STRICTLY EMBARGOED
UNTIL 7AM THURSDAY 18 NOVEMBER 2021

FULLER, SMITH & TURNER P.L.C.
(“Fuller’s”, the “Company”, or the “Group”)
Financial results for the 26 weeks to 25 September 2021

Financial and Operational Summary

- Business is rebuilding well – profitable first half, despite only being free of restrictions for nine full weeks of the period
- Business is cash-generative, and trade is continually increasing
- Started the financial year with all pubs and hotels closed – gradual reopening from April, with all sites reopened in July
- £52 million equity placing successfully completed in April 2021 to strengthen the Balance Sheet and ensure the Company exited the pandemic in a strong position
- Continue to face well-documented industry cost pressures – but business is well funded and in a good position to tackle headwinds
- Business remains firmly underpinned by our predominately freehold estate of iconic, high quality pubs and hotels
- Interim dividend payment of 3.90p per ‘A’ and ‘C’ ordinary share, reflecting the reopening of our estate, return to profitability and reduction in net debt.

	H1 2022 £m	H1 2021 £m
Revenue and other income	**116.3**	45.6
EBITDA[1]	**22.8**	(3.7)
Group statutory profit/(loss) before tax	**10.6**	(23.0)
Adjusted profit/(loss) before tax[2]	**4.6**	(22.2)
Adjusted EPS[3]	**6.09p**	(32.42)p
Basic EPS[3]	**5.76p**	(33.69)p
Net debt excluding lease liabilities[4]	**131.5**	187.4

All figures above are from continuing operations except for Group statutory profit/(loss) before tax which includes discontinued operations in H1 2021.

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1 *Pre-separately disclosed earnings before interest, tax, depreciation, profit on disposal of plant and equipment and amortisation.*
2 *Adjusted profit/(loss) before tax is the profit/(loss) before tax excluding separately disclosed items.*
3 *Per 40p ‘A’ or ‘C’ ordinary share. Adjusted EPS is calculated using earnings attributable to equity shareholders before tax excluding separately disclosed items. Basis EPS includes separately disclosed items.*
4 *Net debt comprises cash and short-term deposits, bank overdraft, bank loans, CCFF, debenture stock and preference shares.*

Strategic Update

- Used period of closure and quieter trading to continue investing in our predominately freehold estate, ensuring our pubs and hotels are in excellent condition
- Built on consumer demand for a premium experience with transformational refurbishments – including opening our first new Bel & The Dragon site at The Red Lion, Wendover
- Invested in our infrastructure – new finance system, Microsoft Business Central, due to go live on Monday 22 November 2021
- Further development underway for our booking engines, pub websites and CRM system to improve the customer's digital booking journey, communication and internal connectivity between systems
- Maintained excellent relationships and worked in partnership with our suppliers to optimise availability
- Continued support and development of our team members, including an improved remuneration and benefits package
- Hired first Head of Sustainability to put our *Life's too good to waste* policy at the heart of everything we do.

Current Trading and Outlook

- Managed like for like sales for seven weeks to 13 November 2021 at 90% of 2019 levels
- Tenanted Inns performing ahead of plan
- Rural pubs and hotels continue to perform above 2019 levels
- Excellent performance from Cotswold Inns & Hotels
- Central London pubs showing steady growth – which will benefit from the further return of international tourists
- Low level of net debt, reduced by £3.3 million to £128.2 million since the period end
- New Bel & The Dragon site planned for The George & Dragon at Westerham
- Company in excellent shape to continue to deliver long-term strategy and take advantage of selected opportunities.

Chief Executive Simon Emeny said: "While the first half of this financial year has been a story of slowly returning to some semblance of what was known as normality, I am proud of what we have achieved. We have used the time wisely, planning for the future, further improving our already robust infrastructure and focusing on our people, our properties, our supplier relationships and our systems.

"Like for like sales in our Managed Pubs and Hotels continue to grow steadily and for the seven weeks to 13 November 2021 stand at 90% of 2019 levels. Christmas bookings are in good shape and there is clearly continued appetite from our customers to get out and socialise with friends and family.

"During the second half of the year, we will continue to develop our business through investment in property and infrastructure. At our pubs and hotels, this will include further winterisation projects at sites including The Head of the River in Oxford and The Red Lion in Barnes, as well as transformational schemes at The White Star Hotel in Southampton among others. In a further commitment to continually premiumising our offer, we will also be rolling out our next Bel & The Dragon at The George & Dragon in Westerham.

"Our infrastructure projects will also be coming to fruition in the coming months, starting with the roll out of Microsoft Business Central, our new finance package, which goes live on Monday 22 November 2021 – just in time for the arrival of our new Finance Director, Neil Smith, who comes with a wealth of relevant industry experience and starts at the end of November. We will complete our wider digital transformation projects with upgraded pub websites and our improved CRM system providing a fantastic digital shop window and even more targeted communications based on our customers' existing behaviours.

"We are pleased with the steady growth we are seeing across our pubs and hotels and we will benefit as international tourists return and office workers continue to head back to their desks and colleagues. There are a number of well-documented issues facing the industry as a whole and, while we are not immune, we are a long-standing business that is well funded, backed by a substantial, predominately freehold estate, and has the benefit of experience to help us navigate through.

"Our vision and strategy are clear, consistent and relevant. We have a well-balanced business in both style and geography and we have a first-class team of dedicated people right across the Company. Fuller's has, and always will have, a long-term view and a strategic plan that reflects that – and we will continue to deliver it.

-Ends-

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Notes to Editors:

Fuller, Smith & Turner PLC is the premium pubs and hotels business that is famous for beautiful and inviting pubs with delicious fresh food, a vibrant and interesting range of drinks, and engaging service from passionate people. Fuller's has 210 managed businesses, with 1,027 boutique bedrooms, and 174 Tenanted Inns. The estate is predominately located in the South of England (44% of sites are within the M25) and stretches from our London heartland to the Jurassic Coast via the New Forest. Our Managed Pubs and Hotels include 15 iconic Ale & Pie pubs, seven stunning hotels in the Cotswolds, and Bel & The Dragon – seven exquisite country inns located in the Home Counties. In summary, Fuller's is the home of great pubs, outstanding hospitality and passionate people, where everyone is welcome and leaves that little bit happier than they arrived.

Photography is available from the Fuller's Press Office on 020 8996 2198 or by email at pr@fullers.co.uk.

This statement will be available on the Company's website, www.fullers.co.uk*. An accompanying presentation will also be available from 12.00 on 18 November 2021.*

FULLER, SMITH & TURNER P.L.C.
FINANCIAL RESULTS FOR THE 26 WEEKS ENDED 25 SEPTEMBER 2021

CHAIRMAN'S STATEMENT

Against a backdrop that needs no introduction, I am pleased with the progress the Company has made during the first half of this financial year. All our pubs and hotels are open, the Company is cash-generative and our Managed and Tenanted businesses are in excellent shape to continue to deliver future growth.

It has been a trying time for our team members, our management, our customers and our suppliers – but we have all pulled together. Across the estate, our team members have shown a huge degree of dedication, commitment and loyalty to Fuller's, crossing counties to help out in pubs where the recruitment issues are more acute. Meanwhile our suppliers have rewarded our commitment to fairness and partnership by helping to limit our exposure to the supply chain issues that have blighted many of our competitors.

Simon Emeny and his Executive Team have displayed agility and flexibility as we have had to tweak our offer in line with changing consumer behaviour. How much of this behaviour change is permanent is yet to be seen – but there is no doubt that, for example, standing at the bar is currently less in demand, while being served at a table is definitely proving more popular.

During the period, our Finance Director Adam Councell decided to return to the service sector and I am delighted to be welcoming his successor, Neil Smith, to Fuller's and the Main Board on 30 November 2021. Neil is a seasoned Finance Director with an impeccable pedigree in the hospitality sector. He will be an excellent addition to the team, and we look forward to his imminent arrival.

