Joules Group plc

('Joules' or the 'Group')

Annual Results for the 52-week period ended 30 May 2021 ('the Period' or 'FY21')

Strong performance underpinned by continued digital growth, the strength of the Joules brand, and increasing diversification of revenue streams

FY21 performance:

- Group revenue increased by 4.3% to £199.0 million (FY20: £190.8m) with strong e-commerce sales growth and the contribution from Garden Trading[1], more than offsetting the impact of enforced store closures, the cancellation of country shows across the UK and the impact of the pandemic on the Group's wholesale customers.
  - E-commerce sales increased by 48% to £122.0 million (FY20: £82.7m). Excluding the acquisition of Garden Trading[2], e-commerce sales increased by 43%. This growth was led by sales through the Group's own websites[3]. E-commerce represented 77% of the Group's retail revenue during the Period (FY20: 56%).
  - Overall store and shows sales were £36.6 million in the year (FY20: £63.2m). This performance reflects the forced closure of non-essential retail stores, and cancellation of shows and events as a result of COVID-19. In the Period, our stores were closed for approximately six months of the Period compared with two months in the prior year.
  - Wholesale revenue in the Period, including Garden Trading[2], was £35.3 million, a 17% reduction year-on-year (FY20: £42.7m), reflecting the ongoing impact of COVID-19 on many of the Group's wholesale partners both in the UK and internationally.
  - Other revenue more than doubled to £5.1 million (FY20: £2.2m). This reflects the strong growth of our Friends of Joules digital marketplace and strong performance from several of our licensed product categories and partnerships.
- PBT[4] before exceptional costs was £6.1 million (FY20: loss of £3.9m).
- Exceptional costs in the Period totalled £4.2 million (FY20: £21.0m) including a £2.9 million (FY20: £20.5 million) non-cash impairment charge, £0.6 million (FY20: nil) Garden Trading acquisition costs and £0.7 million (FY20: £0.5m) restructuring costs.
- Statutory profit before tax was £2.0 million (FY20: loss of £24.8m).
- Statutory profit after tax was £0.9 million (FY20: loss of 20.3m).
- Group gross margin was 49.0%, down 1.7%pts on the prior year, impacted by a lower proportion of higher margin store sales, increased freight costs and increased duty and transportation cost for deliveries into EU markets following Brexit.
- Basic earnings per share was 0.82 pence (FY20: loss of 21.61 pence).
- 1.7 million active customers[5] (FY20: 1.41m) and record brand awareness and brand health[6] metrics achieved during the final quarter of the year.
- Net cash[7] of £4.1 million (FY20: £4.5m).

Nick Jones, Chief Executive Officer of Joules, commented:

"It is safe to say that FY21 was characterised by truly unprecedented trading conditions. Against this backdrop, the Group delivered strong strategic progress, including growing our digital proposition, increasing our active customer base, and further diversifying as a leading lifestyle platform with the successful acquisition of Garden Trading and the continued expansion of Friends of Joules.

At the centre of our growth strategy remains the strong Joules brand. During the year we continued to deliver on our brand's clear mission and purpose – to brighten our customers' lives and conduct business in a responsible way. As more and more consumers increasingly valued their leisure time spent outdoors and time doing the things they enjoy with the people they love, our brand has become increasingly relevant to a greater number of customers, reflected by brand health metrics reaching all-time highs.

The Group's strategic progress would not have been possible without the hard work, flexibility and, above all, dedication of our outstanding team. I am incredibly proud of, and grateful for, the commitment shown by our people, from our head office teams to those on the front line in our stores, during this challenging period.

As we move into the new financial year, the continued success and growth of Friends of Joules and our strengthened position in the home, garden and outdoor sector means that the Group now offers significantly more products and categories than ever before, therefore providing customers with greater choice and more reasons to shop with us. As a result of the strength of the Joules brand and the increasing diversification of the Group's digital-led business model, we believe that the Group is very well positioned to continue to deliver its ambitious growth plans."

Reconciliation to statutory profit/loss before tax:

£million	**FY21**[8]	**FY20 (restated)**[9]
PBT/(LBT) - before exceptional costs[4]	**6.1**	**(3.9)**
Exceptional costs	(4.2)	(21.0)
Statutory profit/(loss) before tax	**2.0**	**(24.8)**

[1] On 9 February 2021 the Group acquired 100% of the issued share capital, and obtained control of, The Garden Trading Company Limited (company number 2854160). The Garden Trading Company Limited is a digitally focused retailer of home and garden products. See Note 2 of the Consolidated Financial Statements.

[2] Garden Trading e-commerce revenue in the period since acquisition to 30 May 2021 was £4.3 million, and wholesale revenue was £4.4 million.

[3] joules.com, joulesusa.com, tomjoule.de and the Joules ebay store

[4] PBT/(LBT) – before exceptional costs is a non-GAAP measure provided to facilitate comparison across periods, it is stated prior to exceptional costs that are primarily related to non-cash asset impairments in the current and previous periods. See Note 3 of the Consolidated Financial Statements.

[5] Customers registered on our database who have transacted in the last 12 months.

[6] Brand Awareness and Brand Health are measured as part of an independent YouGov consumer survey.

[7] 'Net cash' represents gross cash & cash equivalents less total borrowings. See Note 12 of the Consolidated Financial Statements.

[8] This year, we are reporting on the 52 weeks ended 30 May 2021 compared to 53 weeks to 31 May 2020 in the prior year. To provide a comparison with last year's 53-week period, the unaudited contribution of the additional week in last year's results was approximately 1% of revenue and profit.

[9] For further details of the prior period restatement, refer to the Financial Review section of this report, and Note 1 of the Consolidated Financial Statements.

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Joules - a premium lifestyle group with an authentic British heritage

Joules is a British lifestyle Group comprising the Joules brand, the fast-growing Friends of Joules digital marketplace, and Garden Trading, a leading digital-led brand in the home, garden and outdoor category.

The Joules brand is a premium lifestyle brand with an authentic heritage and values of family, fun and joy in the countryside. Joules creates exceptional products that brighten the lives of its customers, delivered through leading digital platforms and supported by enticing experiences and stores that are situated in desirable locations relevant to the Joules customer's lifestyle.

The Joules story began in 1989, when Tom Joule started selling clothing on a stand at a country show in Leicestershire. Today, the business designs and sells Joules branded clothing, footwear and accessories for women, men and children as well as collections of homeware, toiletries, lifestyle and pet product ranges that are carefully designed and developed through selected licensing partnerships. Each collection comprises Joules' distinctive use of humour, colour and unique prints, each of which is hand-drawn by the brand's talented in-house print design team at its headquarters in Market Harborough, Leicestershire.

The Joules brand caters to its 1.7 million active customers through its own digital platform, its retail stores in the UK and at country shows and events. Joules extends its brand reach through well-established third-party relationships – concessions, online marketplaces and traditional wholesale - in the UK and internationally.

Joules' distinctive design-led products are complemented by an increasingly broad customer offer provided through its digital marketplace Friends of Joules. The Friend of Joules platform enables third party brands to offer curated, complementary products to the Joules customer base, enhancing Joules' digital platform with thousands of products from hundreds of creative businesses to give customers everything they could ever need for a contemporary country lifestyle.

In 2021, the Group increased its presence across complementary lifestyle categories, including the important and fast-growing home, garden & outdoor category, through the acquisition of leading digital home and garden retailer The Garden Trading Company Limited. Similarly inspired by the British countryside, Garden Trading designs and sells distinctive products through its own e-commerce platform and wholesale partnerships with more than 1,000 stockists across the UK.

www.joules.com

www.gardentrading.co.uk

www.joulesgroup.com

CHAIRMAN'S STATEMENT

INTRODUCTION

In my Chairman's Statement in the Group's FY20 Annual Report, which was published during the first wave of the coronavirus pandemic, I outlined Joules' initial responses to the unprecedented challenges facing the retail sector. I also expressed my confidence that the relevance of the Joules brand, the flexibility of our business model, and the strength of the Group's financial position meant that Joules was well positioned to withstand the pressures of the pandemic and emerge an even stronger brand and business. Whilst we are not through the pandemic yet, and significant levels of uncertainty persist, the Group's performance and progress over the past 12 months has only strengthened my confidence in these convictions.

I am incredibly proud of how the business has adapted in the face of this most testing of circumstances over the last 18 months. During this period, the Group has evolved significantly into a digital led, increasingly diversified lifestyle Group. Whilst the Joules brand continues to sit at the centre of the Group, we now operate a second, very exciting brand in Garden Trading, and our Friends of Joules digital marketplace means that we now sell more than 400 other carefully curated brands to our growing customer base, thereby replicating the experience of a bustling market town through the Group's digital channels. This strategic progress and performance during the year is a great testament to the skill, decisiveness, and hard work of our outstanding management team, as well as the forward-looking investments made over many years in the Group's people, product offering, infrastructure, and technology.

FY21 PERFORMANCE OVERVIEW

FY21 Group revenue of £199.0 million (FY20: £190.8 million) and PBT before exceptional costs of £6.1 million were ahead of the Board's initial expectations (see Note 4 of the Consolidated Financial Statements). This pleasing set of results primarily reflects the strong performance of the Group's digital proposition whilst the store estate was closed for approximately six months of the year, and the Group's growing active customer numbers. Joules is an increasingly digital brand, with 77% of retail revenues generated from digital channels in the year. The Group's strong online proposition continues to be supported and complemented by a portfolio of attractively located stores, as well as relationships with selected retail and wholesale partners both in the UK and internationally.

Joules' active customer base, a key metric for the Group, continued to grow and now stands at nearly 1.7 million customers (excluding Garden Trading). This increase reflects the relevance of the brand and its products, effective digital marketing investment, and enhanced levels of brand awareness and engagement.

E-commerce sales during FY21 (the 'Period') increased by 48% against the prior year. This growth reflected a 47% increase in customer traffic to the Joules websites as well as improved customer conversion trends. The strong digital performance continued the momentum delivered in the final quarter of FY20 and was made possible by the Group's strategic investment in its technology platform, which includes the fast-growing Friends of Joules digital marketplace, and enhancement of fulfilment capabilities over recent years.

In addition to successfully driving growth through both the Joules platform and our digital and retail partnerships, the Group further strengthened and diversified its digital proposition and product offer through the acquisition of The Garden Trading Company Limited ('Garden Trading') in February 2021. Garden Trading designs and sells distinctive home, garden and outdoor products through its own digital platform and through more than 1,000 stockists across the UK. Both businesses enjoy a close cultural alignment and the acquisition strengthens Joules' position in the fast-growing home and garden category.

The impact of the pandemic on the Group's performance was most profoundly felt across the store, wholesale and shows channels. Joules stores were closed for approximately half of the 52-week Period, and, when open, experienced lower footfall levels than the prior year largely due to physical distancing practices. This was a similar story for many of our wholesale partners in the UK and in our targeted international markets of Germany and the US. All major country shows and events that the business usually attends during the year were also cancelled. The Group was able to mitigate the impact by increasing its digital sales, careful cost management, and utilising support schemes such as the UK Government's Coronavirus Job Retention Scheme (c.£4.6 million of claims in the Period) and business rates relief (c.£2.3 million of rates relief in the Period). In addition, the Board is very grateful for the flexibility and support of other stakeholders including employees, landlords and other key suppliers including Clipper in the UK distribution centre, stock suppliers across our supply base and many other key partners, during the year.

The Group has maintained robust financial discipline through the Period with a strong focus on cash, liquidity and cost control, whilst also maintaining investment in the areas that the Board believe will drive growth over the coming years. The Group had net cash of £4.1 million at the Period end (FY20: £4.5 million). In April 2021, the Group extended the term of its financing facilities with Barclays Bank PLC through to September 2024, taking the opportunity to convert the arrangement to an 'ESG – Sustainability' facility linked to the achievement of specific sustainability targets, providing further confidence in the financial position of the Group alongside focus and importance of the 'Responsibly Joules' strategy.

The Financial Review provides more detail on the Group's financial performance during the year.

DIVIDEND

As a result of the challenges impacting the Period and the continued increased levels of uncertainty facing many consumer sectors, the Board has determined that it would not be appropriate to declare a dividend for the Period. The Board will continue to review the financial position of the Group within the context of the external environment and intends to recommence dividend payments when it is financially prudent to do so.

BOARD OF DIRECTORS

Marc Dench, the Group's Chief Financial Officer ('CFO'), stepped down from his position on the Board on 11 May 2021 following more than five years with the Group. Marc made a significant contribution to the success of the business since its IPO, helping to drive the Group's transition to the digital-led brand it is today. He also played a critical role over the past 12 months in helping Joules to navigate the impact of the COVID-19 pandemic. On behalf of the Board, I would like to place on record our sincere thanks to Marc for his immense skill and leadership during his time with the Group. We wish him every success in the future.

In April 2021 we were delighted to announce the appointment of Caroline York as Marc's successor following a thorough search process. Caroline joined Joules on 26 July 2021 from Moneysupermarket Group Plc, the FTSE250 price comparison business, where she was Finance Director. Prior to Moneysupermarket, Caroline held finance leadership positions at Heathrow and BAA and before that, held roles at Atos, KPMG and PwC. Caroline's extensive experience in senior finance roles at strong consumer brands and digital-led businesses, as well as property-related businesses, made her the stand-out candidate for the role and the Board is delighted to welcome her to the business.

In the period between Marc standing down from the Board and Caroline joining the Board, the Group appointed Jon Dargie, the Group's Finance Controller, as Interim CFO. During this period, Jon reported directly to the Joules Board.

In our FY20 Annual Results we announced that the role of Tom Joule, Founder and Chief Brand Officer, would be evolving with a reduced working pattern and a primary focus on supporting some of the Group's business development initiatives, such as the establishment of Friends of Joules and acquisition of Garden Trading. During the Period, Friends of Joules has grown significantly, and the initial integration of Garden Trading into the Group has been completed successfully. The Group today announces that, effective from September 2021, Tom's role will reduce to primarily focus on his responsibilities as a Non-Executive Director of the Group. In addition to his Board responsibilities, Tom will continue to provide an advisory role in relation to some of the Group's business development initiatives, with a total anticipated time commitment of approximately one day per week.

OUTLOOK

The Group has entered FY22 in a strong position with an increased and growing active customer base and brand health metrics for Joules at all-time highs. Since the start of the new financial year, the Group has traded in line with the Board's expectations.

Our Retail channel, comprising e-commerce, stores, and shows, has continued to perform well reflecting demand for the Joules brand and the attractive locations of our stores. The Group's home, garden and outdoor ranges - mainly sold under the Garden Trading brand - have performed well and demonstrate the increasing diversification of the Group's revenues.

Wholesale revenue, as anticipated, is lower than pre-pandemic levels. The Board expects wholesale activity to return to more normal levels over the course of the next 12-18 months.

Country shows and events are restarting gradually, and we expect to be back to a normal calendar of events in the coming months.

We look forward with optimism as normality returns to the markets and channels in which we operate. However, we remain vigilant of the potential for further external challenges including possible disruption to international freight over the coming financial year, and the ongoing impact of the pandemic.

Joules is a very strong, differentiated, and highly relevant business that the Board believes is well-positioned to meet consumers' evolving priorities and shopping preferences. In addition, the Group has a robust financial position, well-invested operations, and a clear strategy to continue to expand and grow customer numbers both in the UK and priority international markets.

Over the last 18 months the Group has broadened its product offer, accelerated its digital commerce capability, and scaled several new attractive revenue streams – including Friends of Joules, product licensing and the home, garden and outdoor category. From a channel, product and income perspective, the Group is now more flexible and diversified than ever.

As a result, the Board remains confident in the Group's ability to continue to adapt and react swiftly to what will remain dynamic trading conditions over the coming months and to continue to deliver the brand's exciting, long-term growth.

