repairing leases. Amounts recognised in the Income Statement relating to rental income from investment properties are as follows:

Group and Company	2024 £m	2023 £m
Rental income	**0.3**	0.3
Direct operating expenses	**(0.1)**	–

All direct operating expenses relate to properties that generate rental income.

13. Impairment

During the year, impairment losses net of reversals of £8.3 million (2023: £14.3 million) were recognised within separately disclosed items:

Group	2024 £m	2023 £m
Impairment losses		
Property, plant and equipment	**9.1**	13.4
Right-of-use assets	**1.3**	0.5
Assets held for sale	–	0.4
Impairment reversals – Property, plant and equipment	**(2.1)**	–
Total net impairment charge	**8.3**	14.3

Company	2024 £m	2023 £m
Impairment losses		
Property, plant and equipment	**9.1**	13.4
Right-of-use assets	**1.1**	0.5
Assets held for sale	–	0.4
Investment in subsidiary[1]	**0.7**	–
Impairment reversals – Property, plant and equipment	**(2.1)**	–
Total net impairment charge	**8.8**	14.3

1 Investment in Cotswold Inns & Hotels was impaired as the majority of the trade and assets has been hived up into the parent company.

Property, Plant and Equipment and Right-of-use Assets

The Group considers each trading outlet to be a CGU, and each CGU is reviewed annually for indicators of impairment. In assessing whether an asset has been impaired, the carrying amount of the CGU is compared to its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell ("FVLCS") and its value in use. In the absence of any information about the fair value of a CGU, the recoverable amount is deemed to be its value in use. For the purposes of estimating the value in use of CGUs, management have used a discounted cash flow approach. The calculations use cash flow projections based on the following plans covering a three year period.

The Group uses a range of methods for estimating FVLCS which include applying a market multiple to the CGU EBITDA and, for leasehold sites, present value techniques using a discounted cash flow method. The Group has also obtained valuations for a subset of these CGUs from a third party property valuation expert. Both FVLCS methods rely on inputs not normally observable by market participants and are therefore Level 3 measurements in the fair value hierarchy.

The assumptions used by management in setting the Board-approved financial budgets for the initial three year period were as follows:

- Trading volumes and forecast growth rates: The forecasts make assumptions on trading volumes by site based on the FY2024 results, assumptions around the UK economic recovery and the on-going impact on consumer confidence
- Operating profits: The forecasts are based on historical experience of operating margins, adjusted for the impact of inflation net of price increases
- Local factors impacting the site in the current year or expected to impact the site in future years. Key assumptions include the future potential of recently invested sites and the impact of increasing or reducing market supply in the local area
- A long-term growth rate of 2.0% (FY2023: 2.0%) was used for cash flows subsequent to the three year approved budget/ forecast period
- An EBITDA multiple is estimated based on a normalised trading basis and market data obtained from external sources. An average multiple of 10.5x (freehold 11.8x) (FY2023: 10.5x (freehold 11.8x)) is used for the Managed estate and 10.9x (FY2023: 10.9x) on the Tenanted estate
- The discount rate is based on the Group's weighted average cost of capital, which is used across all CGUs due to their similar characteristics. The pre-tax discount rate is 10.7% (FY2023: 10.3%).

During the 52 weeks ended 30 March 2024, the Group recognised an impairment loss of £9.1 million (FY2023: £13.4 million) on property, plant and equipment and £1.3 million (FY2023: £0.5 million) of impairment on right-of-use assets in respect of the write down of 33 licensed properties where their asset values exceeded the higher of FVLCS or their value in use. The impairment losses were driven principally by changes in the local competitive environment in which the pubs are situated. Net of the impairment loss there are £2.1 million of impairment reversals recognised for pubs where either an investment has led to a significant growth in performance or through changing the operating model from Managed to Tenanted.

Sensitivity to Changes in Assumptions

The calculation of value in use is most sensitive to the assumptions in respect of growth rate and discount rate. The calculation of value in use is also dependent on the following assumptions: sales volume; gross margin in Managed premises; barrelage and rent projections in Tenanted premises; and wage cost in Managed premises. The key assumptions above have their assigned values based on management knowledge and historical information. The value in use calculations are sensitive to the assumptions used. The Directors consider a movement of 1.5% in the discount rate and 0.5% in the growth rate to be reasonable with reference to current market yield curves and the current economic conditions. The impact is set out as follows:

Impact on impairment of assets at risk – increase/(decrease)	2024 £m	2023 £m
Increase discount rate by 1.5%	**20.0**	24.7
Decrease discount rate by 1.5%	**(14.1)**	(15.8)
Increase growth rate by 0.5%	**(4.9)**	(5.3)
Decrease growth rate by 0.5%	**5.8**	6.7

The value in use calculation is also sensitive to variations in the budgeted cash flows, which are impacted by the inflationary environment and the consumer behaviour as a result of it. The CGUs represented by the "impact on impairment of assets at risk" would have their FVLCS determined in order to conclude whether an impairment is required. A general decrease in property values across the portfolio would have a similar effect to that set out above, i.e., any reduction in property values would lead to assets being at risk of impairment. In the current year, a decrease of 5% in the FVLCS would have led to an additional impairment of £3.9 million for the CGUs where recoverable amount has been assessed on FVLCS.

Goodwill

Goodwill acquired through business combinations has been allocated for impairment testing on an estate and divisional CGU level. This represents the lowest level within the Group at which goodwill is monitored for internal management purposes. An analysis of goodwill by operating segment is included within note 10. Recoverable amount is based on a calculation of value in use based upon the same cash flows as discussed under property, plant and equipment. Cash flows beyond the budget period are extrapolated in perpetuity on the assumption that the growth rate does not exceed the average long-term growth rate for the relevant markets. The same assumptions to calculate the value in use are used for goodwill as those for property, plant and equipment. There was no impairment to goodwill in the 52 weeks ended 30 March 2024 (2023: £nil).

Sensitivity to Changes in Assumptions

Management have considered reasonable changes in key assumptions used in their calculations of value in use. An increase of 1.5% in the discount rate would lead to an impairment of £0.5 million and a decrease in the growth of 0.5% would lead to an impairment of £0.1 million.

Investment Property

The Group considers each trading outlet to be a CGU, and each CGU is reviewed annually for indicators of impairment. During the 52 weeks ended 30 March 2024, the Group did not impair any investment properties (2023: £nil). Refer to note 12.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

14. Other Financial Assets and Liabilities

Group and Company	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Interest rate cap and collar	**0.1**	0.1	**0.1**	0.1
Total financial assets within non-current assets	**0.1**	0.1	**0.1**	0.1

Details of the interest rate cap and collar and interest rate swaps are provided in note 25c (i).

15. Investments in Subsidiaries

Company	Cost £m	Provision £m	Net book value £m
At 26 March 2022	120.8	(11.7)	109.1
Impairment	–	(0.4)	(0.4)
At 1 April 2023	120.8	(12.1)	108.7
Impairment	–	(0.7)	(0.7)
At 30 March 2024	**120.8**	**(12.8)**	**108.0**

Principal subsidiary undertakings	Holding	Proportion held	Nature of business
Griffin Catering Services Limited	£1 ordinary shares	100% (indirect)	Managed houses service company
George Gale and Company Limited	£1 ordinary shares	100%	Non-trading subsidiary
	25p 'A' ordinary shares	100%	
	£10 preference shares	100%	
F.S.T. Trustee Limited	£1 ordinary shares	100%	Non-trading subsidiary
Fuller Smith & Turner Estates Limited	£1 ordinary shares	100%	Non-trading subsidiary
Ringwoods Limited	£1 ordinary shares	100%	Non-trading subsidiary
Griffin Inns LTD.	£1 ordinary shares	100%	Non-trading subsidiary
Jacomb Guinness Limited	£1 ordinary shares	100%	Non-trading subsidiary
45 Woodfield Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary
Grand Canal Trading Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary
B & D Country Inns I Limited	£1 ordinary shares	100%	Holding company
B & D Country Inns II Limited	£1 ordinary shares	100%	Holding company
B & D (Cookham) Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary
B & D (Farnham) Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary
B & D (Kingsclere) Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary
B & D (Odiham) Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary
B & D (Reading) Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary
B & D (Win) Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary
RSH 200 Limited	£1 ordinary shares	100%	Holding company
Cotswold Inns and Hotels Limited	£1 ordinary shares	100% (indirect)	Non-trading subsidiary

The above companies are registered and operate in England and Wales. The registered office of all subsidiary companies is the same as Fuller, Smith & Turner P.L.C. at Pier House, 86-93 Strand-on-the-Green, London, W4 3NN.

16. Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see note 28.

a) Amounts Recognised in the Balance Sheet

Group and Company	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Right-of-use assets				
Properties	**58.6**	66.2	**58.5**	65.8
Equipment	**0.1**	0.2	**0.1**	0.2
	58.7	66.4	**58.6**	66.0
Lease liabilities				
Current	**4.4**	4.8	**4.3**	4.7
Non-current	**61.5**	67.0	**61.2**	66.6
	65.9	71.8	**65.5**	71.3

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
Lease amendments[1]	(0.2)	–	–	(0.2)
Depreciation	(6.1)	(0.1)	–	(6.2)
Impairment	(1.3)	–	–	(1.3)
Net carrying value as at 30 March 2024	**58.6**	**0.1**	**–**	**58.7**

Company	Property £m	Equipment £m	Vehicles £m	Total £m
Net carrying value as at 26 March 2022	72.6	0.6	0.1	73.3
Disposals	(1.0)	–	–	(1.0)
Lease amendments[1]	1.3	–	(0.1)	1.2
Depreciation	(6.6)	(0.4)	–	(7.0)
Impairment	(0.5)	–	–	(0.5)
Net carrying value as at 1 April 2023	65.8	0.2	–	66.0
Lease amendments[1]	(0.2)	–	–	(0.2)
Depreciation	(6.0)	(0.1)	–	(6.1)
Impairment	(1.1)	–	–	(1.1)
Net carrying value as at 30 March 2024	**58.5**	**0.1**	**–**	**58.6**

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

16. Leases continued

Set out below are the carrying amounts of lease liabilities (included under interest bearing loans and borrowings) and the movements during the period:

	Group £m	Company £m
Net carrying value as at 26 March 2022	80.7	79.3
Disposal	(3.1)	(2.3)
Lease amendments[1]	1.2	1.2
Accretion of interest	2.9	2.9
Payments	(9.9)	(9.8)
Net carrying value as at 1 April 2023	71.8	71.3
Lease amendments[1]	(0.3)	(0.2)
Accretion of interest	3.1	3.1
Payments	(8.7)	(8.7)
Net carrying value as at 30 March 2024	**65.9**	**65.5**

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

A maturity analysis of gross lease liability payments is included within note 25.

b) Amounts Recognised in the Income Statement

Group	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Depreciation charge on right-of-use assets		
Properties	**6.1**	6.7
Equipment	**0.1**	0.4
	6.2	7.1
Interest charge on right-of-use assets		
Interest expense (included in finance cost)	**3.1**	2.9
Expense relating to short-term leases and low value assets (included in operating costs)	**0.3**	0.2
Expense relating to variable lease payments not included in lease liabilities (included in operating costs)	**3.9**	3.5
Impairment of right-of-use assets	**1.3**	0.5
Income from sub-leasing right-of-use assets	**(0.2)**	(0.2)
	8.4	6.9

The Group's total cash outflow in relation to leases is included within note 21.

Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a pub. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established pubs. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs. Variable lease payments recognised in the income statement in the year ended 30 March 2024 were £3.9 million (2023: £3.5 million).

17. Inventories

Group and Company	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Stock at retail outlets	**4.0**	4.2	**4.0**	4.2

Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 30 March 2024 amounted to £88.0 million (2023 restated: £85.0 million, see note 4). These were included in operating costs. Inventory is stated net of a provision for obsolete stock of £0.3 million (2023: £0.2 million).

18. Trade and Other Receivables

Group	2024 £m	2023 £m
Trade receivables	**2.1**	1.6
Other receivables	**1.7**	1.4
Prepayments and accrued income	**4.6**	7.2
	8.4	10.2

Company	2024 £m	2023 £m
Trade receivables	**2.1**	1.6
Other receivables	**1.7**	1.4
Prepayments and accrued income	**4.6**	7.2
	8.4	10.2

At 30 March 2024, the Group has included in other receivables £0.1 million (2023: £0.3 million) in relation to lease receivables for subleases.

The trade receivables balance above is shown net of the loss allowance. The Group and Company provide against trade receivables based on an expected credit loss model, calculated from the probability of default for the remaining life of the asset.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers, which is the same for all.

The expected loss rates are based on the payment profile for sales over the past 24 months before the Balance Sheet date. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The movements on the loss allowance during the year are summarised below:

Group and Company	2024 £m	2023 £m
Opening balance	**0.8**	0.9
Amounts released for balances written off during the year	–	(0.1)
Closing balance	**0.8**	0.8

The contractual ageing of the trade receivables balance is as follows:

Group and Company	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Current	**1.5**	1.1	**1.5**	1.1
Overdue up to 30 days	**0.4**	0.5	**0.4**	0.5
Overdue between 30 and 60 days	**0.1**	0.1	**0.1**	0.1
Overdue between 60 and 90 days	–	–	–	–
Overdue more than 90 days	**0.9**	0.7	**0.9**	0.7
Trade receivables before loss allowance	**2.9**	2.4	**2.9**	2.4
Less provision	**(0.8)**	(0.8)	**(0.8)**	(0.8)
Trade receivables net of loss allowance	**2.1**	1.6	**2.1**	1.6

19. Assets Held for Sale

Group and Company	Group £m	Company £m
Assets held for sale as at 1 April 2023	7.0	7.0
Assets transferred from property, plant and equipment	**1.4**	1.4
Assets held for sale as at 30 March 2024	**8.4**	8.4

At 30 March 2024, nine properties have been classified as held for sale (2023: seven properties). The properties were reclassified predominantly from property, plant and equipment as the carrying amounts of the properties identified are to be recovered principally through sales transactions rather than through continuing use. Sale is expected within 12 months from the reporting date.

Valuations performed are based on observations of transactions involving properties of a similar nature, location and condition. Since this valuation was performed using a significant non observable input, the fair value measurement can be categorised as Level 3.

20. Trade and Other Payables

Due within one year:

Group	2024 £m	2023 £m
Trade payables	**19.2**	19.0
Other tax and social security	**4.6**	4.7
Other payables	**8.7**	7.6
Accruals	**23.9**	19.9
Contract liabilities	**3.3**	3.4
	59.7	54.6

Due within one year:

Company	2024 £m	2023 £m
Trade payables	**19.2**	19.0
Amounts due to subsidiary undertakings	**153.2**	143.1
Other tax and social security	**4.6**	4.7
Other payables	**8.7**	7.6
Accruals	**23.8**	19.9
Contract liabilities	**3.3**	3.4
	212.8	197.7

Company amounts due to subsidiary undertakings of £153.2 million (2023: £143.1 million) have no fixed repayment date. Interest is payable on the balance at 3% above the Bank of England base rate. Company amounts due to subsidiary undertakings are unsecured.

Contract liabilities relate to deposits to secure bookings for various events and accommodation. The remaining balance will unwind and be recognised as revenue in the following year.

21. Cash, Borrowings and Net Debt

Cash and Cash Equivalents

	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Cash at bank and in hand	**12.2**	14.1	**12.2**	14.1

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents comprise cash at bank and in hand, as above. Cash at bank earns interest at floating rates.

Borrowings	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Bank loans	**123.8**	119.4	**123.8**	119.4
Debenture stock	**19.9**	25.9	**19.9**	25.9
Preference shares	**1.6**	1.6	**1.6**	1.6
Total borrowings	**145.3**	146.9	**145.3**	146.9
Analysed as:				
Borrowings within current liabilities	**–**	6.0	**–**	6.0
Borrowings within non-current liabilities	**145.3**	140.9	**145.3**	140.9
	145.3	146.9	**145.3**	146.9

All borrowings at both year ends are denominated in Sterling and, where appropriate, are stated net of issue costs. Further information on borrowings is given in note 25.

Bank Loans

Group and Company

The Group has unsecured banking facilities of £200 million, split between a revolving credit facility of £110 million and a term loan of £90 million. Under the facilities agreement, the covenant suite (tested quarterly) consists of net debt to adjusted EBITDA (leverage) and adjusted EBITDA to net finance charges. During the period, the Group agreed with its lenders to extend these facilities for a further year through to May 2027.

At 30 March 2024, £75.0 million (2023: £79.5 million) of the total of £200 million (2023: £200 million) committed bank facility was available and undrawn.

The bank loans are repayable as follows:

	2024 £m	2023 £m
In the third to fifth year inclusive	**125.0**	120.5
Less: bank loan arrangement fees	**(1.2)**	(1.1)
Non-current liabilities	**123.8**	119.4

Debenture Stock

The debenture stocks are secured on specified fixed and floating assets of the Company and are redeemable on maturity. During the year, the 10.70% 1st Mortgage Debenture Stock 2023 was repaid.

