

JOHN LEWIS PARTNERSHIP UNAUDITED RESULTS FOR THE YEAR ENDED 29 JANUARY 2022



10 March 2022

**JOHN LEWIS PARTNERSHIP UNAUDITED RESULTS
FOR THE YEAR ENDED 29 JANUARY 2022****RESULTS SUMMARY**

- Profit before exceptional¹ items rebounds to £181m, up 38% on last year.
- Loss before tax was £26m, £491m better than last year.
- Bonus of 3% awarded to Partners, equivalent to 1.5 weeks' pay.
- Partnership to pay voluntary Real Living Wage nationwide this year; 2% pay rise.
- Total Partnership sales² of £12.5bn, up 1%.
- John Lewis achieved its highest ever sales of £4.93bn, up 8% like-for-like³ on last year.
- Waitrose sales hit £7.54bn, up 1% like-for-like on last year.

Dear Partner

I want to thank you for your commitment and dedication in what has been another tough year. With the pandemic and with so much change within our business, I don't underestimate the personal impact and I am truly grateful.

As we head into the second year of the Partnership Plan, our five year strategy to transform the business, we're gaining momentum in the most competitive retail market in history. Our focus on quality, value, sustainability and exceptional service is serving us well.

Key results

You may recall that we report our profit using two measures - before and after exceptional items and Bonus. Measuring our profit without these items gives a better indication of our underlying performance. Profit before Bonus, tax and exceptional items - or 'PBTBE' - was £181m. This was £50m (38%) higher than 2020/21 and £111m (159%) better than two years ago.

When we include exceptional items (£161m) and Bonus (£46m), our loss before tax was £26m. This was £491m (95%) better than our loss in 2020/21 (when we had a big 'write down' in the value of our John Lewis stores) and £172m (118%) lower than the profit two years ago, when we had a one-off benefit from closing our defined benefit pension scheme. Our exceptional costs were mostly restructuring costs, property lease exit costs and a small write down of John Lewis stores.

Waitrose sales were £7.5bn, up 1% like-for-like on last year (down 1% as reported) and up 11% like-for-like on two years ago (up 9% as reported).

John Lewis achieved the highest sales in its history, £4.9bn, which was up 8% like-for-like on last year (4% as reported). Against two years ago, John Lewis sales were up 10% like-for-like (2% as reported).

Reducing costs remains a key priority. We cut costs by £170m, a major factor behind our profit growth compared to last year.

¹ Profit before Partnership Bonus, tax and exceptional items (PBTBE)

² All references to sales are Total trading sales which includes VAT, sale or return and other accounting adjustments

³ We report sales using two measures: as reported and like-for-like. 'As reported' is the comparison between the statutory balances for two periods of time (e.g. this year to last year). 'Like-for-like' sales are the 'as reported' sales after adjustments to remove the impact of shop openings and closures and the impact of a 53rd week for 2020/21. Waitrose like-for-like sales excludes fuel. Like-for-like sales gives a better comparison of our underlying performance

This has involved difficult decisions that have affected Partners deeply: reducing management roles in our shops and reducing our central teams. We have also closed eight John Lewis stores and a delivery hub. These were necessary decisions to ensure the Partnership is sustainable in the future.

Bonus

In 2020, the Board set the minimum thresholds for paying a Bonus again: a combination of PBTBE of £150m and debt ratio of less than 4x. We achieved both of these targets. Given the positive performance, and the extraordinary contribution of Partners, the Board decided to share a 3% Bonus with Partners; while the Executive team and I are donating our Bonus to the British Red Cross.

With our Partners, like the whole country, facing a cost of living squeeze, we believe that this is the right time to pay the voluntary Real Living Wage, nationwide. In addition, this year's pay review has been set at 2%, making the total pay investment £54m (excluding Bonus, which adds a further £46m).

Outlook

We have made a good start to our Partnership Plan but are only one year through our five year transformation. Looking ahead, we see continued uncertainty from global events, affecting the economic environment, our customers, Partners and society. As inflation and energy prices rise, our customers face higher living costs. While this creates uncertainties as we look ahead, we remain focused on investing significantly in our Partnership Plan to transform and grow our business. In 2022/23, this will involve:

- Investing £119m in our John Lewis shops, digital services and our distribution capabilities;
- On top of these investments, we're committing £500m to give John Lewis customers everyday quality and value, and an improved MyJL loyalty proposition is coming later this year;
- £55m investment to complete a further 23 major refurbishments of Waitrose stores and £72m investment in digital services and distribution;
- Working with our Waitrose suppliers to keep prices as low as possible and offering savings on products that customers buy the most through the revamped MyWaitrose loyalty scheme;
- Accelerating growth in John Lewis Financial Services with a £53m investment;
- Continuing to develop and progress our property rental proposition;
- Targeting further sustainable cost savings by year end as we become more efficient.

This is a year of opportunity for the Partnership, despite economic headwinds. We have come through so much already and our solidarity will continue to carry us through. I am confident that by continuing to invest in our strategy we will deliver for our customers, Partners, suppliers and communities.