UNIQUE BRAND AND FLEXIBLE, DIGITALLY-LED BUSINESS MODEL

OUR BUSINESS MODEL

Joules is a British lifestyle Group. At the centre of our business is the Joules brand. We distribute Joules-branded products to customers seamlessly across multiple channels, enabling customers to engage and shop with the brand wherever, whenever, and however they choose. Our digital platform is supported by well located, enticing stores that enrich the brand, as well as selected retail and wholesale partnerships in the UK and internationally. This flexible and integrated approach balances the brand's exposure to any single route to market in what is set to become an even more dynamic, competitive, and increasingly digital-led retail landscape.

The Group also works with selected licence partners, who are specialists in certain product categories, in order to take the Joules brand's distinctive signature prints and colours into new product categories that are relevant to our customers' lifestyles, such as toiletries, eyewear and homeware. A number of these successful licensing partnerships are now in their fourth year, reflecting the appeal of the Joules brand across non-core lifestyle categories.

The Group also operates a fast-growing digital marketplace, called Friends of Joules, which aims to bring the experience of a bustling market town to consumers on their digital devices. Through Friends of Joules, the Group offers thousands of products to the Group's customer base from a carefully curated selection of more than 400 third-party brands that offer complementary products to those offered by the Joules brand.

Following the acquisition of The Garden Trading Company Limited in February 2021, the Group also now operates the Garden Trading brand. Garden Trading is a fast-growing and digital brand in the attractive home, garden and outdoor category that is highly complementary to the Joules brand. We see significant potential to further develop and grow this category under the Garden Trading brand over the coming years. The acquisition has further strengthened the Group's digital presence and broadened its product offer for consumers.

THE JOULES BRAND

The cornerstone of the Group's success and development is the Joules brand, which stands for family, fun and time-off together. We take inspiration from nature and the changing British seasons to reflect and support our customers' lifestyles. Come rain or shine, we add colour to woodland walks, picnics on the beach, cosy nights in and journeys to school. Joules' aim is to brighten its customers' lives with the joy of the countryside.

A core element of the Joules brand is our Responsibly Joules ethos that is central to everything we do. From the day Joules started more than 30 years ago with nothing more than a table in a field, we have always been conscious of our impact on the environment, the wildlife within it, the people we work with, and the communities where we operate. We are proud to champion sustainability and fight for the environment that inspires us.

OUR PRODUCTS

The Joules brand offers unique design-led clothing and accessories that reflect our customers' lifestyles come rain or shine. Joules-branded products span womenswear, menswear, footwear, accessories, childrenswear, homeware and gifting. Our designs are distinctive in their signature use of colour and prints that are hand-drawn by our in-house team.

We recognise that Joules-branded products and collections must always have a clear purpose. This means being design rather than fashion led, sourcing responsibly, and taking an innovative approach to make sure that our core products surprise and delight customers through their design detail and diligence on quality.

During the year, the Group significantly expanded the product offer available to customers by expanding the number of third party brands sold on the Friends of Joules marketplace and through the acquisition of Garden Trading, whose products cover the home, garden, outdoor and lighting categories. The Group aims to ensure that all products, whether Joules-branded, sold by a carefully selected partner on Friends of Joules or designed and developed by Garden Trading, all share common lifestyle values, design credentials, quality and attention to detail.

CEO'S STRATEGIC REVIEW

INTRODUCTION

It is safe to say that FY21 was characterised by trading conditions unlike anything Joules has encountered in its more than 30-year history. Reflecting the impact of the coronavirus pandemic on the lives of consumers, the level of disruption and pace of change in the retail sector over the past 12 months has been truly unprecedented. I am delighted to be able to report that, against this dynamic backdrop, Joules has been able to deliver a very solid financial performance and strong strategic progress. This outcome reflects, firstly, the strength and relevance of the Joules brand to an increasing number of customers and, secondly, the increasing importance of our digital proposition both to customers and within our business model.

Before going into the details of the Group's strategic progress during FY21, I would like to take this opportunity to briefly summarise some of what I believe to be the key 'headlines' for Joules during what was such a testing but ultimately transformational year:

The Joules brand has gone from strength to strength…

During the year we continued to deliver on our brand's clear mission and purpose – to brighten our customers' lives and conduct business in a responsible way. As more and more consumers increasingly valued their leisure time spent outdoors and time doing the things they love with the people they love, our brand has become increasingly relevant to a greater number of customers. Our brand awareness and brand health metrics clearly demonstrate our strong position and continued progress[1].

Diversified attractive revenue model…

We now offer significantly more products across more categories allowing us to rapidly adapt our digital merchandising to meet changing consumer demands and lifestyle needs. We now provide our customers with more choice and more reasons to visit or return to the Joules website and Joules stores. Expanding the product offer through third party brands on Friends of Joules and licensed ranges such as the Joules sofa collection with DFS allows us to leverage the creativity, supply chain and distribution capabilities of third parties to expand the Joules brand.

Joules is an increasingly digital-led brand…

Driven by enhanced digital marketing capabilities, improvements to the online and mobile experience and the positive impact of our Friends of Joules digital marketplace. With 77% of retail sales made online in the Period whilst stores were closed, Joules is an increasingly digital-led brand. This reflects the market-wide increase in e-commerce penetration, which has been accelerated by enforced closure of stores for approximately six months of the year.

However, stores continue to play an important role in our 'Total Retail' segment growth…

Despite the growth in digital sales and widely publicised impact of the pandemic on stores and footfall, we continue to believe in the value of our stores which are predominantly in attractive local high street and lifestyle locations. When stores were able to remain open; they demonstrated their value in driving both sales, new customers and brand awareness. With the appropriate cost base and flexibility, we believe that stores will continue to play an important role in our ongoing strategy to develop as a leading lifestyle brand. During the Period, excluding concessions and franchises, the number of Joules stores has increased from 128 to 133 and total selling space has increased from 182,000 sqft to 197,000 sqft.

Friends of Joules continues to grow ahead of expectations…

During the Period the Friends of Joules digital marketplace continued to scale-up and demonstrate its value to both our business and our customers. The marketplace, which now sells more than 11,000 products - that are highly complementary to Joules' core categories - from over 400 carefully curated sellers, is increasingly bringing the experience of a bustling market town to consumers through their digital devices.

Garden Trading acquisition further strengthens the Group…

The acquisition of The Garden Trading Company Limited ('Garden Trading') in February 2021, provides the Group with a strong position in the complementary and attractive home, garden and outdoor category. Garden Trading and Joules target the same customer base and are closely aligned on their brand values, design approach and selling model, with strong digital first, retail proposition supported by third party wholesale relationships.

Even against a challenging trading backdrop, we have continued to invest in our long-term growth…

We have continued to invest in our digital and fulfilment infrastructure to support our long-term growth plans. During the Period we increased the capacity of our UK distribution centre by 100,000 square feet to support the Group's anticipated e-commerce growth over the medium term. We also completed the construction and fit-out of

[1] Brand awareness and brand health are measured as part of an independent daily YouGov consumer survey. During the Period, brand awareness increased by 2.0%pts to 48%, brand health was up 0.6%pts to 11.1 (the brand health metric runs on scale from -100 to +100).

our new head office, The Joules Barn, which is a modern, flexible and collaborative space that is truly fit for post-COVID-19 working patterns and I believe will be a really important driver of our growth in the coming years.

The Group's strategic progress and performance would not have been possible without the hard work, flexibility and, above all, dedication of our outstanding team…

The talent and dedication of the Joules team has once again been highlighted in a year characterised by disruption to the ways we have been able to work together and interact. I am incredibly proud of, and grateful for, the commitment shown by our people, from our head office teams to those on the front line in our stores, during this challenging period.

RESPONDING TO THE COVID-19 PANDEMIC

The trading conditions in the Period were heavily influenced by the impact of the COVID-19 pandemic on the lives of consumers. Before going any further, it is right to acknowledge the tragic impact that COVID-19 has had on individuals and families across the world, and I would like to extend my deepest sympathy to those in the Joules community who have been affected.

I am proud of how Joules responded and adapted to the disruption caused by the pandemic. This disruption was most profoundly felt during the early stages of the financial year when we operated during and in the immediate aftermath of the first UK-wide national lockdown, and for large parts of the second half of the year when different parts of the UK were faced with varying levels and durations of lockdown restrictions.

The Group was able to mitigate the impact by increasing its digital sales, careful cost management, and by utilising support schemes such as the UK Government's Coronavirus Job Retention Scheme through which £4.6 million of claims were made during the Period and business rates relief which provided £2.3 million of relief during the year. In addition, the Board remains very grateful for the flexibility and support from other stakeholders, including landlords, employees and other key suppliers including Clipper Logistics in the UK distribution centre, stock suppliers across our supply base and many other key partners.

<table>
<tr><th colspan="5">NAVIGATING THE COVID-19 IMPACT</th></tr>
<tr><td></td><td>JUNE 2020 – SEPTEMBER 2020</td><td>OCTOBER 2020 – DECEMBER 2020</td><td>DECEMBER 2020 – APRIL 2021</td><td>MAY 2021</td></tr>
<tr><td>IMPACT ON OUR BUSINESS</td><td>Continued to satisfy customer demand through our UK e-commerce website, albeit with constrained warehouse capacity due to physical distancing restrictions.

UK stores and all UK wholesale partner stores closed until 15 June 2020. Phased re-opening of stores from 15 June 2020 with all stores open by early August.

Additional operational costs as we made stores as safe as possible for employees and customers.

Re-opened stores perform better than expectations despite lower year on year footfall.

All country shows and events cancelled.

Wholesale sales impacted by slower recovery of the wholesale channel.</td><td>UK Government imposes tiered levels of restrictions impacting our ability to keep open stores in different parts of the UK at different times.

Lower store footfall results from increases in COVID-19 cases.

A four-week national lockdown imposed in England during November resulting in the closure of all Joules stores and those of our UK wholesale partners for the important Black Friday and pre-Christmas trading periods.</td><td>All UK stores and wholesale partners stores closed from mid-December during the peak Christmas trading season as all countries in the UK enter national lockdowns.

Non-essential retail stores re-open across the UK from mid-April, with England reopen from 12 April.</td><td>Stores open – with physical distancing measures.</td></tr>
<tr><td></td><td colspan="4">In total, stores trading hours were approximately 50% of their typical annual trading time. Partner stores similarly impacted by closures and Government restrictions.

Increased digital demand as e-commerce penetration grew across the retail market.</td></tr>
</table>

HOW WE ADAPTED AND RESPONDED	Created an additional 100,000sqft of capacity at our UK Distribution Centre to support the Group's anticipated e-commerce growth. Introduced safeguarding measures as stores re-opened including managing staffing levels to allow for physical distancing, limiting the number of customers in store at any one time, Perspex screens at points of sale, providing PPE for our employees, and enhancing hygiene measures.	Continued investment in the Friends of Joules digital marketplace provided customers with a broader online offer during the important Christmas gifting season.	Acquisition of Garden Trading, a digitally led retailer of home and garden products inspired by the British countryside and lifestyle trends, supporting the Group's strategy to grow its customer base, broaden its product offer and strengthen its digital platform. New partnership to open a total of six Joules stores (5 open at year-end) in Center Parcs villages across the UK and Ireland from April, aligning two outdoor loving, family-focused lifestyle brands.	Stores open – with physical distancing measures.
	Always prioritising the health, safety, and wellbeing of the Joules community and all our stakeholders. Additional investment in digital marketing and the online proposition in order to drive digital growth and capture consumer demand. Continued cash and cost base management, including head office costs and lease renegotiations, as well as utilisation of several of the UK Government's support initiatives including rates relief for stores (£2.3 million) and the Coronavirus Job Retention Scheme for furloughed employees (£4.6 million). Flexible and seamless remote working leveraging the IT investments made in recent years. Continuing to support our local communities. Profits from our specially curated 'Rainbow Edit' collection comprising a range of products featuring colourful splashes of bright rainbows and rainbow colours raised more than £105,000 for *NHS Charities Together Urgent COVID-19 Appeal* during the year.			

STRATEGIC PROGRESS

The sudden impact of the pandemic on the lives of consumers accelerated pre-existing structural changes in consumer behaviour, including significantly increasing e-commerce penetration across the retail sector. Against this backdrop, in our FY21 Interim announcement we outlined the pillars of our refocused strategy for the long-term growth and development of Joules as a premium lifestyle brand in the UK and internationally.

Strategic KPIs

Online percentage of Retail	*Number of stores[1]*	*Total selling space[1] ('000 sqft)*
FY17: 34.8%	*FY17: 105*	*FY17: 132*
FY18: 38.4%	*FY18: 119*	*FY18: 159*
FY19: 49.5%	*FY19: 125*	*FY19: 175*
FY20: 56.6%	*FY20: 128*	*FY20: 182*
FY21: 76.9%	FY21: 133	FY21: 197

International as percentage of total revenue *FY17: 11.5%* *FY18: 13.1%* *FY19: 16.1%* *FY20: 15.5%* FY21: 12.6%	***Active customer numbers ('000)[2]*** *FY17: 991* *FY18: 1,230* *FY19: 1,394* *FY20: 1,428* FY21: 1,670	

[1] Joules retail stores only, excludes concessions and franchise stores; 33 concessions operated at May 2021 (33 at May 2020 and 2019; five at May 2018 and previous years) and three franchises.

[2] Customers registered on our database who have transacted in the last 12 months. FY19 and prior years restated to reflect enhanced customer database matching processes.

OUR STRONG AND DISTINCTIVE BRAND

The golden thread that runs through each pillar of our growth strategy remains the careful development of our strong, distinctive and highly relevant brand. I believe that this relevance will only grow stronger over the coming years as we expect consumers to feel increasingly loyal and connected to brands that share their personal values. It is for this reason that our Responsibly Joules ethos is more important than ever. We continue to work hard to make sure that we conduct business the right way, and we are committed to fighting for the environment that inspires us.

During the year we made further progress against our sustainability priorities including removing all virgin plastics from our packaging and advancing against our target to source only sustainable materials including cotton, leather, rubber, denim and synthetics by 2022. Underlining the importance of, and focus on, our Responsibly Joules priorities, we converted our financing facilities with Barclays Bank PLC to an 'ESG – Sustainability' facility with the financing costs linked to the achievement of sustainability targets.

During the year brand awareness increased by 2pts to 48%. Facebook and Instagram social media followers also increased by 96,000 to 906,000 and brand health was at record levels up 0.6pts to 11.1 (the brand health metric runs on scale from -100 to +100). Brand Awareness and Brand Health are measured as part of an independent YouGov consumer survey. This strong progress in part reflected highly efficient digital marketing, the desirable and visible high street and lifestyle locations of the Group's stores, and greater consumer awareness of our community, sustainability, and charitable activities.

By leveraging the strength and growing relevance of the distinctive Joules brand, the Group is focused on four key strategic drivers that the Board believes will underpin long-term, sustainable growth:

1. GROW OUR ACTIVE CUSTOMER BASE

The Group continues to focus on, firstly, growing its active global digital customer base and secondly, increasing those customers' frequency of interaction and spend with the brand.

During the year, total active customers continued to grow, totalling 1.7 million at the Period-end (FY20: 1.4 million) with 1.3 million of these active customers being digital customers (FY20: 0.9 million). These encouraging metrics reflect continued targeted and effective digital marketing investment, data-led customer communications and offers, and the positive impact of our attractive store portfolio on driving brand awareness. In addition, the significantly broadened product offering through our Friends of Joules digital marketplace (see below) continues to drive both customer acquisition and lifetime value by providing increased shopping opportunities with Joules.

