



Topps Tiles

TOPPS TILES PLC
ANNUAL REPORT AND ACCOUNTS
FOR THE 53 WEEK PERIOD ENDED
3 OCTOBER 2015
STOCK CODE: TPT

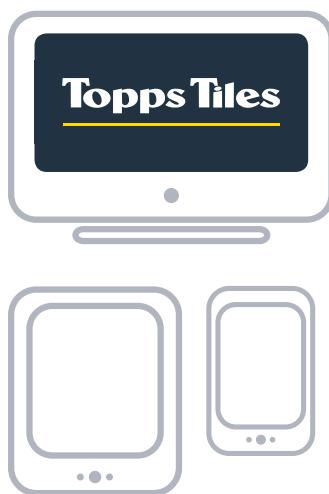
Welcome

TOPPS HAS DELIVERED A STRONG PERFORMANCE FOR THE YEAR, WITH OUR WELL-ESTABLISHED FOCUS ON CONVENIENCE, INSPIRATION AND RANGE DRIVING SALES TO A NEW RECORD AND ENABLING US TO HIT OUR STRATEGIC GOAL OF A ONE THIRD SHARE OF THE DOMESTIC TILE MARKET A YEAR AHEAD OF SCHEDULE. OUR STRATEGY OF OUT-SPECIALISING THE SPECIALISTS CONTINUES TO BE VERY EFFECTIVE AND WILL REMAIN AT THE HEART OF WHAT WE DO AS WE SEEK TO BUILD ON THESE FOUNDATIONS AND TARGET FURTHER PROFITABLE SALES GROWTH.

 Read our **Chairman's Statement** on pages 04 and 05

 Read more in the **Strategic Report** on pages 08 to 33

INVESTOR WEBSITE



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WITHIN THE REPORT

 Read more **content** in this report

 Read more **content** online

We maintain an investors website containing a wide range of information of interest to investors:

[www.toppstiles.co.uk/media-centre/
investors](http://www.toppstiles.co.uk/media-centre/investors)



Image:
Regional Reflections™ Annan

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Our Strategy

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2015 WAS A SUCCESSFUL YEAR FOR TOPPS AND WE HAVE HAD A FIFTH AND CONSECUTIVE YEAR OF STRONG FINANCIAL GROWTH AND CORRESPONDINGLY ROBUST PROGRESS ON FINANCIAL EARNINGS PER SHARE.

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At a Glance

TOPPS HAS THIS YEAR ACHIEVED ITS STRATEGIC GOAL OF ACCOUNTING FOR APPROXIMATELY £1 IN EVERY £3 SPENT IN THE UK DOMESTIC TILE MARKET.

Topps is the UK's leading specialist retailer of tiles. Our business is focussed on the market for the refurbishment of domestic housing and provides an industry leading range of tiles and associated accessories appropriate to this market. Our customer base includes both homeowners (predominantly retail customers) and tile fitters (trade customers) and our business is based on a broadly even split between the two customer types.

Our colleagues are a key ingredient of our business model – our customers rely on our expert product knowledge and world class customer service.

TOPPS ACCOUNTS FOR
33%
OF THE DOMESTIC
UK TILE MARKET

• • •

TOPPS HAS OVER 340 STORES ACROSS THE UK, PRIMARILY COMPETING IN THE UK DOMESTIC TILE MARKET. WE HAVE A BROAD GEOGRAPHIC REACH ACROSS THE UK WITH MOST CUSTOMERS REQUIRING LESS THAN A 20 MINUTE DRIVE TIME TO REACH THEIR LOCAL STORE.

346
stores

See our full [Store list](#)
on page 122



Highlights

GROUP REVENUE	ADJUSTED PROFIT BEFORE TAX ²	STATUTORY MEASURES
£212.2m (+8.7%) 2014: £195.2m	£20.4m (+19.3%) 2014: £17.1m	PROFIT BEFORE TAX
GROSS MARGIN 61.2% (+30 bps) 2014: 60.9%	ADJUSTED EARNINGS PER SHARE ³ 8.17p (+23.2%) 2014: 6.63p	£17.0m (+1.8%) 2014: £16.7m
FINAL DIVIDEND 2.25p (+40.6%) 2014: 1.60p	TOTAL DIVIDEND 3.00p (+33.3%) 2014: 2.25p	BASIC EARNINGS PER SHARE 6.75p (+4.0%) 2014: 6.49p
LIKE-FOR-LIKE ¹ +5.4% 2014: +8.1%	NET DEBT ⁴ £28.4m 2014: £30.5m	

FINANCIAL HIGHLIGHTS

- Record sales of £212.2m. Like-for-like sales growth of 5.4%
- Gross margin increased to 61.2% (2014: 60.9%) reflecting further sourcing gains and our focus on a differentiated product offer
- Adjusted profit before tax² of £20.4 million, up by 19.3%
- Increased final dividend of 2.25 pence per share (2014: 1.6 pence per share), making a total for the year of 3.00 pence per share (2014: 2.25 pence per share), an increase of 33%
- Net debt⁴ at period end reduced to £28.4 million (2014: £30.5 million)

OPERATIONAL HIGHLIGHTS

- Strategy of "Out Specialising the Specialists" continues to deliver successful results
- Strategic goal of taking £1 in every £3 spent in the UK domestic tile market achieved one year early – seventh consecutive year of market share gains
- Trade sales increased to 50% of total (2014: 46%) driven by growth of our trade loyalty programme and trend for "do it for me"
- Sales benefiting from increased investment in new product development – 9.3% of tile revenues generated from ranges launched in the last 12 months
- Multiple initiatives to extend the appeal of the Topps brand underway, including:
 - A programme of 'all store improvements', inspired by the Boutique format, to introduce new branding, display and merchandising treatments across the entire Topps estate
 - Active management of store portfolio – 19 new openings, 9 closures, 2 relocations and 13 refits completed in the year
 - Encouraging overall progress made with Boutique format, with further work planned in the year ahead to optimise performance

CURRENT TRADING AND OUTLOOK

- The Group is now trading from 346 stores (2014: 336 stores)
- In the first eight weeks of the new financial period, Group revenues, stated on a like-for-like basis, increased by 3.3% (2014: 5.8%)

NOTES

- Like-for-like revenues are defined as sales from stores that have been trading for more than 52 weeks.
- Adjusted profit before tax excludes several items we have incurred during the period which are not representative of underlying performance, these are set out as follows:

	2015 £m	2014 £m
ADJUSTED PRE TAX PROFIT	20.4	17.1
PRESENTED ON THE FACE OF THE INCOME STATEMENT AS NON-RECURRING ITEMS:		
– business simplification exceptional costs (as detailed in the financial review)	(2.6)	nil
PRESENTED AS PART OF OPERATING COSTS WITHIN THE RELEVANT INCOME STATEMENT CAPTIONS:		
– restructuring costs	(0.2)	(0.2)
– the impairment of plant, property and equipment	(0.3)	(0.3)
– freehold property disposal	nil	0.4
– premium receivable on the early exit of a store	0.5	nil
– gains relating to the forward currency contracts the Group (defined as Topps Tiles Plc and all its subsidiaries) has in place (per IAS39)	0.1	0.1
– charges for interest against a historic tax liability	(0.9)	(0.1)
– write down of the unamortised issue costs relating to the 2011 Revolving Credit Facility	nil	(0.3)
STATUTORY PRE TAX PROFIT	17.0	16.7

3 Adjusted for the post tax effect of the items highlighted above.

4 Net debt is defined as loan facilities drawn down less cash and cash equivalents.

Chairman's STATEMENT



Darren Shapland
Chairman

INTRODUCTION

I am delighted to be presenting my first Chairman's statement on behalf of Topps, having joined the Board in March this year. Topps is a business I have long admired and I have always felt that the brand was strong and the business was well run. Following an extensive induction I am pleased to be able to report to shareholders that this is indeed the case. I have been fortunate in my career to have spent more than 30 years working in some great consumer businesses and I have found that Topps benchmarks very well on a number of levels, including the strength of its store portfolio, growth potential, operating margins, financial position, cashflow generation and balance sheet strength.

Clarity of purpose and effective internal communications are the cornerstone of any company's success and the executive team at Topps have made this an absolute priority, investing a significant amount of time to ensure that all colleagues understand the organisation's objectives and the part each individual plays in delivering that plan.

The business is also closely focussed on performance management, with measures for strategic, financial and operational metrics at the heart of performance discussions throughout the business. The combination of these is key to the success of the business and the reward structure which all colleagues participate in.

TRADING AND FINANCIAL PERFORMANCE

Taking the above into consideration I am particularly pleased to be able to report on a strong year for the business. Trading performance has been consistently robust across the year with overall sales growing by 8.7% and adjusted profit before tax up by 19.3% to £20.4 million. Revenue for the period was £212.2 million which is an all-time record for Topps.

CAPITAL STRUCTURE AND DIVIDEND

Topps has delivered a strong set of financial results this year and we remain comfortable with our overall financial position and the capital structure that we have in place. We continue to feel that the current

structure gives us a good balance of capital efficiency and financial flexibility. The Board has reviewed its dividend policy during the year and has recognised that the current level of dividend cover is relatively modest. The Board considers that a dividend cover of approximately $2\times$ is achievable over the medium term and should be sustainable at this level.

As a result, the Board is recommending to shareholders an increased final dividend of 2.25 pence per share (2014: 1.60 pence per share). This will bring the total dividend for the year to 3.00 pence per share (2014: 2.25 pence per share), an increase of 33%. As a consequence of this recommendation dividend cover for the year is $2.72\times$ (2014: $2.9\times$).

STRATEGY

Our market share has moved forwards again this year and we have now attained our strategic goal of taking one in every three pounds spent in the UK domestic tile market. This has been delivered a full year ahead of the original strategic plan projections – a tremendous achievement for the

business and a testament to the focus of the whole team.

Topps successful strategy of "Out-Specialising the Specialists" will remain at the heart of our growth plans as we continue to focus on inspiring our customers, maximising convenience and offering the most authoritative range in our market. More detail on the company's strategy and the effectiveness with which it is being delivered can be found in the following pages.

THE BOARD AND CORPORATE GOVERNANCE

Governance is something that the Board of Topps takes very seriously and we have been working on several fronts to further improve our compliance with best practice during the year.

Two key changes in the composition of the Board occurred during the year, with Keith Down joining in February as a non-executive director and Audit Committee Chair and my appointment as Chairman in March. As a result of these changes I am pleased to confirm that all of the non-executive directors are now independent and we have been fully compliant with this part of the governance code since these changes came into effect.

At this point I would like to extend my thanks and that of the Board and wider business to the previous Chairman Michael Jack for his service as a Non-Executive Director for over 15 years including the last three and half years as Chairman. We are grateful for Michael's unwavering dedication and support to the business over this period and his very significant contribution – we wish him the very best for the future.