I am delighted to be announcing the resumption of dividends for our shareholders, with the payment of an interim dividend of 3.90p (H1 2021: nil) per 40p 'A' and 'C' ordinary share and 0.39p (H1 2021: nil) per 4p 'B' ordinary share. This will be paid on 4 January 2022 to shareholders on the share register as at 17 December 2021. While this reflects the Company's return to profitability and the reduction in net debt, the quantum reflects the continued impact of the Covid-19 pandemic. This is the beginning of a journey to restoring a full dividend in the future, subject to our continued return to pre-pandemic trading levels and long-term growth.

Fuller's is a long-term business and is built to withstand changes in the external environment. The last 18 months are testament to this – and I am very proud that we remain in a great position as the global economy finds its way post-pandemic. The benefits of a predominately freehold estate cannot be underestimated, and the clear vision, values and purpose of the Company continue to drive our strategic direction.

Finally, I would like to pay personal thanks to the excellent team of people who work in our pubs and hotels, to our partners in our Tenanted Inns and to all those who work in our support centre. They make this Company what it is, they are our USP, and they make the Fuller's difference. Together we face the future with confidence and optimism.

Michael Turner
Chairman
17 November 2021

CHIEF EXECUTIVE'S REVIEW

While the first half of this financial year has been a story of slowly returning to some semblance of what was known as normality, I am proud of what we have achieved. We have used the time wisely, planning for the future, further improving our already robust infrastructure and focusing on our people, our properties, our supplier relationships and our systems.

Since the gradual reopening of the hospitality sector in April, trading has been steadily improving, with large numbers of staycationers in our rural pubs and hotels, and a gradual return to work in the City. Sales are growing month on month, we are generating cash and the business is moving in a positive direction. Like for like sales for the seven weeks from the period end to 13 November are at 90% of 2019 levels and, with the further return of international tourists and increasing numbers of office workers in Central London and the City, we have a clear engine of growth to drive the business forwards.

Fuller's has over 175 years of history and knowing what my predecessors have navigated before me was inspiring and reassuring. We have remained true to our values, while ensuring a degree of agility and flexibility that has enabled us to achieve our goal of exiting the pandemic in the best possible position. We have looked after our people, been fair to our Tenants and suppliers, and kept our geographically balanced and iconic estate in first-class condition.

Among the many positives, I am pleased to report that we have returned to profitability – with the period delivering revenue of £116.3 million and a profit of £10.6 million. Our Managed Pubs and Hotels are all open and while we are not immune to the well-documented industry challenges around recruitment, we have loyal and dedicated team members who are pleased to be back in their bars, doing what they do best and delivering an excellent customer experience. Our Tenanted Inns are also delivering a solid profit contribution. Our Tenants are well funded, keen to work with us to improve their pubs and continue to rebuild trade, and – as ever –full of innovative and exciting ideas.

Trading patterns have varied across our estate and it is no surprise that our rural pubs and hotels have seen the highest sales growth – consistently exceeding 2019 levels. The acquisition of Cotswold Inns & Hotels in October 2019 could not have been better timed and it is worth noting that these wonderful sites are not included in our like for like figures. In Central London, where we naturally have a greater reliance on offices, tourists and the arts, we anticipated that customers would be slower to return – but momentum is growing and we expect that to continue as international travel restrictions are relaxed and the number of days office workers spend at their desks increases.

As a Company, we have continued to focus on infrastructure projects to improve our systems and our digital connectivity with our customers and our sites, while maintaining our continuous investment programme to ensure our pubs and hotels are in great condition. We have had a laser-like focus on costs, but not at the expense of looking after our people, our properties, our suppliers and, most importantly, our customers. During the period, we have reviewed and improved our remuneration and benefits package for our team members and undertaken an employee engagement survey.

Finally, it is clear that consumer behaviour has evolved during the pandemic, and I am very proud of the way our teams – both in our pubs and hotels and at the support centre – have shown the agility and initiative to refine our customer offering to reflect that evolving behaviour.

The evolving consumer landscape

There is no doubt that the Covid pandemic has influenced the way today's customer behaves – but the overarching good news is that the customer is back, has money to spend and is looking for a premium experience.

Fuller's is perfectly placed to deliver this – operating, as we always have, at the premium end of the market. Recent developments, such as the repositioning of The Red Lion in Wendover in July of this year, are a great example of how we are capitalising on this trend. The site has benefited from a substantial investment to convert it to our Bel & The Dragon format – delivering an upgraded food offer, an improved wine range and boutique hotel rooms that have seen the site hit record weeks and deliver solid sales. It has been well received and reinforces our decision to expand our Bel & The Dragon format further and carry out a similar scheme at The George & Dragon in Westerham in the new year.

Some changes in behaviour are an acceleration of existing trends – such as the move to healthier, vegan and flexitarian lifestyles. The demand for food provenance has not gone away and we continue to see a significant increase in demand for higher quality wine and cocktails.

Another good example of the way our customers' habits have evolved during the pandemic is the reduction in demand for bar service – with many customers currently preferring to be served at the table, even if they are only staying for drinks. Customers are also much happier to be outside, both later and in slightly lower temperatures – and our winterisation projects satisfy both of these shifts, extending the outdoor trading season and creating additional covers.

Across our Managed Pubs and Hotels, we have already committed £3.4 million in our gardens and outside spaces with a range of structures from giant pergolas to stretch tents, wigwams and everything in between. These projects have weather-proofed a large number of additional covers and are proving very popular with customers. They are a far cry from the traditional beer garden – delivering a premium experience in exciting surroundings.

For the majority of our customers, their journey starts and finishes with a digital touchpoint. We have seen a continual rise in the number of customers who pre-book their tables, rooms and tickets for in-pub events, and we are investing in a number of digital projects across the business. We are upgrading our booking engines, our pub websites and our CRM system – impacting both internal processes and our customer interface. Collectively, these projects will improve the customer journey, simplify and integrate the booking process for rooms and tables, allow us better sight of the customer basket – and the ability to communicate with and market to our customers based on this information, and improve the connectivity between all of these systems.

Our most immediate infrastructure project is the roll out of our new finance system, Microsoft Business Central. This is going live on Monday 22 November 2021 and is a system that is designed for a pure pubs and hotels business. It will simplify our internal finance processes and improve the quality of business information available to the Company.

People first strategies

Whether it is team members, suppliers, tenants or customers – good relationships, and maintaining those relationships during the most difficult of circumstances, is a key principle for Fuller's. This commitment has proved invaluable, particularly in dealing with the well-documented macro-issues of recruitment shortages and supply chain challenges.

Fuller's has always developed long-term relationships with suppliers – and to ensure they are genuine mutually beneficial partnerships. During the pandemic, we have worked hard to provide our suppliers with stock forecasts, to pay upfront where necessary and to remember that they need supportive partnerships too. The results speak for themselves, with Fuller's protected from the worst of the supply chain fluctuations. The long-term supply agreement with Asahi has prioritised the flow of beer to our Managed Pubs and Hotels, and our Tenanted Inns, while our long-term commitment to suppliers such as Owton's butchers has protected our meat supply and will ensure that beef, turkey and potatoes are on our customers' plates over the key Christmas period.

The issues around recruitment have been widely reported and we are not immune to the situation. These issues were predicted in 2016 at the time of the EU Referendum and our continuous programme to develop talent internally gives us some protection against the issues facing the hospitality sector and beyond.

It is a source of pride that well over half of our general managers (123 to be precise) are internal appointments. A strong culture needs a high degree of internal talent and with training programmes aimed at all levels of the business, this tenet is at the heart of our people strategy. From the 100+ apprentices who are just starting on the Chef's Guild programme, to the 18 general managers who are undertaking a degree level apprenticeship, we have the right training and development on offer across the business – built to be appropriate, accessible and bespoke to the individual's needs and ambitions.