Debenture stocks are repayable as follows:

	2024 £m	2023 £m
On demand or within one year – 10.70% 1st Mortgage Debenture Stock 2023	**–**	6.0
Current liabilities	**–**	6.0
In the third to fifth year inclusive – 6.875% Debenture Stock 2028 (1st floating charge)	**20.0**	–
In greater than five years – 6.875% Debenture Stock 2028 (1st floating charge)	**–**	20.0
Less: discount on issue	**(0.1)**	(0.1)
Non-current liabilities	**19.9**	19.9

21. Cash, Borrowings and Net Debt continued

Preference Shares

The Company's preference shares are classified as debt. The shares are not redeemable and are included in borrowings within non-current liabilities. See note 23 for further details of the preference shares.

Analysis of Net Debt

Group

52 weeks ended 30 March 2024	At 1 April 2023 £m	Cash flows £m	Non-cash[1] £m	At 30 March 2024 £m
Cash and cash equivalents:				
Cash and short-term deposits	14.1	(1.9)	–	**12.2**
	14.1	(1.9)	–	**12.2**
Financial liabilities:				
Lease liabilities	(71.8)	8.7	(2.8)	**(65.9)**
	(71.8)	8.7	(2.8)	**(65.9)**
Debt:				
Bank loans[2]	(119.4)	(4.1)	(0.3)	**(123.8)**
Debenture stock	(25.9)	6.0	–	**(19.9)**
Preference shares	(1.6)	–	–	**(1.6)**
Total borrowings	(146.9)	1.9	(0.3)	**(145.3)**
Net debt	(204.6)	8.7	(3.1)	**(199.0)**

53 weeks ended 1 April 2023	At 26 March 2022 £m	Cash flows £m	Non-cash[1] £m	At 1 April 2023 £m
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)

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.

Company

52 weeks ended 30 March 2024	At 1 April 2023 £m	Cash flows £m	Non-cash[1] £m	At 30 March 2024 £m
Cash and cash equivalents:				
Cash and short-term deposits	14.1	(1.9)	–	**12.2**
	14.1	(1.9)	–	**12.2**
Financial liabilities:				
Lease liabilities	(71.3)	8.7	(2.9)	**(65.5)**
	(71.3)	8.7	(2.9)	**(65.5)**
Debt:				
Bank loans[2]	(119.4)	(4.1)	(0.3)	**(123.8)**
Debenture stock	(25.9)	6.0	–	**(19.9)**
Preference shares	(1.6)	–	–	**(1.6)**
Total borrowings	(146.9)	1.9	(0.3)	**(145.3)**
Net debt	(204.1)	8.7	(3.2)	**(198.6)**

53 weeks ended 1 April 2023	At 26 March 2022 £m	Cash flows £m	Non-cash[1] £m	At 1 April 2023 £m
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	(79.3)	11.4	(3.4)	(71.3)
	(79.3)	11.4	(3.4)	(71.3)
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	(211.2)	11.4	(4.3)	(204.1)

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 cash flows include the payment of arrangement fees.

22. Pensions

a) Retirement Benefit Plans – Group and Company

The Group operates one closed funded defined benefit pension scheme, the Fuller, Smith & Turner Pension Plan ("The Scheme"). The plan is defined benefit in nature, with assets held in separate professionally managed, trustee-administered funds. The Scheme is an HMRC registered pension plan and subject to standard United Kingdom pension and tax law. On 1 January 2015 the plan was closed to future accrual.

The Group also operates a defined contribution stakeholder pension plans for its employees. The Fuller's Stakeholder Pension Plan was set up for new employees of the Parent Company after the closure of the Fuller, Smith & Turner Pension Plan to new entrants on 1 August 2005.

The Group offers workplace pensions to all employees who are not members of the defined contribution stakeholder pension plan. The Group offers these pensions through the National Employment Savings Trust ("NEST").

The Group also pays benefits, which are unfunded, to a number of former employees. The Directors consider these benefits to be defined benefit in nature and the full defined benefit liability is recognised on the Balance Sheet.

Group and Company	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 £m
Total amounts (credited)/charged in respect of pensions in the year		
(Credited)/charged to Income Statement:		
Defined benefit scheme – net finance credit – separately disclosed items	**(0.7)**	(0.5)
Defined contribution schemes and NEST – total operating charge	**2.2**	2.2
	1.5	1.7
Charge to equity:		
Defined benefit schemes – net actuarial losses	**0.3**	2.5
Total pension charge	**1.8**	4.2

b) Defined Contribution Stakeholder Pension Plans – Group and Company

The total cost charged to income in respect of the defined contribution stakeholder schemes is shown in the total operating charge above.

c) Defined Benefit Plans – Group and Company

The Scheme provides pensions and lump sums to members on retirement and to their dependants on death.

Trustees are appointed by both the Company and the Scheme's membership and act in the interest of the Scheme and all relevant stakeholders, including the members and the Company. The Trustees are also responsible for the investment of the Scheme's assets.

The Company pays the costs as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the Scheme whereas the accounting assumptions must be best estimates.

Responsibility for making good any deficit on the Scheme lies with the Company and this introduces a number of risks for the Company. The major risks are:

- Interest and investment risk – The value of the Scheme's assets are subject to volatility in equity prices. The Scheme has diversified its investments to reduce the impact of volatility and variable interest return rates
- Inflation risk – The defined benefit obligation is linked to inflation so higher rates would result in a higher defined benefit obligation
- Longevity risk – An increase over the assumptions applied will increase the defined benefit obligation.

The Company and Trustees are aware of these risks and manage them through appropriate investment and funding strategies. The Trustees manage governance and operational risks through a number of internal control policies.

The Scheme is subject to regular actuarial valuations, which are usually carried out every three years. 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. These are payable in equal monthly instalments and increase each January in line with CPI. As of January 2023, the deficit reduction contributions have increased to £2.4 million, increasing again to £2.6 million as at January 2024. Fixed security over certain Company's freehold properties (with a net book value of £30.3 million at 30 March 2024) has been provided to the Plan as additional security, the value of which will be reviewed at each triennial valuation. The next triennial valuation is due on 30 July 2025.

The figures in the following disclosures were measured using the projected unit credit method.

The Scheme has not invested in any of the Group's own financial instruments or in properties or other assets in use by the Group.

Key assumptions

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

Mortality assumptions	2024 Years	2023 Years
Current pensioners (at 65) – males	**21.4**	22.0
Current pensioners (at 65) – females	**23.8**	24.2
Future pensioners (at 65) – males	**22.7**	23.3
Future pensioners (at 65) – females	**25.2**	25.6

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	2024	2023
Rate of increase in pensions in payment	**3.05%**	3.20%
Discount rate	**4.85%**	4.75%
Inflation assumption – RPI	**3.10%**	3.20%
Inflation assumption – CPI (pre-2030/post-2030)	**2.20%/3.10%**	2.3%/3.2%

The present value of the Scheme liabilities is sensitive to the assumptions used, as follows:

Impact on Scheme liabilities – increase/(decrease)[1]	2024 £m	2023 £m
Increase discount rate by 0.1%	**(1.1)**	(1.2)
Increase inflation assumption by 0.1%[2]	**0.7**	0.1
Increase life expectancies by 1 year	**4.0**	3.9

1 The sensitivity analyses are based on a change in an assumption whilst holding all of the other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity to change, the same actuarial method has been applied as when calculating the pension liability within the Balance Sheet. Due to the Scheme closing to future accrual on 1 January 2015, there are no longer any active members in the Scheme. As the members who were active at closure did not maintain a salary link on their past service benefits, the future salary increase assumptions no longer have an impact on the Scheme's liabilities.

2 For members who were active at closure, their pensions now increase in deferment in line with CPI inflation.

Assets in the Scheme	At 30 March 2024 £m	At 1 April 2023 £m
Corporate bonds	**46.0**	56.4
Index linked debt instruments	**31.6**	28.7
Overseas equities	**8.0**	6.6
Alternatives[1]	**20.8**	19.0
Cash	**3.6**	0.3
Annuities	**2.3**	2.4
Total market value of assets	**112.3**	113.4

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

	2024 £m	2023 £m
Fair value of Scheme assets	**112.3**	113.4
Present value of Scheme liabilities	**(95.0)**	(98.8)
Surplus in the Scheme	**17.3**	14.6

Included within the total present value of Group Scheme liabilities of £95.0 million (2023: £98.8 million) are liabilities of £1.4 million (2023: £1.5 million) which are entirely unfunded. These have been shown separately on the Balance Sheet as there is no right to offset the assets of the funded Scheme against the unfunded Scheme.