Sharon White
Partner and Chairman

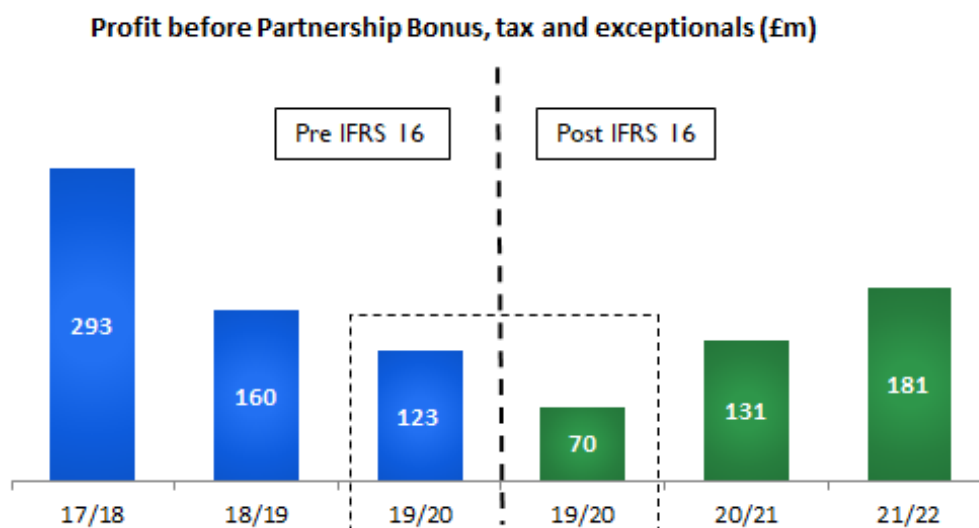
Notes

2020/21 was a 53-week year and therefore benefitted from an additional week's trade compared to 2021/22. The impact on PBTBE is small. A glossary of financial and non-financial terms is included on pages 13 to 15 of this document.

JOHN LEWIS PARTNERSHIP UNAUDITED RESULTS FOR THE YEAR ENDED 29 JANUARY 2022 - DETAIL

Financial performance

PBTBE was £181m in the year, up £50m (38%) on 2020/21 and up £111m (159%) on 2019/20. This is the highest PBTBE for the Partnership since 2017/18. Our loss before tax was £26m. This was £491m (95%) better than 2020/21 and £172m (118%) lower than the profit two years ago.



Note: The chart shows our Profit/(loss) before Partnership Bonus, tax and exceptionals since 2017/18, with 2019/20 shown twice as that is the year we adopted IFRS 16 (lease accounting standard) which reduced our profits that year by £53m. The period from 2017/18 to 2019/20 is shown before the adoption of IFRS 16, and the periods 2019/20 to 2021/22 are shown after the adoption of IFRS 16.

Waitrose highlights

- Waitrose sales grew 1% on a like-for-like basis (down 1% as reported) and up 11% like-for-like compared to two years ago (9% as reported). Waitrose had a strong Christmas period and outperformed the grocery market by 1% for the year⁴, driven by online.
- Total online sales now stand at 17%, up from 14% a year ago and 5% in 2019/20. We now have capacity for up to 280,000 waitrose.com orders per week, up nearly 20% on last year, boosted by a new distribution centre in Greenford.
- Our partnership with Deliveroo is available in over 150 Waitrose stores, frequently generating weekly sales of £1m. Now trialling Deliveroo Hop which offers delivery in as little as 10 minutes.
- We invested £90m in 18 shop refurbishments, expanded our ecomm capacity and opened ten new Waite & Rose cafes.
- The combined strength of our two brands is being realised through 38 dedicated John Lewis spaces in Waitrose stores. We are targeting a further 49 by the end of 2022/23.
- We are further increasing the brand's reach and convenience through new supply partnerships. Margiotta, a family business of ten stores in Scotland, and four Alliance stores in Jersey will offer Waitrose products.
- As part of our convenience offer, 13 new Waitrose shops opened at Shell locations, giving us 69 sites in total, and we have started rolling out electric vehicle charging points at Waitrose stores under this partnership in 2022/23.

⁴ Source data: Kantar sales data February 2020 to January 2022

- In 2021, we launched more than 700 new food lines. This included Levantine Table, the first pan-Partnership range with John Lewis and the biggest range launch for Waitrose in 2021.
- Waitrose picked up a string of awards for the quality and provenance of its food and wine. We were named winner of the Grocer 33 Award on 17 occasions, equalling our best ever record in 2020.