Despite this strong growth in customer numbers and customer value, we continue to see significant further headroom to grow and estimate there is an addressable UK market of up to 10 million customers. In addition, we remain excited about the medium to long-term brand growth and customer acquisition opportunities within our target international markets, which we aim to deliver through the continued development of our capital-light digital and wholesale presence.

To support our brand growth and customer acquisition plans we will continue to increase our data-led digital marketing to target and efficiently acquire new digital customers. We will also focus on deepening existing and developing new digital retail partnerships and selectively growing our store estate in attractive lifestyle locations. A very exciting example of our store strategy was the partnership we announced in March 2021 to open Joules stores in the six Center Parcs locations in the UK and Republic of Ireland in time for the Summer 2021 holiday season, 5 of these stores were open by 30 May 2021.

2. BROADENING THE PRODUCT OFFER

By broadening our product offer, we enable more customers to live more of their lives in the Joules way. We continue to see significant growth opportunities for Joules through expanding the ranges of products we sell to both existing and new customers, thereby encouraging customers to increase the proportion of their 'lifestyle spend' with Joules.

We remain focused on broadening our distinctive core product ranges, increasing our men's and kids collections, and extending into related product categories such as home, outdoor and garden through a combination of differentiated in-house design, curated brands available through our new Garden Trading brand plus Friends of Joules, and carefully selected licensing partnerships.

During the Period, Friends of Joules continued to expand and is increasingly bringing the experience of a bustling market town to consumers through their digital devices. The platform now offers over 11,000 products from more than 400 sellers across product categories including home, outdoor and garden, gifting, pet and clothing. In addition, following the acquisition of Garden Trading, we have added an additional 1,500 new home, garden, and outdoor lines to the Group's offering.

Our licensed product categories have continued to expand and perform well with a particularly strong performances by the Joules sofa range in partnership with DFS and pet collection in collaboration with Rosewood, as well as the continued development of our successful partnership with Boots which saw the launch of a children's range of Joules toiletries and gifting products.

3. STRENGTHENING THE DIGITAL PLATFORM

We continue to invest in the Joules digital platform so that it offers customers the complete Joules experience.

During the year, gross demand on the Joules digital platform increased by 48%, with website traffic to joules.com increasing by 47% year on year and the conversion rate also improving by 0.4%pts to 4.4%. These positive trends were supported by the continued expansion of Friends of Joules, effective digital marketing investment, the growth in the active customer base, and continued investments in our e-commerce and mobile proposition, including enhancing site merchandising, product filtering and improving the payment journey for customers by adding various new payment options.

4. LEVERAGE THIRD PARTY PARTNERSHIPS

In addition to growing the Joules brand through our own retail channels, we continue to see significant opportunities to grow the brand both in the UK and internationally through selected third-party digital and physical retail partners. These third-party relationships provide the opportunity to extend the reach of the Joules brand to a broader customer base utilising the retail and fulfilment platforms of our partners. Our systems and infrastructure have been developed to support a range of third-party models including the more traditional wholesale and retail concession models as well as the emerging marketplace, drop-ship and 'fulfilled by' models.

We have strong relationships with around 40 larger digital or multi-site retailers globally and a further 2,000 smaller specialist or independent retailers.

During the year we developed several new digitally focused third-party partnerships including with Marks & Spencer with a curated selection of Joules womenswear products available via the marksandspencer.com e-commerce platform from April 2021. Internationally we expanded our partnership with Zalando in Europe and commenced working with Target in the US on a dropship, marketplace model.

In August 2021 Rimal Patel will join the business in the role of Wholesale & Partnerships Director. Rimal was most recently Online Director at Tesco PLC and before that held senior roles at John Lewis and ShopDirect. Rimal will be responsible for strengthening and driving Joules' partnerships both in the UK and target international markets.

STRATEGIC PROGRESS SUMMARY					
	STRONG DISTINCTIVE BRAND *The careful development of our strong, distinctive, and highly relevant brand remains central to all pillars of our growth strategy.*	**GROW THE ACTIVE CUSTOMER BASE** *We aim to, firstly, grow our active customer base and, secondly, increase those customers' frequency of interaction and spend with the brand.*	**BROADEN THE PRODUCT OFFER** *We aim to broaden and expand the product offer available to both existing and new customers, thereby encouraging customers to spend a greater proportion of their 'lifestyle spend' with Joules.*	**STRENGTHEN THE DIGITAL PLATFORM** *We aim to continually enhance the Joules digital platform so that it captures and offers customers the complete Joules experience.*	**LEVERAGE THIRD PARTY PARTNERSHIPS** *We aim to develop opportunities to efficiently grow the brand both in the UK and internationally through carefully selected third-party digital and physical retail partners.*
HIGHLIGHTS AND KPIs	Brand awareness increased by 2.0%pt to 48%. Facebook and Instagram social media followers increased by 96k to 906k. Continued progress against Responsibly Joules sustainability commitments. Center Parcs partnership. More than £105,000 raised for the *NHS Charities Together Urgent COVID-19 Appeal* during the year.	Total active customers grew by 17% to 1.7m. Digital active customers grew by 50% to 1.3m. Garden Trading 100k active customers.	Friends of Joules continued to expand to now offer >11,000 products from over 400 sellers (FY20: 7,000 products from 200 sellers). Additional 1,500 new home, garden, and outdoor lines to the Group's offering following acquisition of Garden Trading. DFS sales growth greater than 100% yoy with strong online growth led by the continued appeal of the Joules sofa range.	Gross demand on the Joules digital platform increased by 48%. Website traffic to joules.com increased by 47% year on year. Joules.com conversion rate also improving by 0.4%pts to 4.4%.	New digitally focused partnership with Marks & Spencer to sell selected womenswear products on marksand spencer.com. Expanded our partnership with Zalando in Europe.

INFRASTRUCTURE AND ORGANISATIONAL DESIGN

Shortly after the end of the Period we completed the construction and fit-out of our new head office in Market Harborough, called The Joules Barn. The opening of The Joules Barn represents a vitally important development in our journey and will enable Joules to be an even more collaborative and creative business whilst maximising the benefits of more flexible working patterns that have developed since the outbreak of the pandemic.

We have also continued to invest in our fulfilment infrastructure to support our long-term growth plans. During the first half of the year, we created an additional 100,000 square feet of space at our UK distribution centre which included the completion of a new mezzanine level and the occupation of an adjoining warehouse to support the Group's anticipated e-commerce growth over the medium term.

In the second half of the Period the Group completed a re-organisation of structures across the Group's head office functions, which had commenced in FY20, as part of the 'Joules Blueprint' business strategy to review organisational design and introduce clarity around roles and responsibilities.

GARDEN TRADING

The acquisition of Garden Trading in February 2021 was an important milestone for the Group. The acquisition has provided the Group with a strong position in the important and fast-growing home, garden and outdoor market with a brand and team that is closely aligned with the Joules core values customer base and business model. Further detail on the acquisition of Garden Trading is provided in Note 2 of the Consolidated Financial Statements.

The acquisition was driven by a clear strategic rationale helping to progress all pillars of Joules Growth strategy:

- Grow active customer base: Garden Trading has a fast-growing active customer base, now at over 100,000. The home, outdoor and garden category is highly relevant to the wider Joules customer base.
- Strengthen digital platform: Over half of Garden Trading's sales are direct to consumers via its web platform and through digital marketplaces including Friends of Joules.
- Broaden product offer: Garden Trading brings over 1,500 distinctive, design-led products across home, garden, lighting, and outdoor categories. We see opportunities to cross-market to the wider Joules customer base to drive growth in these categories.
- Leverage third parties: Strong wholesale relationships in UK and Europe have been central to Garden Trading since it started in business. We see opportunities to leverage mutual relationships and to introduce Garden Trading to several of Joules' existing third-party partners in the UK and internationally.

We are delighted with the performance of Garden Trading over the first few months since the acquisition and the transition to Garden Trading operating as part of the Joules Group has been successful with all planned support functions and activities now fully aligned. Looking forward, we see significant potential to grow the home, garden and outdoor category under the Garden Trading brand, leveraging Joules resources and capabilities to support this growth.

THE JOULES COMMUNITY

The skill, talent, and dedication of the Joules team during FY21 in the face of such a unique and unprecedented set of challenges has been nothing short of amazing. I would like to thank all my colleagues for their hard work during the year.

We have also continued to receive fantastic support from our suppliers, landlords, business partners, and customers. I would like to take this opportunity to thank everyone across the Joules community for their ongoing support for our business and brand.

FINANCIAL REVIEW

Our FY21 financial year has been overshadowed by the ongoing impact of the COVID-19 global pandemic, with enforced retail store closures across the UK and Europe, remote working for all colleagues and ongoing disruption to global freight markets.

Against this backdrop the Group has delivered a strong financial performance, leveraging historic investments to support significant growth through our already well-established e-commerce channels. Our strong financial position has allowed us to invest in our growth strategy, including driving strong growth of our Friends of Joules digital marketplace platform and the acquisition in February 2021 of Garden Trading, a leading digitally focussed outdoor, home and garden brand. As a result, we move into the new financial year with a business model now driven by predominantly digital revenue streams that leverage our brand and platform position, through a broader and more diversified product offer.

The performance in the year has demonstrated how we leverage our two 'special ingredients' – the Joules brand and our lifestyle products – to deliver sales through our digital platform, which comprises: the front-end web-site; warehouse and fulfilment; and, customer insight and digital marketing capability, all of which are areas that we have invested in over recent years.

COVID-19 - IMPACT ON THE GROUP'S FINANCIAL POSITION AND RESULTS FOR THE PERIOD

The impact of COVID-19 in the Period and the actions taken to reduce costs, preserve cash and strengthen the Group's financial position is summarised below with more in the relevant section of this Financial Review.

Impact on business operations and sales channels

- Stores were closed for more than half of their potential trading hours. When open, stores traded at approximately 24% below the same period in FY19 with reduced footfall being partially offset by higher conversion rates
- No significant country shows, or events were attended in the year
- Wholesale dispatches were particularly low in the first quarter as our wholesale customers globally just started to re-open during the Period. Sales momentum improved through the year, notwithstanding the impact of further lockdowns in the UK and EU
- Gross margins impacted by lower proportion of store sales – with store sales generating a higher gross margin than e-commerce, and an increased level of markdown sales in Q1 and Q4 in the stores channel due to clearing through stock positions held prior to going into lockdown.

Operating costs

- Lower store sales resulted in lower variable costs, including turnover rents, merchant fees, certain distribution costs, utilities, travel and expenses
- The Government's Coronavirus Job Retention Scheme ('CJRS') subsidised a substantial proportion of payroll costs for store colleagues, and some head office colleagues, that were furloughed whilst stores were closed. Approximately £4.6 million contribution to payroll costs was received in the Period
- Business rates relief, of approximately £2.3 million, was received across the year
- All non-furloughed colleagues agreed to voluntary pay reductions of up to 20% of their salary that continued through the first quarter. Directors agreed to additional voluntary pay reductions
- Many of the Group's landlords either waived or reduced rent for the time that stores were unable to trade. The benefit from reduced rents is reflected within the IFRS16 (Leases) accounting.

Actions taken to preserve cash and enhance the Group's financial position and liquidity

- Inventory purchase commitments and phasing of deliveries were actively managed – in collaboration with our suppliers
- Rent deferral arrangements were agreed with many of the Group's landlords
- Lease renegotiations to reduce rent levels, increase lease flexibility and/or move to turnover based rent models continued to progress through the Period.

Financial position and liquidity

At 30 May 2021 the Group had net cash of £4.1 million (FY20: £4.5m), comprising cash of £18.0 million and total borrowings (excluding lease liabilities) of £13.9 million. The Group had total liquidity headroom of £38.1 million at 30 May 2021, comprising cash of £18.0 million and £20.1 million of undrawn committed financing facilities.

In April 2021, the Group extended the term of its £25 million revolving credit facility (RCF) and £9.5 million term loan with Barclays Bank PLC, taking the opportunity to convert the RCF arrangement to an 'ESG – Sustainability' facility linked to the achievement of certain sustainability targets, providing further confidence in the financial position of the Group alongside focus on, and importance of, the Responsibly Joules strategy. Both facilities now expire in September 2024.

The Directors have concluded that it is appropriate to prepare the financial statements on the going concern basis. Further detail on the financial position, liquidity and going concern assessment is provided later within this Financial Review and Note 1 of the Consolidated Financial Statements.

ACQUISITION OF GARDEN TRADING

On 9 February 2021 the Group announced the acquisition of The Garden Trading Company Limited ("Garden Trading"), a digitally led retailer of home and garden products inspired by the British countryside and lifestyle trends.

Total consideration for the acquisition was up to £12.5 million (on a cash free, debt free basis subject to a normalised level of working capital), with £9 million upfront consideration consisting of £4.5 million cash and £4.5 million of Joules Group plc ordinary shares (2.83 million new Joules ordinary shares of 1 pence each), and up to £3.5 million deferred consideration (of which at least £3.0 million will be paid in cash and the rest either in cash or ordinary shares, at the Group's discretion), subject to Garden Trading meeting certain targets over the period to 30 November 2021.

Garden Trading's results have been consolidated as part of the Group since acquisition with its results being reported across the Retail and Wholesale segments. Further detail on the acquisition of Garden Trading is provided in Note 2 of the Consolidated Financial Statements.

GROUP RESULTS

£million	**52 weeks ended May 2021**	**Restated 53 weeks ended May 2020**
Revenue	**199.0**	**190.8**
Gross profit	**97.5**	**96.8**
Operating expenses	(72.1)	(79.8)
Depreciation & amortisation*	(16.0)	(19.5)
Share-based compensation	(1.7)	0.4
Administrative expenses	**(89.8)**	**(98.9)**
Operating profit/(loss) - before exceptional costs	**7.7**	**(2.1)**
Finance costs	(1.6)	(1.8)
Profit/(loss) before tax - before exceptional costs	**6.1**	**(3.9)**
Gross margin %	*49.0%*	*50.7%*

Reconciliation to statutory results

Operating profit/(loss) - before exceptional costs	**7.7**	**(2.1)**
Exceptional costs	(4.2)	(21.0)
Operating profit/(loss)	**3.6**	**(23.0)**
Net finance costs	(1.6)	(1.8)

Statutory profit/(loss) before tax	**2.0**	**(24.8)**

EBITDA reconciliation

Operating profit/(loss) – before exceptional costs	7.7	(2.1)
Depreciation & amortisation	16.0	19.5
EBITDA – before exceptional costs	**23.7**	**17.4**

**Depreciation of Right-of-Use asset was £8.0 million (FY20: 12.6 million)*

Group revenue increased by 4.3% to £199.0 million from £190.8 million last year, with strong growth in Joules' e-commerce and the contribution from Garden Trading, more than offsetting the impact of enforced store closures, the cancellation of country shows across the UK and the impact of the pandemic on the Group's wholesale customers. This year, we are reporting on the 52 weeks ended 30 May 2021 compared to 53 weeks to 31 May 2020 in the prior year. To provide a comparison with last year's 53-week period, the unaudited contribution of the additional week in last year's results was approximately 1% of revenue and profit.

Group gross margin of 49.0% was 1.7%pts lower than the prior year. Gross margin was impacted by several headwinds over the Period:

- lower proportion of store sales in the Retail segment with stores closed for more than half of the Period and lower stores margin rate when open due to higher markdown sales in stores in Q1 and Q4 as stores cleared through pre-lockdown stock positions**.** Historically stores deliver a higher gross margin rate than other retail channels
- Increased freight costs as the result of disruption in global freight markets impacting inbound deliveries through the final quarter of the Period
- Increased duty and transportation costs for deliveries into EU markets following Brexit.