It is always paramount to also identify any areas for improvement – and to that end we have undertaken an employee engagement survey to capture insights from our people in a structured way. We have also listened to more general feedback from our team members, which has resulted in an improved range of benefits – including an exceptional health benefits package for all front-line team members that will see them save on a range of services including prescriptions and dental care – and better loyalty recognition with an enhanced staff discount that increases with tenure of service.

A thriving Tenanted business

Our Tenants have excelled this year. We faced the pandemic together and, as a result of our removal of all commercial rent while they were closed, our Tenants are well funded and have invested, with us, in their properties. The innovation shown by our entrepreneurial Tenants never ceases to amaze and they have led the way in developing the most wonderful garden spaces and exciting food offers, and in providing reasons for their customers to visit.

Demand to partner with Fuller's is high and we have Tenants on long-term agreements in 98% of our sites, with a strong pipeline of prospective Tenants including a number from outside the hospitality industry.

Our Tenanted Inns division remains an integral and cash-generative part of our business. It was quick to return to profit as pubs started to reopen and everything is pointing to a very healthy future.

A sustainability agenda underpinning all our activity

Environmental Social Governance (ESG) is at the heart of any company operating today and we are sufficiently confident in our own plans to sign up to the hospitality sector commitment to be net zero by 2030. As the first stage in confirming our own commitment, we have taken on Ollie Rosevear, who joins us from Costa Coffee, as our first Head of Sustainability.

We have had some easy wins around LED lights, used cooking oil for biofuel and reducing deliveries by 60,000 journeys each year, and I am particularly delighted to confirm that all our Managed Pubs and Hotels and our support centre, Pier House, are now using 100% renewable energy.

ESG is not only about sustainability – and we are very proud of the work we have always done, and continue to do, to support our local communities and charity partners. This is an area that has been brought into even sharper focus during the pandemic and I am constantly delighted by the endeavours our team members undertake in the name of charity.

There is a strong ESG programme in place and I am looking forward to reporting on our progress at year end. The importance of this area cannot be underestimated.

FINANCIAL POSITION

These results were again impacted by the pandemic which limited us to reopening outdoor space from 12 April 2021, opening indoor space but with restrictions from 17 May 2021, and finally opening the full estate on 19 July 2021. The estate was only open for nine full weeks without restrictions during this 26 week period. Despite this, Group revenue and other income was £116.3 million (H1 2021: £45.6 million) and profit before tax was £10.6 million (H1 2021: loss £23.0 million).

The like for like sales in our Managed Pubs and Hotels business for the first half were 80% of 2019 levels, resulting in revenue of £104.4 million (H1 2021: £39.4 million) and an operating profit of £13.6 million (H1 2021: loss £10.6 million). This is across our entire estate which covers rural areas, which were well positioned to bounce back as soon as we were able to open, and urban areas, predominately Central London and transport hubs, where sales increased steadily as travel restrictions eased and people returned to offices. The Tenanted business has remained consistently profitable when open, regardless of any restrictions, and recorded an operating profit of £4.8 million (H1 2021: £1.3 million).

EBITDA was £22.8 million (H1 2021: loss £3.7 million) as the Group returned to being cash generative. The Group generated cash from operating activities of £47.9 million in the period (H1 2021: £5.2 million). This is primarily from the increase in EBITDA recorded in the period but also impacted by the improved working capital position from year end as a result of the estate being reopened. However, given the period end date of 25 September 2021, the month end payment run of c£12 million was paid out after the period end hence the half year figure is flattered by that amount.

On 20 April 2021, the Group completed an equity placing which raised net proceeds of £51.8 million. The proceeds of the equity placing, along with the Group's existing facilities, were used to repay the Covid Corporate Financing Facility (CCFF) on 12 May 2021. At the same time as the equity placing, the Group also agreed an Amend and Extend refinancing of its debt facilities with its relationship banks, extending the maturity of the £192 million facilities to 19 February 2023.

The above factors resulted in net debt (excluding leases) decreasing by £87 million from year end to £131.5 million. Despite the decrease in net debt, finance costs before leases increased to £3.7 million (H1 2021: £2.8 million) as the CCFF was repaid in May 2021 and replaced with the extended bank facilities, which are at higher interest rates.

Separately disclosed items before tax were a credit of £6.0 million (H1 2021: charge £0.8 million), which principally consists of £4.2 million profit on disposal of seven, mainly unlicensed, properties. Other costs included in separately disclosed items are reorganisation costs of £0.3 million, incurred as a result of ongoing corporate restructuring, and a £2.1 million credit on the release of a provision, net of the final settlement amount on the sale of the Fuller's Beer Business.

Tax has been provided for at an effective rate before separately disclosed items of 19.6% (H1 2021: 19.4%). Overall, deferred tax liabilities have increased by £8.9 million from year end to £14.2 million. Included within this movement is a £5.1 million charge shown in tax on separately disclosed items relating to the change in corporation tax rate which is expected to come into effect from April 2023. A full analysis of the tax charge is set out in note 5.

The net impact of these items results in basic earnings per share on continuing operations increasing by 39.45p to 5.76p (H1 2021: -33.69p), with adjusted earnings per share[1] on continuing operations up by 38.51p to 6.09p (H1 2021: -32.42p).

The deficit on the defined benefit pension scheme has decreased by £8.6 million from the year end and is now showing an accounting surplus of £5.1 million (27 March 2021: deficit £3.5 million, 26 September 2020: deficit £10.8 million). This is a result of the fair value of scheme assets outperforming the small increase in the present value of the scheme liabilities. As the Group has an unconditional right to a refund under the pension trust deed, an asset can be recognised.

CURRENT TRADING AND OUTLOOK

Like for like sales in our Managed Pubs and Hotels continue to grow steadily and for the seven weeks to 13 November 2021 stand at 90% of 2019 levels. Christmas bookings are in good shape and there is clearly continued appetite from our customers to get out and socialise with friends and family.

During the second half of the year, we will continue to develop our business through investment in property and infrastructure. At our pubs and hotels, this will include further winterisation projects at sites including The Head of the River in Oxford and The Red Lion in Barnes, as well as transformational schemes at The White Star Hotel in Southampton among others. In a further commitment to continually premiumising our offer, we will also be rolling out our next Bel & The Dragon at The George & Dragon in Westerham.

[1] Excluding separately disclosed items

Our infrastructure projects will also be coming to fruition in the coming months, starting with the roll out of Microsoft Business Central, our new finance package, which goes live on Monday 22 November 2021 – just in time for the arrival of our new Finance Director, Neil Smith, who comes with a wealth of relevant industry experience and starts at the end of November. We will complete our wider digital transformation projects with upgraded pub websites and our improved CRM system providing a fantastic digital shop window and even more targeted communications based on our customers' existing behaviours.

On top of this activity plan, it is essential that our offer in the pub delivers on the day and with a cohesive plan of action around Winter Tipples – delivering high quality cocktails that are perfect for colder days – and interesting in-pub activity such as comedy nights and a production of *A Christmas Carol*, we are well placed to deliver premium, exciting and memorable experiences.

We are pleased with the steady growth we are seeing across our pubs and hotels and we will benefit as international tourists return and office workers continue to head back to their desks and colleagues. There are a number of well-documented issues facing the industry as a whole and, while we are not immune, we are a long-standing business that is well funded, backed by a substantial, predominately freehold estate, and has the benefit of experience to help us navigate through.

Our vision and strategy are clear, consistent and relevant. We have a well-balanced business in both style and geography and we have a first-class team of dedicated people right across the Company. Fuller's has, and always will have, a long-term view and a strategic plan that reflects that – and we will continue to deliver it.