During the year we conducted a strategic risk review – the highlights of which are included later in this report.

In summary, we were reassured by the results of this process. The outputs of the review will form part of our future Audit Committee agenda.

We have also conducted a thorough assessment of the performance of the Board and the committees, including my own performance as Chairman, which concluded that the Board is operating effectively. Information on the actions we are working on to improve in the current financial year, can be found in the Corporate Governance section of this report.

OUR PEOPLE

We are very proud of our colleagues across all parts of the business whether it be in the stores, the distribution centre or the support functions. Topps' service metrics are excellent, benefitting from extensive training and development programmes and constant communication and improvement processes across the business. Above all though, it's the hard work, dedication and "can do" attitude that our colleagues demonstrate every day that make this business successful and we thank all our colleagues for all their continued efforts.

THE FUTURE FOR TOPPS

The Board is energised about the future opportunity for Topps and we believe there is significant scope for further growth in the business. Our existing strategy of "Out-Specialising the Specialists" remains very much fit for purpose and the management team will continue to evolve the key strands of this strategy to maximise the opportunities and drive performance. Retailing of home improvements never stands still and the business is showing that it can lead the way through a combination of inspiring its customers, offering a leading range and maximising convenience. The Board remains confident that this consistent drive to improve the offer, allied to the excellent service which our colleagues deliver, will be the foundation of our future success.

Darren Shapland
Chairman

 Read more in the **Strategic Report** on pages 08 to 33

 Read more in the **Financial Review** on pages 19 to 25



CASE STUDY

OUR SUCCESSFUL *rebrand*

• • •

Our all store improvement programme is much more than a change in logo colour and in-store signage; it is a major investment designed to create a more inspirational and professional looking store to help broaden our customer base by persuading new customers to consider Topps.

**Personal Touch**

We've added to the in-store experience with the introduction of state-of-the-art iPads



Read more about our **Convenience Strategic Pillar** on page 13

Strategic Report

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Strategic REPORT

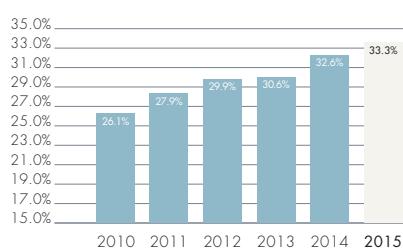


Matthew Williams
Chief Executive Officer

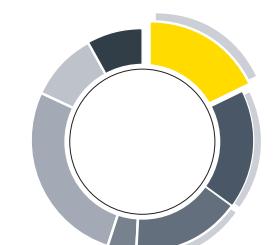
The content of this Strategic report meets the content requirements of the Strategic Report as set out in s414a of the Companies Act 2006. This Strategic report and Chairman's Statement contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Marketplace

HISTORY OF TOPPS MARKET SHARE IN THE DOMESTIC TILE MARKET



TOPPS POSITION WITHIN THE WHOLE MARKET (DOMESTIC AND COMMERCIAL)



DOMESTIC	
● TOPPS	18%
● DIY SHEDS	17%
● SPECIALISTS	16%
● OTHER	4%

COMMERCIAL	
● LARGE COMMERCIAL	27%
● NEW BUILD HOUSING	10%
● SMALL BUSINESS	8%

THE UK TILE MARKET AND PERFORMANCE OF THE BUSINESS

Topps predominantly serves the domestic tile market with all of our products going into the refurbishment of existing UK housing stock. Our market is therefore discretionary in nature – the vast majority of expenditure is driven by a customer choosing to improve their home, with very little related to essential maintenance. This puts a particular emphasis on consumer confidence as a key driver of our market and performance.

In addition, one of the key influences in a customer taking on a home improvement project is their purchase of a new home – housing transactions are therefore a very useful indicator of likely future demand. Following strong growth in 2014, housing transactions have flattened out at approximately 1.2 million per annum. This remains well below the all-time peak of 1.7 million recorded in 2007 but also significantly above the very low levels we saw during 2009 of approximately 0.7 million.

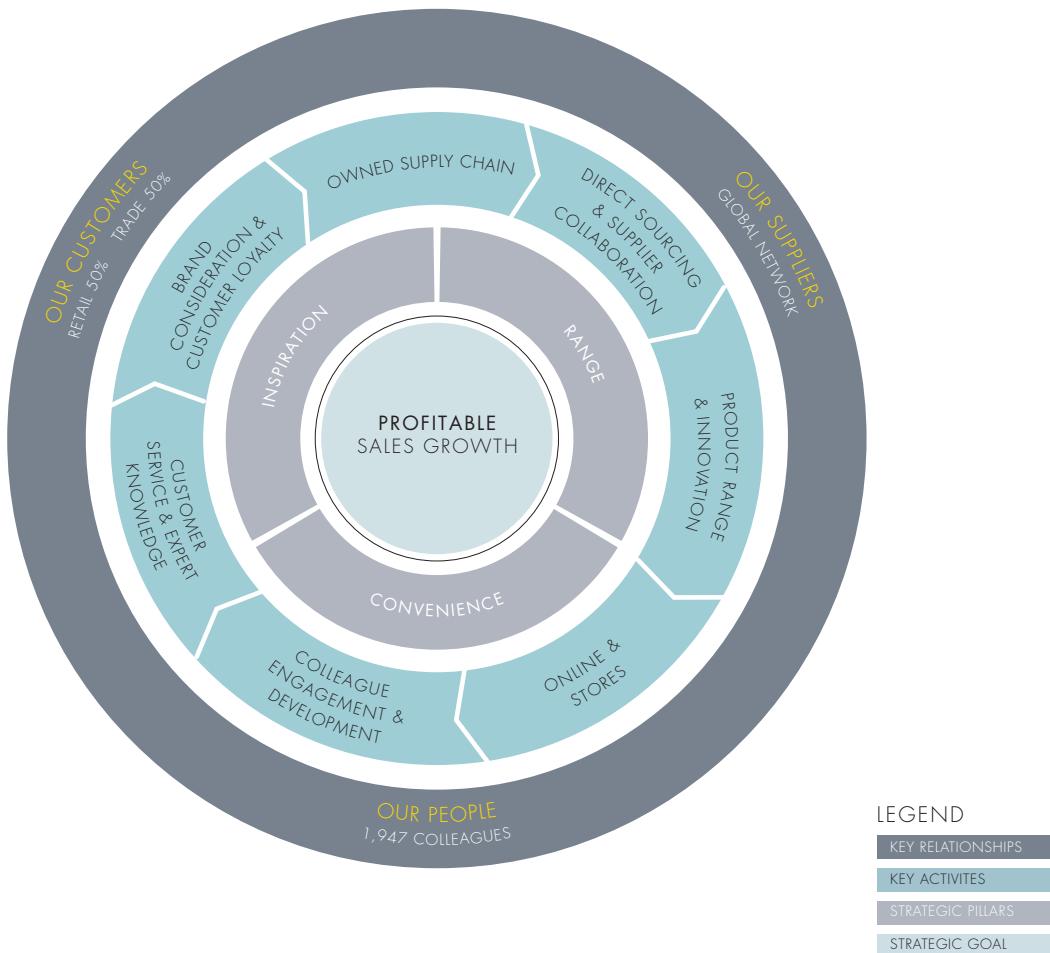
We also consider UK house price data to be a useful indicator of the relative health of our market. House prices are a good reflection of both the housing market and consumer confidence as home owners tend to feel more affluent in a rising market. During the year we have seen an increase in house prices, with the average price of a house in the UK rising to £195,585, an increase of 3.8% on the previous year (source: Nationwide).

The annual tile industry report published by MBD covers the whole of the UK tile market (domestic & commercial) and is based on manufacturer and supplier data. Growth of the entire market in 2014 was 5.5% on a value basis. For 2015, based on MBD volume estimates, industry and supplier data we estimate c.3.6% growth on a value basis.

 Read our **Strategy** on page 10

Business MODEL

Our business model is how we create value. All of our key activities, undertaken with our suppliers, through our people and for our customers, are focused on delivering our strategy.



Topps is the UK's leading specialist retailer of tiles. We supply tiles and associated accessories for the refurbishment of UK domestic housing to both a trade and retail customer base.

We operate a vertically integrated supply chain sourcing many of our bestselling tiles direct from factories around the world and rely on strong relationships with key suppliers who we often work together with to develop new product innovations.

Our business operates from over 340 UK based retail outlets of c.5,000 sq ft which are typically located on trade parks or on main arterial roads in locations near existing DIY outlets. We operate our stores on a lease basis with an average unexpired lease of c.eight years.

Topps stores carry a market leading range of tiles and associated products, the majority of which is available in stock to take away. Our store colleagues are a key ingredient of our business model – our customers rely

on our expert product knowledge and service based approach.

Combining the key aspects of our business has created a model which has endured for the last 50 years and, when combined with our strategy we believe will continue to serve us well into the future.

See our **Key Performance Indicators** on page 18

Read how Topps mitigates **Risks and Uncertainties** on pages 26 and 27

Our STRATEGY

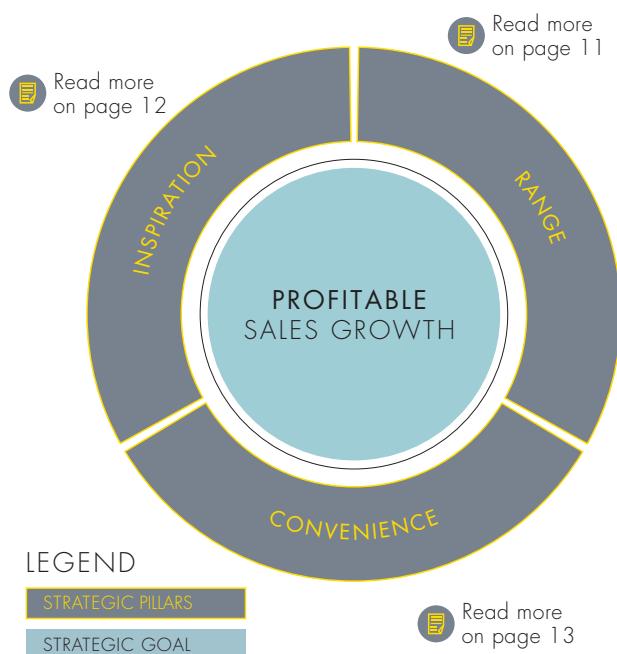
In 2013 the Group set itself the strategic goal of taking profitable market share with a specific target of a one third share of the UK domestic tile market. Progress towards this target has been driven by our successful strategy of "Out Specialising the Specialists" which provides our customers with a combination of inspirational service, unrivalled range and convenience through our seamless multi-channel offering. We are pleased to report that Topps has now successfully achieved this goal, a full year ahead of the original plan.