John Lewis highlights

- John Lewis sales grew by 8% like-for-like on last year (4% as reported) and up 10% like-for-like compared to two years ago (2% as reported). This represented record sales for the year, despite having 16 fewer stores and the disruption of the pandemic - with John Lewis stores closed for ten weeks of the year.
- We launched the ANYDAY range, offering value and quality, which has attracted existing customers and over 500,000 new or reactivated customers. Over two million customers in total shopped ANYDAY, recording sales of over £120m, and 93% of customers have bought John Lewis products in other price ranges.
- We introduced 230 new brands, giving customers even more choice. We grew market share across Home and Nursery categories and had a record year for Christmas seasonal products (up 6% on last year).
- We invested to improve the in-store experience with local store teams deciding what works for their customers. Cambridge, Nottingham and Chichester saw space changes, updated furniture concepts and new assortments. Every store now has a new 'seasonal space' to showcase the best and newest products. We'll invest to refresh more of our stores in 2022/23.
- The John Lewis App was relaunched and now accounts for 23% of online sales, up from 16% in the previous year. Customers who shop on the App spend more than customers using other channels.
- Our new distribution centre, Fenny Lock, will increase our online capacity when it opens this summer.
- John Lewis Click & Collect expanded to meet demand and is now available in over 1,000 locations.
- John Lewis Financial Services launched a new home insurance product and we have seen good growth in the number of customers investing in our ISA products. Our point of sale credit product has helped to generate more than £100m retail sales since being established across JL shopping channels. In the last quarter we have also trialled 'easier payment' solutions to further help customers across all channels.

Our Partners

- This year, we're increasing our pay budget by £54m so we can pay the voluntary Real Living Wage nationwide, increasing all starting rates to at least £9.90 per hour. Partners will receive a 2% pay rise this year. Further, a Partnership Bonus of 3% will be awarded to Partners, equivalent to 1.5 weeks' pay.
- The Partnership became the first UK retailer to announce equal parental pay and leave and introduced two weeks' paid leave for any Partner who experiences the loss of a pregnancy.
- In response to the impact of the national driver shortage, we launched an LGV Driver Academy and driver apprenticeships.
- We opened our School of Service in John Lewis Stratford, which provides Partners from both brands with the tools and training to provide exceptional customer service in store and online.

UNDERSTANDING OUR PROFIT FOR 2021/22

The Partnership's principal internal measure of trading performance is Profit before Partnership Bonus, tax and exceptionals (PBTBE). This comprises Trading operating profit for our brands, combined with other operating costs managed centrally (such as costs of our head offices, net finance costs, property costs, depreciation and investment expenses).

Our PBTBE has been reconciled to the Partnership's statutory measure of Loss before tax on page 12, and the principal differences are exceptional items and Partnership Bonus.

Trading operating profit by brand

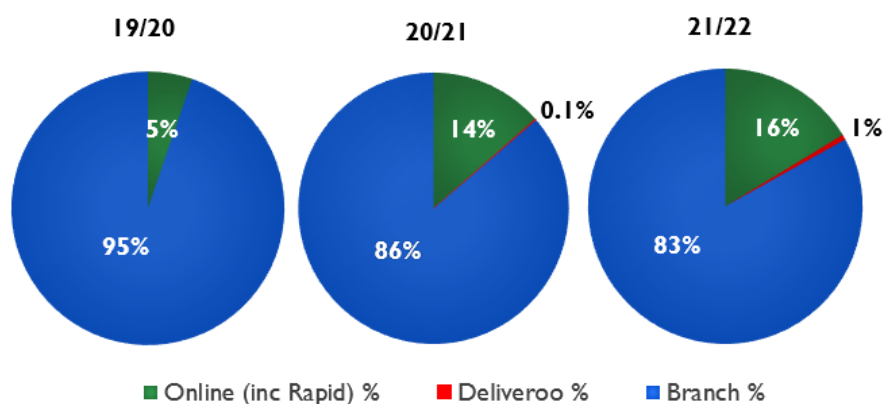
	Waitrose					John Lewis				
	2021/22	2020/21	2019/20	% vs 20/21	% vs 19/20	2021/22	2020/21	2019/20	% vs 20/21	% vs 19/20
Total trading sales (£m)	7,536	7,595	6,917	(1)%	+9%	4,926	4,722	4,830	+4%	+2%
Total trading sales LFL*	7,536	7,470	6,777	+1%	+11%	4,906	4,536	4,448	+8%	+10%
Revenue (£m)	6,984	7,044	6,373	(1)%	+10%	3,854	3,728	3,778	+3%	+2%
Trading operating profit (£m)	1,020	1,145	1,063	(11)%	(4)%	758	554	734	+37%	+3%
Trading operating profit (%)	14%	15%	15%			15%	12%	15%		

*Our LFL definition is outlined in the Glossary section

In Waitrose, Total trading sales grew by 1% like-for-like (down 1% as reported) and up 11% like-for-like on 2019/20 (up 9% as reported). This was because customer demand softened in the second half compared to the previous year, as much of the UK returned to more normal shopping patterns and the hospitality sector rebounded. Revenue declined 1% compared to last year and was up 10% on 2019/20.