PBT before exceptional costs was £6.1 million against a loss of £(3.9) million in the prior period. The strong sales performance of our digital platform (e-commerce and Friends of Joules) and licensed product ranges, together with furlough scheme (CJRS) contributions, business rates relief and continued focus on managing costs, more than offset the impact of lost revenue from the enforced closures of our own stores and those of many of our wholesale partners.

Statutory PBT was £2.0 million against a Statutory loss before tax of £24.8 million last year. Exceptional costs of £4.2 million (FY20: £21.0m) were incurred in the Period, primarily in relation to non-cash impairments of store lease right of use assets.

CHANNEL REVIEW – REVENUE AND MARGIN

Period ended	**May 2021**	**May 2020**	
£million	**52 weeks**	**53 weeks**	**Variance %**
E-commerce	122.0	82.7	48%
Stores	35.1	59.6	(41)%
Shows	1.5	3.6	(59)%
Retail	**158.6**	**145.9**	**9%**
Wholesale	**35.3**	**42.7**	**(17)%**
Other	**5.1**	**2.2**	**130%**
Group revenue	**199.0**	**190.8**	**4%**
Memo: International	25.0	29.5	(15)%
Gross margin %	49.0%	50.7%	

Retail	52.3%	56.9%
Wholesale	26.8%	27.1%

Retail

'Total Retail' revenue of £158.6 million was 8.7% above the prior year (FY20: £145.9m) with strong e-commerce sales growth more than offsetting the impact of enforced store closures and the cancellation of country shows and events that the Group normally attends.

Joules retail revenue segment comprises:

- E-commerce: the sale of Joules and Garden Trading branded products through the Group's own websites and via carefully selected third-party websites including Next, John Lewis, Zalando. Note, third-party Friends of Joules products sold through the Joules website are reported within the 'Other' revenue segment based on the net commission received
- Stores: the sale of Joules branded products through the Group's own retail stores and a small number of concessions with John Lewis for Joules womenswear
- Country shows & events: Joules has retail presence at events such as Badminton, Burghley and Carfest

E-commerce

Total e-commerce sales increased by 48% to £122.0 million (FY20: £82.7m). Excluding Garden Trading, e-commerce sales increased by 43%. This growth was led by sales through the Group's own websites (joules.com, joulesusa.com, tomjoule.de and the Joules ebay store). E-commerce represented 77% of the Group's retail revenue during the Period (FY20: 56%).

Traffic to the Joules website was up by more than 47% and conversion rate also improved. This performance reflects the market-wide trend towards online shopping, as well as the Group's:

- customer insight and digital marketing capability - to attract new customers to the brand and to provide compelling content and offers to existing customers. Digital active customers, those who have transacted online, increased to 1.3 million in the Period (FY20: 0.9 million), making up more than two-thirds of our total active customer base
- ongoing improvements to the online customer experience – including enhancements to site navigation, search and check-out experience
- increasing range and breadth of products available on the Joules website, including more than 11,000 products from 3rd party sellers via the Friends of Joules digital marketplace. Gross platform demand (which includes the sale of Joules products and the gross sales value from Friends of Joules) increased by nearly 50% in the Period
- investment in warehousing and fulfilment capability over recent years.

Garden Trading's retail revenue, which is all e-commerce, for the post-acquisition period was £4.3 million, this represents proforma growth of over 100% on the equivalent prior year period. This performance was a result of increased awareness of the brand, a growing active customer base – now at over 100,000, an expanded product collection and increased market demand for the home, garden and outdoor category.

Stores

Overall store sales were £35.1 million in the year (FY20: £59.6m). This result reflects the forced closure of non-essential retail stores. In the current year, our stores were closed for more than half of the year compared with two months in the prior year.

When allowed to open, stores traded at approximately 24% below the same period in FY19 and experienced reduced footfall against historic levels, in part the result of social distancing measures, the impact of which was partly offset by higher conversion rates.

Wholesale

Wholesale revenue in the Period was £35.3 million, a 17% reduction year-on-year (FY20: £42.7m), reflecting the ongoing impact of COVID-19 on many of the Group's wholesale partners both in the UK and internationally.

In the UK, wholesale revenue, excluding Garden Trading, was £15.2 million (FY20: £21.2m) with an approximately 40% reduction in Autumn/Winter 2020 which was particularly impacted by COVID-19, and an improved trend in Spring/Summer 2021 which was in line with the prior equivalent season. Garden Trading wholesale revenue, for the post-acquisition period, was £4.4 million.

Internationally, our wholesale sales were £15.8 million (FY20: £21.5m). COVID-19 impacted all markets in the first quarter where we proactively cancelled or reduced a significant proportion of our early Autumn/Winter 20 deliveries across all markets. Despatches to Germany, along with other European markets, have continued to be impacted by lockdown measures and further impacted in the second half of the year by Brexit which has resulted in shipping and customs clearance delays.

Other revenue

Other revenue consists of royalties from the sale of licensed products sold within third-party partner channels and the commission received on the sale of Friends of Joules digital marketplace products.

Other revenue more than doubled to £5.1 million (FY20: £2.2m). This reflects the strong growth of our Friends of Joules digital marketplace, contributing £2.0 million to other revenue (FY20: £0.4 million), and strong performance from several of our licensed product categories and partners.

Friends of Joules now has over 11,000 products, across 293 categories, from over 400 third party sellers. These products are merchandised alongside Joules products on the Joules websites and promoted to Joules' growing active customer.

International

Total international revenue, which includes revenue in international markets across retail and wholesale channels, decreased by 15.2% to £25.0 million (FY20: £29.5 million) and now comprises 12.6% of the Group's total revenue (FY20: 15.5%).

Wholesale sales were impacted by COVID-19 across all markets for the first quarter and in European markets through most of the year with national and regional lockdowns. European markets were further impacted by Brexit in the second half with disruption to delivery times.

Notwithstanding the specific challenges in the current Period, the Joules brand continues to resonate with customers in our target international markets. E-commerce sales continued to grow in the US and Germany, despite having to close our German market website for a five-week period to avoid the risk of disruption to customer orders in the initial weeks following Brexit.

ADMINISTRATIVE EXPENSES

Total administrative expenses before exceptional costs decreased by 10.13% to £89.8 million (FY20: £98.9m).

Period ended	**May 2021**	**May 2020**
£million	**52 weeks**	**53 weeks**
Operating expenses	**72.1**	**79.8**
Depreciation & amortisation*	16.0	19.5
Share-based compensation	1.7	(0.4)
Administrative expenses – before exceptional costs	**89.8**	**98.9**
Exceptional costs	4.2	21.0
Total Administrative expenses	**93.9**	**119.9**

** Depreciation of Right-of-Use asset was £8.0 million (FY20: 12.6 million)*

Operating expenses

Operating expenses decreased by 9.7% to £72.1 million (FY20: £79.8m). The movement in the Period reflected support received from the Government via the Job Retention Scheme (£4.6 million) and rates rebates (£2.3 million), as well as lower direct sales variable costs and the Group's ongoing cost management.

Sales costs which primarily relate to commissions paid to third party retail partners and wholesale sales agents, decreased by 8.2% to £11.2 million (FY20: £12.2m), in line with the lower third-party sales experienced in the Period.

Marketing expenditure was up by 22% to £11.3 million (FY20: £9.3m). Investment in digital and social marketing was increased to drive customer acquisition and digital sales, which was partly offset by the reduction in marketing expenditure in other channels

Store costs decreased by 55% to £8.1 million (FY20: £17.9m). Underlying store costs were mitigated by business rates relief and the payments received from the Coronavirus Job Retention Scheme (JRS) when store colleagues were furloughed.

Store costs exclude rent expenditure which is accounted for under IFRS16 (Leases) with the exception of turnover only store rent and short-term leases of £0.4 million (FY20: £0.3m).

Distribution costs increased by 35% to £12.4 million (FY20: £9.2m). The increase in distribution costs is due to the increase in e-commerce sales and the resulting increase in variable warehouse related costs.

Head office costs decreased by 6.7% to £29.1 million (FY20: £31.2m) as the result of continued cost management activities, JRS income for furloughed colleagues and the constraints of the global pandemic reducing travel and related costs.

Depreciation and amortisation

Depreciation and amortisation reduced by £3.4 million to £16.0 million (FY20: £19.5m), with lower Right-of-use asset depreciation more than offsetting an increase in underlying depreciation and amortisation.

Underlying depreciation and amortisation increased to £8.0 million (FY20: £6.8m) the increase being primarily due to higher amortisation following the completion of a number of technology initiatives in the prior financial year, including further developments to our digital platform, the launch of the Friends of Joules digital marketplace and roll-out of a new digitally integrated store point of sales solution.

Right-of-use asset depreciation decreased by £4.6 million to £8.0 million (FY20: £12.6m). The decrease was the result of a reduction in the Right-of-use asset following impairment write-downs in the prior financial period and the renegotiation of several leases in the period which resulted in reductions in underlying lease costs and several leases falling outside of the scope of IFRS16. This was partly offset by a lease extension for our UK warehouse.

Share-based compensation

Share-based compensation was £1.7 million in the Period (FY20: £0.4m income).

In the current Period, the Executive Directors and several senior executives, waived options outstanding under the Long Term Incentive Plans (LTIPs) due to vest following the three-year periods ending FY21 and FY22, reducing the number of shares under option and the share based compensation provision. Several new share plan arrangements were established in the Period, including a new LTIP for the three-year period to FY23 and an All Employee Share Plan.

Share based compensation in each period can fluctuate based on projected performance outcomes against the LTIP targets, the share price at reporting date and movement in the charge required for National Insurance Contributions.

EXCEPTIONAL ADMINISTRATIVE EXPENSE

A total exceptional expense of £4.2 million (FY20: £21.0m) has been booked by the Group in the Period as detailed below and in the Notes to the Condensed Consolidated Financial Statements.

Period ended	**May 21**	**May 20**
£million		
Right-of-use asset - impairment	1.8	16.2
Property, plant & equipment and intangible assets - impairment	1.1	4.3
Non-cash exceptional	**2.9**	**20.5**
Acquisition costs	0.6	nil
Restructuring costs	0.7	0.5
Other exceptional costs	**1.3**	**0.5**
Total exceptional costs	**4.2**	**21.0**

The Group regularly conducts a review of its assets to identify if there are any impairments to the carrying value of the assets. Following this review at the Period end, a non-cash exceptional impairment charge of £2.9 million has been recognised (FY20: £20.5m), which is net of prior year impairment charge reversals of £0.8 million (FY20: nil), the majority of which relates to the Group's stores. The stores with impairment reversals were written back to their recoverable amount after a thorough review of forecast performance on a store-by-store basis to determine which impairment reversals were appropriate to recognise.

The COVID-19 pandemic and the resulting enforced closure of the Group's retail stores and anticipated lower footfall to retail stores when re-opened, results in lower cash flow forecasts for stores and a resulting impairment to the Right-of-use asset and fixed assets of certain stores.

In the second half of the year the Group incurred further exceptional costs of £1.3 million, of which £0.6 million were professional fees related to the acquisition of Garden Trading and £0.7 million were restructuring costs (FY20: £0.5m). The restructuring costs related to a re-organisation of structures across the Group's head office functions which commenced in FY20 and was completed in the Period as part of the 'Joules Blueprint' business strategy to review organisational design and introduce clarity around roles and responsibilities.

FINANCE COSTS

Net finance costs were £1.6 million (FY20: £1.8 million). Net finance costs consist of £0.4 million interest and facility charges on the Group's revolving credit facility and term loan with Barclays Bank PLC (FY20: £0.4 million) and £1.2 million interest on lease liabilities (FY20: £1.4 million).

TAXATION

The Group tax charge for the Period was £1.1 million (FY20: £4.6 million credit). The effective tax rate for the Period was 78.1% (FY20: 17.8%), which was significantly higher than the applicable UK corporation tax rate due to the impact of recalculating the deferred tax liability on Garden Trading intangibles (following the UK tax rate being increased from 19% to 25% from April 2023), plus non-deductible expenditure (including £0.6m of Garden Trading acquisition costs), Share Based Compensation charges and a prior year deferred tax charge, mostly arising on fixed asset timing differences.

CASH FLOW

Free cash flow, prior to the capital expenditure on our new head office development and the acquisition consideration for Garden Trading, was £11.1 million inflow in the period (FY20: £7.3 million outflow). Net cash flow after the capital expenditure on the new head office, the acquisition consideration for Garden Trading and the repayment of borrowings was £7.0 million outflow in the Period (FY20: £10.1 million outflow).

The improvement against the comparable period reflects higher EBITDA for the trading reasons detailed above and the benefit of the Government's COVID-19 support measures; the receipt of corporation tax overpaid on account in the prior year; deferral of a proportion of lease rental payments in agreement with landlords; and, continued robust working capital management.

£million	**FY21**	**FY20**
EBITDA (before exceptional costs)	**23.7**	**17.4**
Share-based compensation	1.7	(0.4)
Lease repayments – IFRS 16	(11.3)	(12.3)
Cash exceptional costs	(1.3)	(0.5)
Net working capital – change	4.3	(2.4)
Operating free cashflow	**17.1**	**1.8**
Interest paid – borrowings	(0.3)	(0.4)
Interest paid – lease liability	(1.2)	(1.4)
Tax received / (paid)	3.0	(0.9)
Cash from Operating activities	**18.6**	**(0.9)**
Capital expenditure – core	(7.5)	(6.4)
Free cash flow (core capex)	**11.1**	**(7.3)**
Capital expenditure – new Head Office	(6.1)	(7.3)
Acquisition of Garden Trading	(4.2)	-
Free cash flow	**0.8**	**(14.6)**
Net cash from financing	(7.8)	24.7
Net cash flow	**(7.0)**	**10.1**

Memo: Total capital expenditure	***(13.6)***	***(13.7)***
Net cash	***4.1***	***4.5***

CAPITAL EXPENDITURE

Core capital expenditure in the year was £7.5 million (FY20: £6.4m). Major areas of capital expenditure included a capacity upgrade programme at our UK warehouse, alongside developments to the Joules website and other core technology platforms.

The development of our new head office, The Joules Barn was completed in June 2021. During the Period, capital expenditure on the new head office was £6.1million (FY20: £7.3m).

INVENTORY

Group Inventory at the end of the Period was £47.5 million (FY19: £35.3m). The increase in the Period is due in part to the acquisition of Garden Trading as well as an increased holding of current and future season inventory, with last year impacted by actions taken to rephase stock levels due to the closure of the Group's stores during the UK's initial lockdown.

DIVIDEND

Given the impact of the global pandemic on the Group and the continued uncertain outlook, the Board has not declared a dividend in respect of the current financial period (FY20: £nil). The Board will continue to review the financial position of the Group and intends to recommence dividend payments when it is considered financially appropriate to do so.

NET CASH AND LIQUIDITY

Net cash at the end of the Period was £4.1 million (FY20: £4.5 million) representing cash of £18.0 million (FY20: £26.2 million) and borrowings of £13.9 million (FY20: £21.7 million).

The Group's total liquidity headroom at 30 May 2021 was £38.1 million (FY20: £52.5m), comprising £18.0 million cash balances (FY20: £26.2m) and £20.1 million undrawn committed financing facilities (FY20: £26.3m). The decrease in liquidity headroom is driven by the Group not seeking an extension to its temporary 12 month, £15 million revolving credit facility with Barclays Bank PLC (which was put in place in April 2020 and expired in April 2021), and the investment in Garden Trading during the Period.

Lease liability (IFRS 16)

The Group's total lease liability at 30 May 2021 was £39.8 million, a reduction of £6.9 million since the year ended 31 May 2020.

The repayment of lease liabilities of £11.3 million in the Period was partly offset by lease additions of £4.3 million, primarily relating to a lease extension for the Group's UK distribution centre, the renegotiation of certain store leases on more favourable terms and the addition of the lease for Garden Trading's warehouse and showroom.