Looking ahead, we plan to maintain our momentum by focussing the organisation on further profitable sales growth. "Out Specialising the Specialists" has been very effective, enabling Topps to grow its share of the UK domestic tile market in each of the last seven years, and will remain at the heart of our growth plans. In addition, we have begun to evaluate potential opportunities to use our existing sales channels to access more of the total tile market, including the commercial sector. We already service a small element of the commercial sector through our existing network and believe this could represent an important source of future profitable growth for the business.



Image:
Regional Reflections™ Dwyran

Strategic PILLARS



Our strategy is centred on delivering outstanding value to our customers by specifically focusing on three key areas:

INSPIRATION

We provide our customers with market leading levels of personalised service combined with an inspirational in-store environment that features innovative merchandising, creative room set photography and visualisation.

CONVENIENCE

Convenience is a vital element of our customers' decision to shop with us. Our scale, expertise, and online and mobile experience combined with seamless integration across all of our channels to market is an important source of competitive advantage.

RANGE

We offer unrivalled authority in product range, including all the latest designs of high quality products, with most of our tiles exclusively sourced for Topps. Our collaborative new product development process ensures we have the up-to-date ranges and a broad band of prices to help our customers get the most from their home improvement projects.

See our **Key Performance Indicators** on page 18

Read how Topps mitigates **Risks and Uncertainties** on pages 26 and 27

STRATEGIC PILLAR ONE

Range



Image:
Shibori

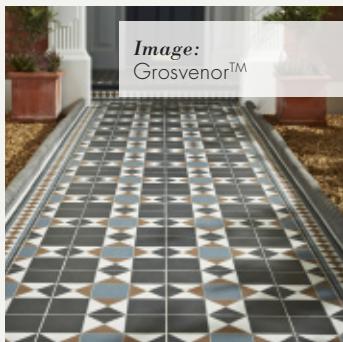


Image:
Grosvenor™

As the UK's leading specialist tile retailer, we understand the importance of offering great quality products in the latest designs at a range of prices, to help our customers get the most from their home improvement project. We are constantly refreshing our range and launch at least one new product every week both in store and online. This unrivalled authority in product range is critical to our competitive advantage.

As customer tastes continue to evolve and improved technology in tile manufacture allows greater diversity in style and design, we are finding that customers are also increasingly adventurous in their choices. Topps works collaboratively with leading manufacturers from around the world to ensure its range remains at the forefront of innovation. Areas such as digital inkjet print technology, for example, have revolutionised what can be done with patterned and natural effect tiles. Where we partner with manufacturers to drive this kind of innovation by utilising our expert skills and knowledge this will often result in exclusive products and ranges, with many of these becoming top sellers, further reinforcing Topps market leading authority with our customers.

Through Topps, customers can access a sector leading range of over 5,000 items, which we manage carefully, providing the right choices by product sector and updating to stay ahead of the competition.

2015 has seen the development of the Topps own brand range with several new tile and stone lines launched in own brand packaging, as well as the launch of a complete Topps tile care range and other tiling essentials such as tools.

Through improved new product development processes our buyers are bringing new products to the market faster and much more frequently than our competitors. Sales of new tile ranges launched over the last twelve months have been over £12 million, accounting for 9.3% of our tile sales, demonstrating the positive customer reaction to new product innovation.

 Read about our **Marketplace** on page 08

 Read about our **Business Model** on page 09

 Read about our **Product Innovation** and our **Regional Reflections Range** on pages 16 and 17

What our customers are saying

"Having been to a number of tile stores I have found Topps Tiles to be one of the best. Its wide range of tiles and great customer service makes it a great place to shop."

Our STRATEGY

CONTINUED



What our customers are saying

"The team were amazing, they showed me many different options that inspired me and suited my budget."

¹ A full explanation of the NPS methodology and associated scores can be found within the KPIs section of this report.

STRATEGIC PILLAR TWO

Inspiration

Providing customers with an inspirational shopping experience has been critical to Topps market share growth over recent years. Due to the relatively infrequent purchase cycle of our retail customers we believe that high levels of service and expertise in store are key elements of our success. We have an absolute commitment to delivering best in class customer service and this is essential in helping our customers to make informed choices. We focus on offering friendly, honest and helpful advice without ever being pushy. All of our stores are mystery shopped once every month and we also monitor each store's Net Promoter Score¹ (NPS) on a monthly basis.

Our customers' home improvement projects are becoming ever more adventurous and the support required even more involved. As a specialist business with a total focus on tiles we are ideally placed to respond to this trend and meet our customers' needs. Our specialist team of advisors can truly inspire our customers and support them with all the expert advice they need to make their project a success.

The widely reported trend towards "do it for me" over "do it yourself" continues and we are seeing the impact of this in our business. Our retail customers are increasingly choosing to employ the services of a professional fitter and will often transact through them. Even in these scenarios we play an important facilitator role, often introducing home owners to loyal trade fitters.

This year we have significantly extended the trade loyalty programme we launched in 2014 and this is helping us to extend both our trade customer base and also increase the "share of wallet" from our existing trade customers. Our trade loyalty programme has gone from strength to strength this year as the trend to "do it for me" has accelerated. Work continues to drive participation levels further and to boost the rewards available to our most loyal trade customers. The relationship between our store teams and their trade customers remains a key element of our success in this sector of the market.

As a result trade sales have continued to increase their share of the sales mix and now account for 50% (2014: 46%) of our total sales.

We continue to invest across our store estate to ensure that our stores are inspirational places to shop. The major focus this year has been on improving the external appearance of our stores. The biggest element of this has been a new branding treatment, with all stores having now received new exterior signage. Customer feedback regarding the new branding has been consistently strong and we believe this is an important element in extending our customer reach while also ensuring that the Topps brand continues to appeal to existing customers.

 Read about our **Successful Rebrand** on pages 06 and 07

STRATEGIC PILLAR THREE

Convenience



Image:
Visualiser is easily accessible on laptops, tablets and mobile phones

Convenience across all our shopping channels is a vital element of our customers' decision to shop with us. Our scale, expertise and ability to seamlessly integrate all of our channels to market is an important source of competitive advantage.

In 2014, the Group developed the "Boutique" format, an experimental new small store concept, which incorporated a fresh new store design and a number of innovative in-store features. Designed principally as a method for bringing the Topps offer to smaller High Street locations, the development of the Boutique format has also inspired a variety of new initiatives across the core store estate, which are bringing significant benefits to the Topps business as a whole.

STORES

Our stores remain by far our most dominant channel with over 99% of our customers visiting a store at some stage in their shopping journey with Topps. Customers tell us that this is because of the tactile nature of the product, the market leading service levels on offer and good stock availability. We have continued to focus on optimising returns from the existing store estate, adding new locations selectively where we believe strong opportunities exist. We also target tactical relocations of individual stores where this is supported by a local market opportunity. In the last 12 months we opened 11 new core stores and closed six, resulting in a net increase of five core stores to bring the total, at year end, to 323 (2014: 318). These new stores have performed well and we remain very satisfied with the return on investment. In addition to the improvements made to all stores detailed above, we fully refitted 13 stores and made minor improvements in seven other stores during the period.



In the year ahead we have plans in place to continue with a similar range of activities. We expect to increase the core store estate by 10 new units and fully refit around 15 stores plus other minor works as appropriate. We will also continue our programme of all store improvements which will be focussed on the new merchandising treatments inspired by our Boutique concept that we have trialled at our new Lab Stores at Worcester and Shoreditch.

During the year we conducted a strategic review of our Clearance stores. Over recent years we have

Our STRATEGY

CONTINUED



What our customers are saying

"I ordered them online and within a couple of hours I had a phone call from Topps Tiles to say they were ready for collection at our local store."

 Read Topps At a Glance on page 02

 Read about our Marketplace on page 08

Convenience

CONTINUED

converted many of the Clearance stores to the more profitable core Topps format and most of the remaining units are located very close to existing core stores. As a result of the review we have decided to consolidate the business behind the core format. At the period end we had 11 (2014: 12) Topps Clearance stores and in the year ahead four of these will be converted to the core format and the remaining seven will be closed.

The Boutique format was extended during the year with the addition of a further eight stores, including the first two outside of London, in Cheshire. This brings the total number of Boutique stores trading to 13 (2014: five). In addition to extending our reach, Boutique continues to generate lots of rich learning – that we are utilising in the core estate wherever appropriate. We continue to believe there is an opportunity for a roll-out of this format and are focusing our efforts on further refinement and evolution in the year ahead to optimise its performance. As a result, while there may be some movement in the Boutique store portfolio in the current year, the number of stores trading is likely to remain at around the current level.

Given the closure of the remaining Clearance format stores, we expect modest net growth in store numbers for the year ahead and will continue to grow our core Topps format both next year and beyond.

ONLINE

Online research is a vital part of any customer journey never more so than when customers are looking for inspiration. The ability to research

projects online is one of the ways in which we offer customers convenience and we strive to provide a consistent experience across all touch points including store visits, online and mobile. We also utilise the on-line payment facility to help deliver convenience to customers who have ordered in store or over the phone but wish to pay for remotely.

Over 70% of our customers use our website at some point in their journey, as well as making numerous trips to a store. We therefore believe the 'pure play' online market for tiles remains very small and our ability to combine our website offering with the skilled advice and convenience available through a physical store presence gives us a significant competitive advantage over any pure play online retailer of tiles.

This year has seen the launch of a market-leading internet-based tile visualiser which is accessed through our web site. We have also enabled colleagues to use this as part of the in store sales process by providing an iPad to demonstrate to customers exactly how various tile combinations look in a variety of room sets.

TRADE

While tradesmen are a distinct customer group they are also a very important as an alternative channel to market for Topps, with some of our customers being introduced to us through their chosen tile fitter. Of these new customers, a portion will transact directly, with the remainder finding it more convenient to transact through their fitter, such that we may never deal with those end consumers



in store. We continue to see good growth potential in our trade business as home owners rely increasingly on specialist tradesmen to complete their tiling projects and expect the proportion of Group sales coming through this channel to increase further.

STRATEGIC ENABLERS

In addition to the three key areas of strategic focus highlighted above there are a number of "strategic enablers" which the business considers key to successfully delivering its strategy.

Brand Awareness & Consideration

Topps has further extended its market leadership over the past year, and is investing to further grow both its brand awareness and its 'consideration' amongst consumers who are already aware of the brand. As we continue to evolve as a business we believe that the Topps brand can appeal to an ever wider proportion of potential customers.

The high profile nature of our store locations provide us with good levels of local awareness. During the year we have focussed on consideration by significantly improving the "kerb appeal" of our stores. The main activity has been new signage which adopts the brand representation developed for our Boutique small store concept.

We have continued to invest in a broad range of traditional and digital media which have been designed to bolster overall awareness and consideration levels. We have also evolved our mix of media to target consumers who are actively engaged in a tile related purchasing decision.