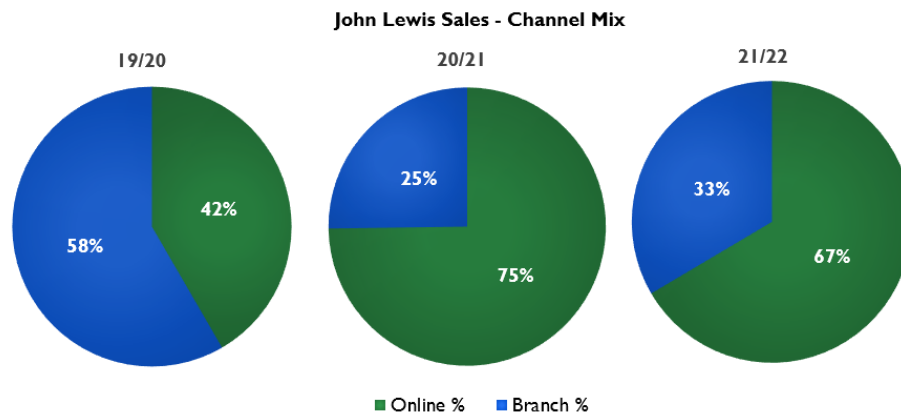
Waitrose's Trading operating profit margins have been significantly diluted by inflationary pressures within supply chains, higher levels of absence due to Covid and higher fulfilment costs as a result of the increased levels of online trade.

Waitrose Sales - Channel Mix

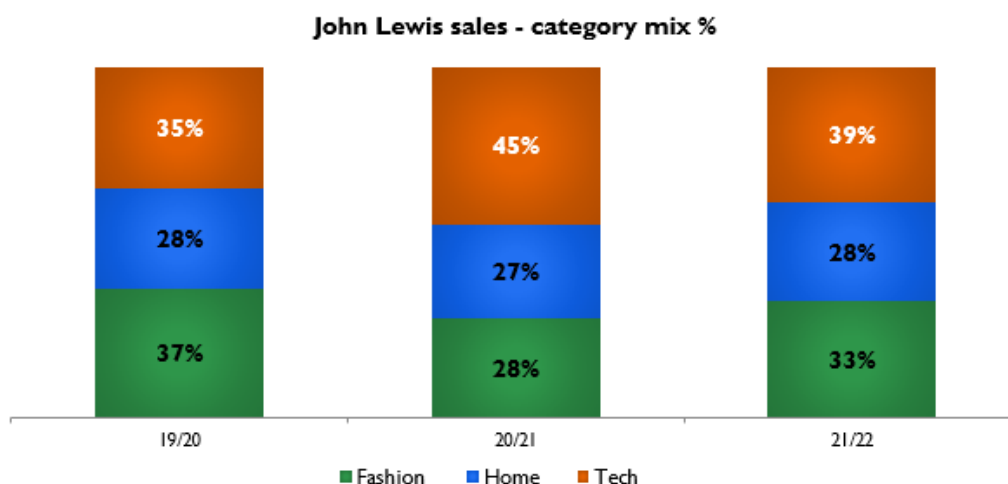


The combination of these factors resulted in a decline in Waitrose Trading operating profit of £125m to £1,020m, down 11%. Our cost savings helped to mitigate some of these pressures, with £74m of cost savings included within the Waitrose results.

In John Lewis, we saw Total trading sales growth of 8% like-for-like (4% as reported) as there were fewer lockdowns in 2021 than in 2020. Total sales were up 10% like-for-like (2% as reported) on 2019/20 despite John Lewis shops being closed for 10 weeks at the start of the financial year. Channel mix for the year was 67% online, 33% shops, a continuation of the move online as customer behaviour shifts. Revenue grew 3% compared to last year and was up 2% on 2019/20.



Trading operating profit of £758m, up 37% on last year, reflects that margin in John Lewis has markedly improved this year. This was due to a combination of stronger sales, lower markdowns on sales and the mix of sales - with a higher proportion of Fashion and Home sales in 2021/22 than the previous year (which carry higher margins than Technology sales that were exceptionally strong in 2020/21). John Lewis Trading operating profit includes £18m of profit contribution from our John Lewis Financial Services business, up £6m compared to the previous year.