Simon Emeny
Chief Executive
17 November 2021

Fuller, Smith & Turner P.L.C.
Financial Highlights
For the 26 weeks ended 25 September 2021

	Unaudited 26 weeks ended 25 September 2021 £m	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Revenue and other income	**116.3**	45.6	73.4
EBITDA[1]	**22.8**	(3.7)	(13.1)
Adjusted profit/(loss) before tax[2]	**4.6**	(22.2)	(48.7)
Statutory profit/(loss) before tax	**10.6**	(23.0)	(57.8)
Basic earnings per share[3]	**5.76p**	(33.69)p	(87.31)p
Adjusted earnings per share[3]	**6.09p**	(32.42)p	(72.09)p
Net debt excluding lease liabilities[4]	**131.5**	187.4	218.1

All figures above are from continuing operations except where stated.

1 *Pre-separately disclosed earnings before interest, tax, depreciation, profit on disposal of plant and equipment and amortisation.*

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

3 *Per 40p 'A' or 'C' ordinary share. Adjusted EPS is calculated using earnings attributable to equity shareholders before tax excluding separately disclosed items. Basis EPS includes separately disclosed items.*

4 *Net debt comprises cash and short term deposits, bank overdraft, bank loans, CCFF, debenture stock and preference shares.*

Fuller, Smith & Turner P.L.C.
Condensed Group Income Statement
For the 26 weeks ended 25 September 2021

Continuing operations	Note	**Unaudited 26 weeks ended 25 September 2021 £m**	Restated[1] Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Revenue	2	**116.3**	45.4	73.2
Operating costs before separately disclosed items		**(106.4)**	(63.5)	(113.7)
Other income	2	**-**	0.2	0.2
Adjusted operating profit/(loss)	2	**9.9**	(17.9)	(40.3)
Operating separately disclosed items	3	**1.8**	(1.0)	(14.8)
Operating profit/(loss)		**11.7**	(18.9)	(55.1)
Finance costs before separately disclosed items	4	**(5.3)**	(4.3)	(8.4)
Financing separately disclosed items	3,4	**-**	0.2	(0.1)
Profit on disposal of properties	3	**4.2**	-	5.8
Profit/(loss)before tax		**10.6**	(23.0)	(57.8)
Adjusted profit/(loss) before tax		**4.6**	(22.2)	(48.7)
Total separately disclosed items	3	**6.0**	(0.8)	(9.1)
Profit/(loss) before tax		**10.6**	(23.0)	(57.8)
Income tax (expense)/credit	5	**(7.1)**	4.4	9.6
Analysed as:				
Underlying trading		**(0.9)**	4.3	8.9
Separately disclosed items	3	**(6.2)**	0.1	0.7
Profit/(loss) for the period/year from continuing operations		**3.5**	(18.6)	(48.2)
Net profit/(loss) after tax from discontinued operations		**-**	(1.2)	(1.4)
Profit/(loss) for the period/year		**3.5**	(19.8)	(49.6)

1 Refer to note 14 for details of restatement.

Fuller, Smith & Turner P.L.C.
Condensed Group Income Statement (continued)
For the 26 weeks ended 25 September 2021

Group	Note	**Unaudited 26 weeks ended 25 September 2021 Pence**	Restated[1] Unaudited 26 weeks ended 26 September 2020 Pence	Audited 52 weeks ended 27 March 2021 Pence
Earnings/(loss) per share per 40p 'A' and 'C' ordinary share				
Basic		**5.76**	(35.87)	(89.84)
Diluted		**5.74**	(35.87)	(89.84)
Earnings/(loss) per share per 4p 'B' ordinary share				
Basic		**0.58**	(3.59)	(8.98)
Diluted		**0.57**	(3.59)	(8.98)
Continuing operations				
Earnings/(loss) per share per 40p 'A' and 'C' ordinary share				
Basic	6	**5.76**	(33.69)	(87.31)
Diluted	6	**5.74**	(33.69)	(87.31)
Earnings/(loss) per share per 4p 'B' ordinary share				
Basic	6	**0.58**	(3.37)	(8.73)
Diluted	6	**0.57**	(3.37)	(8.73)

1 Refer to note 14 for details of restatement.

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Comprehensive Income
For the 26 weeks ended 25 September 2021

	Note	**Unaudited 26 weeks ended 25 September 2021 £m**	Restated[1] Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Profit/(loss) for the period/year		**3.5**	(19.8)	(49.6)
Items that may be reclassified to profit or loss				
Net gains on valuation of financial assets and liabilities		**0.3**	0.2	0.5
Tax related to items that may be reclassified to profit or loss	5	**(0.1)**	-	(0.1)
Items that will not be reclassified to profit or loss				
Net actuarial gains/(losses) on pension schemes	11	**7.5**	(7.1)	(1.0)
Tax related to items that will not be reclassified to profit or loss	5	**(1.8)**	1.3	0.2
Other comprehensive income/(loss) for the period/year, net of tax		**5.9**	(5.6)	(0.4)
Total comprehensive income/(loss) for the period/year, net of tax		**9.4**	(25.4)	(50.0)

1 Refer to note 14 for details of restatement.

Fuller, Smith & Turner P.L.C.
Condensed Group Balance Sheet
25 September 2021

	Note	**Unaudited At 25 September 2021 £m**	Restated[1] At 26 September 2020 £m	Audited At 27 March 2021 £m
Non-current assets				
Intangible assets		**28.9**	27.3	27.3
Property, plant and equipment	8	**588.4**	607.5	590.2
Investment properties		**1.9**	3.9	3.1
Other non-current assets		**-**	0.1	-
Right-of-use assets		**77.5**	88.9	81.9
Retirement benefit obligations	11	**5.1**	-	-
Total non-current assets		**701.8**	727.7	702.5
Current assets				
Inventories		**3.2**	3.1	2.1
Trade and other receivables		**12.4**	11.5	11.5
Current tax receivable		**3.9**	4.1	4.0
Cash and cash equivalents	10	**16.2**	18.0	17.1
Total current assets		**35.7**	36.7	34.7
Assets classified as held for sale	9	**8.1**	8.3	9.6
Total assets		**745.6**	772.7	746.8
Current liabilities				
Trade and other payables		**(58.0)**	(43.2)	(28.7)
Provisions	12	**(0.5)**	(4.1)	(4.0)
Borrowings	10	**-**	(177.9)	(207.7)
Lease liabilities	10	**(7.2)**	(8.0)	(6.7)
Total current liabilities		**(65.7)**	(233.2)	(247.1)
Non-current liabilities				
Borrowings	10	**(147.7)**	(27.5)	(27.5)
Lease liabilities	10	**(76.6)**	(86.1)	(83.2)
Other financial liabilities		**(0.3)**	(0.8)	(0.7)
Retirement benefit obligations	11	**-**	(10.8)	(3.5)
Deferred tax liabilities		**(14.2)**	(9.7)	(5.3)
Total non-current liabilities		**(238.8)**	(134.9)	(120.2)
Net assets		**441.1**	404.6	379.5

1 Refer to note 14 for details of restatement

Fuller, Smith & Turner P.L.C.
Condensed Group Balance Sheet (continued)
25 September 2021

	Note	**Unaudited At 25 September 2021 £m**	Restated[1] At 26 September 2020 £m	Audited At 27 March 2021 £m
Capital and reserves				
Share capital	13	**25.4**	22.8	22.8
Share premium account	13	**53.2**	4.2	4.2
Capital redemption reserve		**3.7**	3.7	3.7
Own shares		**(16.7)**	(17.0)	(17.0)
Hedging reserve		**(0.3)**	(0.7)	(0.5)
Retained earnings		**375.8**	391.6	366.3
Total equity		**441.1**	404.6	379.5

1 Refer to note 14 for details of restatement.

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Changes in Equity
For the 26 weeks ended 25 September 2021