Colleague Engagement & Communications

It is imperative that all of our people have a clear understanding of the organisation's goals and the strategic plan to attain them. We invest significant time and effort in communicating and engaging all of our colleagues in our plans for the business. During the year we held two major conference events – attended by all of our store and support office managers. In addition to these major communication events we regularly update all colleagues on the Company's progress via email, our in-house magazine, Quartile, and a recently introduced system of text messaging from our CEO sent directly to colleagues mobile phones. We also operate a very successful employee forum, TeamTalk, which allows colleagues to have their say in how we operate our business and we conduct a regular colleague engagement survey.

People Development

We have a strong culture and history of growing and developing our people from within the organisation and it is important to us that our employees fulfil their potential during their time at Topps. We have been providing Adult Apprenticeship qualifications for the last six years in Topps and around 800 colleagues have benefitted from this programme. Technical training is also very important to us in order to maintain our credentials as the leading specialist tile retailer – store colleague learning and development is supported by an e-learning platform which regularly includes new courses on the latest products, services and processes. We are in the process of developing more opportunities for colleagues to benefit from a wider development offering provided by our in-house team of Trainers and Advisors. Over the course of the coming year we will focus on developing new content to support an even bigger push on colleague development.

 Read about **Our People** on page 32

 Read about **Corporate Social Responsibility** on pages 28 to 33

CASE STUDY

PRODUCT *innovation*

• • •



Launched in the summer of 2015, 'Regional Reflections' is an innovative collection of six stone-effect ceramic tiles that have taken their influence from the quarried stone that can be found throughout the UK.

This exclusive collection of 29.8 x 59.8cm tiles is made in Britain and has been created using the latest inkjet technology which gives an authentic effect, but without the associated cost of natural stone or the need for sealing and maintenance.

Each stone's name within the collection has taken its influence from the village or town near to the quarry where the natural product is found and each tile pays homage to the natural stone that has formed a part of our landscape.

Available in six neutral colours, the palette of black, greys, cream and white, demonstrates the timeless quality of this collection, with each tile reflecting its own distinctive characteristics of the particular regional stone: Limestone, Sandstone and Riven Slate.

Dwyran™

RICH & VARIED FINISH ***Slate Effect***

The slate industry in Wales began during the Roman period. Our Dwyran quarried slate effect tiles are a popular choice for those looking for a rich and varied finish.



Langport™

FINE-GRAINED ***Limestone Effect***

Inspired by White Lias Limestone found in Somerset, Langport's warming white tones and delicate grey veining is an ideal choice to make a room look light and enhance your living space.





Annan™

WARMING TONES

Sandstone Effect

Annan is a medieval town in the south west of Scotland. Many of its buildings are built from the local red sandstone. The Annan stone-effect tile features directional warming red tones against a sumptuous cream base.



Lowick™

DRAMATIC SHADING

Limestone Effect

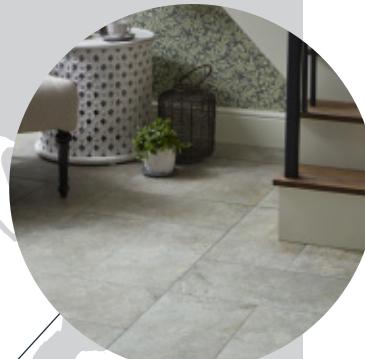
Lowick is a village and civil parish in the South Lakeside district of Cumbria. Inspired by the natural limestone quarried in Cumbria, the Lowick stone-effect tile is the perfect way to connect with mother nature and bring a touch of the Lake District into your home.

Cottesmore™

VARIED TEXTURES

Limestone Effect

Taking inspiration from the limestone quarried in Rutland, Cottesmore is a reflection of the moss green-grey stone that can be found in several cathedrals, Oxford's colleges and the Houses of Parliament.



Ashington™

DELICATE FOSSIL DETAILS

Limestone Effect

Named after a hamlet in Dorset, Ashington is inspired by the natural limestone that is found along the South Coast and has been used in many historical monuments, churches and buildings including Corfe Castle, the British Library and Westminster Abbey.



Key PERFORMANCE INDICATORS (KPIs)

The Board monitor a number of financial and non-financial metrics and KPIs both for the Group and by individual store, including:

FINANCIAL KPIs		
LIKE-FOR-LIKE SALES GROWTH YEAR-ON-YEAR +5.4% 2014: +8.1%	GROSS MARGIN +61.2% (+ 30 bps) 2014: 60.9%	NET DEBT £28.4m (- £ 2.1 m) 2014: £30.5m
TOTAL SALES GROWTH YEAR-ON-YEAR +8.7% 2014: +9.8%	ADJUSTED PBT* £20.4m (+ 19.3 %) 2014: £17.1m	INVENTORY DAYS 124 (- 6.8 %) 2014: 133

* Adjusted PBT as defined on page 3.

NON-FINANCIAL KPIs

MARKET SHARE 33.3% (+ 0.7 %) 2014: 32.6%	CARBON EMISSIONS PER STORE (TONNES PER ANNUM) 36.9 (- 16.5 %) 2014: 44.2
NET PROMOTER SCORE 73.0% (- 0.5 %) 2014: 73.5%	NUMBER OF STORES AT YEAR END 347 (+ 12) 2014: 335

NOTES

- Net Promoter Score is calculated based on customer feedback to the question of how likely they are to recommend Topps Tiles to friends or colleagues. The scores are based on a numerical scale from 0–10 which allows customer to be split into promoters (9–10), passives (7–8) and detractors (0–6). The final score is based on the percentage of promoters minus the percentage of detractors. Prior year comparative data has been restated to include on-line responses.
- Energy carbon emissions has been compiled in conjunction with our supplier (SSE) and is based on the actual energy consumed multiplied by Environment Agency approved emissions factors. Vehicle emissions has been calculated by our in-house transport team based on mileage covered multiplied by manufacturer quoted emission statistics.
- Market share data is derived from the annual MBD report on the UK tile market. Data for 2014 was originally stated at 30.3% but was restated by MBD in the 2015 market report.

The Board receive regular information on these and other metrics for the Group as a whole. This information is reviewed and updated as the Directors feel appropriate.

Financial REVIEW



Robert Parker
Chief Financial Officer

FINANCIAL OBJECTIVES

In addition to the key strategic objectives highlighted in the Strategy section the business maintains a strict financial discipline, including:

- Primary focus on increasing revenues and cash generation, maintaining cost disciplines and optimising gross margins;
- Capital structure and net debt – the level of net debt has now been reduced to a point that the Board feels is an appropriate balance of an efficient capital structure and financial flexibility. The business remains cash generative and as we move forwards the Board will continue to adopt a progressive dividend policy; and
- Maximising earnings per share and shareholder returns, including bi-annual review of our dividend policy.

PROFIT AND LOSS ACCOUNT

Revenue

Revenue for the period ended 3 October 2015 increased by 8.7% to £212.2 million (2014: £195.2 million). The trading period was 53 weeks, as opposed to 52 weeks in the prior year, removing the effect of this additional week of sales would result in sales growth of 6.7%. Like-for-like store sales increased by 5.4% in the period, which consisted of a 5.3% increase in the first half of the financial period and a 5.5% increase in the second half.

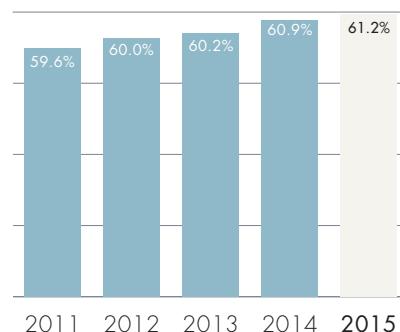
Gross Margin

Overall gross margin was 61.2% compared with 60.9% in the previous financial period. Over the first half of the period the gross margin was 60.7%, and we delivered a gross margin of 61.7% in the second half of the period. Gross margin in the second half includes some gains which crystallised in the period but apply to the year as a whole and as a consequence we consider the full year margin as a good guide to future margin expectations, with some modest growth targeted as we move forwards.

GROUP REVENUE



GROSS MARGIN



Financial REVIEW

CONTINUED

Operating Expenses

Total operating costs have risen from £100.7 million to £111.0 million, an increase of 10.2%. Costs as a percentage of sales were 52.3% compared to 51.6% in the previous period. When one-off adjusting items (detailed below) are excluded, operating costs were £108.4 million (2014: £100.2 million), equivalent to 51.1% of sales (2014: 51.3% of sales).

The movement in adjusted operating costs is explained by the following key items:

- Operating a 53 week year, versus a 52 week year in the prior period has added £1.9m to costs
- Inflation at an average of approximately 1.5% has increased our cost base by around £1.5 million
- The average number of UK stores trading during the financial period was 341 (2013: 329), which generated an increase in costs of approximately £2.8 million
- Investment in additional store labour hours, supporting like for like store sales growth, accounted for £0.6 million of additional costs
- Employee profit share costs have increased by £0.6 million due to targets across the business being exceeded as a result of the strong business performance
- Increase in support costs of £0.8 million, with increased marketing costs of £0.4 million being the largest single item.
- The remaining elements of the cost base are flat when compared to the prior year

During the period we incurred several charges which we have excluded from our adjusted operating costs as they are not representative of the underlying cost base of the business. These are:

- exceptional business restructuring costs (as detailed below) of £2.6 million (2014: £nil)
- other business restructuring costs of £0.2 million (2014: £0.2 million)
- the impairment of plant, property and equipment of £0.3 million (2014: £0.3 million)
- 2015 also saw a one-off gain relating to the receipt of a premium for the early exit of a store of £0.5 million (2014: £nil)

Restructuring Costs

The Group is progressing two key initiatives to simplify and streamline its operations, these are:

- i. The centralisation of its support functions into one site at Leicester, incurring a one-off restructuring charge of £1.5 million (2014: £nil)
- ii. The closure of seven clearance stores, with the remaining four being converted to the core Topps format, incurring a one-off restructuring charge of £1.1 million (2014: £nil)

These costs have been treated as exceptional items and have been reported separately on the face of the income statement. There was no cash impact in the period resulting from these changes but it is expected that there will ultimately be an equivalent cash cost to the business. The timing of the cash outflow will primarily be driven by successful negotiation to exit leases.

Annual cost savings of at least £0.5 million will be realised from the second half of 2016 onwards and the business will also benefit from operational efficiencies as a result of this simplification.

Operating Profit

Operating profit for the period was £18.9 million (2013: £18.2 million), representing 8.9% of sales (2013: 9.3%).

Excluding the adjusting items detailed above operating profit was £21.5 million (2013: £18.7 million), representing 10.1% of sales (2013: 9.6%).

Other Gains and Losses

During the period we disposed of one freehold property with no gain (2014: gain £0.4 million).

Financing

The net underlying interest charge for the year was £1.1 million (2014: £1.6 million), excluding the impact of currency revaluations. The underlying interest charge has fallen compared to the prior financial period due the full year impact of the 2014 renegotiation of the Rolling Credit Facility with associated lower borrowing and improved rate.