22. Pensions continued

	Defined benefit obligation		Fair value of Scheme assets		Net defined benefit surplus	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Balance at beginning of the year	**(98.8)**	(129.6)	**113.4**	143.9	**14.6**	14.3
Included in profit and loss						
Net interest cost	**(4.6)**	(3.9)	**5.3**	4.4	**0.7**	0.5
	(4.6)	(3.9)	**5.3**	4.4	**0.7**	0.5
Included in other comprehensive income						
Actuarial gains/(losses) relating to:						
Actual return less expected return on Scheme's assets	**–**	–	**(4.0)**	(32.0)	**(4.0)**	(32.0)
Experience gains/(losses) arising on Scheme liabilities	**3.7**	29.5	**–**	–	**3.7**	29.5
	3.7	29.5	**(4.0)**	(32.0)	**(0.3)**	(2.5)
Other						
Employee contributions	**–**	–	**2.6**	2.3	**2.6**	2.3
Benefits paid	**4.7**	5.2	**(4.7)**	(5.2)	**–**	–
Administration expenses	**–**	–	**(0.3)**	–	**(0.3)**	–
	4.7	5.2	**(2.4)**	(2.9)	**2.3**	2.3
Balance at end of the year	**(95.0)**	(98.8)	**112.3**	113.4	**17.3**	14.6

The weighted average duration of the Scheme's liabilities at the end of the period is 12 years (2023: 13 years).

During the financial year ending 30 March 2024, a High Court ruling on the Virgin Media Limited vs Pension Trustees II Limited and Others case concluded that, in relation to contracted-out rights amendments between 1997 and 2016, pension scheme amendments relating to past and future service rights made without appropriate actuarial confirmation (section 37 confirmations) were deemed to be void. The High Court ruling is currently undergoing an appeal process. The Group has not yet undertaken any action in relation to the implications of this case given the case is currently being appealed. The case outcome would only be applicable to the former Gales scheme which makes up c15% of the overall liability. Should this appeal fail, there is a possibility that a liability may arise for this portion of the Plan's liabilities which as of yet is not possible to reliably estimate.

23. Preference Share Capital

Group and Company

Authorised, issued and fully paid share capital Number authorised and in issue:	First 6% cumulative preference share of £1 each Number 000's	Second 8% cumulative preference share of £1 each Number 000's	Total Number 000's
At 30 March 2024 and 1 April 2023	**400**	**1,200**	**1,600**

Monetary amount:	£m	£m	£m
At 30 March 2024 and 1 April 2023	**0.4**	**1.2**	**1.6**

The first 6% cumulative preference shares of £1 each are entitled to first payment of a fixed cumulative dividend and on winding up to a return of paid capital plus arrears of dividends. The second 8% cumulative preference shares of £1 each are entitled to second payment of a fixed cumulative dividend and on winding up a return of capital paid up (plus a premium calculated by reference to an average quoted price on the London Stock Exchange for the previous six months) plus arrears of dividends.

Preference shareholders may only vote in limited circumstances: principally on winding up, alteration of class rights or on unpaid preference dividends. Preference shares cannot be redeemed by the holders, other than on winding up.

24. Provisions

	Legal claims	
Group and Company	2024 £m	2023 £m
Balance at the beginning of the year	**0.5**	0.5
Arising during the year	**0.3**	–
Balance at the end of the year	**0.8**	0.5

Analysed as:	2024 £m	2023 £m
Due within one year	**0.8**	0.5
Due in more than one year	**–**	–
	0.8	0.5

Further information has not been disclosed about the legal claims as they are ongoing disputes and could negatively impact the outcome of the negotiations.

25. Financial Instruments

Details of the Group's treasury function are included in the Financial Review's discussion of financial risks and treasury policies on page 29.

The accounting treatment of the Group's financial instruments is detailed in note 1.

a) Capital Management – Group and Company

As described in note 1, the Group considers its capital to comprise the following:

Group	2024 £m	2023 £m
Ordinary share capital	**25.4**	25.4
Share premium	**53.2**	53.2
Capital redemption reserve	**3.7**	3.7
Hedging reserve	**–**	–
Retained earnings	**381.9**	381.6
Preference shares	**1.6**	1.6
	465.8	465.5

Company	2024 £m	2023 £m
Ordinary share capital	**25.4**	25.4
Share premium	**53.2**	53.2
Capital redemption reserve	**3.7**	3.7
Hedging reserve	**–**	–
Merger reserve	**(1.6)**	(1.6)
Retained earnings	**316.0**	325.6
Preference shares	**1.6**	1.6
	398.3	407.9

In managing its capital, the primary objective is to ensure that the Group is able to continue to operate as a going concern and to maximise return to shareholders through a combination of capital growth, distributions and the payment of preference dividends to its preference shareholders. The Group seeks to maintain a ratio of debt and equity that balances risks and returns at an acceptable level and maintains sufficient funds to meet working capital targets, investment requirements and comply with lending covenants. As a minimum, the Board reviews the Group's dividend policy twice yearly and reviews the treasury position at every Board meeting.

b) Categories of Financial Assets and Liabilities

The Group's financial assets and liabilities as recognised at the Balance Sheet date may also be categorised as follows:

Group	2024 £m	2023 £m
Non-current assets		
Derivative financial instruments used for hedging	**0.1**	0.1
Total current assets	**0.1**	0.1
Current assets		
Trade and other receivables in scope of IFRS 9	**2.1**	1.6
Total current assets	**2.1**	1.6
Total financial assets	**2.2**	1.7
Current liabilities		
Financial liabilities at amortised cost:		
Trade and other payables in scope of IFRS 9	**23.3**	22.9
Lease liabilities	**4.4**	4.8
Loans	**–**	6.0
Total carried at amortised cost	**27.7**	33.7
Total current liabilities	**27.7**	33.7
Non-current liabilities		
Financial liabilities at amortised cost:		
Lease liabilities	**61.5**	67.0
Loans and debenture stock	**143.7**	139.3
Preference shares	**1.6**	1.6
Total carried at amortised cost	**206.8**	207.9
Total non-current liabilities	**206.8**	207.9
Total financial liabilities	**234.5**	241.6

25. Financial Instruments continued

Company	2024 £m	2023 £m
Non-current assets		
Derivative financial instruments used for hedging	**0.1**	0.1
Total non-current assets	**0.1**	0.1
Current assets		
Trade and other receivables in scope of IFRS 9	**2.1**	1.6
Total current assets	**2.1**	1.6
Total financial assets	**2.2**	1.7
Current liabilities		
Financial liabilities at amortised cost:		
Trade and other payables in scope of IFRS 9	**176.5**	166.0
Lease liabilities	**4.3**	4.7
Loans	–	6.0
Total carried at amortised cost	**180.8**	176.7
Total current liabilities	**180.8**	176.7
Non-current liabilities		
Financial liabilities at amortised cost:		
Lease liabilities	**61.2**	66.6
Loans and debenture stock	**143.7**	139.3
Preference shares	**1.6**	1.6
Total carried at amortised cost	**206.5**	207.5
Total non-current liabilities	**206.5**	207.5
Total financial liabilities	**387.3**	384.2

There is no set-off of financial assets and liabilities as shown above.

c) Financial Risks – Group and Company

The main risks associated with the Group's financial assets and liabilities are set out below, as are the Group's policies for their management. Derivative instruments are used to change the economic characteristics of financial instruments in accordance with Group policy.

i. Interest rate risk

The Group manages its cost of borrowings using a mixture of fixed rates, variable rates and interest rate collars. Fixed rates do not expose the Group to cash flow interest rate risk, but do not enjoy a reduction in borrowing costs in markets where rates are falling. Floating rate borrowings, although not exposed to changes in fair value, expose the Group to cash flow risk following rises in interest rates and cost.

The debentures totalling £19.9 million (2023: £25.9 million), net of interest paid in advance, are at fixed rates. The bank loans totalling £200 million (2023: £200 million) are at floating rates. At the year end, after taking account of the interest rate collar, 48% (2023: 50%) of the Group's bank loans and 56% (2023: 60%) of gross borrowings were at fixed rates or hedged.

Interest rate collar

The Group has entered into an interest rate collar agreement, where the Group sold a floor and bought a cap, in order to hedge the risk in interest cash flows on its borrowings going higher than the cap. At the Balance Sheet date, £60 million (1 April 2023: £60 million) of the Group's and Company's borrowings were hedged by interest rate collar at floor and cap rate of 3.10% and 5.00% respectively.

The interest rate collar is expected to impact the Income Statement in line with the liquidity risk table shown in section (iii) below. The interest rate collar cash flow hedge in effect at 30 March 2024 was assessed as being highly effective. Net unrealised gain of £nil million (2023: £0.1 million) has been recorded in other comprehensive income.

Sensitivity – Group and Company

The Group borrows in Sterling at market rates. Three month Sterling SONIA rate during the 52 weeks ended 30 March 2024 ranged between 4.18% and 5.19%. The Directors consider 1.00% to be a reasonable possible increase in rates and 0.50% to be a reasonable possible decrease in rates, with reference to market yield curves and the current economic conditions.