Lease liability by type:

£million	**30 May 2021**	**31 May 2020**	**Increase / (decrease)**
Store leases	31.8	37.7	(5.9)
Commercial property leases	7.4	8.3	(0.9)
Other leases	0.6	0.7	(0.1)
Total liability	**39.8**	**46.7**	**(6.9)**

FINANCING FACILITIES

At the end of the Period the Group had total available facilities of £34.0 million of which £13.9 million was drawn.

Facility	**Available Facility**	**Drawn Facility**	**Maturity**
£million	**May 2021**	**May 2021**	
Revolving Credit Facility ('RCF')	25.0	5.1	September 2024
Term Loan	9.0	8.8	September 2024

Total facilities / borrowings	**34.0**	**13.9**

The Group has a £25 million revolving credit facility provided by Barclays Bank PLC ('Barclays') to fund seasonal working capital requirements. In April 2021, the Group agreed an extension of this facility with Barclays, extending the maturity date from July 2022 to September 2024.

In April 2020, the Group established an additional short-term revolving credit facility of £15 million with Barclays, to provide additional financial headroom over the year to March 2021. This facility has not been renewed by the Group.

The development of the Group's new head office, which is now complete, is part funded through a £9.0 million loan from Barclays. The loan is repayable by way of quarterly payments of £264,000 and a final bullet payment in September 2024.

EARNINGS PER SHARE

Statutory basic earnings per share for the Period were 0.82 pence (FY20: loss per share 21.61 pence). The weighted number of ordinary shares in issue for the Period was 109 million, an increase of 15 million ordinary shares compared to the prior period. The increase in ordinary shares follows the equity placing completed in April 2020 and the share consideration element of the Garden Trading acquisition in February 2021.

BREXIT

The Group was well prepared for the additional operational and administrative requirements that came into effect at the end of the transitional arrangement with the EU on 1 January 2021. Notwithstanding this preparation, the Group's sales to EU customers, wholesale and consumers, were impacted by logistics disruption and higher costs to serve, including higher courier costs, duty and other taxes. The total impact to profit in the Period is estimated at £0.8 to £1.0 million against the comparable period

After several months of trading under the new arrangements, the logistics challenges are starting to normalise, but the increased costs are anticipated to only partly revert to historic levels. The Group will continue to evaluate and implement options to mitigate the adverse impact including a potential increase in selling prices and structural changes to the Group's logistics.

GOING CONCERN AND VIABILITY STATEMENT – IMPACT OF COVID-19

As for many businesses in the retail sector, the Group has continued to be significantly impacted by COVID-19 during the Period. The impact and management's response is set out in further detail within the CEO's report and the Financial Review.

Despite the easing of the UK's lockdown and the re-opening of non-essential retail in mid-April 2021, the retail sector continues to face significant uncertainties, including short-term and potentially more fundamental long-term changes in consumer behaviour as well as the potential for ongoing operational disruption. Given these uncertainties, the Directors have undertaken a comprehensive assessment to consider the going concern and longer-term viability of the Group and Company. In making their assessment the Directors have considered the following:

- The Group's financial position, as at the date of this report, and its committed borrowing facilities available for the time period under consideration
- The support from the Group's shareholders and bank, including the successful equity placing that was completed in the early stages of the UK lockdown during the prior period and the financing facility extension that was also completed in April 2021
- Alternative sources of financing, including sale & leaseback of freehold property and asset financing that might reasonably be assumed to be available to the Group – noting that any financing from these sources has not been included within the forecasts that support the going concern assessment
- Financial commitments, including capital commitments, lease commitments, stock purchases and other non-variable/non-discretionary costs. In respect of property leases, the Directors note the relatively short lease commitments, of less than three years on average, that the Group has across its store portfolio together with recent and on-going progress on renewing leases on favourable terms
- The extent of potential Government support initiatives including business rates relief and the Coronavirus Job Retention Scheme (CJRS)
- Strength of brand, reflected in active customer growth, brand awareness and brand health metrics - as detailed more fully in the Strategic Review
- The flexibility and agility of the Group's business model, as described in the Strategic Review, noting that over two thirds of the Group's retail sales are via e-commerce and that the Group has diversified sources

of revenue, operating across several channels and geographic markets, with owned and third-party channels including wholesale and marketplaces. Newer income streams of brand licensing and the Group's Friends of Joules digital marketplace and from Garden Trading following the acquisition in February 2021 provide additional comfort on the strength of the brand and diversity of income channels

The Directors have also considered the trading performance of the Group's stores as they have re-opened following the easing of the UK's lockdown restrictions on 12 April 2021, as well as the performance of the Group's e-commerce channel, which has continued to exceed management's expectations during the Period.

The Directors have reviewed management's business plan forecasts that cover the period to 26 May 2024, being the Group's strategic plan horizon. The forecasts have been produced on the following basis:

- Base plan – a gradual sales recovery post the end of the UK's third lockdown in April 2021, continuing the trend experienced since the UK's lockdown restrictions were eased in mid-April 2021, reflecting management's estimates for the speed and extent of recovery across its different sales channels and markets. It reflects stores being open throughout the period under review initially trading significantly below the comparative pre-COVID-19 period, improving to approximately 80% of pre-COVID-19 sales levels by the end of FY22, with modest growth thereafter. Third-party wholesale channels are assumed to follow a similar trajectory. The Group's e-commerce sales are forecast to grow at double-digit levels reflecting performance over recent years and experienced during the UK's latest lockdown in January to March 2021.
- Downside scenario – the 'Base plan' adjusted to reflect a further UK lockdown for three months during October to December 2021 with all non-essential retail closed during the Group's key trading period, followed by a much slower recovery of the Group's stores channel with total store revenues only achieving approximately 60% of the pre-COVID-19 levels by the end of FY24. E-commerce sales growth is assumed to be at half of the 'Base plan' levels and wholesale sales are assumed to reduce significantly during FY22 compared to the 'Base plan'.

Within each forecast, management have reflected financial commitments and the impact of realised or anticipated cost savings from discretionary and variable costs. No Government support or subsidies, other than those announced and committed at the date of this report, are included.

The Directors have also stress tested the forecast to consider situations under which the Company would have insufficient liquidity under its current secured borrowing facilities and/or it would not meet its banking covenant tests. One such 'Stress test scenario' is that of an even further extended potential COVID-19 related lockdown in the UK for up to six months, with a material disruption to retail store operations during the full peak Autumn/Winter 2021 trading season resulting in significantly reduced store channel revenue and lower receipts from the Group's wholesale channels. The Stress test scenario assumes e-commerce revenue growth in line with the 'Downside scenario' noting that loyal customers would no longer be able to access the brand via the store environment as demonstrated during the previous UK lockdowns, plus ongoing income from Garden Trading, brand licensing and digital marketplace activities which was in excess of £25 million in FY21. The Stress test scenario assumes that the Group would not make any cost savings other than variable sales costs during the period and does not assume any further cost mitigation actions which would be available to the Group. No additional Government support or subsidies to offset costs or support cash flow are assumed in this scenario.

The Directors believe, with reference to the considerations noted above, that, firstly the likelihood of this situation arising in its most extreme form is remote and, secondly, that they anticipate that the Group would be able to adapt and respond to mitigate the impacts and continue to trade and meet its obligations through the period of consideration.

GOING CONCERN

The Base plan and Downside scenario forecasts indicate that the Group will remain within its available committed borrowing facilities and in compliance with covenants throughout the forthcoming 12-month period. Under the Downside scenario, the Group has more than £20 million available liquidity headroom through-out the period under consideration and has EBITDA headroom of £2.7 million against its May 2022 year end covenant test and headroom of £5.6 million at its first covenant test in the period at the end of November 2021.

The Group would also remain within its borrowing facilities and comply with covenants under the Stress test through this period.

Following consideration of these forecasts and having made appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 12 months after the approval of the Financial Statements. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

VIABILITY STATEMENT

The Directors have considered the Group's prospects and viability over a three-year period to 26 May 2024. This three-year period is considered appropriate as i) this is the Group's longer term strategic planning period and ii) the Group's £25 million revolving credit facility with Barclays Bank PLC, has recently been extended out to September 2024 which covers the three-year period of the review.

As set out in detail in the "Going concern and viability statement – impact of COVID-19" section above, the Directors have produced and reviewed forecasts which consider the impact of further UK lockdowns (of both 3- and 6-month periods), slow recovery thereafter and no additional Government support or subsidies.

Under the Base plan and the Downside scenarios, outlined in more detail above, the Group will remain within its available committed borrowing facilities and in compliance with covenants throughout the forecast period.

Based on this assessment, the Directors have a reasonable expectation that the Group will continue in operation and meet all its liabilities as they fall during the period up to 26 May 2024.

PRINCIPAL RISKS AND UNCERTAINTIES

Set out below are the principal risks and uncertainties that the Directors consider could impact the business. The Board regularly reviews the potential risks facing the Group and the controls in place to mitigate any potential adverse impacts. The Board also recognises that the nature and scope of risks can change and that there may be other risks to which the Group is exposed and so the list is not intended to be exhaustive.

The Corporate Governance Report includes an overview of our approach to risk management and internal control systems and processes.

EXTERNAL RISKS

External risks reflect those risks where we are unable to influence the likelihood of the risk arising and therefore focus is on minimising the impact should the risk arise.

Risk and impact	Mitigating factors
Global / regional pandemic (i.e. COVID-19) As the current global pandemic COVID-19 has shown, the implications of such an event are extreme, sudden and are challenging to mitigate. The impacts of a global (or regional) pandemic include: - Supply chain disruption – supplier factory closures and freight disruption - Customer demand reduction - general consumer mobility restrictions exacerbated by enforced store closures and/or in-store restrictions - Supplier impact – increased risk of failure of key suppliers - Employee – health and wellbeing implications plus restrictions on ability to undertake day to day operations - Management decision making – potential to be impacted if several members of the senior leadership team were to become incapacitated.	Our response to mitigate the immediate and longer-term impacts of COVID-19 are detailed within the CEO's Report and Financial Review. As evidenced by COVID-19, mitigation of the impacts of a global pandemic is very challenging. To navigate the challenges and mitigate the potential adverse impacts on the Group, the following have been well established across the business: - Business Continuity task force, with delegated decision-making authority, established to rapidly respond to and manage through crisis situations - Well invested, modern IT infrastructure to support remote and agile working - Ongoing investment in the Group's digital platforms and warehouse fulfilment capabilities to ensure customer demand and delivery proposition are met - Ongoing geographic diversification of supplier base and enhanced supplier due diligence - Short lease terms across store portfolio mitigating adverse financial impact of customer demand reduction - Outsourced UK distribution centre operations to Clipper Logistics plc providing access to their disaster recovery capability and capacity
Economy The majority of the Group's revenue is generated from sales in the UK to UK customers. A deterioration in the UK economy may adversely impact consumer confidence and spending on discretionary items. A reduction in consumer expenditure could materially and adversely affect the Group's financial condition, operations and business prospects. Any significant change in inflation rates in the UK economy could further impact on consumer expenditure and increase the economic risk. COVID-19 is also increasing the likelihood and impact of this risk.	As a premium lifestyle brand with a strong e-commerce channel, a geographically disperse retail store portfolio and long-standing wholesale customer accounts, the Directors consider that the UK business would be less affected by a reduction in consumer expenditure than many other clothing retailers. In addition, the property portfolio has short lease terms, providing relative flexibility to close or relocate stores should this become necessary.

Competitor actions	
New competitors, existing clothing retailers or lifestyle brands may target our segment of the market. Existing competitors may increase their level of discounting or promotions and/or expand their presence in new channels. These actions could adversely impact our sales and profits.	Joules differentiates from competitors through its strong brand and products that are known for their quality, details, colour and prints. Our large customer database allows the Group to communicate effectively with customers, developing customer engagement and loyalty. The expansion of the Group's product and category offer and the diversification of revenue sources, with new income streams from the Group's Friends of Joules market place, Joules branded licence arrangements and following the acquisition of Garden Trading in the Period, help to mitigate this risk.
Foreign Exchange	
The Group purchases the majority of its product inventory from overseas and is therefore exposed to foreign currency risk, primarily the US Dollar. Without mitigation, input costs may fluctuate in the short term, creating uncertainty as to profits and cash flows. Brexit has increased volatility in this area that may be sustained or worsen going forward.	The Group's Treasury Policy sets out the parameters and procedures relating to foreign currency hedging. We currently seek to hedge a material proportion of forecasted US Dollar requirement 12-24 months ahead using forward contracts. The Group's US wholesale business generates US Dollar cash flows which provide a degree of natural hedging.
Regulatory and Political	
New regulations or compliance requirements may be introduced from time to time. These may have a material impact on the cost base or operational complexity of the business. Non-compliance with the regulation could result in financial penalties. Recent and on-going US/China trade negotiations with the threat of additional US tariffs on China manufactured products, as well as the continuing uncertainty surrounding Brexit, have increased the risk and uncertainty in this area.	The Group has processes in place to monitor and report to the Board on new regulations and compliance requirements that could have an impact on the business. The impact of any new regulation is evaluated and reflected in the Group's financial forecasts and planning. The Group is seeking to diversify its supplier base to help mitigate this risk.
Brexit	
The exit of the UK from the EU has added complexity across many areas of the Group's operations that impacted on our ability to get products to customers in a timely manner and on product profit margins. Specific risk areas that are associated with the UK's exit from the EU include: - Political uncertainty: The level of economic and consumer uncertainty has increased due to the UK's exit from the EU. - Changes in customs duty and VAT regimes: Goods being imported to and exported from the EU are subject to a different duty and VAT regime, which results in increased costs to the Group. Additional paperwork and administration are also required in order to move product in to and out of both the UK and the EU.	The Group has a Brexit 'task force' that was originally established to undertake contingency planning for a potential "no deal" Brexit. The Brexit task force has continued to monitor the impact on the Group now that the UK has left the EU and has been managing the immediate challenges on the Group's operations whilst also seeking to optimise the Group's future structure and trading relationships with EU partners. Mitigating steps taken: - Political uncertainty: The Directors and Brexit task force continue to monitor the impact of on-going changes. - Changes in customs duty and VAT regimes: An assessment of the Group's operations was undertaken to identify changes required and any additional costs. Paperwork (e.g. commercial invoices) has been

- Supply chain costs and delays: Brexit, combined with the impact of the COVID-19 pandemic, has had a significant impact on global supply chains resulting in both disruption and significant cost increases associated with the inbound and outbound movements of goods. - Employment of EU nationals: EU nationals living in the UK no longer have automatic rights to remain working in the UK. This could restrict the Group's ability to retain and recruit appropriate talent. - Foreign exchange fluctuations: The Group's exposure to fluctuations in foreign exchange rates, in particular the strength of Sterling relative to the US Dollar, is increased as a result of the impact of Brexit. - Regulation and compliance: The regulatory regime applicable to the manufacture and sale of products may increase in complexity if the UK adopts a different framework from the current EU based legislation.	automated to improve efficiency where possible. This area is under on-going review to improve efficiency of the Group's operations. - Supply chain delays: The business has achieved Authorised Economic Operator status and has implemented Customs bonded status for the Group's main UK distribution centre which assist in mitigating the adverse duty impacts and supply chain delays. This area is under on-going review to improve efficiency of the Group's operations. - Employment of EU nationals: All EU nationals working for the Group have been consulted on the implications of Brexit and support continues to be provided with applying for settled status. - Foreign exchange fluctuations: As noted above the Group seeks to hedge a material proportion of forecasted US Dollar requirement 12-24 months ahead using forward contracts. - Regulation and compliance: On-going legal advice is being taken in this area to ensure continued compliance with relevant UK and EU regulations.