Unaudited – 26 weeks ended 25 September 2021	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total £m
At 27 March 2021	**22.8**	**4.2**	**3.7**	**(17.0)**	**(0.5)**	**366.3**	**379.5**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**3.5**	**3.5**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**0.2**	**5.7**	**5.9**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**0.2**	**9.2**	**9.4**
Equity placing	**2.6**	**49.0**	**-**	**0.2**	**-**	**-**	**51.8**
Shares released from ESOT and treasury	**-**	**-**	**-**	**0.1**	**-**	**-**	**0.1**
Share-based payment charges	**-**	**-**	**-**	**-**	**-**	**0.3**	**0.3**
At 25 September 2021	**25.4**	**53.2**	**3.7**	**(16.7)**	**(0.3)**	**375.8**	**441.1**
Unaudited – 26 weeks ended 26 September 2020 (restated)							
At 28 March 2020 (restated)	22.8	4.2	3.7	(17.1)	(0.9)	417.1	429.8
Loss for the period	–	–	–	–	–	(19.8)	(19.8)
Other comprehensive income/(loss)for the period	–	–	–	–	0.2	(5.8)	(5.6)
Total comprehensive income/(loss) for the period	–	–	–	–	0.2	(25.6)	(25.4)
Shares purchased to be held in ESOT or as treasury	–	–	–	–	–	–	–
Shares released from ESOT and treasury	–	–	–	0.1	–	(0.1)	–
Dividends (note 7)	–	–	–	–	–	–	–
Share-based payment charges	–	–	–	–	–	0.1	0.1
Tax charged directly to equity (note 5)	–	–	–	–	–	0.1	0.1
At 26 September 2020	22.8	4.2	3.7	(17.0)	(0.7)	391.6	404.6

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Changes in Equity (continued)
For the 26 weeks ended 25 September 2021

Audited – 52 weeks ended 27 March 2021 (restated)	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total £m
At 28 March 2020	22.8	4.2	3.7	(17.1)	(0.9)	417.1	429.8
Loss for the year	–	–	–	–	–	(49.6)	(49.6)
Other comprehensive income/(expense) for the year	–	–	–	–	0.4	(0.8)	(0.4)
Total comprehensive income/(expense) for the year	–	–	–	–	0.4	(50.4)	(50.0)
Shares purchased to be held in ESOT or as treasury	–	–	–	–	–	–	–
Shares released from ESOT and treasury	–	–	–	0.1	–	(0.1)	–
Share-based payment charges	–	–	–	–	–	(0.3)	(0.3)
Total transactions with owners	–	–	–	0.1	–	(0.4)	(0.3)
At 27 March 2021	22.8	4.2	3.7	(17.0)	(0.5)	366.3	379.5

1 Refer to note 14 for details of restatement.

Fuller, Smith & Turner P.L.C.
Condensed Group Cash Flow Statement
For the 26 weeks ended 25 September 2021

	Note	**Unaudited 26 weeks ended 25 September 2021 £m**	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Profit/(loss) before tax for continuing operations		**10.6**	(23.0)	(57.8)
Net finance costs before separately disclosed items	4	**5.3**	4.3	8.4
Separately disclosed items	3	**(6.0)**	0.8	9.1
Depreciation and amortisation	2	**12.9**	14.2	27.2
		22.8	(3.7)	(13.1)
Difference between pension charge and cash paid		**(1.2)**	(1.1)	(2.3)
Share-based payment charges		**0.3**	0.1	(0.3)
Change in trade and other receivables		**(1.0)**	0.7	(0.4)
Change in inventories		**(1.2)**	0.6	1.7
Change in trade and other payables		**28.5**	6.3	(6.4)
Cash impact of operating separately disclosed items	3	**(0.3)**	(0.8)	(1.5)
Cash generated/(absorbed by) operations		**47.9**	2.1	(22.3)
Tax received		**-**	3.6	3.4
Cash generated from operating activities – continuing operations		**47.9**	5.7	(18.9)
Cash (absorbed by)/generated from operating activities – discontinued operations		**-**	(0.5)	(0.4)
Cash generated/(absorbed by) operating activities		**47.9**	5.2	(19.3)
Cash flow from investing activities				
Purchase of property, plant and equipment and intangible assets		**(8.4)**	(7.3)	(16.5)
Sale of property, plant and equipment and assets held for sale		**2.2**	–	10.8
Sale of investment property		**2.6**	-	-
Cash absorbed by investing activities – continuing operations		**(3.6)**	(7.3)	(5.7)
Cash generated investing activities – discontinued operations		**-**	0.3	0.3
Net cash outflow from investing activities		**(3.6)**	(7.0)	(5.4)

Fuller, Smith & Turner P.L.C.
Condensed Group Cash Flow Statement (continued)
For the 26 weeks ended 25 September 2021

	Note	**Unaudited 26 weeks ended 25 September 2021 £m**	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Cash flow from financing activities				
Receipts on release of own shares to option schemes		**0.1**	–	–
Interest paid		**(2.9)**	(2.4)	(4.5)
Preference dividends paid		**(0.1)**	(0.1)	(0.1)
Net proceeds of equity placing	13	**51.8**	–	–
(Repayment)/issue of commercial paper under CCFF		**(100.0)**	99.4	99.4
Repayment/(drawdown) of bank loans		**13.1**	(93.0)	(64.0)
Cost of refinancing		**(1.2)**	-	-
Surrender of leases		**(1.9)**	-	-
Principal elements of lease payments	10	**(4.1)**	(4.3)	(9.2)
Cash (absorbed)/generated by financing activities continued		**(45.2)**	(0.4)	21.6
Cash absorbed by financing activities discontinued		**-**	(0.1)	(0.1)
Net cash (outflow) from financing activities		**(45.2)**	(0.5)	21.5
Net movement in cash and cash equivalents	10	**(0.9)**	(2.3)	(3.2)
Cash and cash equivalents at the start of the period		**17.1**	20.3	20.3
Cash and cash equivalents at the end of the period/year	10	**16.2**	18.0	17.1

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 26 weeks ended 25 September 2021

1. Half Year Report
Basis of Preparation
The half year financial statements for the 26 weeks ended 25 September 2021 have been prepared in accordance with the Disclosure and Transparency Rules ("DTRs") of the Financial Conduct Authority and with International Accounting Standard ("IAS") 34, Interim Financial Reporting and should be read in conjunction with the Annual Report and Financial Statements for the 52 weeks ended 27 March 2021.

The half year financial statements do not constitute full accounts as defined by Section 434 of the Companies Act 2006. The figures for the 52 weeks ended 27 March 2021 are derived from the published statutory accounts. Full accounts for the 52 weeks ended 27 March 2021, including an unqualified auditor's report which did not make any statement under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

The Board has adopted the going concern basis in preparing these accounts after assessing the Group's principal risks including the continuing risks arising from coronavirus as well as the cost pressures impacting the sector from rising staff costs and utility prices. The Board is confident that the Group has sufficient liquidity and the ability to access resources when the Group needs to refinance to withstand these ongoing challenges for the going concern assessment period to March 2023.

The coronavirus pandemic, and its continuing impact on the hospitality sector and the wider economy, casts uncertainty as to the future financial performance and cash flows of the Group. When assessing the ability of the Group to continue as a going concern, the Board has considered the Group's financing arrangements, the pattern of trading since fully reopening on 19 July 2021, the possibility of restrictions being reinstated and other principal risks and uncertainties as disclosed in the Group's latest Annual Report. These include cost pressures impacting the whole of the hospitality sector such as rising staff costs, energy prices further increasing and the well-documented supply issues that are impacting a wide range of industries including our own.

At 25 September 2021, the Group had a strong Balance Sheet with 91% of the estate being freehold properties with available headroom on facilities of £71.0 million and £16.2 million of cash result net debt (excluding leases) of £131.5 million. At year end, net debt excluding leases was £218.1 million so has reduced by £87 million.

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

In undertaking a going concern review, the Board has considered two main scenarios prepared by management which go out to March 2023 "the going concern assessment period". The going concern assessment period has been determined as 16 months from date of signing to include the

1. Half Year Report (continued)
expiry date of existing bank facilities which is just outside the minimum 12 month period for going concern considerations.