The annualised effect of these changes to interest rates on the floating rate debt at the Balance Sheet date, all other variables being constant, are as follows:

	Group		Company[1]	
Impact on post-tax profit and net equity – increase/(decrease)	2024 £m	2023 £m	2024 £m	2023 £m
Decrease interest rate by 0.5%	**0.7**	0.8	**1.2**	1.3
Increase interest rate by 1.0%	**(1.1)**	(1.5)	**(2.1)**	(3.6)

1 The Company has substantial interest bearing payables due to subsidiary companies (note 20).

ii. Credit risk

The risk of financial loss due to a counter-party's failure to honour its obligations arises principally in relation to transactions where the Group provides goods and services on deferred payment terms, deposits surplus cash and enters into derivative contracts.

Group policies are aimed at minimising losses and deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Individual customers are subject to credit limits to control debt exposure and goods may also be sold on a cash with order basis.

Cash deposits with financial institutions for short periods and derivative transactions are only permitted with financial institutions approved by the Board. There are no significant concentrations of credit risk within the Group. The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the Balance Sheet date.

Trade and other receivables

The Group records impairment losses on its trade receivables separately from gross receivables. Further detail is included in note 18.

iii. Liquidity risk

The Group minimises liquidity risk by managing cash generation, applying trade receivables collection targets, monitoring daily cash receipts and payments and setting rolling cash forecasts. Investments have cash payback periods applied as part of a tightly controlled investment appraisal process. The Group's rating with credit agencies is excellent.

The Group has a mixture of long and short-term borrowings and overdraft facilities: 1% (2023: 1%) of the Group's borrowings are repayable after more than five years, 99% (2023: 95%) within the first to fifth years and nil (2023: 4%) within one year.

The tables below summarise the maturity profile of the Group's financial liabilities at 30 March 2024 based on undiscounted contractual cash flows, including interest payable. Floating rate interest is estimated using the prevailing interest rate at the Balance Sheet date.

Group at 30 March 2024	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	6 to 10 years £m	More than 10 years £m	Total £m
Interest bearing loans and borrowings	–	2.9	8.7	170.2	–	–	**181.8**
Preference shares[1]	–	–	0.1	0.5	0.6	2.8	**4.0**
Trade and other payables	19.2	3.3	0.8	–	–	–	**23.3**
Lease liabilities	–	2.1	6.3	29.0	28.0	28.3	**93.7**

Group at 1 April 2023	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	6 to 10 years £m	More than 10 years £m	Total £m
Interest bearing loans and borrowings	–	2.7	14.1	144.1	–	20.1	**181.0**
Preference shares[1]	–	–	0.1	0.5	–	3.4	**4.0**
Trade and other payables	19.0	3.4	0.5	–	–	–	**22.9**
Lease liabilities	–	2.0	6.1	29.3	29.5	32.3	**99.2**

1 The preference shares have no contractual repayment date. For the purposes of the table above, interest payments have been shown for 20 years from the Balance Sheet date.

25. Financial Instruments continued

The Company figures are as for the Group, except as follows:

Company at 30 March 2024	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	6 to 10 years £m	More than 10 years £m	Total £m
Amounts due to subsidiary undertakings[2]	153.2	–	–	–	–	–	**153.2**
Trade and other payables	19.2	3.3	0.8	–	–	–	**23.3**
Lease liabilities	–	2.1	6.2	28.8	28.1	28.3	**93.5**

Company at 1 April 2023	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	6 to 10 years £m	More than 10 years £m	Total £m
Amounts due to subsidiary undertakings[2]	143.1	–	–	–	–	–	**143.1**
Trade and other payables	19.0	3.4	0.5	–	–	–	**22.9**
Lease liabilities	–	1.9	6.0	28.9	29.5	32.3	**98.6**

2 Amounts due to subsidiary undertakings have no fixed repayment date. Interest is payable on the balance at 3% above the Bank of England base rate.

Security – Group and Company

The 6.875% debentures 2028 are secured by a floating charge over the assets of the Company.

Covenants – Group and Company

The Group and Company are subject to a number of covenants in relation to their borrowing facilities which, if contravened, would result in its loans becoming immediately repayable. Under the agreement, there is a covenant suite which consist of net debt to adjusted EBITDA (leverage) and adjusted EBITDA to net finance charges. See further details in note 21.

d) Fair Value

	Book value		Fair value		
Group	2024 £m	2023 £m	2024 £m	2023 £m	Fair value Level
Financial assets					
Interest rate collar	**0.1**	0.1	**0.1**	0.1	3
Financial liabilities					
Fixed rate borrowings	**(19.9)**	(25.9)	**(23.0)**	(29.2)	3
Floating rate borrowings	**(123.8)**	(119.3)	**(123.8)**	(119.3)	3
Preference shares	**(1.6)**	(1.6)	**(1.6)**	(1.6)	3

The Company figures are the same as the Group.

Level 1 fair values are valuation techniques where inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 fair values are valuation techniques where all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, but are not derived directly from quoted prices in active markets. The Group bases its valuations on information provided by financial institutions, who use a variety of estimation techniques based on market conditions, such as interest rate expectations, existing at each Balance Sheet date.

Level 3 fair values are valuation techniques for which all inputs that have a significant effect on the recorded fair value are not observable. Derivative fair values are obtained from quoted market prices in active markets. The fair values of borrowings have been calculated by discounting the expected future cash flows at prevailing interest rates. Interest rates for borrowings range from 6% to 8%. The fair values of preference shares have been calculated using the market interest rates.

Management assessed that the fair values of cash and short-term deposits, trade receivables and other receivables, and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

There were no transfers between Levels in the fair value hierarchy as at 30 March 2024 and 1 April 2023.

26. Share Capital and Reserves

a) Share Capital

Authorised, issued and fully paid Number in issue	'A' ordinary shares of 40p each Number 000's	'C' ordinary shares of 40p each Number 000's	B' ordinary shares of 4p each Number 000's	Total Number 000's
At 1 April 2023	41,082	13,466	89,052	143,600
'C' to 'A' re-designation	100	(100)	–	–
At 30 March 2024	41,182	13,366	89,052	143,600
Proportion of total equity shares at 30 March 2024	**28.7%**	**9.3%**	**62.0%**	**100.0%**

Monetary amount	£m	£m	£m	£m
At 1 April 2023	16.4	5.4	3.6	25.4
At 30 March 2024	**16.5**	**5.3**	**3.6**	**25.4**

Share capital represents the nominal value proceeds received on the issue of the Company's equity share capital, comprising 40p and 4p ordinary shares. The Company's preference shares are classified as non-current liabilities in accordance with IFRS (see note 23).

The ordinary shareholders are entitled to be paid a dividend out of any surplus profits and to participate in surplus assets on winding up in proportion to the nominal value of each class of share ('B' shares have one-tenth of the nominal value of 'A' and 'C' shares).

All equity shares in the Company carry one vote per share, save that shares held in treasury have their voting rights suspended. The 'A' and 'C' shares have a 40p nominal value and the 'B' shares have a 4p nominal value so that a 'B' share dividend will be paid at 10% of the rate applying to 'A' and 'C' shares. The 'A' shares are listed on the London Stock Exchange. The 'C' shares carry a right for the holder to convert them to 'A' shares by written notice in the 30 day period following the half year and preliminary announcements. The 'B' shares are not listed and have no conversion rights. In most circumstances the value of a 'B' share is deemed to be 10% of the value of the listed 'A' shares. The Trustee holding shares for participants of the LTIP currently waives dividends for shares held during the initial three year period. Dividends are not paid on shares held in treasury.

The Articles include provisions relating to the Company's 'B' and 'C' shares which provide that shareholders who wish to transfer their shares may only do so if the transfer is to another 'B' or 'C' shareholder, or if the transfer is to certain of that shareholder's family members or their executors or administrators or, where shares are held by trustees, to new trustees, or to the trustees of any employee share scheme, or if the Company is unable to identify another shareholder of that class willing to purchase the shares within the specified period, to any person.

NOTES TO THE FINANCIAL STATEMENTS
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26. Share Capital and Reserves continued

b) Own Shares

Own shares relate to shares held by independently managed employee share ownership trusts ("ESOTs") together with the Company's holding of treasury shares. Shares are purchased by the ESOTs in order to satisfy potential awards under the Long Term Incentive Plan ("LTIP") and Share Incentive Scheme ("SIP"). In FY2024, the Group completed a share buyback programme to repurchase two million 'A' shares which were bought back for total consideration £12.4 million. A further one million 'A' share buyback programme began on 25 March 2024 (FY2023: one million 'A' shares were bought back for total consideration of £4.8 million). Treasury shares are used, inter alia, to satisfy options under the Company's share options schemes. The LTIP ESOT has waived its rights to dividends on the shares it holds. Treasury shares have voting and dividend rights suspended. All own shares held, as below, are excluded from earnings and net assets per share calculations.