INTERNAL RISKS

Internal risks reflect those where we can influence the likelihood of the risk arising and the impact should the risk arise.

Risk and Impact	**Mitigating factors**
Brand and reputation The strength of our brand and its reputation are very important to the success of the Group. Failure to protect and manage this could reduce the confidence and trust that customers place in the business, which could have a detrimental impact on sales, profits and business prospects. Our brand may be undermined or damaged by our actions or those of our partners or through infringement of our intellectual property (IP).	Brand and reputation are monitored closely by senior management and the Board. The Group's public relations are actively managed and customer feedback, both direct and indirect, is carefully monitored. We carefully consider each new trade customer with whom we do business and monitor on an ongoing basis. We actively monitor for potential IP infringements and have a process to determine the appropriate course of action to protect our brand and IP vigorously.
Product sourcing The Group's products are predominantly manufactured overseas. Failure to carry out sufficient due diligence and to act in the event of any negative findings, especially in relation to ethical or quality related issues, could adversely impact our brand and reputation.	The Group has a policy and process for the selection of new suppliers. This includes a review of compliance with laws and regulations and that suppliers meet generally accepted standards of good practice. In addition, suppliers are required to sign up to the Joules code of conduct. The Group operates a programme of ethical audits across the product supply base supported by a third-party agency.

Design As with all clothing and lifestyle brands there is a risk that our offer will not satisfy the needs of our customers or that we fail to correctly identify trends that are important to our customer base. These outcomes may result in lower sales, excess inventories and/or higher markdowns.	Joules has a long established in-house creative and design team who have a high level of awareness and understanding of our target customer segment. A large proportion of our product range is anchored in classic products that are evolved season to season. Early feedback from our trade customers can allow us to further refine our product range ahead of significant purchase commitments.
Key management Our business performance is linked to the performance of our people and to the leadership of key individuals. The loss of a key individual whether at management level or within a specialist skill set could have a detrimental effect on our operations and, in some cases, the creative vision for the brand.	The Group's remuneration policy, which includes a long-term incentive scheme and performance-related pay, is designed to attract and retain key management. The Group operates learning and development programmes to increase the opportunities for internal succession.
IT security and systems availability Non-availability of the Group's IT systems, including the e-commerce websites, for a prolonged period, could result in business disruption, loss of sales and reputational damage. Malicious attacks, data breaches or viruses could lead to business interruption and reputational damage.	A business continuity plan exists to minimise the impact of a loss of key systems and to recover the use of the system and associated data. A regular assessment of vulnerability to malicious attacks is performed and any weaknesses rectified. All Group employees are made aware of the Group's IT security policies and we deploy a suite of tools (including email filtering and antivirus software) to protect against such events.
Supply chain The disruption to any material element of the Group's supply chain, in particular the UK central distribution centre (DC), could impact sales and impact on our ability to supply our consumers, stores and wholesale customers.	The Group outsourced its UK DC operations to Clipper Logistics plc (Clipper) in the prior period, this provides access to Clippers business continuity arrangements in the event of the loss of the UK distribution centre. In addition, the Group maintains insurance cover at an appropriate level to protect against the impact of such an interruption.
Garden Trading acquisition and integration During the Period the Group acquired 100% of the share capital of The Garden Trading Company Limited. Significant financial investment has been made in the acquisition and the successful integration and development of the Garden Trading business will be key for the delivery of the Group's overall strategy.	At the same time as undertaking extensive financial, legal and operational due diligence prior to the acquisition, the Group also established an integration project team that has continued to be focussed post acquisition on delivering a successful transition of Garden Trading into the Joules Group. The Directors are working closely with the management team at Garden Trading to monitor the current and future trading performance of the business.

CONSOLIDATED INCOME STATEMENT

JOULES GROUP PLC

	Note	52 weeks ended 30 May 2021 £'000	Restated 53 weeks ended 31 May 2020 £'000
REVENUE	4	**199,007**	**190,808**
Cost of sales	4	(101,505)	(93,997)
GROSS PROFIT		**97,502**	**96,811**
Other administrative expenses	4	(88,126)	(99,273)
Share-based compensation	15	(1,653)	371
Exceptional administrative expenses	3	(4,162)	(20,950)
Total administrative expenses		**(93,941)**	**(119,852)**
OPERATING PROFIT/(LOSS)		**3,561**	**(23,041)**
Finance costs	6	(1,583)	(1,774)
PROFIT/(LOSS) BEFORE TAX		**1,978**	**(24,815)**
Income tax (expense)/credit	7	(1,085)	4,539
PROFIT/(LOSS) FOR THE PERIOD		**893**	**(20,276)**
Basic earnings/(loss) per share (pence)	14	0.82	(21.61)
Diluted earnings/(loss) per share (pence)	14	0.81	(21.61)

Note on prior year restatement: For further details of prior year balances, refer to Note 1 – Significant Accounting Policies.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

JOULES GROUP PLC

	52 weeks ended 30 May 2021 £'000	Restated 53 weeks ended 31 May 2020 £'000
PROFIT/(LOSS) FOR THE PERIOD	**893**	**(20,276)**
Items that may be reclassified subsequently to profit or loss:		
Net loss arising on changes in fair value of hedging instruments entered into for cash flow hedges	(4,286)	(2,425)
Gains arising during the period on deferred tax on cash flow hedges	753	472
Gains/(losses) arising during the period on deferred tax on share options	123	(177)
Net foreign exchange (loss)/gain difference on translation of foreign operations	(1,900)	732
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD	**(4,417)**	**(21,674)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JOULES GROUP PLC

	Note	30 May 2021 £'000	Restated 31 May 2020 £'000
NON-CURRENT ASSETS			
Goodwill	2	5,531	-
Intangibles	9	25,566	20,507
Property, plant and equipment	8	27,737	20,547
Right-of-use-assets	10	28,287	32,523
Derivative financial instruments		-	383
Deferred tax		908	3,034
TOTAL NON-CURRENT ASSETS		**88,029**	**76,994**
CURRENT ASSETS			
Inventories		46,624	32,938
Right-of-return asset		925	2,364
Trade and other receivables		14,996	9,226
Current corporation tax receivable		-	2,099
Cash and cash equivalents	12	17,997	26,243
Derivative financial instruments		-	928
Asset held for sale		4,800	-
TOTAL CURRENT ASSETS		**85,342**	**73,798**
TOTAL ASSETS		**173,371**	**150,792**
CURRENT LIABILITIES			
Trade and other payables		58,750	31,678
Lease liabilities	10	9,360	11,047
Current corporation tax payable		520	-
Borrowings	11	6,196	12,924
Provisions		2,940	2,368
Right of return provision		2,026	5,129
Asset held for sale – lease liability		2,400	-
Derivative financial instruments		3,129	-
Other financial liabilities – contingent consideration		5,646	-
TOTAL CURRENT LIABILITIES		**90,967**	**63,146**
NON-CURRENT LIABILITIES			
Borrowings	11	7,724	8,780
Lease liabilities	10	30,451	35,635
Derivative financial instruments		-	473
TOTAL NON-CURRENT LIABILITIES		**38,175**	**44,888**
TOTAL LIABILITIES		**129,142**	**108,034**
NET ASSETS		**44,229**	**42,758**
EQUITIES			
Share capital		1,116	1,081
Hedging reserve		(2,804)	999
Translation reserve		(650)	1,250
EBT reserve		(769)	(769)
Merger reserve		(125,807)	(125,807)
Retained earnings		141,818	139,496
Share premium		26,508	26,508
Other reserve		4,817	-
TOTAL EQUITY		**44,229**	**42,758**

Note on prior year restatement: For further details of prior year balances, refer to Note 1 –Significant Accounting Policies.

These financial statements of Joules Group plc (Company Registration Number 10164829) were approved by the Board of Directors and authorised for issue on 2 August 2021 and were signed on behalf of the Board of Directors by:

NICHOLAS JONES

Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
JOULES GROUP PLC

	Merger reserve £'000	Other Reserve £'000	Hedging reserve £'000	Translation reserve £'000	EBT reserve £'000	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 26 May 2019	**(125,807)**	**-**	**2,631**	**518**	**(322)**	**878**	**11,410**	**162,085**	**51,393**
Loss for the period	-	-	-	-	-	-	-	(20,276)	**(20,276)**
Other comprehensive income/(loss) for the period	-	-	(1,953)	732	-	-	-	(177)	**(1,398)**
Total Comprehensive income for the period	**-**	**-**	**(1,953)**	**732**	**-**	**-**	**-**	**(20,453)**	**(21,674)**
Basis adjustment to hedged inventory	-	-	321	-	-	-	-	-	**321**
EBT share purchases and commitments	-	-	-	-	(1,171)	-	-	-	**(1,171)**
Share-based compensation options satisfied through the EBT reserve					724			(349)	**375**
Dividends issued (Note 16)	-	-	-	-	-	-	-	(1,202)	**(1,202)**
Shares issued	-	-	-	-	-	203	15,098	-	**15,301**
Debit to equity for equity-settled share-based compensation excl. NI	-	-	-	-	-	-	-	(267)	**(267)**
Debit to equity for cash paid on net-settled withheld share-based compensation	-	-	-	-	-	-	-	(318)	(318)
Restated Balance at 31 May 2020	**(125,807)**	**-**	**999**	**1,250**	**(769)**	**1,081**	**26,508**	**139,496**	**42,758**
Profit for the period	-	-	-	-	-	-	-	893	**893**
Other comprehensive (expense) for the period	-	-	(4,286)	(1,900)	-	-	-	-	**(6,186)**
Gains arising during the period on deferred tax on cash flow hedges	-	-	753	-	-	-	-	-	**753**
Gains arising during the period on deferred tax on share options	-	-	-	-	-	-	-	123	**123**
Total Comprehensive (loss) for the period	**-**	**-**	**(3,533)**	**(1,900)**	**-**	**-**	**-**	**1,016**	**(4,417)**
On acquisition of subsidiary	-	4,817	-	-	-	-	-	-	**4,817**
Basis adjustment to hedged inventory	-	-	(270)	-	-	-	-	-	**(270)**
Shares issued	-	-	-	-	-	35	-	-	**35**
Credit to equity for equity-settled share-based compensation excl. NI	-	-	-	-	-	-	-	1,306	**1,306**
Balance at 30 May 2021	**(125,807)**	**4,817**	**(2,804)**	**(650)**	**(769)**	**1,116**	**26,508**	**141,818**	**44,229**

Note: For further details on the restatement and prior year balances, refer to Note 1 - Significant Accounting Policies.

CONSOLIDATED CASH FLOW STATEMENT
JOULES GROUP PLC

	Note	52 weeks ended 30 May 2021 £'000	Restated 53 weeks ended 31 May 2020 £'000
Cash generated from operations			
Profit/(loss) for the period		**893**	**(20,276)**
Adjustments for:			
Depreciation of property, plant and equipment	8	2,583	3,018
Depreciation of right-of use assets	10	7,995	12,645
Amortisation	9	5,432	3,803
Exceptional administrative expenses - impairment	3	2,896	20,446
Share-based compensation	15	1,653	(371)
Finance cost expense	6	1,583	1,774
Income tax expense/(credit)	7	1,085	(4,640)
Operating cash flows before movements in working capital		**24,120**	**16,500**
(Increase)/decrease in inventory and right of return asset		(10,065)	624
(Increase)/decrease in receivables		(3,708)	8,537
Increase/(decrease) in payables and right of return provision		18,078	(11,573)
Cash generated by operations		**28,425**	**14,088**
Bank interest paid		(340)	(366)
Interest paid on lease liabilities	10	(1,243)	(1,408)
Tax refunded/(paid)		2,989	(931)
Net cash from operating activities		**29,831**	**11,383**
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets	8/9	(13,562)	(13,686)
Acquisition of subsidiary	2	(4,156)	-
Net cash from investing activities		**(17,718)**	**(13,686)**
Cash flow from financing activities			
Purchase of EBT shares		-	(1,171)
Issue of shares		-	15,570
Capital element of lease repayments	10	(11,299)	(12,306)
Repayment of borrowings	12	(7,784)	(348)
Proceeds from borrowings	12	-	11,850
Dividend paid	16	-	(1,202)
Net cash from financing activities		**(19,083)**	**12,393**
Net (decrease)/increase in cash and cash equivalents	12	**(6,970)**	**10,090**
Cash and cash equivalents at beginning of period		26,243	16,013
Effect of foreign exchange rate changes		(1,276)	140
Cash and cash equivalents at end of period	12	**17,997**	**26,243**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF PRELIMINARY ANNOUNCEMENT

The preliminary consolidated financial information for the 52 weeks ended 30 May 2021 was approved by the Directors on 2 August 2021.

This preliminary consolidated financial information has been prepared in accordance with the principles of International Financial Reporting Standards ('IFRS') as adopted by the EU and has been prepared on a going concern basis. The preliminary consolidated financial information does not constitute statutory consolidated financial statements for the 52 weeks ended 30 May 2021 as defined in section 434 of the Companies Act 2006 but is derived from those financial statements.

The Annual Report and Group Financial Statements for the 52 weeks ended 30 May 2021 are the sixth for Joules Group plc and were approved by the Board of Directors on 2 August 2021. The report of the auditor on those Group Financial Statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The Annual Report and Group Financial Statements for the 52 weeks ended 30 May 2021 will be filed with the Registrar in due course. The auditors have consented to the publication of the Preliminary Announcement.

Application of new and revised International Financial Reporting Standards (IFRSs)

There have been no new IFRSs adopted in the current year which have materially impacted the Group's financial statements.

Restatement of prior period Statement of Financial Position

An adjustment has been made to the prior period Income Statement and Statement of Financial Position to exceptional administrative expenses, right-of-use assets and related tax balances in relation to the treatment of prior year impairment considerations. The effect on specific financial statement line items within the Consolidated Income Statement and Consolidated Statement of Financial Position is as follows:

Consolidated Income Statement:

		31-May-20	
	Reported £'000	Adjustment £'000	Restated £'000
Exceptional administrative expenses	(21,480)	530	(20,950)
Income tax credit	4,640	(101)	4,539
Loss for the period	(20,705)	429	(20,276)

Consolidated Statement of Financial Position:

		31-May-20	
	Reported £'000	Adjustment £'000	Restated £'000
Right-of-use assets	31,993	530	32,523
Deferred tax asset	3,135	(101)	3,034
Retained Earnings	139,067	429	139,496

Going concern

As for many businesses in the retail sector, the Group has continued to be significantly impacted by COVID-19 during the Period. The impact and management's response is set out in further detail within the CEO's report and the Financial Review.

Despite the easing of the UK's lockdown and the re-opening of non-essential retail in mid-April 2021, the retail sector continues to face significant uncertainties, including short-term and potentially more fundamental long-term changes in consumer behaviour as well as the potential for ongoing operational disruption. Given these uncertainties, the Directors have undertaken a comprehensive assessment to consider the going concern and longer-term viability of the Group and Company. In making their assessment the Directors have considered the following:

- The Group's financial position, as at the date of this report, and its committed borrowing facilities available for the time period under consideration
- The support from the Group's shareholders and bank, including the successful equity placing that was completed in the early stages of the UK lockdown during the prior period and the financing facility extension that was completed in April 2021
- Alternative sources of financing, including sale & leaseback of freehold property and asset financing that might reasonably be assumed to be available to the Group – noting that any financing from these sources has not been included within the forecasts that support the going concern assessment
- Financial commitments, including capital commitments, lease commitments, stock purchases and other non-variable/non-discretionary costs. In respect of property leases, the Directors note the relatively short lease commitments, of less than three years on average, that the Group has across its store portfolio together with recent and on-going progress on renewing leases on favourable terms
- The extent of potential Government support initiatives including business rates relief and the Coronavirus Job Retention Scheme (CJRS)
- Strength of brand, reflected in active customer growth, brand awareness and brand health metrics - as detailed more fully in the Strategic Review
- The flexibility and agility of the Group's business model, as described in the Strategic Review, noting that over two thirds of the Group's retail sales are via e-commerce and that the Group has diversified sources of revenue, operating across several channels and geographic markets, with owned and third-party channels including wholesale and marketplaces. Newer income streams of brand licensing and the Group's Friends of Joules digital marketplace and from Garden Trading following the acquisition in February 2021 provide additional comfort on the strength of the brand and diversity of income channels

The Directors have also considered the trading performance of the Group's stores as they have re-opened following the easing of the UK's lockdown restrictions on 12 April 2021, as well as the performance of the Group's e-commerce channel, which has continued to exceed management's expectations during the Period.