The company has in place a number of forward currency contracts giving rise to a "marked to market" revaluation as required by IAS39 "Financial Instruments: Recognition and Measurement". This revaluation has generated a fair value (non-cash) gain of £0.1 million (2014: £0.1 million gain). The Group does not apply IAS39 to these instruments and hence any gains or losses against these derivatives are applied directly to the income statement rather than being offset against balance sheet reserves.

In addition to the above charges and gains we have also provided for £0.9 million of interest against historic outstanding tax liabilities (2014: £0.1 million charge).

Net interest cover was 23.8 times (2014: 14.2 times) based on earnings before interest, tax, depreciation and the impairment of plant, property and equipment, excluding the impact of IAS39 in finance charges. The 2014 year included a write down of the unamortised issue costs relating to the 2011 Revolving Credit Facility of £0.3 million (2015: £nil).

Profit Before Tax

Reported profit before tax was £17.0 million (2014: £16.7 million).

The Group profit before tax margin was 8.0% (2014: 8.6%).

Excluding the adjusting items detailed on page 3 profit before tax was £20.4 million (2014: £17.1 million).

The Group adjusted profit before tax margin was 9.6% (2014: 8.8%).

Tax

The effective rate of Corporation Tax for the period was 23.2% (2014: 25.0%).

The Group tax rate is higher than the prevailing UK corporation tax rate due to non-deductible expenditure and depreciation on assets not qualifying for capital allowances.

Earnings Per Share

Basic earnings per share were 6.75 pence (2014: 6.49 pence).

Diluted earnings per share were 6.73 pence (2014: 6.43 pence).

ADJUSTED PROFIT BEFORE TAX

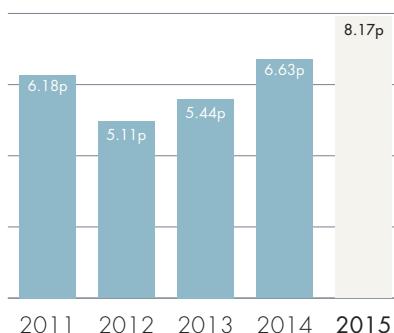


TRADING IN THE FIRST EIGHT WEEKS OF THE NEW FINANCIAL YEAR HAS BEEN IN LINE WITH OUR EXPECTATIONS

Financial REVIEW

CONTINUED

ADJUSTED EPS



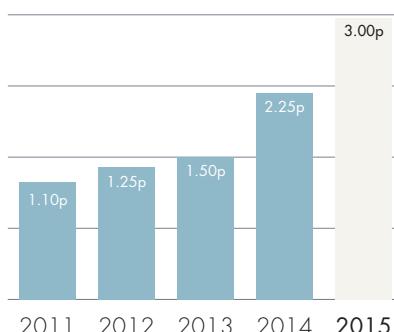
Excluding the adjusting items detailed on page 3 adjusted earnings per share were 8.17 pence (2014: 6.63 pence).

Dividend and Dividend policy

The Board has reviewed its dividend policy during the year and has recognised that the current level of dividend cover is relatively modest. The Board considers that a dividend cover of approximately 2x is achievable over the medium term and should be sustainable at this level. As a result of the proposed future policy, the dividend for this year has been based on an approximately 2.72x level of cover.

The Board is recommending to shareholders a final dividend of 2.25 pence per share (2014: 1.60 pence per share). This will cost £4.3 million (2014: £3.1 million). The shares will trade ex-dividend on 7 January 2016 and, subject to approval at the Annual General Meeting, the dividend will be payable on 4 February 2016.

TOTAL DIVIDEND



- Other store related strategic initiatives £0.7 million (2014: £1.1 million)
- Other expenditure of £1.2 million, including £0.8 million of IT investment (2014: £1.0 million)
- Freehold and leasehold investments £1.3 million – two freehold purchases in the period (2014: £2.9 million), and one freehold disposal.

The Board expects capital expenditure to continue at broadly the same level in the current financial year.

CAPITAL EXPENDITURE



This brings the total dividend for the year to 3.00 pence per share (2014: 2.25 pence per share), an increase of 33%.

BALANCE SHEET

Capital expenditure

Capital expenditure in the period amounted to £12.0 million (2014: £11.2 million), an increase of 7.1%.

Key investments are as follows:

- New stores (core format and Boutique) £3.3 million – 19 new openings, two relocations and nine closures (2014: £3.1 million)
- Store refits £3.0 million (2014: £2.7 million)
- Store rebranding £2.5 million (2014: £0.4 million)

NET DEBT



At the period end the Group held nine freehold or long leasehold sites including two warehouses and distribution facilities with a total carrying value of £16.5 million (2014: eight freehold or long leasehold sites valued at £16.0 million). The carrying value is based on the historic purchase cost, capital expenditure less accumulated depreciation.

Property Disposals

During the period we disposed of one freehold property with no gain or loss (2014: one property generated £0.4 million gain).

Inventory

Inventory at the period end was £27.4 million (2014: £27.8 million) representing 124 days turnover (2014: 133 days turnover). The absolute level of inventory is broadly stable, with days cover reducing as we grow sales on the same stock base.

Capital Structure and Treasury

Cash and cash equivalents at the period end were £16.6 million (2014: £19.5 million) with borrowings of £45.0 million (2014: £50.0 million).



Image:
Attingham Seagrass

This gives the Group a net debt position of £28.4 million (2014: £30.5 million). This was better than previously expected due to the non-payment of historic tax and interest charges of c.£4 million (which will now fall in 2016) and an improved working capital position compared to the interim position, principally driven by inventory.

Cash flow

Cash generated by operations was £24.2 million, compared to £24.9 million last period. The year end in 2015 fell on the 3 October and was therefore after key month-end payments had been made (suppliers, landlords and colleagues), whereas in the prior period ended 27 September the equivalent payments had not been paid. This timing difference is the principal driver of the small reduction in cash generation year on year.

GOING CONCERN

When considering the going concern test the Board review several factors including a detailed review of the above risks and uncertainties, the Group's forecast covenant and cash headroom against lending facilities (which were refinanced in June 2014) and management's current expectations. As a result of this review the Board believes that the Group will continue to meet all of its financial commitments as they fall due and will be able to continue as a going concern. Therefore, the Board considers it appropriate to prepare the financial statements on the going concern basis.

WE ARE CONFIDENT THAT THE GROUP'S SUCCESSFUL STRATEGY OF "OUT SPECIALISING THE SPECIALISTS" HAS SIGNIFICANT FURTHER POTENTIAL AND WILL UNDERPIN OUR PROGRESS IN THE YEAR AHEAD.

Financial REVIEW

CONTINUED

2.25p

FINAL DIVIDEND

+40.6%

2014: 1.60p

3.00p

TOTAL DIVIDEND

+33.3%

2014: 2.25p

LONG TERM VIABILITY

In accordance with Code provision 2.2 of the 2014 Corporate Governance Code ('the 2014 Code'), in addition to the Going Concern statement the Directors have also assessed the prospects of the Group over a longer period.* This assessment has been done over a period of 3 years for the following reasons:

- this is the basis on which strategic financial plans are prepared; and
- the business is largely dependent on UK consumer confidence and discretionary spending which is difficult to project beyond this period.

The Directors' assessment has been made with reference to the Group's current position and prospects, the Group's strategy, and principal risks facing the company (including the mitigants described), as detailed in the Strategic Report.

The Board considers the key risks to delivery of these financial plans to be a reduction in the level of sales growth and possibly a resultant weakening in gross margin. As a result a number of sales and gross margin based sensitivities have been prepared and reviewed by the Board. It should also be noted that the Group is operationally geared which means that there is a relatively high level of impact from any increases or decreases in levels of turnover. A sustained decrease in levels of turnover would be managed by a reduction in operational expenditure, reductions in

capital expenditure, tighter working capital controls and possible restriction of company dividends. The conclusion of these sensitivities is that the Group has a good level of financial flexibility and is well positioned to withstand a number of risks occurring and or a sustained reduction in levels of consumer spending.

Based on this review the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meets its liabilities, as they fall due, for the next 3 years.

CURRENT TRADING AND MARKET CONDITIONS FOR THE YEAR AHEAD

2015 was a successful year for Topps and we have now delivered two consecutive years of strong sales growth and correspondingly robust progress on profits and earnings per share.

Trading in the first eight weeks of the new financial year has been in line with our expectations, with like for like sales increasing by 3.3% (2014: 5.8%). We are confident that the Group's successful strategy of "Out Specialising the Specialists" has significant further potential and will underpin our progress in the year ahead.

* Due to our accounting period commencing prior to 1 October 2014, we are not obliged to and are not adopting the 2014 Code in full, however, in the spirit of best practice and in light of our business planning process (which assess business viability in the longer term), we are adopting this provision of the 2014 Code.





Image:
This year has seen the launch of a market-leading internet-based tile visualiser

CAUTIONARY STATEMENT

This Strategic Report, and Chairman's statement have been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. These reports should not be relied on by any other party or for any other purpose.

The Strategic Report and Chairman's statement contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Directors, in preparing this Strategic and Operational Review, have complied with s414a of the Companies Act 2006. This Business Review has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Topps Tiles Plc and to its subsidiary undertakings when viewed as a whole.

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the Strategic Report, which is incorporated into the Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face and a fair, balanced and reasonable view of the business.

ANNUAL GENERAL MEETING

The Annual General Meeting for the period to 3 October 2015 will be held on 28 January 2016 at 10am at the Marriot Hotel, Leicester.

Matt Williams

Chief Executive Officer
1 December 2015

Rob Parker

Chief Financial Officer

Risks AND UNCERTAINTIES

The Board conducts a continuing review of key risks and uncertainties. During the year the Audit Committee have discussed the key strategic risks, the likelihood and impact of these occurring and mitigants we have in place.

UK ECONOMY AND CONSUMER CONFIDENCE

RISK	IMPACT	MITIGATION
The economy may deteriorate and impact on consumer confidence.	Consumers need to feel confident to invest money into their homes. In the event of a significant reduction in house prices, housing transactions or consumer confidence we would expect this to adversely impact on business performance.	We believe that through a combination of a robust level of profitably and financial flexibility the business is able to withstand short term trading pressures. This has been proven in recent years over the period of the financial crisis. Longer term we consider that the UK housing market remains attractive and we believe there remains significant upside from a sustained economic recovery.

APPROPRIATE BUSINESS STRATEGY

RISK	IMPACT	MITIGATION
Our business strategy will not be successfully delivered.	Without a clear company goal and a well understood strategy to deliver, the risk is that the business loses focus and fails to deliver its objectives.	The strategy is reviewed annually, updated as required and approved by the Board. Bi-annual communication events ensure around two thirds of all colleagues are directly briefed by the Executive and regular updates are provided to all colleagues on our progress towards our goals. The Board reviews progress on key strategic initiatives at each meeting.