A "base case" assumes the estate is open fully throughout FY22 but continues to be impacted by reductions in international travel, slow return to offices and consumer confidence. This is marginally offset by an increase in weddings, staycations and a small increase in suburban areas as people stay at home to work. The base case also considers the cost pressures facing the sector and the impact they could have on the Group. The forecast assumes steady improvement in trading, returning to pre-coronavirus levels by the end of FY23. Under this scenario there would be liquidity headroom and all covenants would be compiled for the duration of the going concern period.

A "downside case" assumes four months of restrictions akin to those experienced in October 2020 – "rule of six", table ordering and working from home – for the period December 2021 to March 2022. In April 2022, it is assumed that those restrictions would be lifted, and trading would return in line with the base case scenario. Under this "downside case" there would be liquidity headroom and all covenants would be compiled with for the duration of the going concern assessment period. In the downside scenario no government support is assumed.

Given the uncertainties surrounding the pandemic, the Group has also performed a reverse stress test to assess at which point the Group would breach its covenants or not have sufficient liquidity in the assessment period. The model shows that the Group would be able to withstand two months of lockdown – December and January – but if the lockdown were to be extended further the Group would breach the June 2022 covenant when it reverted to net debt to EBITDA coverage. The Board is confident that if the country were to go into lockdown then is would be able to obtain a revision of the covenants as it was able to in the past. The Group would have sufficient liquidity headroom throughout the period under this scenario.

The Board has concluded that in both the "base case" and "downside" scenario, the Group has sufficient debt facilities to finance operations for the going concern assessment period and it would not be in breach of any of its covenants. However, as there is an unlikely but not implausible chance that another national lockdown could be enforced, and the Group could only withstand two months before there would be a breach of its covenant, this creates a material uncertainty.

Furthermore, the Group's finance facilities expire in February 2023 and whilst the Board is confident of the Group's ability to secure a refinance, in light of the plausibility of further restrictions and/or lockdowns combined with no refinance agreement being in place at this time, a further material uncertainty exists in relation to this future refinancing event that may cast doubt over the Group's ability to continue as a going concern.

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

1. Half Year Report (continued)

existence for the going concern assessment period to March 2023. However, under a severe but not implausible scenario, where the country is put into lockdown for over two months the Group would breach its leverage covenant in June 2022. This combined with the requirement for the Group to secure a refinance of their facilities beyond February 2023, creates material uncertainties that may cast doubt on the Group's ability to continue as a going concern. The interim financial statements do not reflect any adjustments that would be required to be made if they were prepared on a basis other than the going concern basis.

The half year financial statements were approved by the Directors on 17 November 2021.

New Accounting Standards

The accounting policies adopted in the preparation of the half year financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the 52 weeks ended 27 March 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Taxation

Taxes on income in the interim periods are accrued using the tax rate that is expected to be applicable to total annual earnings for the full year in each tax jurisdiction based on substantively enacted or enacted tax rates at the interim date.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 26 weeks ended 25 September 2021

2. Segmental Analysis

Unaudited – 26 weeks ended 25 September 2021	**Managed Pubs and Hotels £m**	**Tenanted Inns £m**	**Unallocated[1] £m**	**Total continuing operations £m**
Revenue				
Sales of goods and services	92.0	8.9	-	100.9
Accommodation income	10.5	-	-	10.5
Total revenue from contracts with customers	**102.5**	**8.9**	**-**	**111.4**
Rental income	1.9	3.0	-	4.9
Revenue	**104.4**	**11.9**	-	**116.3**
Segment result	**13.6**	**4.8**	**(8.5)**	**9.9**
Operating separately disclosed items				**1.8**
Operating profit				**11.7**
Profit on disposal of properties				**4.2**
Net finance costs				**(5.3)**
Profit before tax				**10.6**
Other segment information				
Additions: property, plant and equipment	**5.8**	**0.4**	**-**	**6.2**
Depreciation and amortisation	**11.8**	**0.8**	**0.3**	**12.9**

Unaudited – 26 weeks ended 25 September 2021	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated[1] £m	Total continuing operations £m
Revenue				
Sales of goods and services	34.9	4.9	-	39.8
Accommodation income	3.5	-	-	3.5
Total revenue from contracts with customers	38.4	4.9	-	43.3
Rental income	1.0	1.1	-	2.1
Revenue	39.4	6.0	-	45.4
Other income	-	-	0.2	0.2
Segment result	(10.6)	1.3	(8.6)	(17.9)
Operating separately disclosed items				(1.0)
Operating loss				(18.9)
Profit on disposal of properties				–
Net finance costs				(4.1)
Loss before tax				(23.0)
Other segment information				
Additions: property, plant and equipment	6.5	0.3	0.5	7.3
Depreciation and amortisation	12.6	0.9	0.7	14.2

1 Unallocated expenses represent primarily the salary and costs of central management. Unallocated revenue represents TSA income.

2. Segmental Analysis (continued)

Audited – 52 weeks ended 27 March 2021	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated[1] £m	Total continuing operations £m
Revenue				
Sale of goods and services	56.6	6.9	-	63.5
Accommodation income	5.9	-	-	5.9
Total revenue from contracts with customers	62.5	6.9	-	69.4
Rental income	1.5	2.3	-	3.8
Revenue	64.0	9.2	-	73.2
Other income	-	-	0.2	0.2
Segment result	(26.1)	1.2	(15.4)	(40.3)
Operating separately disclosed items				(14.8)
Operating loss				(55.1)
Profit on disposal of properties				5.8
Net finance costs				(8.5)
Loss before tax				(57.8)
Other segment information				
Additions: assets held for sale, property, plant and equipment	12.6	0.7	0.5	13.8
Depreciation and amortisation	24.7	1.8	0.7	27.2
Impairment of property, right-of-use assets and goodwill	11.3	1.6	–	12.9

1 Unallocated expenses represent primarily the salary and costs of central management. Unallocated revenue represents TSA income.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 26 weeks ended 25 September 2021

3. Separately Disclosed Items

Continuing operations	**Unaudited 26 weeks ended 25 September 2021 £m**	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Amounts included in operating profit/(loss):			
Reorganisation costs	**(0.3)**	(1.0)	(1.9)
Impairment of properties, right-of-use assets and intangible assets	**-**	–	(12.9)
Release of provision on final settlement of Beer Business	**2.1**	-	-
Total separately disclosed items included in operating profit/(loss)	**1.8**	(1.0)	(14.8)
Profit on disposal of properties	**4.2**	–	5.8
Separately disclosed finance costs:			
Finance charge on net pension liabilities (note 11)	**-**	–	(0.1)
Finance credit on the cancellation of interest rate swaps	**-**	0.2	–
Total separately disclosed finance costs	**-**	0.2	(0.1)
Total separately disclosed items before tax	**6.0**	(0.8)	(9.1)
Separately disclosed tax:			
Profit on disposal of properties	**(1.1)**	–	(0.2)
Change in tax rates	**(5.1)**	0.1	0.9
Total separately disclosed tax	**(6.2)**	0.1	0.7
Total separately disclosed items	**0.2**	(0.7)	(8.4)

The reorganisation costs of £0.3 million during the 26 weeks ended 25 September 2021 (26 September 2020: £1.0 million, 27 March 2021: £1.9 million) were largely incurred as a result of the Group corporate restructure.

The profit on disposal of properties of £4.2 million during the 26 weeks ended 25 September 2021 (26 September 2020: nil) relates to the disposal of seven mostly licensed properties which were held as assets held for sale at year end. £1.4 million of this balance relates to the release of a lease liability on surrender of two properties that were previously impaired, net of surrender costs.

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

The 2021 Budget in March this year announced an increase in the UK corporation tax rate to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021. The UK corporation rate increase has resulted in an increase to the deferred tax liability of £5.1 million. This has been recognised within separately disclosed items in the tax charge for the period as it is unrelated to underlying trading and is one off in nature.

The cash impact of operating separately disclosed items before tax for the 26 weeks ended 25 September 2021 was £0.3 million cash outflow (26 September 2020: £0.8 million cash outflow, 27 March 2021 £1.5 million cash outflow).