	Treasury shares		LTIP ESOT		SIP ESOT	Total			Total
Number	'A' ordinary 40p shares 000's	'B' ordinary 4p shares 000's	'B' ordinary 4p shares 000's	'C' ordinary 40p shares 000's	'A' ordinary 40p shares 000's	'A' ordinary 40p shares 000's	'B' ordinary 4p shares 000's	'C' ordinary 40p shares 000's	Own shares 000's
At 26 March 2022	1,263	4,328	326	6	5	1,268	4,654	6	5,928
Share purchased	1,000	–	–	–	–	1,000	–	–	1,000
Shares released	(11)	–	–	–	–	(11)	–	–	(11)
At 1 April 2023	2,252	4,328	326	6	5	2,257	4,654	6	6,917
Share purchased	**2,018**	**–**	**–**	**–**	**–**	**2,018**	**–**	**–**	**2,018**
Shares released	**(126)**	**–**	**–**	**–**	**–**	**(126)**	**–**	**–**	**(126)**
At 30 March 2024	**4,144**	**4,328**	**326**	**6**	**5**	**4,149**	**4,654**	**6**	**8,809**
Monetary amount	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 26 March 2022	11.8	4.3	0.3	0.1	0.1	11.9	4.6	0.1	16.6
Share purchased	4.8	–	–	–	–	4.8	–	–	4.8
Shares released	(0.1)	–	–	–	–	(0.1)	–	–	(0.1)
At 1 April 2023	16.5	4.3	0.3	0.1	0.1	16.6	4.6	0.1	21.3
Share purchased	**12.4**	**–**	**–**	**–**	**–**	**12.4**	**–**	**–**	**12.4**
Shares released	**(0.8)**	**–**	**–**	**–**	**–**	**(0.8)**	**–**	**–**	**(0.8)**
At 30 March 2024	**28.1**	**4.3**	**0.3**	**0.1**	**0.1**	**28.2**	**4.6**	**0.1**	**32.9**
Market value at 30 March 2024	**24.4**	**2.6**	**1.9**	**–**	**–**	**24.5**	**2.7**	**–**	**27.3**

c) Other Capital Reserves

Share premium account

The balance in the share premium account represents the proceeds received above the nominal value on the issue of the Company's equity share capital.

Capital redemption reserve

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

Hedging reserve

The hedging reserve contains the effective portion of the cash flow hedge relationships incurred at the Balance Sheet date, net of tax.

Merger reserve

The merger reserve balance arose from the hive up of Bel & The Dragon.

27. Share Options and Share Schemes

The key points of each of the Group's share schemes for grants up to 30 March 2024 are summarised below. All schemes are equity-settled. All disclosure relates to both Group and Company. For the purposes of option and LTIP schemes, "adjusted EPS" will normally be consistent with the pre-tax earnings per share excluding separately disclosed items as presented in the financial statements. However, the Remuneration Committee is authorised to make appropriate adjustments to adjusted EPS as applied to these schemes.

Savings Related Share Option Scheme ("SAYE")

This scheme grants options over shares at a discount of 20% on the average market price over the three days immediately prior to the date of offer. Employees must save a regular amount each month. Savings are made over three or five years, at the participant's choice. The right to buy shares at the discounted price lasts for six months after the end of the savings contract. There are no performance conditions, other than continued employment.

Executive Share Option Scheme

This is an approved Executive Share Option Scheme. For those granted during the year ended 27 March 2021, the options vest if the set pre-tax adjusted EBITDA target is achieved. Options granted after 27 March 2021 will vest if the set pre-tax adjusted EPS target is achieved. The options must then be exercised within seven years after the end of the performance period.

LTIP

This plan grants conditional share awards.

For options under this scheme, vesting is conditional upon pre-tax adjusted EPS targets, with vesting levels on a sliding scale from 25% up to 100% dependent on the level of EPS achieved. An independent firm of advisors verifies the vesting level each year. The initial vesting period is three years and, for Executive Directors, is followed by a two year holding period. After this time the shares may be passed to the plan participants, as long as vesting conditions are met.

A one-off Recovery LTIP was granted during the year ended 26 March 2022. Vesting is conditional upon adjusted EBITDA (excluding IFRS 16) targets, with vesting levels on a sliding scale from 25% up to 100% dependent on the level of adjusted EBITDA achieved. The initial vesting period is three years and is followed by a two year holding period. After this time the shares may be passed to the plan participants, as long as vesting conditions are met. This plan grants conditional share awards.

SIP

This plan awards free shares. An equal number of shares are awarded to each eligible employee. The maximum value of the shares allowable under the scheme is £3,000 per year, per person with at least five months' service as at 15 May each year. The basis of the award was changed with effect from the 2018 award so that all eligible employees receive the same number of shares. There is no requirement for performance targets (although there may be tax consequences if sold within five years of the award). The plan has not awarded any shares since the financial year ending 30 March 2019.

Share-based payment expense recognised in the year

The benefit recognised for share-based payments in respect of employee services received during the 52 weeks ended 30 March 2024 is £1.7 million debit (2023: £0.4 million credit). The whole of the debit arises from equity settled share-based payment transactions.

Market value

The market value of the shares at 30 March 2024 was £5.90 (2023: £4.65).

Movements in the year

The following tables illustrate the number and weighted average exercise prices ("WAEP") of, and movements in, each category of share instrument during the year.

Volatility

The expected volatility is based on the historical volatility over the expected life of the rights.

27. Share Options and Share Schemes continued

a) SAYE

	2024 Number 000's	2024 WAEP	2023 Number 000's	2023 WAEP
Outstanding at the beginning of the year	**470**	**£4.49**	474	£4.70
Granted	**136**	**£5.25**	131	£4.29
Forfeited	**(54)**	**£4.68**	(130)	£4.78
Expired	**(2)**	**£4.20**	–	–
Exercised	**(126)**	**£4.35**	(5)	£4.35
Outstanding at the end of the year	**424**	**£4.74**	470	£4.49
Exercisable at the end of the year	**13**	**n/a**	–	n/a
Weighted average share price for options exercised in the year	**£5.81**		£4.79	
Weighted average contractual life remaining for share options outstanding at the year end	**2.7 years**		2.0 years	
Weighted average share price for options granted in the year	**£6.74**		£5.14	
Weighted average fair value of options granted during the year	**£2.85**		£1.98	
Range of exercise prices for options outstanding at the year end				
– from	**£4.19**		£4.19	
– to	**£5.43**		£8.12	

Outstanding share options granted to employees under the SAYE scheme are as follows:

Exercisable at	Exercise price 40p shares £	Number of 'A' ordinary shares under option 2024 000's	Number of 'A' ordinary shares under option 2023 000's
November 2023	4.35	**13**	149
February 2025	5.43	**38**	51
November 2025	4.35	**107**	112
February 2026	4.19	**80**	99
February 2027	5.43	**22**	27
February 2027	5.25	**116**	–
February 2028	4.19	**32**	32
February 2029	5.25	**16**	–
		424	470

b) Share Option Schemes

	Executive Share Option Scheme			
	2024 Number 000's	2024 WAEP	2023 Number 000's	2023 WAEP
Outstanding at the beginning of the year	**185**	**£7.46**	184	£7.23
Granted	**307**	**£6.00**	41	£6.92
Lapsed	**(153)**	**£6.95**	(35)	£10.24
Surrendered[1]	**(31)**	**£6.62**	–	–
Exercised	**–**	**–**	(5)	£5.78
Outstanding at the end of the year	**308**	**£6.00**	185	£7.46
Exercisable at the end of the year	**–**	**–**	12	£9.03
Weighted average share price for options exercised in the year	**n/a**		£6.02	
Weighted average contractual life remaining for share options outstanding at the year end	**9.29 years**		7.61 years	
Weighted average share price for options granted in the year	**£5.80**		£6.30	
Weighted average fair value of options granted during the year	**£1.81**		£1.65	
Range of exercise prices for options outstanding at the year end				
– from	**£6.00**		£6.00	
– to	**£6.00**		£10.90	

1 During the year ended 30 March 2024, 30,640 shares were surrendered and replacement options granted, shown within the granted number above.