The Directors have reviewed management's business plan forecasts that cover the period to 26 May 2024, being the Group's strategic plan horizon. The forecasts have been produced on the following basis:

- Base plan – a gradual sales recovery post the end of the UK's third lockdown in April 2021, continuing the trend experienced since the UK's lockdown restrictions were eased in mid-April 2021, reflecting management's estimates for the speed and extent of recovery across its different sales channels and markets. It reflects stores being open throughout the period under review initially trading significantly below the comparative pre-COVID-19 period, improving to approximately 80% of pre-COVID-19 sales levels by the end of FY22, with modest growth thereafter. Third-party wholesale channels are assumed to follow a similar trajectory. The Group's e-commerce sales are forecast to grow at double-digit levels reflecting performance over recent years and experienced during the UK's latest lockdown in January to March 2021.
- Downside scenario – the 'Base plan' adjusted to reflect a further UK lockdown for three months during October to December 2021 with all non-essential retail closed during the Group's key trading period, followed by a much slower recovery of the Group's stores channel with total store revenues only achieving approximately 60% of the pre-COVID-19 levels by the end of FY24. E-commerce sales growth is assumed to be at half of the 'Base plan' levels and wholesale sales are assumed to reduce significantly during FY22 compared to the 'Base plan'.

Within each forecast, management have reflected financial commitments and the impact of realised or anticipated cost savings from discretionary and variable costs. No Government support or subsidies, other than those announced and committed at the date of this report, are included.

The Directors have also stress tested the forecast to consider situations under which the Company would have insufficient liquidity under its current secured borrowing facilities and/or it would not meet its banking covenant tests. One such 'Stress test scenario' is that of an even further extended potential COVID-19 related lockdown in the UK for up to six months, with a material disruption to retail store operations during the full peak Autumn/Winter 2021 trading season resulting in significantly reduced store channel revenue and lower receipts from the Group's Wholesale channels. The Stress test scenario assumes e-commerce revenue growth in line with the 'Downside scenario' noting that loyal customers would no longer be able to access the brand via the store environment – as demonstrated during the previous UK lockdowns, plus ongoing income from Garden Trading, brand licensing and digital marketplace activities. The Stress test scenario assumes that the Group would only reduce directly related variable sales costs during the period and does not assume any further cost mitigation actions which would be available to the Group. No additional Government support or subsidies to offset costs or support cash flow are assumed in this scenario.

The Directors believe, with reference to the considerations noted above, that, firstly the likelihood of this situation arising in its most extreme form is remote and, secondly, that they anticipate that the Group would be able to adapt and respond to mitigate the impacts and continue to trade and meet its obligations through the period of consideration.

The Base plan and Downside scenario forecasts indicate that the Group will remain within its available committed borrowing facilities and in compliance with covenants throughout the forthcoming 12-month period. Under the Downside scenario, the Group has more than £20 million available liquidity headroom through-out the period under consideration and has EBITDA headroom of £2.7 million against its May 2022 year end covenant test and headroom of £5.6 million at its first covenant test in the period at the end of November 2021.

The Group would also remain within its borrowing facilities and comply with covenants under the Stress test through this period.

Following consideration of these forecasts and having made appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 12 months after the approval of the Financial Statements. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

Operating profit

Operating profit is presented in the Consolidated Income Statement as a "non-GAAP measure" of performance, and is calculated as profit before finance charges and taxation. There have been no changes to this definition from the prior period.

Exceptional administrative expenses

Exceptional administrative expenses are those that, in management's judgement, should be disclosed by virtue of their nature or amount. Exceptional administrative expenses will typically include material items that are significant in nature, which are expected to be non-recurring and are important to users in understanding the business.

2. ACQUISITION OF A SUBSIDIARY

On 9 February 2021 the Group acquired 100% of the issued share capital and obtained control of The Garden Trading Company Limited. The Garden Trading Company Limited is a digitally focused retailer of home and garden products and qualifies as a business as defined in IFRS 3. The Garden Trading Company Limited was acquired to support the Group's strategy to grow its customer base, broaden its product offer and strengthen its digital platform.

The amounts in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

	£'000
Financial assets	8,575
Inventory	1,997
Property, plant and equipment	371
Identifiable intangible assets	6,622
Financial liabilities	(5,121)
Deferred tax liabilities	(1,590)

Total identifiable assets acquired, and liabilities assumed	**10,854**
Goodwill	5,531
Total consideration	**16,385**

Satisfied by:	**£'000**
Cash	5,860
Equity instrument (2,828,535 ordinary shares of Joules Group plc)	4,879
Contingent consideration arrangement	5,646
Total consideration transferred	**16,385**

Net cash outflow arising on acquisition:	**£'000**
Cash consideration paid to date	5,489
Less: cash and cash equivalent balances acquired	(1,333)
	4,156

The potential undiscounted amount of all future payments that the Group could be required to make in respect of this contingent liability is estimated to be between £nil and £5.7million. Due to the contingent consideration being due within one year, the impact of discounting is considered to be insignificant.

The goodwill of £5.5million arising from the acquisition consists of savings from acquiring an existing workforce, as well as technology and contract related costs. None of the goodwill is expected to be deductible for income tax purposes.

The fair value of the 2,828,535 ordinary shares issued as part of the consideration paid for The Garden Trading Company Limited of £4.9million was determined on the basis of multiplying the number of shares issued by the share price at the acquisition date.

The contingent consideration arrangement consists of two elements. The first element requires two earn-out targets being met, and the second element is contingent on the sale of a property. The potential undiscounted amount of all future payments that Joules Group plc could be required to make under the contingent consideration arrangement is between £nil and £5.7million.

Acquisition-related costs (included in exceptional administrative expenses) amount to £0.6million.

The Garden Trading Company Limited contributed £8.7million revenue and £1.8million to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of The Garden Trading Company Limited had been completed on the first day of the financial year, Group revenues for the year would have been £212.3 million and Group profit before tax and exceptional administrative expenses would have been £8.2 million.

3. EXCEPTIONAL ADMINISTRATIVE EXPENSES

The exceptional administrative expenses recognised in the period relate to right-of use assets, property plant and equipment, and intangible assets which are impaired, as well as other costs associated with the acquisition of The Garden Trading Company Limited and restructuring across the Group. The total charge recognised in the period can be categorised as follows:

	52 weeks ended 30 May 2021 £'000	**Restated 53 weeks ended 31 May 2020 £'000**
Impairment of assets relating to stores	1,989	18,795
Impairment of other fixed assets	907	1,651
Acquisition costs	589	-
Restructuring costs	677	504
	4,162	**20,950**

Store impairments

Retail stores are subject to impairment based on whether current or future events and conditions suggest that their recoverable amount may be less than their carrying value.

The recoverable amount of each store is based on the higher of the value in use and fair value less costs to dispose. As all the Group's retail stores are leasehold, only the value in use has been considered in each impairment assessment. Value in use is calculated from expected future cash flows using suitable discount rates, management assumptions and estimates on future performance. The carrying value for each store is considered net of the carrying value of any cash contribution received in relation to that store.

For impairment testing purposes, the Group has determined that each store is a separate CGU. Each CGU is tested for impairment if any indicators of impairment have been identified.

The value in use of each CGU is calculated based on the Group's latest budget and forecast cash flows. Cash flows are discounted using the weighted average cost of capital ("WACC") of 14% and are modelled for each store through to their lease expiry or break date. No lease extensions have been assumed when forecasting.

As a result of this assessment an impairment charge of £2,624,000 (2020: £16,187,000) and reversals of £840,000 (2020: £nil) were recognised in the period against the right-of-use asset for the stores which are impaired. The impairment charge relates to 31 separate CGU's (2020: 79) and impairment reversals relate to 13 stores (2020: nil). The stores with impairment reversals were written back to their recoverable amount. An additional amount of £205,000 (2020: £2,608,000) related to fixtures and fittings associated with these stores. Store impairment charges relate to the Retail segment described in Note 4.

Other fixed assets

An in-depth review of other fixed assets has also been performed as part of the 'Joules Blueprint' strategy to identify any which are not fit for purpose with new strategic pillars established.

Based on the factors set out above, the Group has recognised £591,000 (2020: £141,000) relating to intangible fixed assets that are impaired, and £316,000 (2020: £1,510,000) relating to property, plant and equipment.

Acquisition costs

During the Period one-off charges of £589,000 were incurred relating to acquisition costs of The Garden Trading Company Limited. Further details on the acquisition are within Note 3.

Restructuring costs

During the Period total amounts recognised of £677,000 (2020: £504,000) related to group restructuring costs. The restructuring costs related to a re-organisation of structures across the Group's head office functions which commenced in FY20 and was completed in the Period as part of the 'Joules Blueprint' business strategy to review organisational design and introduce clarity around roles and responsibilities.

4. SEGMENT REPORTING

The Group has three reportable segments; Retail, Wholesale and Other. For each of the three segments, the Group's chief operating decision maker (the "Board") reviews internal management reports on a monthly basis. Each segment can be summarised as follows:

- **Retail:** Retail includes sales and costs relevant to stores, e-commerce, shows and franchises.
- **Wholesale:** Wholesale includes sales and costs relevant to the sale of products to other retail businesses or distributors for onward sale to their customer.
- **Other:** Other includes income from licencing and the 'Friends of Joules' digital marketplace, central costs and items that are not distinguishable into the segments above.

The accounting policies of the reportable segments are the same as described in Note 1. Information regarding the results of each reportable segment is included below. Operating results being earnings before exceptional administrative expenses, share-based compensation, interest and taxation are used to measure performance as management believes that such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within these industries. Performance of The Garden Trading Company Limited has been allocated appropriately within the Retail and Wholesale segments.

All income and expenses are allocated to reportable segments with the exception of share-based compensation, exceptional administrative expenses and finance costs. There are no discontinued operations in the period.

52 WEEKS ENDED 30 MAY 2021	Retail	Wholesale	Other	Total
	£'000	**£'000**	**£'000**	**£'000**
Revenue	158,588	35,305	5,114	199,007
Cost of sales	(75,656)	(25,849)	-	(101,505)
GROSS PROFIT	**82,932**	**9,456**	**5,114**	**97,502**
Administration expenses	(38,371)	(9,319)	(24,426)	(72,116)
Depreciation and amortisation	(9,033)	(276)	(6,701)	(16,010)
OPERATING RESULT	**35,528**	**(139)**	**(26,013)**	**9,376**
Costs unallocated to segments:				
Share-based compensation (incl. NI)				(1,653)
Exceptional administrative expenses				(4,162)
Finance costs				(1,583)
PROFIT BEFORE TAX				**1,978**

Restated 53 WEEKS ENDED 31 MAY 2020	Retail	Wholesale	Other	Total
	£'000	**£'000**	**£'000**	**£'000**
Revenue	145,898	42,668	2,242	190,808
Cost of sales	(62,880)	(31,117)	-	(93,997)
GROSS PROFIT	**83,018**	**11,551**	**2,242**	**96,811**
Administration expenses	(42,423)	(12,219)	(25,165)	(79,807)
Depreciation and amortisation	(13,964)	(773)	(4,729)	(19,466)
OPERATING RESULT	**26,631**	**(1,441)**	**(27,652)**	**(2,462)**
Costs unallocated to segments:				
Share-based compensation (incl. NI)				371
Exceptional administrative expense				(20,950)
Finance costs				(1,774)
LOSS BEFORE TAX				**(24,815)**

GEOGRAPHICAL INFORMATION

The Group's revenue from external customers and non-current assets by geographical location is as detailed below.

	UK	International	Total
	£'000	**£'000**	**£'000**
52 weeks ended 30 May 2021			
Revenue	174,000	25,007	199,007
Non-current assets	87,128	901	88,029
53 weeks ended 31 May 2020			
Revenue	161,307	29,501	190,808
Non-current assets	75,983	1,011	76,994

5. PROFIT FOR THE YEAR

Profit before tax is stated after charging/(crediting):

	52 weeks ended 30 May 2021 £'000	53 weeks ended 31 May 2020 £'000
Cost of inventories recognised as expense	83,223	79,850
Write down of inventory in the period	1,556	682
Transportation, carriage and packaging	14,597	11,499
Property rent and service charges	1,113	792
Government business rates relief	(2,251)	(815)
Depreciation of property, plant and equipment	2,583	3,018
Depreciation of Right-of-use assets	7,995	12,645
Amortisation of intangible assets	5,432	3,803
Staff costs	30,522	35,311
Share-based compensation	1,653	(371)
Exceptional administrative expenses (see Note 3)	4,162	20,950

Auditor's remuneration	**52 weeks ended 30 May 2021 £'000**	**53 weeks ended 31 May 2020 £'000**
The analysis of auditor's remuneration is as follows:		
Audit of these financial statements	225	141
Total audit fees	**225**	**141**
Other services pursuant to legislation:		
Tax advice	-	8
Audit related assurance services	-	5
Remuneration and share plan advisory	6	20
Total non-audit fees	**6**	**33**

Non-audit services

The general policy in respect of non-audit work by the external auditors is that they should not be requested to carry out a prohibited non-audit service as defined under provision 5.120 - 5.127 of the Financial Reporting Council's Ethical Standard and/or non-audit services on any material activity of the Group where they may, in the future, be required to give an audit opinion or act as management, in accordance with the Audit Practices Board's Ethical Standard for Auditors.

In certain limited areas, it is in the Group's and its shareholders' interests to engage the external audit firm to deliver certain services.

To protect auditor objectivity and independence management approves each individual non-audit service. The level of non-audit fees are monitored to ensure they do not exceed 70% of the average annual statutory audit fees payable annually.

6. FINANCE COSTS

	52 weeks ended 30 May 2021 £'000	53 weeks ended 31 May 2020 £'000
Credit facility interest	146	258
Term loan interest	194	108
Lease liability interest	1,243	1,408
	1,583	**1,774**

7. INCOME TAX

a) Analysis of charge in the period	**52 weeks ended 30 May 2021 £'000**	**Restated 53 weeks ended 31 May 2020 £'000**
Current tax		
UK corporation tax based on the profit/loss for the period	-	(3,029)
Adjustment in respect of prior periods	(365)	(5)
Overseas tax	37	275
Total current tax (credit)	**(328)**	**(2,759)**
Deferred taxation		
Origination and reversal of temporary differences	608	(1,333)
Adjustment in respect of prior periods	596	(251)
Effect of adjustment in tax rate	209	(196)
Total deferred taxation charge/(credit)	1,413	(1,780)
Tax charge/(credit) for the period (Note 7b)	**1,085**	**(4,539)**

In addition to the amount charged to the Income Statement, the following amounts relating to tax have been recognised in other comprehensive income.