4. Finance Costs

	Unaudited 26 weeks ended 25 September 2021 £m	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Finance costs			
Interest expense arising on:			
Financial liabilities at amortised cost – loans and debentures	**(3.6)**	(2.7)	(5.3)
Financial liabilities at amortised cost – preference shares	**(0.1)**	(0.1)	(0.1)
Financial liabilities at amortised cost – lease liabilities	**(1.6)**	(1.5)	(3.0)
Total interest expense for financial liabilities	**(5.3)**	(4.3)	(8.4)
Total finance costs before separately disclosed items	**(5.3)**	(4.3)	(8.4)
Finance charge on net pension liabilities (note 11)	**-**	–	(0.1)
Finance credit on the expiry/cancellation of interest rate swaps	**-**	0.2	–
Total finance costs	**(5.3)**	(4.1)	(8.5)

5. Taxation

Continuing operations	**Unaudited 26 weeks ended 25 September 2021 £m**	Restated Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Tax on profit/(loss) on ordinary activities			
Current income tax:			
Corporation tax	**0.1**	–	(1.0)
Amounts over provided in previous years	**–**	(0.5)	(0.5)
Total current income tax	**0.1**	(0.5)	(1.5)
Deferred tax:			
Origination and reversal of temporary differences	**1.9**	(3.9)	(8.1)
Change in corporation tax rate	**5.1**	–	–
Total deferred tax	**7.0**	(3.9)	(8.1)
Total tax charged/(credited) in the Income Statement	**7.1**	(4.4)	(9.6)
Tax relating to items charged/(credited) to the Statement of Comprehensive Income			
Deferred tax:			
Tax charge on valuation gains on financial assets and liabilities	**0.1**	–	0.1
Tax charge/(credit) on actuarial gains on pension scheme	**1.8**	(1.3)	(0.2)
Tax charge/(credit) included in the Statement of Comprehensive Income	**1.9**	(1.3)	(0.1)
Tax relating to items credited directly to equity			
Deferred tax:			
Share-based payments	**–**	(0.1)	–
Tax credit included in the Statement of Changes in Equity	**–**	(0.1)	–

The taxation charge is calculated by applying the Directors' best estimate of the annual effective tax rate to the profit/(loss) for the period/year.

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Notes to the Condensed Financial Statements
For the 26 weeks ended 25 September 2021

6. Earnings/(Loss) Per Share

Continuing operations	**Unaudited 26 weeks ended 25 September 2021 £m**	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Profit/(loss) attributable to equity shareholders	**3.5**	(18.6)	(48.2)
Separately disclosed items net of tax	**0.2**	0.7	8.4
Adjusted earnings/(loss) attributable to equity shareholders	**3.7**	(17.9)	(39.8)

	Number	Number	Number
Weighted average share capital	**60,762,000**	55,205,000	55,207,000
Dilutive outstanding options and share awards	**204,000**	287,000	139,000
Diluted weighted average share capital	**60,966,000**	55,492,000	55,346,000

40p 'A' and 'C' ordinary share	**Pence**	*Pence*	*Pence*
Basic earnings/(loss) per share	**5.76**	(33.69)	(87.31)
Diluted earnings/(loss) per share	**5.74**	(33.69)	(87.31)
Adjusted earnings/(loss) per share	**6.09**	(32.42)	(72.09)
Diluted adjusted earnings/(loss) per share	**6.07**	(32.42)	(72.09)

4p 'B' ordinary share	**Pence**	Pence	Pence
Basic earnings/(loss) per share	**0.58**	(3.37)	(8.73)
Diluted earnings/(loss) per share	**0.57**	(3.37)	(8.73)
Adjusted earnings/(loss) per share	**0.61**	(3.24)	(7.21)
Diluted adjusted earnings/(loss) per share	**0.61**	(3.24)	(7.21)

For the purposes of calculating the number of shares to be used above, 'B' shares have been treated as one-tenth of an 'A' or 'C' share. The earnings per share calculation is based on earnings from continuing operations and on the weighted average ordinary share capital which excludes shares held by trusts relating to employee share options and shares held in treasury of 1,766,681 (26 September 2020: 1,779,745, 27 March 2021: 1,777,248).

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

6. Earnings/(Loss) Per Share (continued)
Adjusted earnings per share is calculated on profit before tax excluding separately disclosed items and on the same weighted average ordinary share capital as for the basic and diluted earnings per share. An adjusted earnings per share measure has been included as the Directors consider that this measure better reflects the underlying earnings of the Group.

7. Dividends

	Unaudited 26 weeks ended 25 September 2021 £m	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Declared and paid during the period			
Interim paid in the period for 2021	-	-	-
First dividend paid in period for 2021	**-**	–	–
Equity dividends paid	**-**	–	–
Dividends on cumulative preference shares (note 4)	**0.1**	0.1	0.1

	Pence	Pence	Pence
Dividends per 40p ‘A’ and ‘C’ ordinary share declared in respect of the period			
Interim	**3.90**	–	-
	3.90	–	-

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.

The Directors have declared an interim dividend of 3.90p (2020: nil) for the 40p ‘A’ ordinary shares and 40p ‘C’ ordinary shares, and 0.39p (2020: nil) for the 4p ‘B’ ordinary shares, with a total estimated cost to the Company of £2.4 million (2020: nil).

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8. Property, Plant and Equipment

	Unaudited 26 weeks ended 25 September 2021 £m	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Net book value at start of period/year	**590.2**	617.7	617.7
Reclassification of prior year impairment to right-of-use asset	**-**	0.4	0.4
Additions	**6.2**	7.3	13.8
Disposals	**-**	(3.7)	(5.5)
Impairment loss net of reversals	**-**	–	(9.0)
Transfers to assets classified as held for sale	**(1.5)**	(4.9)	(8.6)
Transfer from assets classified as held for sale	**2.4**	–	-
Depreciation provided during the period	**(8.9)**	(9.3)	(18.6)
Net book value at end of period/year	**588.4**	607.5	590.2

During the 26 weeks ended 25 September 2021, the Group recognised a charge of £nil (26 September 2020: £nil, 27 March 2021: £9.0 million) in respect of the write down in value of number of sites to their recoverable value.

9. Assets held for sale

	Unaudited 26 weeks ended 25 September 2021 £m	Unaudited 26 weeks ended 25 September 2021 £m	Audited 26 weeks ended 25 September 2021 £m
Assets held for sale at the start of the period/year	**9.6**	2.6	2.6
Assets disposed of during the year	**(1.7)**	-	(3.1)
Assets transferred to property, plant and equipment	**(2.4)**	4.9	-
Assets transferred from investment property	**1.1**	0.8	1.7
Assets transferred from property, plant and equipment	**1.5**	-	8.6
Impairment of assets	**-**	-	(0.2)
Assets held for sale at the end of the period/year	**8.1**	8.3	9.6

10. Analysis of Net Debt

Unaudited – 26 weeks ended 25 September 2021	At 27 March 2021 £m	Cash flows £m	Non cash[1] £m	**At 25 September 2021 £m**
Cash and cash equivalents:				
Cash and short-term deposits	17.1	(0.9)	-	**16.2**
	17.1	(0.9)	-	**16.2**
Financial liabilities				
Lease liabilities	(89.9)	4.1	2.0	**(83.8)**
	(89.9)	4.1	2.0	**(83.8)**
Debt:				
Bank loans[2]	(107.9)	(11.9)	(0.4)	**(120.2)**
CCFF	(99.8)	100.0	(0.2)	**-**
Debenture stock	(25.9)	-	-	**(25.9)**
Preference shares	(1.6)	-	-	**(1.6)**
Total borrowings	(235.2)	88.1	(0.6)	**(147.7)**
Net debt	(308.0)	91.3	1.4	**(215.3)**

On 31 March 2021, the Group agreed an Amend and Extend refinancing of its existing debt facilities with its relationship banks, extending the maturity of the £192 million facilities to 19 February 2023 and amending the financial covenants to a minimum liquidity level to 31 March 2022.