THREAT OF NEW ENTRANTS

RISK	IMPACT	MITIGATION
New entrants may seek to erode our market share.	Loss of market share leading to reduced sales and profitability.	We constantly review our competitor set but at the same time we are clear on what differentiates Topps from its competitors. Exceptional customer service, market leading product offer and unrivalled multi-channel convenience are the key elements of our business which, whilst imitated, have never effectively been replicated.

LOSS OF KEY PERSONNEL

RISK	IMPACT	MITIGATION
The loss of key individuals could impact on the ability of the business to deliver its objectives.	Increased competition also introduces the risk of increased colleague turnover and the resulting loss of knowledge, disruption and associated costs.	Colleague turnover is monitored. We also have a focus on colleague engagement surveys to gauge the views of our people across the business. Pay and benefits are benchmarked to ensure we are rewarding our people in line with their contribution to the business. In addition we have a detailed succession plan for each key executive and non-compete clauses for senior colleagues.

LOSS OF KEY PERFORMING STORES

RISK	IMPACT	MITIGATION
The loss of key performing stores which contribute a material amount of Group earnings.	Loss of a multiple number of top performing stores could cause a material impact on the company's profitability.	We conduct regular reviews of all stores' profitability and for our most profitable units security of tenure is key. We review lease terms where appropriate and will pro-actively re-gear leases to ensure we always have at least several years of security. Given our geographic coverage it is also likely that if a key performing store did close we would migrate some sales into neighbouring stores. We also recognise that freehold is the ultimate mitigant and as part of our continuing review of key stores we consider this where appropriate.

LOSS OF A KEY SUPPLIER

RISK	IMPACT	MITIGATION
The loss of a key supplier could impact on our ability to trade.	The loss of a key supplier would potentially lead to disruption in supply of key selling products leading to loss of sales and profits.	Our supply chain is diverse and due to our scale we can source products directly from manufacturers anywhere in the world. For most products we sell there is an alternative available. If there was not, this would affect the entire market place and accordingly should not lead to a loss of competitiveness.

FINANCING

RISK	IMPACT	MITIGATION
The Group has a £50 million revolving credit facility in place which was refinanced in June 2014 and expires in June 2019. The loan facility contains financial covenants which are tested on a bi-annual basis. The key risks would be either not negotiating new facilities in advance of expiry or breaching a loan covenant which would have an adverse impact on the Group's financing position.	The most likely impact of not being able to renew the loan facility would be the requirement to raise additional funding from shareholders. The impact of breaching a loan covenant would likely be financial in terms of additional charges and fees. At its worst it would also mean the loan would be repayable which would be likely to result in a fundraising.	Loan renewal discussions are conducted well in advance in order to allow sufficient time to cater for different negotiation scenarios and would include both existing and new banks to gauge interest. Loan covenants are measured monthly and reported to the Board. The company planning model is updated several times a year and gives good forward visibility. Any potential issues would be dealt with well in advance by pro-active discussions with lenders.

TECHNOLOGY FOR COMPETITIVE ADVANTAGE

RISK	IMPACT	MITIGATION
Utilisation of emerging technologies is an important source of competitive advantage. Digital media tools such as the company website, social media, and Customer Relationship Management (CRM) are key to our continued success. The technology used in tile manufacturing can also be an important source of competitive advantage. Failure to keep pace with technology is a key risk.	We know that c.70% of customers will research their purchase online before visiting a store. This research includes the company website but also other forms of social media such as Facebook, Instagram and Pinterest. Modern CRM systems are important in establishing a relationship with our customers and engaging with them on a personalised basis. Technology used in tile manufacture has also moved forward significantly in recent years – in particular using digital printing technology to create a broad range of designs and effects on the tile surface.	We have a dedicated online team who are responsible for Topps web based activities. The team conduct regular reviews of our website vs our key competitors and also review other online activity such as social media posts involving Topps. A new CRM system has been developed which will launch in 2016 and should ensure that we stay at the forefront of our market for the immediate future. We work closely with manufacturers of tiles to ensure we are helping to drive innovation in our market and to also benefit from exclusive arrangements wherever possible.

MAJOR REPUTATIONAL DAMAGE

RISK	IMPACT	MITIGATION
The Topps brand is a very important part of our competitive advantage. Possible areas of impact could be due a failure in our core processes around our products, our stores, our supply chain or our people.	Whilst impacts from reputational damage could be wide ranging the most likely impact would be financial resulting from damage to our brand and consequent loss of sales.	Governance and internal controls are the key mitigants against reputational damage. The company operates a wide range of processes and procedures designed to ensure that we are fully compliant with all legal requirements and operate industry & governance best practice across the entire business.

The Directors will continue to monitor all of the key risks and uncertainties and the Board will take appropriate actions to mitigate these risks and their potential outcomes.

Corporate SOCIAL RESPONSIBILITY



Birmingham Tiling College

We are proud to support local tiling colleges and construction courses



Tile Donations

We continue to support projects through the donation of tiles and accessories

As a company with a national presence and an international supply chain we take seriously the impact we have in the places where we do business.

Over the last twelve years we have developed our Corporate Social Responsibility (CSR) policies to respond to the growing need we face to be good neighbours in the communities where we trade, help protect our environment, and look after the people we employ.

The Company's Board has been fully engaged in this process from its outset and in 2013 we appointed our non-executive director, Andy King, to have specific responsibility for further developing policies in this area.

We are proud of our achievements in this field to date which have seen us become a major supporter of national charities, consistently reduce our environmental impact and fully invest in the people we employ.

OUR COMMUNITY AND CHARITY WORK

At the heart of all of our community and charity work are our staff. They play an active role in helping us to become "good neighbours" in the communities where we trade and through a company-wide ballot they decide, every five years, which national charity they want to support.

LOCAL COMMUNITY

Locally, in our role as a good neighbour, we have continued to support a wide range of causes. Through the donation of tiles we have supported community mosaics in Rhyl, Folkestone, Maidstone and Stevenage, a junior sports club refurbishment in Hemel Hempstead, a wildlife park zoo in Canterbury and a dementia care home in Swindon.

We have also supported local tiling colleges and construction courses with the supply of free tiles, including the Birmingham Tiling College, Solihull Tiling College, a Construction Training College in Dartford and Groundworks in Stoke-on-Trent which is a facility that educates 13–16 year olds in construction skills.

This year we have also formed a partnership with Bury College where we offer a supported internship at our Bury store to enable young people with learning disabilities the opportunity to gain work experience and achieve their working aspirations.

YOUTH SPORT

At Topps, we have always recognised the benefits that participation in sport can bring to the communities in which we trade and we are proud to be involved in helping children to get outdoors and become active through our youth football sponsorship.

For some time we have understood that sponsoring just one sport can be restrictive to other sporting communities, therefore in 2015, we were delighted to extend our support to include youth rugby and youth hockey.



Youth Sport

Our youth sport programme was extended in 2015 to include rugby and hockey

CHARITY SUPPORT

Topps has supported Help for Heroes since 2008 and has raised over £300,000 for them in this time. Following a company-wide ballot in Autumn 2014, our colleagues voted to switch their support to Macmillan Cancer Support, a partnership which will stay in place until at least the end of 2019. We have already seen some fantastic fundraising events from our colleagues, including marathon running, bike rides, barbeques and coffee mornings. We will also be donating 4p directly to Macmillan from each 5p charged for a carrier bag under the government's new scheme.

LEICESTERSHIRE CARES

This year we have become official members of "Leicestershire Cares" who are a local charity organisation who enable businesses to support the local community through employees' giving up their time to help with various community initiatives.

Supporting Leicestershire Cares is fully aligned to our general focus on colleague engagement and also provides further development opportunities for our people. We have agreed to do five "team challenges" this year which involve teams from across our Leicestershire headquarters going out to support various one day community projects – such as maintenance of community facilities.

Leicestershire Cares offers a range of ways to support the community beyond the 'team challenges' so this is an exciting partnership with the potential to grow over time.



Corporate SOCIAL RESPONSIBILITY

CONTINUED

ENVIRONMENTAL IMPACT

To ensure that Topps can become a more sustainable business our environmental programme has focused on three key areas – reducing the energy used in our stores, waste recycling and lowering the emissions from our transport fleet.

In our stores lighting and heating has both a major environmental and cost impact on the business; to reduce this we have taken the following steps.

- Since October 2013 all our electricity has come from renewable sources;
- We have replaced old inefficient lighting in our stores with modern low energy use equipment; and
- To help us accurately monitor and control our use of energy we are working with our utility provider to install smart meter systems in all our stores. This programme together with our continuing review of new technologies in this field will help us in being able to make further energy use reductions wherever we identify opportunities.

Carbon emissions from the business are included within the Directors' Report section of this document.

WASTE

We continue to recover several types of recyclable waste from stores for processing at our distribution centre in Leicester.

In our all of our stores we have a system of dry mixed recycling. This enables cardboard, paper, newspaper, plastic film, bottles, steel, aluminium cans all to be collected by our refuse partner using only one bin. In parallel we have recycling facilities in all our offices for paper, cardboard, hard plastics and cans.

In addition, old IT equipment is also included in our waste management programme. We use our own transport fleet to ensure that store generated waste is brought to our distribution centre at Grove Park in Leicester for onward transport for recycling. The number of journeys for this purpose is minimised by the use of compaction techniques.

At our distribution centre, we continue to reduce the amount of waste going to landfill by segregating waste into seven distinct streams, namely polypropylene banding, plastic, polythene, cardboard, scrap metal, wooden packaging, tiles and end of life pallets all of which are segregated and processed through our recycling partner.

As part of our commitment to our environmental agenda, we are also working on a project that aims to see us at 0% landfill from our store waste by the end of 2017. This will include new waste facilities for stores and providing them with full visibility of their waste costs, so they can monitor and track how they are performing as a store.

TRANSPORT

Our vehicle fleet covered 3,144,682 kilometres last year delivering stock to our stores. We are constantly looking for ways to improve the efficiency of our transport operation, which can in turn reduce the amount of emissions produced.

In July 2015, we made significant changes to our network which saw the introduction of transport outbases – we now have six regional stockless depots which are used for making deliveries to stores. The operating principle is to maximise the use of each vehicle by using them to deliver to stores by day then moving stock between the distribution centre and the outbases by night.

In 2016, we will explore further opportunities to improve our vehicle utilisation. This may include delivering to some of our stores outside of normal trading hours, in order to maximise transport efficiency. To support this, we are currently trialling a very low noise electric version of our truck-mounted forklifts. The transport industry is becoming increasingly focused on low noise technology for deliveries in urban areas and we have provided information to Transport for London as part of a case study into the new forklift technology.

We procured four new MAN Euro 6 vehicles in 2015, which are already showing improved fuel efficiency compared to the rest of the fleet. We will procure up to a further 10 vehicles in early 2016 as part of a rolling fleet replacement programme.