	52 weeks ended 30 May 2021 £'000	**53 weeks ended 31 May 2020 £'000**
Deferred taxation		
(Loss) arising during the period on deferred tax on cash flow hedges	(753)	(472)
Deferred tax on unexercised share options	(123)	177
Total income tax (loss) recognised in other comprehensive income	**(876)**	**(295)**

b) Factors affecting the tax charge for the period

There are reconciling items between the expected tax charge and the actual which are shown below:

	52 weeks ended 30 May 2021 £'000	**Restated 53 weeks ended 31 May 2020 £'000**

Profit/(loss) before taxation	1,978	(24,815)
UK corporation tax at the standard rate	19.0%	19.0%
Profit multiplied by the standard rate in the UK	376	(4,715)
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	134	725
Adjustment in respect of prior period	231	(3,285)
Difference in overseas tax rate	9	21
Effect of adjustment in deferred tax rate	212	(196)
Share-based compensation	123	(300)
Losses carried back	-	3,160
R&D expenditure credits	-	33
IFRS 16 practical expedient on transition adjustment	-	18
Tax expense/(credit) for the period (Note 7a)	**1,085**	**(4,539)**

The current tax credit in the prior period includes a reversal of the prior year corporation tax charge for the 52 weeks ended 26 May 2019, following a carry back of tax losses generated for the 53 weeks ended 31 May 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 30 May 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2020: 19%).

8. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings £'000	**Fixtures and fittings £'000**	**Motor vehicles £'000**	**Total £'000**
Cost				
At 26 May 2019	**7,391**	**29,450**	**59**	**36,900**
Additions	7,280	3,095	63	10,438
At 31 May 2020	**14,671**	**32,545**	**122**	**47,338**
Additions	6,887	3,149	-	10,036
Acquisition of subsidiary	203	168	-	371
Exchange differences	-	(113)	-	(113)
At 30 May 2021	**21,761**	**35,749**	**122**	**57,632**
Accumulated depreciation				
At 26 May 2019	-	**19,596**	**59**	**19,655**
Charge for the period	-	2,980	38	3,018
Impairment	-	4,118	-	4,118
At 31 May 2020	**-**	**26,694**	**97**	**26,791**
Charge for the period	16	2,560	7	2,583
Impairment	-	521	-	521
At 30 May 2021	**16**	**29,775**	**104**	**29,895**
Net book value				

At 26 May 2019	7,391	9,854	-	17,245
At 31 May 2020	14,671	5,851	25	20,547
At 30 May 2021	21,745	5,974	18	27,737

Property, Plant and Equipment

Land & buildings comprise of land, buildings and capitalised borrowing costs in relation to the ongoing development of the site intended for use as the Group's new head office, which is under construction therefore is not being depreciated. The amount of borrowing costs capitalised in the year amounted to £112,000 (2020: £112,000). The amount of expenditure recognised in the carrying amount of land and buildings above in relation to the new head office whilst in the course of its construction is £20,813,000 (2020: £13,996,000). Completion of the new Head Office for the Group took place in June 2021.

During the Period, the Group carried out a review of the recoverable amount of property, plant and equipment. The review led to the recognition of an impairment loss of £521,000 (2020: £4,118,000), which was recognised within exceptional administrative expenses in the Consolidated Income Statement.

9. INTANGIBLE ASSETS

	Trademarks and other intangibles £'000	IT Systems £'000	Total £'000
Cost			
At 26 May 2019	**1,178**	**23,442**	**24,620**
Additions	81	7,508	7,589
At 31 May 2020	**1,259**	**30,950**	**32,209**
Additions	44	4,395	4,439
Acquisition of subsidiary	6,622	21	6,643
At 30 May 2021	**7,925**	**35,366**	**43,291**
Accumulated amortisation			
At 26 May 2019	**397**	**7,361**	**7,758**
Charge for the period	124	3,679	3,803
Impairment	-	141	141
At 31 May 2020	**521**	**11,181**	**11,702**
Charge for the period	256	5,176	5,432
Impairment	-	591	591
At 30 May 2021	**777**	**16,948**	**17,725**
Net book value			
At 26 May 2019	781	16,081	16,862
At 31 May 2020	738	19,769	20,507
At 30 May 2021	7,148	18,418	25,566

Intangible assets

During the year, the Group carried out a review of intangible assets as part of the 'Joules Blueprint' strategy to identify any which are not fit for purpose with new strategic pillars established. The review led to the recognition of an impairment loss of £591,000 (2020: £141,000), which was recognised within exceptional administrative expenses in the Consolidated Income Statement.

10. LEASES

Right-of-use assets:	Land and buildings	Fixtures and Fittings	Motor Vehicles	IT Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 27 May 2019	**57,645**	**199**	**356**	**646**	**58,666**
Additions	1,381	-	**131**	**-**	**1,512**
Disposals	(533)	-	**-**	**-**	**(533)**
Impairment	(16,187)	-	**-**	**-**	**(16,187)**
Modifications	1,710	-	**-**	**-**	**1,710**
Depreciation of Right-of-use assets	(11,976)	(97)	**(249)**	**(323)**	**(12,645)**
Restated Balance as at 31 May 2020	**31,860**	**102**	**238**	**323**	**32,523**
Additions	4,122	-		142	**4,264**
Impairment	(1,784)	-	-	-	**(1,784)**
Modifications	1,279	-	-	-	**1,279**
Depreciation of Right-of-use assets	(7,438)	(81)	(139)	(337)	**(7,995)**
Balance as at 30 May 2021	**28,039**	**21**	**99**	**128**	**28,287**

Lease liabilities:	Land and buildings	Fixtures and Fittings	Motor Vehicles	IT Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 27 May 2019	**55,176**	**199**	**356**	**646**	**56,377**
Additions	1,292	-	130	-	1,422
Disposals	(521)	-	-	-	(521)
Interest expense related to lease liabilities	1,376	3	16	13	1,408
Modifications	1,710	-	-	-	1,710
Repayment of lease liabilities (including interest)	(13,020)	(94)	(265)	(335)	(13,714)
Balance as at 31 May 2020	**46,013**	**108**	**237**	**324**	**46,682**
Additions	3,630	-	-	142	**3,772**
Disposals	(265)	-	-	-	**(265)**

Interest expense related to lease liabilities	1,221	3	5	14	**1,243**
Modifications	921	-	-	-	**921**
Repayment of lease liabilities (including interest)	(11,964)	(27)	(203)	(348)	**(12,542)**
Balance as at 30 May 2021	**39,556**	**84**	**39**	**132**	**39,811**

An impairment charge of £2,624,000 (2020: £16,187,000) and reversals of £840,000 (2020: £nil) were recognised in the period against the right-of-use asset which are impaired (see Note 4 for further details).

11. BORROWINGS

Summary of borrowing arrangements

The Credit facility relates to one Revolving Credit Facility with Barclays Bank PLC that totals £25.0 million, in which amounts drawn down are generally repayable within three months. In April 2020 an extension to the facility of £15 million was provided by Barclays Bank PLC for a 12-month period, this expired in April 2021.

In April 2021 the remaining £25 million facility was renegotiated with Barclays Bank PLC and as a result the term was extended out from July 2022 and now matures in September 2024. As part of the April 2021 renegotiation of the RCF, the Group entered into a new financing agreement which links the margin on the facility with Joules' performance against three Sustainability Performance Targets (SPTs) that are aligned with Joules' ESG focus areas. Under the terms of the agreement, Joules will benefit from a lower interest rate loan margin if the Group delivers on those targets.

The term loan facility with Barclays Bank PLC is being used by the Group to part fund the development of the Group's new head office premises. The term loan facility is secured against the new head office land and buildings asset and £8,780,000 of it was drawn down as at the period end (2020: £9,044,000).

The weighted average interest rates paid during the period were as follows:

	52 weeks ended 30 May 2021 %	53 weeks ended 31 May 2020 %
Credit facility	2.4%	2.4%
Term loan	1.55%	1.9%

	30 May 2021 £'000	31 May 2020 £'000
Credit facility	5,140	12,660
Term loan	8,780	9,044
	13,920	**21,704**
Borrowings are repayable as follows:		
Credit facility		
Within one year	5,140	12,660
Term loan		
Within one year	1,056	264
Between one and two years	1,056	1,056
Between two and five years	6,668	7,724

	8,780	**9,044**
Total borrowings		
Within one year	6,196	12,924
Between one and two years	1,056	1,056
Between two and five years	6,668	7,724
	13,920	**21,704**

12. ANALYSIS OF NET CASH / NET DEBT

	At 31 May 2020 £'000	**Cash flow £'000**	**Non-cash changes £'000**	**At 30 May 2021 £'000**
Cash at bank and in hand	26,243	(6,970)	(1,276)	17,997
Net cash per statement of cash flows	**26,243**	**(6,970)**	**(1,276)**	**17,997**
Borrowings	(21,704)	7,784	-	(13,920)
Net cash before lease liabilities and contingent consideration	**4,539**	**814**	**(1,276)**	**4,077**
Lease liabilities	(46,682)	12,542	(5,671)	(39,811)
Contingent consideration	-	-	(5,646)	(5,646)
Net debt after lease liabilities and contingent consideration	**(42,143)**	**13,356**	**(12,593)**	**(41,380)**

Non-cash changes relate to movements in interest on borrowings, the retranslation of foreign currency balances at the end of the period and lease acquisitions, disposals and modifications.

13. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

The Directors control 24,499,058 shares (2020: 30,420,923 shares) in Joules Group plc, which represents 22% (2020: 28.0%) of the issued share capital.

14. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period.

For the calculation of diluted earnings per share, the weighted average number of shares in issue is further adjusted to assume conversion of all potentially dilutive ordinary shares. The Company has one category of potentially dilutive ordinary shares, being management shares not yet vested.

During the 53 weeks ended 30 May 2020, diluted loss per share was capped at the basic loss per share as the impact of dilution cannot result in a reduction in the loss per share.

	52 weeks ended 30 May 2021	**Restated 53 weeks ended 31 May 2020**
Basic earnings/(loss) per share (pence)	0.82	(21.61)

Diluted earnings/(loss) per share (pence)	0.81	(21.61)

The calculation of basic and diluted earnings/(loss) per share is based on the following data:

Earnings

	£'000	**£'000**
Earnings/(loss) for the purpose of basic and diluted earnings per share	893	(20,276)

Number of shares

Weighted number of ordinary shares for the purpose of basic earnings per share	109,185,216	93,829,041
Potentially dilutive share awards	1,047,593	929,026
Weighted number of ordinary shares for the purpose of diluted earnings per share	110,232,809	94,758,067

15. SHARE-BASED COMPENSATION

Summary of movement in awards

Number of shares	**DBP**	**ESOP**	**LTIP**	**SAYE**	**TOTAL**
Outstanding at 31 May 2020	571,887	77,404	3,360,919	643,770	4,653,980
Granted during the year	11,594	823,705	3,798,625	387,370	5,021,294
Lapsed during the year	-	-	-	(171,503)	(171,503)
Cancelled during the year	-	(34,159)	(2,520,945)	(162,329)	(2,717,433)
Exercised during the year	(107,132)	-	(590,593)	-	(697,725)
Outstanding at 30 May 2021	**476,349**	**866,950**	**4,048,006**	**697,308**	**6,088,613**
Exercisable at 30 May 2021	**51,455**	**46,551**	**57,755**	**24,603**	**180,364**

As part of measures taken by the Group to preserve cash during the COVID-19 crisis, Marc Dench, Nick Jones and the Group's employees agreed to take a pay reduction and were granted options on 6 April 2020 over 107,859 ordinary shares in Joules Group plc with a value commensurate with the value of the salaries waived. In response to shareholder feedback, during the period the Board agreed to waive their FY20 LTIP awards in lieu of salary.

All share options were valued using the Black-Scholes model. Expected volatility was determined by management, using comparator volatility as a basis for share options granted in 2016, 2017, 2018, 2019 and 2020 and Joules historic volatility data for the share options granted in 2020 and 2021. The expected life of the options was determined based on management's best estimate. The expected dividend yield was based on the anticipated dividend policy of the Company over the expected life of the options. The risk-free rate of return input into the model was a zero-coupon government bond with a life in line with the expected life of the options.

The fair value of the total shares issued during the period and measured as at issue date is £5,942,501.

The inputs into the model were as follows:

	DBP	ESOP	LTIP	SAYE
Weighted average share price	£2.32	£1.71	£0.23	£2.42
Weighted average exercise price	£0.01	£1.53	£0.01	£1.95
No. of employees	4	18	602	108
Shares under option	715,613	1,589,002	9,314,433	1,813,440
Expected volatility	28% - 78%	28% - 71%	28% - 124%	28% - 71%
Expected life (Years)	3	3	3	3
Risk-free rate	0.08% - 0.44%	0.05% - 0.55%	0.07% - 0.55%	0.08% - 0.55%
Possibility of ceasing employment before vesting	0%	0%	0% - 7.5%	10% - 15%
Expectations of meeting performance criteria	100%	100%	0% - 40%	95%
Expected dividend yield	0% - 1.9%	0% - 1.9%	0% - 1.9%	0% - 1.9%

The Group recognised a net expense of £1,303,000 during the year (2020: credit of £246,000) relating to cash settled and equity settled share-based compensation. Including associated employer's National Insurance contributions which in the year was an expense of £350,000 (2020: £125,000 credit), the Group recognised a total expense of £1,653,000 during the year (2020: credit of £371,000).

Deferred Bonus Plan ("DBP")

The DBP operates in conjunction with the Group's annual bonus plan. The number of ordinary shares subject to a DBP award will be the number of shares that have a market value equal to the value of the annual bonus deferred into a DBP award. DBP awards take the form of nil-cost options, vest on the third anniversary of the date on which the relevant annual bonus was determined and are normally exercisable until the tenth anniversary of the grant date.

Executive Share Option Plan ("ESOP")

The Group operated a share option scheme during the period for certain employees under the Executive Share Option Plan ("ESOP"). The different options vest between two years and three years and have an exercise life between three and ten years from grant date. All option schemes are subject to continued employment over the vesting period.

Long Term Incentive Plan ("LTIP")

The Board approved Long Term Incentive Plan 2016 ("LTIP 2016") allows the grant of options to executive directors and senior management of the Group in the form of nil-cost options over ordinary shares in Joules Group plc. The options are exercisable three years after the date of grant subject to achieving certain stretching targets.

The target of share option awards granted to the Executive Directors and members of the operating board in 2018 is 80% based on an EPS target in the final year of the relevant performance period, being the financial year ending May 2021 and 20% of the target is based on achieving specified international revenue targets.

The share option awards granted to the Executive Directors, members of the operating board and some senior managers in 2019 are based upon achievement against four targets in the year ending May 2022: US revenue, UK digital sales, colleague engagement and EPS.

The share option awards granted to the Executive Directors, members of the operating board and some senior managers in FY21 are based upon achievement against two targets, to be delivered in the final year of the performance period (FY23). 50% of the awards will be subject to adjusted diluted EPS, and 50% subject to the volume weighted average price of Shares in the last 90 days of the performance period.

For other senior management awards the target is based on the cumulative PBT over the three years to May 2021, May 2022 and May 2023. The calculation includes an assumption that 10% of senior managers on the scheme would cease employment before vesting.

Save As You Earn Scheme ("SAYE")

Under the terms of the SAYE scheme, the Board grants options to purchase ordinary shares in the Company to employees who enter into the HMRC-approved SAYE scheme for a term of three years. Options are granted at up to 20% discount to the market price of the shares on the day proceeding the date of offer and are exercisable for a period of six months after completion of the SAYE contract.

16. DIVIDENDS

	30 May 2021		31 May 2020	
	Pence per share	**£000**	**Pence per share**	**£000**
Interim dividend paid in the financial year	-	-	-	-
Final dividend proposed, not accrued, payable subject to approval at AGM	-	-	-	-
Total	-	-	-	-

The Directors are not proposing a dividend this year.