The CCFF was repayable in May 2021 and was repaid using the Group's available facilities and the proceeds of the equity placing.

Unaudited – 26 weeks ended 26 September 2020	At 28 March 2020 £m	Cash flows £m	Non cash[1] £m	At 26 September 2020 £m
Cash and cash equivalents:				
Cash and short-term deposits	20.3	(2.3)	–	18.0
	20.3	(2.3)	–	18.0
Financial liabilities				
Lease liabilities	(112.9)	4.4	14.4	(94.1)
	(112.9)	4.4	14.4	(94.1)
Debt:				
Bank loans[2]	(171.7)	93.0	(0.1)	(78.8)
CCFF	–	(99.4)	0.3	(99.1)
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(199.2)	(6.4)	0.2	(205.4)
Net debt	(291.8)	(4.3)	14.6	(281.5)

10. Analysis of Net Debt (continued)

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

1 Non-cash movements relate to the amortisation of arrangement fees, arrangement fees accrued and movement in lease liabilities.
2 Bank loans net of arrangement fees.

11. Retirement Benefit Obligations

The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement plan	**Unaudited At 25 September 2021 £m**	Unaudited At 26 September 2020 £m	Audited At 27 March 2021 £m
Fair value of Scheme assets	**155.7**	142.8	143.8
Present value of Scheme liabilities	**(150.6)**	(153.6)	(147.3)
Surplus/(deficit) in the Scheme	**5.1**	(10.8)	(3.5)

The net position of the defined benefit retirement plan for the 26 weeks ended 25 September 2021 shows a surplus of £5.1 million. In accordance with IFRIC 14, the Group is able to recognise an asset as it has an unconditional right to a refund of any surplus in the event of the plan winding down.

Key financial assumptions used in the valuation of the Scheme			
Rate of increase in pensions in payment	**3.50%**	3.05%	3.35%
Discount rate	**1.85%**	1.50%	1.95%
Inflation assumption – RPI	**3.55%**	3.05%	3.40%
Inflation assumption – CPI (pre 2030/post 2030)	**2.65%/3.55%**	2.15%	2.5%/3.4%

11. Retirement Benefit Obligations (continued)

Mortality Assumptions

The mortality assumptions used in the valuation of the Scheme as at 25 September 2021 are as set out in the financial statements for the 52 weeks ended 27 March 2021.

Assets in the Scheme	**Unaudited At 25 September 2021 £m**	Unaudited At 26 September 2020 £m	Audited At 27 March 2021 £m
Corporate bonds	**29.2**	31.2	25.5
Index linked debt instruments	**37.9**	24.2	28.3
Overseas equities	**30.9**	27.7	30.6
Alternatives	**39.3**	53.5	53.7
Cash	**14.5**	2.0	1.9
Annuities	**3.9**	4.2	3.8
Total market value of assets	**155.7**	142.8	143.8

Movement in deficit during period	**Unaudited 26 weeks ended 25 September 2021 £m**	Unaudited 26 weeks ended 26 September 2020 £m	Audited 52 weeks ended 27 March 2021 £m
Deficit in Scheme at beginning of the period	**(3.5)**	(4.7)	(4.7)
Movement in period:			
Net interest cost	**-**	-	(0.1)
Net actuarial gains/(losses)	**7.5**	(7.1)	(1.0)
Contributions	**1.1**	1.0	(2.3)
Surplus/(deficit) in Scheme at end of the period	**5.1**	(10.8)	(3.5)

On 1 January 2015 the plan was closed to future accruals.

12. Provisions

Group and Company	**Unaudited 26 weeks ended 25 September 2021 £m**	Unaudited 26 weeks ended 26 September 2020 £m	Audited 26 weeks ended 27 March 2021 £m
Balance at beginning of the year	**4.0**	4.1	4.1
Utilised	**(1.4)**	-	(0.1)
Released	**(2.1)**	-	-
Balance at end of the year	**0.5**	4.1	4.0
Analysed as:			
Due withing one year	**0.5**	4.1	4.0
Due in more than one year	**-**	-	-
	0.5	4.1	4.0

For further details on the released provision refer to note 3.

13. Share Capital

On 20 April 2021, the Company made an equity placement of 6,469,300 'A' shares for an offer price of 830p, generating gross proceeds of £53.7 million. Expenses of £2.1 million were incurred and have been offset in the share premium account leaving net proceeds of £51.6 million.

At the same time, the Company also provided 'B' ordinary shareholders with the opportunity to purchase 'B' ordinary shares held in treasury pro-rata to their holding of 'B' ordinary shares. 230,094 'B' shares were purchased out of treasury shares for proceeds of £0.2 million.

14. Prior year adjustment

The Group identified an error within its assessment of deferred tax and how it was being calculated on property, plant and equipment ("PP&E"). Management had understated the base cost of PP&E recoverable on a sales basis and not recognised a deferred tax liability on a use basis. Additionally, an adjustment was recognised to goodwill for the acquisition of Bel & The Dragon as a result of incorrect application of the initial recognition exemption. This was identified at year end but dates back to prior to the earliest period presented within these interim statements. The 26 September 2020 balances therefore have been restated in these interim statements. In addition the income statement tax credit has been increased by £0.5 million to record a return to provision true up in H1 2021 when the tax return in question was submitted to HMRC (previously recorded in H2 2021).

The financial impact of the errors identified are as follows:

26 Weeks ended 26 September 2020	Reported £m	Adjusted £m	Restated £m
Current tax receivable	3.8	0.3	4.1
Deferred tax liabilities	(13.7)	4.0	(9.7)
Retained earnings	(388.1)	(3.5)	(391.6)
Goodwill	28.1	(0.8)	27.3

14. Prior year adjustment (continued)

Income Statement for 26 weeks ended 26 September 2020:

	Reported £m	Adjusted £m	Restated £m
Loss before tax	(23.0)	-	(23.0)
Tax	3.9	0.5	4.4
Loss after tax (continuing operations)	(19.1)	0.5	(18.6)

15. Principal Risks and Uncertainties

In the course of normal business, the Group continually assesses and takes action to mitigate the various risks encountered that could impact the achievement of its objectives. Systems and processes are in place to enable the Board to monitor and control the Group's management of risk, which are detailed in the Corporate Governance Report of the Annual Report and Financial Statements 2021. The principal risks and uncertainties and their associated mitigating and monitoring controls which may affect the Group's performance in the next six months are not substantially different from those detailed on pages 28 to 30 of the Annual Report and Financial Statements 2021, and are available on the Fuller's website, www.fullers.co.uk.

The most significant risk has been the impact of the coronavirus pandemic. However other risks, which were already part of our principal risks, have become more prevalent. These include but are not limited to: the constrained availability of labour within the UK impacting hospitality directly, and manufacturing and logistics; the impact of cost inflation; supply chain issues; changes in consumer demand; and wage cost inflation. The controls and mitigations we have in place to address these risks remain effective in reducing the impact on the business. We are well placed to withstand these pressures and ultimately withstand long periods of uncertainty through the strength of our Balance Sheet. Our strong financial position supports our long-term strategy that focuses on ensuring we develop and retain the best people, build strong relationships with our suppliers and deliver a premium experience with the agility to respond to both short and long-term changes in consumer behaviour.

16. Shareholders' information

Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 18 November 2021 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be June 2022. For further details, please contact the Company's registrars, Computershare, on 0870 889 4096.

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17. Statement of Directors' Responsibilities

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer or the undertakings included in the consolidation as a whole and has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the United Kingdom. The interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year
- disclosure of material related party transactions in the first six months and any material changes to related party transactions.

By order of the Board

MICHAEL TURNER
CHAIRMAN
17 NOVEMBER 2021

SIMON EMENY
CHIEF EXECUTIVE OFFICER