Our teams continue to "backhaul" stock directly from seven of our UK suppliers. This is the collaborative principle of using our own transport to collect stock from suppliers while our vehicles are already out making other deliveries, therefore reducing overall vehicle movements in the supply chain.

We are in the process of installing digital video recording equipment across our fleet. This is designed to improve the insurance claims experienced in the event of an incident and is starting to be adopted across many other commercial vehicle fleets.

In April of this year, we also changed our home delivery service from over 250 providers to one nationwide provider meaning that we can consolidate orders and utilise our suppliers fleet to minimise our carbon footprint.



SUPPLY CHAIN

We source the products we sell from around the world to bring the latest styles and designs to the UK market. To address any possible concerns that affect labour standards, factory conditions and human rights, our buyers and buying agents conduct regular supplier visits and factory tours to ensure that all contracts for supply of goods include our requirements in relation to each of these issues.

All of our suppliers comply with our Ethical Sourcing & Environmental programme which covers two main principles:

- Employing a free, safe and fairly treated workforce
- Compliance with all environment legislation, optimised recycling and minimising environmental impact

Through 2014 we comprehensively reviewed all of our product suppliers from an ethical and environmental sourcing stance. All our ongoing product supply partners meet standards we would expect and are 100% compliant with our ethical sourcing & environmental programmes.

All our ceramic & porcelain tiles and natural stone products are fully compliant with European standards; all boxes and crates carry the CE marking. The Declaration of Performance (DOP) certificates are available upon request and are held on our CE database.

We have a policy on timber products and have adopted the principles and criteria of the Forest Stewardship Council as our benchmark.

Our full policy can be found on our website at www.toppstiles.co.uk in the investor section under Corporate Responsibility.

 Read more about our **Corporate Responsibility** online at www.toppstiles.co.uk

Corporate SOCIAL RESPONSIBILITY

CONTINUED

OUR PEOPLE

Our colleagues are a central focus for us and we want to ensure they have the right capabilities and that they feel engaged and proud of working for Topps. In doing this we strive to create an environment across all areas of the business which is inspiring to both our employees and our customers.

COLLEAGUE WELLBEING

We provide a helpline service for all colleagues to give them a channel for expressing concerns and seeking advice regarding workplace issues.

Our in-house Health & Safety team also maintain a regular dialogue with colleagues. They carry out periodic inspections and assessments to ensure risks are minimised or removed in our stores, warehouse and offices.

To promote effective communication and employee involvement, we also operate a Health & Safety Committee, which meets on a bi-annual basis and is chaired by a main Board Director, Rob Parker.

We also provide an Employee Assistance Programme to give all employees access to information, resources and counselling to help balance work, family and personal life.

COMMUNICATION AND ENGAGEMENT

Communication with our colleagues is vital and we have a plan and various initiatives in place to ensure regular and effective dialogue.

We have a number of existing communication channels, including an internal magazine, quarterly H&S bulletin and a weekly stores bulletin and we have just introduced a text service where colleagues can register to receive key business updates from the Chief Executive directly to their mobile phone. Moreover, we have an intranet which is a key engagement tool and acts as a "one-stop shop" for all information that colleagues across the business require.

During the year we conducted our largest ever conference for all our managers. At this event, we celebrated the achievement of our previous strategic goal, communicated our refreshed strategy for the business and outlined the part every colleague can play in helping us to achieve the next stage of the company's success.

Our colleague representative forum ("TEAM Talk") is now firmly embedded across the entire business and continues to provide a framework for colleagues to participate in two-way communication, giving them a platform from which to help shape and influence decision making within the Group.

As an initiative to measure, recognise and improve colleague engagement levels, we have once again completed the Best Companies annual survey. Last year we were awarded the Best Companies 'Ones to Watch' status (fourth category) and we achieved this status again in 2015 but with a positive like for like improvement on our overall engagement score. Our aspiration is now to continually improve our colleague engagement levels and move from Best Companies fourth category into their first category over the next five years.

We have reviewed and re-established our core "behaviours" that we wish to ensure each and every colleague within the company demonstrates. We have this year introduced these behaviours to our senior team to ensure they are firmly embedded and consistently demonstrated by our leaders before cascading these to all other colleagues next year.

We also have two initiatives planned this year to specifically develop our internal and external employee brand in a drive to attract and retain the talent needed to support our growth plans. These are to review our careers website and clearly define our employee value proposition.

Rewarding our employees for all their hard work is part of the Topps ethos and everyone has the opportunity to enhance their basic pay through additional performance-related incentives. In 2015 we increased our standard basic pay over and above the National Minimum Wage for all colleagues. The company operates a "save as you earn" plan which is open to all colleagues and gives everyone the opportunity to become a shareholder in the business on advantageous terms.

In addition to the above measures, we have an annual "back to the floor" programme where every member of the senior management team spends time working in our stores – we believe this provides us with a much greater level of understanding of our business and remains an integral part of positive customer and colleague focused culture.

CASE STUDY

COLLEAGUE *training & development*

• • •

Topps Tiles Store Manager, Nick Gadd from Fulham, was awarded the South-East NOCN Learning at Work Award at the Adult Learners' Week Awards 2015.

Praised for using his Retail Management Advanced Apprenticeship to guide and lead a unified workforce, Nick used the skills he had learnt to build a motivated team. He created a special ambience that ultimately turned the Topps Tiles Fulham branch into a high performing store, with exceptional levels of customer service and employee engagement.



Award winner
 Nick Gadd accepting the NOCN Learning at Work award

Read more about our **Corporate Responsibility** online at www.topstiles.co.uk

EMPLOYEE DEVELOPMENT

As a group we actively encourage employee development, we have a strong culture and history of growing and developing our people from within the organisation and it is important to us that our employees fulfil their potential during their time at Topps.

Around 80 colleagues from across the business are currently enrolled on either a Retail or Team Leading Apprenticeship, both of which are delivered by our in-house team of qualified assessors.

Upon completion of their Apprenticeship, these colleagues will increase the overall number of participants that have benefitted from the programme to more than 800 in six years.

In addition to the various apprenticeship qualifications, we continue to deliver training that supports our latest products, processes and services both in the classroom and online. We also provide softer skills development for colleagues across the business.



Around 80 colleagues
 are currently enrolled on an Apprenticeship

This year we have also outlined our three year learning & development ("L&D") plan to further increase the quality and quantity of our support available to all colleagues with the objective of increasing capability levels across the business.

CASE STUDY

WORLD-CLASS *customer service*

• • •

Our store colleagues continue to provide world-class customer service and are being further trained to deliver an even greater inspirational shopping experience.



Our Colleagues:
Raj, Matthew and Kristian



Our Colleague: Rob
We are dedicated to providing world class levels of customer service



 Read more about our **Innovation**
Strategic Pillar on page 12

Governance

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Board of DIRECTORS



1 DARREN SHAPLAND

NON-EXECUTIVE CHAIRMAN

Darren has over 25 years of retail and public company experience, having held senior financial and operational positions within The Burton Group, Arcadia and Kingfisher. Darren was Chief Financial Officer at J Sainsbury's plc. between 2005 and 2010 before being appointed Group Development Director, a position he held between 2010 and 2011. He was also Non-Executive Chairman of Sainsbury's Bank from 2006 to 2013 and Chief Executive of Carpetright plc. from 2012-2013.

Darren is currently Chairman of Poundland Group Plc and Non-Executive Director and Chairman of the Audit Committee at Wolseley Plc.

2 MATTHEW WILLIAMS

CHIEF EXECUTIVE OFFICER

Matt joined the Company in 1998 as Property Director soon after its IPO. He spent the next six years expanding the Company's store base, acquiring more than 200 new sites, which still make up a large part of the store portfolio today. Promoted to the role of Chief Operating Officer in 2004 and joining the PLC board in 2006, he was a key member of the team that established Topps as the leading specialist tile retailer in the UK. In 2007 he was promoted to Chief Executive Officer. Matt is also a non-executive director of The Original Factory Shop.

3 ROBERT PARKER

CHIEF FINANCIAL OFFICER

Rob Joined Topps Tiles in 2007 as Finance Director. Rob's previous role before joining the Group was Director of Finance & IT for Savers Health & Beauty Ltd. Prior to that Rob was with the Boots Group Plc for 10 years, ultimately as Director of Finance for Boots Retail International.

He is responsible for all aspects of finance, human resources, property, IT, and company legal matters.

4 KEITH DOWN (C, D, E)

NON-EXECUTIVE DIRECTOR

Keith is a chartered accountant and is currently the Chief Financial Officer of Dunelm Group Plc, and has held this post since December 2015. He was previously the Group Finance Director of the Go-Ahead Group Plc and JD Wetherspoon plc. Keith joined the Board of Topps Tiles in February 2015.

5 CLAIRE TINEY (B, F, D, H)

NON-EXECUTIVE DIRECTOR

Claire runs her own business as an HR Consultant, Executive coach and facilitator, having spent 15 years as an Executive Director in a number of retail businesses including Mothercare and WH Smith. Most recently she was HR Director at McArthurGlen, the developer and owner of designer outlet villages throughout Europe. She was previously a Non-Executive Director of Family Mosaic and is also a Non-Executive Director of Grey 4 Gold. Claire joined the Board of Topps Tiles in November 2011.

6 ANDY KING (G, E, H)

NON-EXECUTIVE DIRECTOR

Andy is the Managing Director of Dobbies Garden Centres. Previously he was Chief Executive of Notcutts Garden Centres for five years and prior to that he held Global Marketing Director roles at The Body Shop, Mothercare and WH Smith, having previously spent nine years at Boots The Chemists. Until December 2011 Andy was a non-executive director at The Chartered Institute of Environmental Health. Andy joined the Board of Topps Tiles in January 2012.



STUART DAVEY (A)

COMPANY SECRETARY AND SECRETARY OF BOARD SUBCOMMITTEES

Stuart qualified as a Solicitor in 1987. He joined Topps Tiles in 2005 having previously worked in private practice and in house with National Westminster Bank Plc. Stuart became Group Lawyer in 2010 and was appointed Company Secretary in September 2014.

- A. Secretary of the Audit, Nomination and Remuneration Committees
- B. Senior Independent Director
- C. Chairman of Audit Committee
- D. Member of Nomination Committee
- E. Member of Remuneration Committee
- F. Chairman of Remuneration Committee
- G. Chairman of Nomination and Governance Committee
- H. Member of the Audit Committee

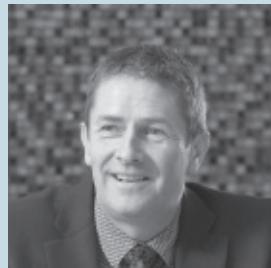
Executive TEAM



MATTHEW WILLIAMS
CHIEF EXECUTIVE OFFICER



ROBERT PARKER
CHIEF FINANCIAL OFFICER



BRIAN LINNINGTON
COMMERCIAL DIRECTOR

A chemistry graduate with an MBA, Brian Linnington has many years retail business experience starting his career at Boots where his roles included Category General Manager Toiletries, International Country Manager for Holland and then Taiwan and finally Multichannel Director for Boots UK. Prior to joining Topps Tiles in December 2012 Brian was Product and Marketing Director at Vision Express for four years. Brian is responsible for all aspects of buying, marketing and online in Topps.