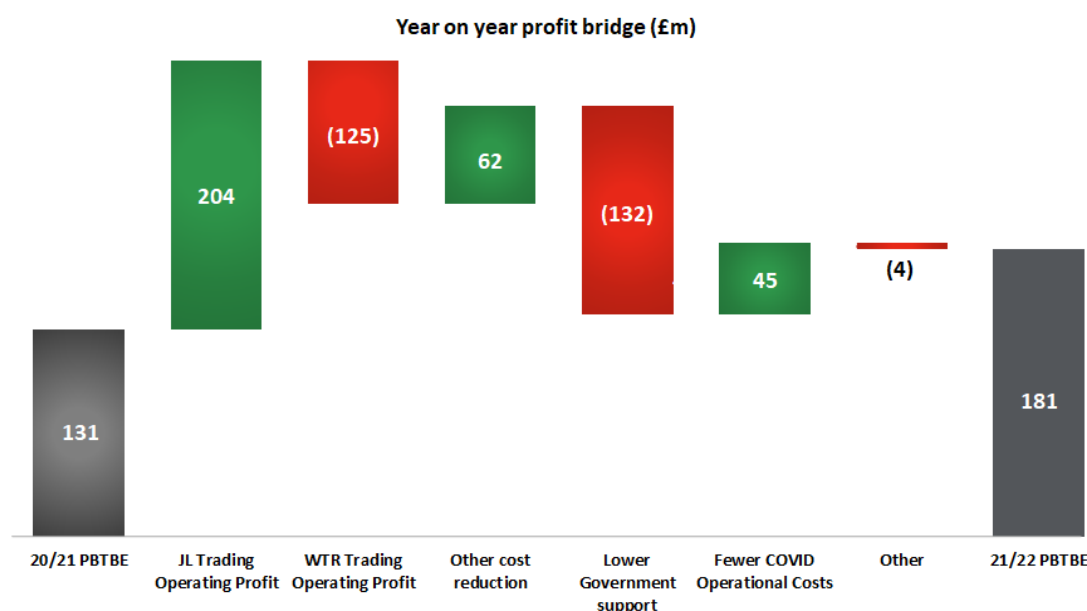


In addition, cost savings in John Lewis contributed £34m to Trading operating profit. Overall, these factors generated growth in Trading operating profit of £204m, or 37%.

Year-on-year growth in PBTBE

Compared to the full year results for 2020/21, our PBTBE improvement of £50m is due to a number of factors:

- John Lewis Trading operating profit grew by £204m and Waitrose Trading operating profit declined by £125m. These figures include the impact of £108m of cost savings delivered (£34m in John Lewis and £74m in Waitrose) in the year;
- £62m of savings from other operating costs was delivered compared to 2020/21, bringing the total cost savings delivered in 2021/22 to £170m;
- Government support was £132m lower as we received less in business rates relief and we made no claims under the Coronavirus Job Retention Scheme this year;
- Incremental costs of Covid were also lower this year as the demands on social distancing, cleaning and PPE eased relative to last year; added to the fact much of last year's social distancing measures to protect customers and Partners remained utilised this year;
- Our PBTBE of £181m includes £58m⁵ of business rates relief this year which was fully offset by incremental costs associated with the pandemic.



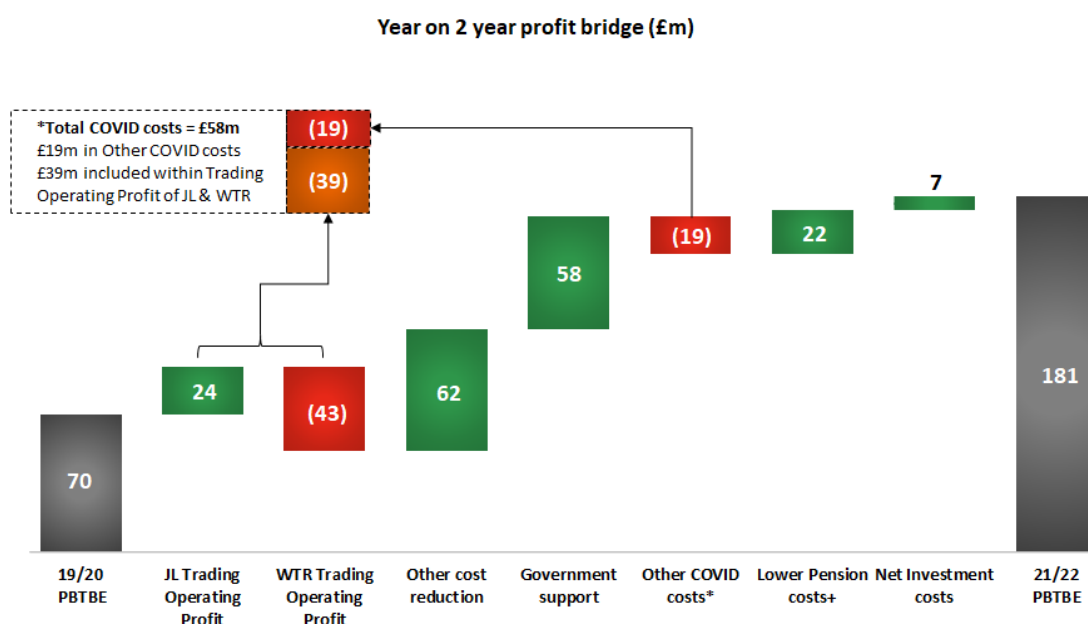
Growth in PBTBE vs 2019/20

Compared to 2019/20, our PBTBE improvement of £111m is principally due to the following factors:

- John Lewis Trading operating profit has increased by £24m. Waitrose Trading operating profit has declined £43m. These figures include the impact of £108m of cost savings delivered (£34m in John Lewis and £74m in Waitrose) in the year;
- £62m of savings from other operating costs was delivered compared to 2019/20, bringing the total cost savings delivered in 2021/22 to £170m;
- We received business rates relief of £58m in the year, which did not feature in 2019/20. However, this was fully offset by costs associated with the pandemic in the year;
- Pension costs were £65m lower following the closure of our defined benefit pension scheme in April 2020. £43m of these benefits are included in Trading operating profit, with £22m coming through non-trading costs;

⁵ Rates relief in the first half of the year: £23m in the Government's original scheme and £35m in the extension of the scheme

- Net investment costs are down by £7m, comprising lower depreciation costs of £46m offset by increased running costs for new technology as we grow our digital capability for the future.