Outstanding options which are capable of being exercised between three and ten years from date of issue and their exercise prices are shown in the table below:

		Executive Approved Scheme	
Exercisable in/between	Exercise price 40p shares £	Number of 'A' ordinary shares under option 2024 000's	Number of 'A' ordinary shares under option 2023 000's
2016 and 2023	9.10	–	7
2017 and 2024	9.65	–	5
2024 and 2031	6.92	–	137
2025 and 2032	6.00	**11**	36
2026 and 2033	6.00	**297**	–
		308	185

27. Share Options and Share Schemes continued

c) LTIP

Shares	2024 'A' shares Number 000's	2024 'B' shares Number 000's	2023 'A' shares Number 000's	2023 'B' shares Number 000's
Outstanding at the beginning of the year	**926**	**2,313**	782	1,954
Granted	**297**	**743**	248	620
Lapsed	**(167)**	**(418)**	(104)	(261)
Outstanding at the end of the year	**1,056**	**2,638**	926	2,313
Weighted average share price for shares vested in the year	**n/a**	**n/a**	n/a	n/a
For shares outstanding at the year end, the weighted average contractual life remaining is	**1.18 years**	**1.18 years**	1.52 years	1.52 years
Weighted average share price for shares granted in the year	**£5.80**	**£0.58**	£6.30	£0.63
Weighted average fair value of shares granted during the year	**£5.48**	**£0.55**	£5.60	£0.56

All LTIPs have a vesting price of £nil. LTIP shares do not receive dividends until vested.

d) SIP

	2024 Number 000's	2023 Number 000's
Outstanding at the beginning of the year	**41**	73
Released	**(23)**	(32)
Outstanding at the end of the year	**18**	41
Weighted average share price for shares released in the year	**£6.26**	£5.18
For shares outstanding at the year end, the weighted average contractual life remaining is	**0.22 years**	0.77 years
Weighted average share price for shares granted during the year	**n/a**	n/a
Weighted average fair value of shares granted during the year	**n/a**	n/a

Outstanding SIP shares represent shares allocated and held by the SIP Trustees on behalf of employees, which remain in the trust for between three and five years. All SIPs have a vesting price of £nil. SIP shares receive dividends once allocated.

e) Fair Value of Grants

i. Equity-settled options and LTIPs

The fair value of equity-settled share options granted is estimated as at the date of grant, taking into account the terms and conditions upon which the awards were granted. The following table lists the inputs to the model used for the 52 weeks ended 30 March 2024 and 53 weeks ended 1 April 2023, except for exercise price and the weighted average share price for grants in the year, which are disclosed in sections a) to d) above.

	LTIP scheme		SAYE		Executive Share Option Scheme	
Fair value inputs	2024	2023	2024	2023	2024	2023
Dividend yield (%)	**1.9%**	1.9%	**1.7%-2.2%**	2.2%	**1.9%**	1.9%
Expected share price volatility (%)	**n/a**	n/a	**38.5%-40.0%**	41.2%-45.6%	**41.1%**	45.1%
Risk-free interest rate (%)	**4.1%**	1.8%	**4.1%**	3.3%	**4.1%**	1.8%
Expected life of option/award (years)	**3 years**	3 years	**3 to 5 years**	3 to 5 years	**4 years**	4 years
Model used	**Black Scholes**	Black Scholes	**Black Scholes**	Black Scholes	**Black Scholes**	Black Scholes

ii. SIP free shares awarded

The fair value of free shares awarded under the SIP is the share price at the date of allocation. The total value of SIPs awarded is a fixed rate based on the Group's performance in the preceding financial year. The number of shares awarded is therefore dependent on the share price at the date of the award. No shares have been awarded under this scheme since the financial year ended 30 March 2019.

28. Guarantees and Commitments

a) Operating Lease Commitments

Operating leases where the Group is the lessor

The Group earns rental income from two sources. Licensed property included within property, plant and equipment is rented under agreements where lessees must also purchase goods from the Group. Additionally, there are a smaller number of agreements in respect of investment properties where there is no requirement for the lessee to purchase goods.

Investment properties are let to third parties on leases that have remaining terms of between one and fifteen years.

At 30 March 2024, future minimum rentals receivable are as follows:

	Investment properties		Property, plant and equipment	
Group	**2024 £m**	**2023 £m**	**2024 £m**	**2023 £m**
Within one year	**0.3**	0.3	**6.4**	5.7
One to two years	**0.2**	0.2	**4.6**	1.5
Two to three years	**0.2**	0.2	**3.3**	1.3
Three to four years	**0.1**	0.1	**2.2**	0.4
Four to five years	**0.1**	0.1	**0.1**	0.1
After five years	**0.3**	0.5	**0.4**	0.5
	1.2	1.4	**17.0**	9.5
Company				
Within one year	**0.3**	0.3	**6.4**	5.7
One to two years	**0.2**	0.2	**4.6**	1.5
Two to three years	**0.2**	0.2	**3.3**	1.3
Three to four years	**0.1**	0.1	**2.2**	0.4
Four to five years	**0.1**	0.1	**0.1**	0.1
After five years	**0.3**	0.5	**0.4**	0.5
	1.2	1.4	**17.0**	9.5

The Group and Company's commercial leases on property are principally for licensed outlets. The terms of the leases are normally for either three, four or five years. The agreements allow for annual inflationary increases and full rental reviews occur on renewal of the lease.

At 30 March 2024, future minimum rentals receivable under non-cancellable subleases included in the figures above were £0.3 million (2023: £1.2 million).

b) Other Commitments

Group and Company	2024 £m	2023 £m
Capital commitments – authorised, contracted but not provided for	**1.8**	1.0

NOTES TO THE FINANCIAL STATEMENTS
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29. Related Party Transactions

Group and Company

During the current and prior years, the Company provided various administrative services to the Fuller, Smith & Turner Pension Plan free of charge. In addition, the Company settled costs totalling £404,000 (2023: £304,000) relating to the provision of actuarial, consulting and administrative services by third parties to the Fuller, Smith & Turner Pension Plan.

Compensation of key management personnel (including Directors)	52 weeks ended 30 March 2024 £m	53 weeks ended 1 April 2023 (restated) £m
Short-term employee benefits	**2.8**	3.5
Termination benefits	–	0.1
Post-employment benefits	**0.3**	0.2
	3.1	3.8

Prior year has been restated to align with the revised definition of key management personnel.

Company Only

During the year, the Company entered into the following related party transactions:

52 weeks ended 30 March 2024	Sales to related parties £m	Purchases from related parties £m	Interest due from related parties £m	Interest due to related parties £m	Amounts due to related parties £m	Amounts due from related parties £m
Subsidiaries	–	**85.6**	–	**10.2**	**(153.2)**	–

53 weeks ended 1 April 2023 (restated)	Sales to related parties £m	Purchases from related parties £m	Interest due from related parties £m	Interest due to related parties £m	Amounts due to related parties £m	Amounts due from related parties £m
Subsidiaries	–	79.5	–	6.4	(143.1)	–

Interest is payable on the majority of the amounts due to subsidiaries at 3% above the Bank of England base rate. All amounts outstanding are unsecured and repayable on demand.

The Company also incurred rental expenses from subsidiaries of £0.1 million (2023: £0.1 million).

Subsidiaries of Parent Companies established within the European Economic Area are exempt from an audit if a guarantee is provided by the Parent for the subsidiary liabilities and the shareholders are in unanimous agreement. The Group will be exempting the following companies from an audit in 2024 for the period ended 30 March 2024 under Section 479A of the Companies Act 2006, all of which are fully consolidated in these financial statements:

Company	Company Number
Griffin Catering Services Limited	01577632
Jacomb Guinness Limited	02934979
George Gale and Company Limited	00026330
45 Woodfield Limited	04279254
Grand Canal Trading Limited	04271734
B & D Country Inns I Limited	07292333
B & D Country Inns II Limited	08029280
B & D (Cookham) Limited	07320065
B & D (Odiham) Limited	08377459
B & D (Reading) Limited	07309587
B & D (Win) Limited	07320245
B & D (Farnham) Limited	08392963
B & D (Kingsclere) Limited	08975762
RSH 200 Limited	12035987
Cotswold Inns & Hotels Limited	03309179

The Group will be exempting the following companies from the preparation and delivering of accounts to Companies House under Section 394A of the Companies Act 2006, all of which are fully consolidated in these financial statements:

Company	Company Number
Griffin Inns Ltd.	00495934
Ringwoods Limited	00178536
F.S.T. Trustee Limited	03163480
Fuller Smith & Turner Estates Limited	01831674

30. Post Balance Sheet Events

On the 29 May 2024, the Group announced that it has agreed terms to sell a portfolio of 36 pubs from its Tenanted Inns Division and one from its Managed Pubs and Hotels Division to Admiral Taverns Limited ("Admiral"). The cash sale proceeds for the portfolio is £18.3 million, a premium of £1.6 million to the gross asset value of £16.7 million. It is anticipated that the disposal will complete on 25 June 2024. Following completion, Fuller's will have 154 pubs within its Tenanted Inns Division and 178 properties in its Managed Pubs and Hotels Division.