* Total COVID costs incurred in FY21/22 totalled £58m, £39m included within Trading Operating Profit, with the remaining £19m reported within Other COVID costs

+ Total Pension cost benefits are £65m, £43m are included within Trading Operating Profit, with the remaining £22m from non-trading pay costs

Exceptional items

During the year, we took difficult decisions to protect the long term viability of the Partnership to transform and grow the business. We closed eight John Lewis stores, a customer delivery hub and announced a head office property exit in 2024, as well as recording additional impairments of John Lewis stores. The number of head office roles has been reduced, as has the number of managers in John Lewis and Waitrose. These have totalled a net charge of £161m.

Cash and liquidity

We continue to manage cash prudently given the uncertain environment. It also ensures that there is adequate funding available to withstand material volatility in trading, particularly important to the Partnership as we do not have access to equity markets owing to our model. Our Total liquidity at the year end remains strong at £1.9bn, including £1.5bn cash and short-term investments, and undrawn bank facilities of £420m. This is required to deliver the Partnership Plan and meet our obligations. We carry £1.4bn of Total net debts including leases and any pension deficit, with £500m of financial borrowings due to be repaid in the next three years (£200m of bank term loans maturing between November 2022 and December 2023 and a £300m bond maturing in January 2025).

During the year, we repaid a £75m bank term loan and secured a new £420m revolving credit facility, linked to our environmental targets. The financing replaces previous facilities of £500m, which were due to expire at the end of 2022. Under the terms of the new agreement, the interest rate we pay on the facility will vary depending on whether we achieve three environmental targets over five years related to reducing carbon emissions, reducing food waste and moving away from fossil fuels in our transport fleet. We will report on our progress towards becoming more sustainable later in the spring.

Our debt ratio at the end of the year was 2.3x, improving from the previous year's position of 3.4x. This reflects a significant improvement in our pension deficit, our strong cash performance during the year and repayments of debt without the need for refinancing. For 2021/22, we are reporting a pension accounting surplus but are not including this benefit in the calculation of Total net debts or debt ratio, where instead we prudently assume the pension scheme is breakeven. The pension deficit we reported in both 2020/21 and 2019/20 is included in our comparatives for Total net debt and debt ratio.

	2021/22	2020/21	2019/20
Total liquidity (£m)	1,931	2,019	1,416
Total net debts (£m)	(1,413)	(2,097)	(2,436)
Debt ratio	2.3x	3.4x	3.9x

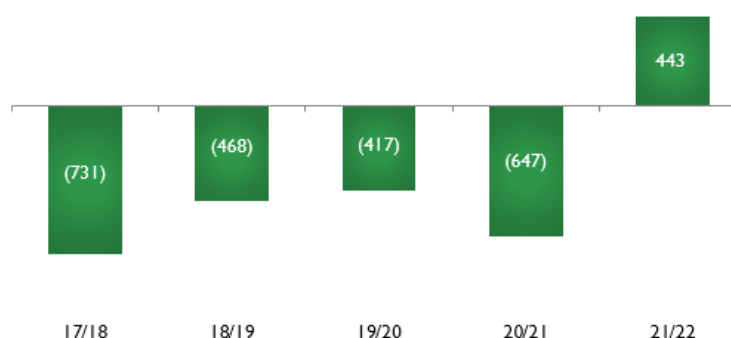
Pensions

Our accounting position reflects the gap between the market value of pension assets held by our defined benefit scheme and our pension liabilities. At the year end, we had an accounting pension surplus before deferred tax of £443m (£308m post deferred tax), compared to a deficit of £647m in January 2021 (£542m post deferred tax).

The improvement of £1.1bn pre tax is due to a combination of a reduction in the present value of pension liabilities combined with higher scheme asset values. The valuation of liabilities has decreased as a result of higher discount rates being used to assess present values of future payments, in line with market projections increasing expectations of interest rate rises. Whilst inflation projections have also increased, this is more than offset by the increased discount rate. Our scheme asset values have increased off the back of strong returns on investments this year.

Our pension valuation is derived from a number of assumptions, any of which can change the overall valuation substantially given the large size of the scheme. The valuation is at a point in time, and changes in market conditions can substantially affect this position in the future.

IAS 19 Pension surplus/(deficit) before deferred tax - £m



ENQUIRIES

John Lewis Partnership

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Parveen Johal, Partner & Senior Communications Manager, 07768 568644, parveen.johal@johnlewis.co.uk

Debt investors: Christof Nelischer, Partner & Head of Treasury, investor.relations@johnlewis.co.uk

EXTRACT OF CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 29
JANUARY 2022 - UNAUDITED

	2022	2021
	£m	£m
Revenue	10,838	10,772
Cost of sales	(7,360)	(7,409)
Gross profit	3,478	3,363
Other operating income	108	102
Operating and administrative expenses	(3,468)	(3,826)
of which:		
Exceptional items (net)	(161)	(648)
Partnership Bonus	(46)	-
Share of profit of joint venture (net of tax)	1	1
Operating profit/(loss)	119	(360)
Finance costs	(155)	(169)
Finance income	10	12
Loss before tax	(26)	(517)
Profit before Partnership Bonus, tax and exceptional items	181	131

Reconciliation of Total trading sales to Revenue

2021/22	Waitrose £m	John Lewis £m	Partnership £m
Total trading sales	7,536	4,926	12,462
<i>Deduct:</i>			
Value added tax	(439)	(798)	(1,237)
Sale or return and other accounting adjustments	(113)	(274)	(387)
Revenue	6,984	3,854	10,838

2020/21	Waitrose £m	John Lewis £m	Partnership £m
Total trading sales	7,595	4,722	12,317
<i>Deduct:</i>			
Value added tax	(439)	(767)	(1,206)
Sale or return and other accounting adjustments	(112)	(227)	(339)
Revenue	7,044	3,728	10,772

Reconciliation of Operating profit/(loss) to PBTBE

	2022 £m	2021 £m
Operating profit/(loss)	119	(360)
<i>Add back:</i>		
Exceptional items	161	648
Partnership Bonus	46	-
<i>Deduct:</i>		
Net finance costs	(145)	(157)
Profit before Partnership Bonus, tax and exceptional items	181	131

Reconciliation of Loss before tax to PBTBE

	2022 £m	2021 £m
Loss before tax	(26)	(517)
<i>Add back:</i>		
Exceptional items	161	648
Partnership Bonus	46	-
Profit before Partnership Bonus, tax and exceptional items	181	131

GLOSSARY OF FINANCIAL AND NON-FINANCIAL TERMS

This glossary gives an explanation of financial and non-financial terms included in the results statement, compared to last year, i.e. January 2021.

TERM	DEFINITION																																	
Adjusted cash flow	Operating profit before Partnership Bonus, exceptional items, depreciation and amortisation, but after lease adjusted interest and tax. This measure is important to assess our Debt ratio. <table><tr><td></td><td>2021/22</td><td>2020/21</td></tr><tr><td></td><td>£m</td><td>£m</td></tr><tr><td>Operating profit/(loss)</td><td>119</td><td>(360)</td></tr><tr><td><i>add back</i></td><td></td><td></td></tr><tr><td>Depreciation, amortisation and write-offs</td><td>487</td><td>525</td></tr><tr><td>Exceptional items</td><td>161</td><td>648</td></tr><tr><td>Partnership Bonus</td><td>46</td><td>-</td></tr><tr><td><i>less</i></td><td></td><td></td></tr><tr><td>Lease adjusted interest</td><td>(144)</td><td>(149)</td></tr><tr><td>Tax</td><td>(58)</td><td>(40)</td></tr><tr><td>Adjusted cash flow</td><td>611</td><td>624</td></tr></table>		2021/22	2020/21		£m	£m	Operating profit/(loss)	119	(360)	<i>add back</i>			Depreciation, amortisation and write-offs	487	525	Exceptional items	161	648	Partnership Bonus	46	-	<i>less</i>			Lease adjusted interest	(144)	(149)	Tax	(58)	(40)	Adjusted cash flow	611	624
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Capital investment	Cash outflows in relation to additions to tangible assets (property, plant and equipment), and intangible assets (IT software) recognised on the balance sheet.																																	
Debt ratio	Comparison of our Total net debts to Adjusted cash flow. This measure is important as it provides an indication of our ability to repay our debts. <table><tr><td></td><td>2021/22</td><td>2020/21</td></tr><tr><td></td><td>£m</td><td>£m</td></tr><tr><td>Total net debts</td><td>1,413</td><td>2,097</td></tr><tr><td>Adjusted cash flow</td><td>611</td><td>624</td></tr><tr><td>Debt ratio</td><td>2.3x</td><td>3.4x</td></tr></table>		2021/22	2020/21		£m	£m	Total net debts	1,413	2,097	Adjusted cash flow	611	624	Debt ratio	2.3x	3.4x																		
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Exceptional items	Items of income and/or expense which are significant by virtue of their size and nature are presented as exceptional items. The separate reporting of exceptional items helps to provide an indication of the Partnership’s underlying business performance.																																	
Investment	Total investment spend includes capital investment, revenue investment, restructuring and redundancy costs, and lease disposal costs.																																	
Like-for-like (LFL) sales	Comparison of sales between two periods in time (e.g. this year to last year), removing the impact of shop openings and closures and the impact of a 53rd week for 2020/21. Waitrose like-for-like sales excludes fuel.																																	
PB	Partnership Bonus																																	