ADDITIONAL INFORMATION

DIRECTORS, ADVISORS AND CORPORATE INFORMATION

Chairman
Michael Turner, FCA,
Non-Executive Chairman

Executive Directors
Simon Emeny, Chief Executive
Neil Smith, ACA, Finance Director
Fred Turner, ACA, Retail Director
Dawn Browne, People & Talent Director

Non-Executive Directors
Juliette Stacey, ACA*
Sir James Fuller, Bt
Richard Fuller
Helen Jones*
Robin Rowland, OBE*

* Independent

President
Anthony Fuller, CBE

Chairman from 1982 to 2007, Anthony Fuller retired from the Board in 2010 after a long career with Fuller's and continues as President.

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Registrars
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Bristol BS13 8AE
Tel: 0370 889 4096
Email via website:
www.investorcentre.co.uk/contactus

SHAREHOLDER INFORMATION

Registrars

Any enquiries relating to shareholdings on the share register (for example, change of address, bank mandates, communication preferences) should be sent to the Company's Registrars, Computershare. You can also manage your shareholding online at www.computershare.com/investor/uk.

Shareholders may at any time choose to receive notification of the availability of corporate communications on Fuller's website by email or choose to receive them in printed form. To receive notifications of the availability of a corporate communication by email, or revoke or amend an instruction to receive such notifications by email, go to www.computershare.com/investor/uk or contact Computershare, quoting your shareholder reference number.

Shareholder Privileges

Individual shareholders with at least 1,000 'A' or 'C' ordinary shares or 10,000 'B' ordinary shares are eligible to receive a Shareholder Inndulgence Card. For any individual issued with a Card prior to 1 April 2022, continued eligibility will be based on the eligibility criteria at the time of issue, being at least 500 'A' or 'C' ordinary shares or 5,000 'B' ordinary shares.

Card holders are entitled to a 15% discount on food and drinks in any of our Managed Pubs and Hotels, including Bel & The Dragon and Cotswold Inns & Hotels. It also offers a 15% discount on the Best Flexible Rate or Standard Flexible B&B Rate for Beautiful Bedrooms by Fuller's and Bel & The Dragon accommodation. There is currently no accommodation discount available with the Card at any of the Cotswold Inns & Hotel sites. Further information is available from the Company Secretariat.

Redesignation of 'C' Shares

'C' ordinary shares can be redesignated as 'A' ordinary shares within 30 days of the full year and half year announcements by sending in your certificates and a written instruction to redesignate prior to or during the period to the Company's Registrars.

ShareGift

The Orr Mackintosh Foundation operates a charity share donation scheme for shareholders with small parcels of shares whose value makes it uneconomic to sell them. If you have a small number of shares and would like to donate them to charity, details of the scheme can be found on the ShareGift website, www.sharegift.org, or by contacting the Company Secretariat.

Financial Calendar and Key Dates

13 June 2024
FY2024 Full year results announcement

23 July 2024
Annual General Meeting (11am)

13 November 2024
FY2025 Half year results announcement

GLOSSARY

Adjusted earnings per share ("EPS") – this is earnings per share, adjusted for separately disclosed items. The Directors believe that this measure provides useful information for shareholders as to the performance of the Group.

Adjusted profits – this is profit before tax and before separately disclosed items.

CRM – Customer Relationship Management.

Drinks, food and accommodation like for like sales growth – this is measured on the same basis as "Managed Pubs and Hotels invested like for like sales growth" below.

Adjusted EBITDA – this is the earnings before interest, tax, depreciation, profit on disposal of plant and equipment, and amortisation, adjusted for separately disclosed items.

ESOS – Executive Share Option Scheme.

LTIP – Long-Term Incentive Plan.

LTSA – Long term supply agreement

Managed Pubs and Hotels invested like for like sales growth – this is the sales growth calculated to exclude those pubs which have not been trading throughout the two years for the corresponding period in both years. The principal exclusions from this measure are: pubs purchased or sold in the last 12 months; sites which are closed; and pubs which are transferred to Tenancy.

Market capitalisation – only the Company's 40p 'A' ordinary shares are listed. The Company calculates its market capitalisation as the total of all classes of ordinary shares; i.e. listed 40p 'A' ordinary shares, unlisted 4p 'B' ordinary shares and unlisted 40p 'C' ordinary shares plus all potentially awardable share options and LTIP awards less any shares held in treasury. For the purposes of the calculation of market capitalisation, a 4p 'B' ordinary share is treated as having 10% of the market value of a quoted 40p 'A' ordinary share and a 40p 'C' ordinary share is treated as having an equivalent value to a 40p 'A' ordinary share.

Net debt – this comprises cash, bank loans, debenture stock, preference shares and lease liabilities net of debt issue costs.

NPS – Net Promoter Score, a metric used to measure customer satisfaction.

Operating profit – this is profit before finance costs and tax and profit on disposal of properties.

PPA – Power purchase agreement is a contract that secures the long-term supply of renewable energy.

RevPAR – calculated by dividing total room revenue by the total number of rooms available in the period being measured.

SAYE – Savings Related Share Option Scheme.

SIP – Share Incentive Plan.

TCFD – Task Force on Climate-related Financial Disclosures, a framework developed by the Financial Stability Board for companies to report on how climate change will affect their business.

Total annual dividend – the total annual dividend for a financial year comprises interim dividends paid during the financial year and the final dividend proposed for approval by shareholders at the Annual General Meeting after the completion of the financial year.

Unnecessary plastic – eliminating all plastic which is used instantaneously but is unnecessary for food safety purposes and its removal will not lead to unintended environmental consequences by its removal, such as increased waste or carbon emissions.

Working capital – calculated as current assets (trade receivables and inventory) less current liabilities (trade and other payables).

FIVE YEARS' PROGRESS

Group Income Statement[1]	2024 £m	2023 £m	2022 £m	2021 £m	Restated 2020 £m
Revenue and other income	**359.1**	**336.6**	253.8	73.4	319.7
Operating profit before separately disclosed items	**34.5**	**25.1**	18.5	(40.3)	27.0
Finance costs before separately disclosed items	**(14.0)**	**(12.4)**	(11.3)	(8.4)	(7.6)
Adjusted profit/(loss) before tax	**20.5**	**12.7**	7.2	(48.7)	19.4
Exceptional items and discontinued operations	**(6.1)**	**(2.4)**	4.3	(10.5)	146.8
Profit/(loss) before tax	**14.4**	**10.3**	11.5	(59.2)	166.2
Taxation	**(5.3)**	**(2.4)**	(4.4)	9.6	(5.3)
Profit/(loss) after tax	**9.1**	**7.9**	7.1	(49.6)	160.9
Adjusted EBITDA	**60.8**	**51.8**	44.3	(13.1)	53.9

1 Continuing operations only.

Assets employed					
Non-current assets	**689.5**	**696.4**	713.8	702.5	757.1
Inventories	**4.0**	**4.2**	3.6	2.1	4.0
Other current assets	**8.5**	**10.9**	11.3	15.5	18.6
Assets classified as held for sale	**8.4**	**7.0**	5.4	9.6	2.6
Cash and cash equivalents	**12.2**	**14.1**	15.6	17.1	20.3
	722.6	**732.6**	749.7	746.8	802.6
Current borrowings	**–**	**(6.0)**	(120.0)	(207.7)	(171.7)
Other current liabilities	**(64.9)**	**(59.9)**	(64.5)	(39.4)	(50.7)
	657.7	**666.7**	565.2	499.7	580.2
Non-current borrowings	**(145.3)**	**(140.9)**	(27.5)	(27.5)	(27.5)
Other non-current liabilities	**(81.1)**	**(83.2)**	(88.5)	(92.7)	(122.9)
Net assets	**431.3**	**442.6**	449.2	379.5	429.8

	2024	2023	2022	2021	2020
Per 40p 'A' ordinary share					
Adjusted earnings	**24.48p**	**16.10p**	9.79p	(73.00)p	20.50p
Basic earnings	**15.16p**	**12.98p**	11.59p	(89.84)p	291.89p
Dividends (interim and proposed final)[2]	**17.75p**	**14.68p**	11.31p	–	132.80p
Net assets	**£7.18**	**£7.27**	£7.27	£6.87	£7.80
Net debt (£ million)[3]	**(199.0)**	**(204.6)**	(212.6)	(308.0)	(291.8)
Gross capital expenditure (£ million)	**27.2**	**30.7**	25.8	16.5	84.5
Average number of employees	**5,293**	**5,247**	4,240	4,219	5,166

2 2020 includes 'D' share dividend.

3 Net debt includes amounts relating to leases under IFRS 16.

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