TERM	DEFINITION																								
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Revenue investment	Investment spend recognised directly in the income statement.																								
Total liquidity	The cash, short term investments and undrawn committed credit facilities we have available to us, which we can use to settle liabilities as they fall due.																								
Total net debts	The Partnership’s borrowings and overdrafts, lease liabilities, derivative financial instruments and IAS 19 pension deficit (net of deferred tax), less any liquid cash, short-term deposits and investments. <table><tr><td></td><td>2021/22</td><td>2020/21</td></tr><tr><td></td><td>£m</td><td>£m</td></tr><tr><td>Borrowings and overdrafts</td><td>(815)</td><td>(904)</td></tr><tr><td>Derivative financial instruments</td><td>(1)</td><td>(16)</td></tr><tr><td>Pension deficit (after deferred tax)*</td><td>-</td><td>(542)</td></tr><tr><td>Lease liabilities</td><td>(1,988)</td><td>(2,037)</td></tr><tr><td>Liquid cash, short-term deposits and investments</td><td>1,391</td><td>1,402</td></tr><tr><td>Total net debts</td><td><u>(1,413)</u></td><td><u>(2,097)</u></td></tr></table> *For 2021/22, we are reporting a pension accounting surplus. For the calculation of Total net debts, we report £nil where there is a post tax surplus.		2021/22	2020/21		£m	£m	Borrowings and overdrafts	(815)	(904)	Derivative financial instruments	(1)	(16)	Pension deficit (after deferred tax)*	-	(542)	Lease liabilities	(1,988)	(2,037)	Liquid cash, short-term deposits and investments	1,391	1,402	Total net debts	<u>(1,413)</u>	<u>(2,097)</u>
	2021/22	2020/21																							
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Total trading sales	Total trading sales represents the full customer sales value, including VAT, that is used to assess ongoing sales performance. It is before adjustment for sale or return sales and other accounting adjustments. A reconciliation between Total trading sales and Revenue is provided above.																								

TERM	DEFINITION																																																																												
Trading operating profit	Trading operating profit represents operating profits used to assess the performance of the John Lewis and Waitrose brands and determine the allocation of resources to them. It excludes centrally managed costs, including fixed property costs and depreciation. <table><tr><td>2021/22</td><td>Waitrose</td><td>John Lewis</td><td>Partnership</td></tr><tr><td></td><td>£m</td><td>£m</td><td>£m</td></tr><tr><td>Trading operating profit</td><td>1,020</td><td>758</td><td>1,778</td></tr><tr><td>Centrally managed costs incl property</td><td></td><td></td><td>(946)</td></tr><tr><td>Depreciation and amortisation</td><td></td><td></td><td>(506)</td></tr><tr><td>Net finance costs</td><td></td><td></td><td>(145)</td></tr><tr><td>PBTBE</td><td></td><td></td><td>181</td></tr><tr><td>Exceptional items</td><td></td><td></td><td>(161)</td></tr><tr><td>Partnership Bonus</td><td></td><td></td><td>(46)</td></tr><tr><td>Loss before tax</td><td></td><td></td><td>(26)</td></tr></table> <table><tr><td>2020/21</td><td>Waitrose</td><td>John Lewis</td><td>Partnership</td></tr><tr><td></td><td>£m</td><td>£m</td><td>£m</td></tr><tr><td>Trading operating profit</td><td>1,145</td><td>554</td><td>1,699</td></tr><tr><td>Centrally managed costs incl property</td><td></td><td></td><td>(901)</td></tr><tr><td>Depreciation and amortisation</td><td></td><td></td><td>(510)</td></tr><tr><td>Net finance costs</td><td></td><td></td><td>(157)</td></tr><tr><td>PBTBE</td><td></td><td></td><td>131</td></tr><tr><td>Exceptional items</td><td></td><td></td><td>(648)</td></tr><tr><td>Loss before tax</td><td></td><td></td><td>(517)</td></tr></table>	2021/22	Waitrose	John Lewis	Partnership		£m	£m	£m	Trading operating profit	1,020	758	1,778	Centrally managed costs incl property			(946)	Depreciation and amortisation			(506)	Net finance costs			(145)	PBTBE			181	Exceptional items			(161)	Partnership Bonus			(46)	Loss before tax			(26)	2020/21	Waitrose	John Lewis	Partnership		£m	£m	£m	Trading operating profit	1,145	554	1,699	Centrally managed costs incl property			(901)	Depreciation and amortisation			(510)	Net finance costs			(157)	PBTBE			131	Exceptional items			(648)	Loss before tax			(517)
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Trading operating profit %	Trading operating profit divided by Total trading sales.																																																																												