RICHARD CARTER
OPERATIONS DIRECTOR

Richard is an experienced retailer who has worked for both blue chip retailers as well as smaller more entrepreneurial businesses. Richard has previously held senior operations roles with the Spirit Group (Punch Taverns), Virgin Retail, Dixons, Office World (Staples) and started his career with Asda on their retail operations graduate recruitment programme. Richard joined Topps in 2010 and has accountability for retail operations, supply chain and the trade customer division.

OUR Advisors

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SECRETARY

S. Davey

REGISTERED NUMBER

3213782

REGISTERED OFFICE

Thorpe Way, Grove Park
Enderby, Leicestershire
LE19 1SU

AUDITOR

Deloitte LLP
Manchester, United Kingdom

BANKERS

Barclays Bank Plc
3 Hardman Street, Spinningfields,
Manchester, M3 3HF

REGISTRARS

Capita IRG Plc, Bourne House,
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Kent, BR3 4TU

SOLICITORS

Osborne Clark
One London Wall, London, EC2Y 5EB

FINANCIAL PR ADVISORS

Citigate Dewe Rogerson
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London, EC2M 5SY

BROKERS

Peel Hunt, Moor House,
120 London Wall, London, EC2Y 5ET

Liberum, Ropemaker Place,
25 Ropemaker Street, London
EC2Y 9LY

Directors' REPORT

The Directors present their Annual Report on the affairs of the Group, together with the Financial Statements and Auditor's Report, for the 53 week period ended 3 October 2015. The Corporate Governance Statement set out on pages 43 to 47 forms part of this report.

PRINCIPAL ACTIVITY

The principal activity of the Group comprises the retail distribution of ceramic and porcelain tiles, natural stone, wood flooring and related products.

STRATEGIC REVIEW

The Company, being the listed entity Topps Tiles Plc, is required by the Companies Act to set out in this report a fair review of the business of the Group during the financial period ended 3 October 2015 and of the position of the Group at the end of that financial period. We are also required to set out a description of the principal risks and uncertainties facing the Group.

The information that fulfils the requirements of the Strategic Review can be found within the Chairman's statement on page 4, the Strategic Report on pages 8 to 27, and the Corporate Social Responsibility statement on pages 28 to 33, which are incorporated in this report by reference. The future prospects of the Group are highlighted in both the Chairman's and the Strategic Report.

The Directors monitor a number of financial and non-financial key performance indicators (KPIs) for the Group and its stores. The most significant of these are detailed on page 18.

The company conducts an annual strategic risk discussion with the Audit Committee Chairman and senior managers from the business which includes a wide range of risks including commercial, continuity and environmental, social and governance risks.

RESULTS AND DIVIDENDS

The audited Financial Statements for the 53 week period ended 3 October 2015 are set out on pages 71 to 103.

The Group's profit for the period from continuing operations, after taxation, was £13,065,000 (2014: £12,512,000).

During the interim period a dividend of 0.75 pence per share was declared and paid (2014: interim dividend of 0.65 pence per share was paid).

Following careful consideration, and for the reasons given in the Chairman's statement of this report, the Board is recommending the payment of a final dividend of 2.25 pence per share, totalling £4,358,000 (2014: 1.60 pence per share, totalling £3,098,000).

DIRECTORS

The directors of the Company, who served throughout the year and thereafter, were as follows:

D Shapland	Non-Executive Chairman
MTM	Chief Executive Officer
Williams	
R Parker	Chief Financial Officer
C Tiney	Senior Independent Non-Executive Director
A King	Non-Executive Director
K Down	Non-Executive Director

In line with the updated Code on Corporate Governance all directors are subject to annual re-election at the next Annual General Meeting.

All resolutions at the Annual General Meeting are passed on a show of hands, in line with our Articles of Association. The results of the votes polled in advance are also disclosed to members present and in the event that the polled votes did not support the resolution the Chairman would formally call for a poll, thereby ensuring that all members interests are represented.

The Company provides insurance against Directors' and Officers' liabilities to a maximum value of £10,000,000.

The Directors' interests in the shares of the Company are set out on page 62.

Details of directors' share options are provided in the Directors' Remuneration Report on pages 60, 61 and 62.

SHARE CAPITAL

Details of the Company's authorised and issued share capital, together with details of the movements in the Company's issued share capital during the period, are shown in note 20 to the Financial Statements. The Company has one class of ordinary shares in issue, which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The directors are not aware of any agreements between

holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

CHANGE OF CONTROL – SIGNIFICANT AGREEMENTS

The Group is party to significant agreements, including commercial contracts, financial and property agreements and employees' share plans, which contain certain termination and other rights for the counter parties upon a change of control of the Company. Should the counter parties choose to exercise their rights under the agreements on a change of control such arrangements would need to be renegotiated. None of these are considered to be significant in terms of the likely impact on the business of the Group as a whole. There are no agreements between any Group company and any of its employees or a director of the Company which provides for compensation to be paid to the employee or director for termination of employment or for loss of office as a consequence of a takeover of the Company, other than provisions that would apply on any termination of employment.

SUPPLIER PAYMENT POLICY

The Group's policy is to negotiate terms of payment with suppliers when agreeing the terms of each transaction, ensuring that suppliers are made aware of the terms of payment and that both parties abide by those terms. The effect of the Group's negotiated payment policy is that trade payables at the period end represented 46 days purchases (2014: 54 days). Trade payables days is calculated by dividing the trade and other payables by the aggregate of cost of sales and relevant non inventory expenditure, multiplied by 365 days across all periods, to aid comparability.

CARBON REPORTING

As detailed in the CSR section of this report on page 30 our primary energy consumption is electricity used across our store estate. In-store lighting is a major driver of overall consumption and we have been working on installing modern, energy efficient lighting for the last few years. We continue to experiment with new technology to establish its suitability for our business. Emissions per store are calculated on average stores across the year.

Energy carbon emissions has been compiled in conjunction with our supplier (SSE) and is based on the actual energy consumed multiplied by Environment Agency approved emissions factors.

Vehicle emissions has been calculated by our in-house transport team based on mileage covered multiplied by manufacturer quoted emission statistics.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group has a designated charitable partner, the Macmillan Trust. Across the business colleagues engage in numerous fundraising activities which are document in the CSR section of this report. During the period the Group made no monetary charitable donations (2014: £nil). The Group made no political contributions (2014: £nil).

SUBSTANTIAL SHAREHOLDINGS

In addition to the directors' shareholdings noted on page 62, as at 3 October 2015 the Company had been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, of the following interests in 3% or more of its issued share capital.

	2015		2014	
	CO ₂ (TONNES)	CO ₂ (TONNES)/ STORE	CO ₂ (TONNES)	CO ₂ (TONNES)/ STORE
ELECTRICITY	6,563	19.3	8,794	26.7
GAS & OIL	2,716	8.0	2,606	7.9
COMMERCIAL FLEET	2,922	8.6	2,754	8.4
COMPANY CARS	386	1.1	373	1.1
TOTAL	12,587	36.9	14,527	44.2

Directors' REPORT

CONTINUED

	NUMBER	% HELD
WILLIAMS S K M ESQ	20,593,950	10.6%
BLACKROCK INVESTMENT MGT (UK)	20,271,483	10.5%
AXA INVESTMENT MANAGERS SA	19,213,670	9.9%
INVESCO ASSET MANAGEMENT	9,679,056	5.0%
SCHRODER INVESTMENT MGT	8,216,970	4.2%
AVIVA PLC & ITS SUBSIDIARIES	7,746,366	4.0%
CAPITAL RESEARCH GLOBAL INVESTORS	5,906,000	3.0%

In addition to the above shareholdings between the 3 October 2015 and the 7 December 2015 we have been notified of the following changes in shareholdings:

- Old Mutual increased their holding to 9,742,079 on the 1 October 2015
- Aviva plc & its subsidiaries reduced their holding to 7,710,497 on the 8 October 2015
- Invesco Limited increased their holding to 9,688,829 on the 19 October 2015
- Old Mutual decreased their holding to 9,625,922 on the 2 November 2015
- Old Mutual increased their holding 9,681,392 on the 13 November 2015
- Aviva plc & its subsidiaries increased their holding to 7,908,126 on the 19 November 2015
- Aviva plc & its subsidiaries reduced their holding to 7,614,853 on the 26 November 2015

CORPORATE SOCIAL RESPONSIBILITY

Topps has a long standing Corporate Social Responsibility (CSR) agenda covering Community & Charity, Environment and Our People. The full detail of our current CSR activities is detailed in this report. We take the impact of our business on our environment extremely seriously and have included a range of environmental metrics within the Directors' Report Section of this report.

 Read about **Corporate Social Responsibility** on pages 28 to 33

HUMAN RIGHTS

We are also very mindful of human rights issues within our organisation. The key area in which this would impact our business is in our supply chain. All of our directly employed colleagues are based in the UK and covered by UK employment law, with which we are fully compliant. Within our supply chain we source from factories in many countries around the

world. Our specialist team of buyers and their agents personally inspect factory facilities to satisfy themselves with regard to working conditions before new suppliers are engaged. We also have commercial agreements in place that require our suppliers to be fully compliant with local laws and we pay particular attention to labour standards and factory conditions. No issues were raised during the year.

DIVERSITY

The Nomination and Governance Committee reviews the balance of skills, knowledge and experience on the Board regularly. Its policy with regard to gender is that we recognise the need for a greater level of diversity across all levels in our organisation; however, we do not endorse positive discrimination and encourage colleagues to appoint the very best possible candidate to the post. During the year we have seen an improvement in overall diversity but also recognise that within our senior manager population we are lacking diversity.

Our workforce at period end date comprises:

	2015			2014		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
DIRECTORS	6	1	7	5	1	6
SENIOR MANAGERS	16	0	16	14	0	14
OTHER EMPLOYEES	1,523	401	1,924	1,459	338	1,797
TOTAL EMPLOYEES	1,545	402	1,947	1,478	339	1,817
% OF TOTAL	79.4%	20.7%		81.3%	18.7%	

EQUAL OPPORTUNITIES

At Topps Tiles we are committed to equal opportunities and ensure that we hire on potential, promote on talent and reward on success. We aim to promote equality of opportunity in employment regardless of age, gender, colour, ethnic or national origin, culture, religion or other philosophical belief, disability, marital or civil partnership status, political affiliation, sexual identity or sexual orientation.

EMPLOYEE CONSULTATION

The Group places considerable value on communication with and involvement of employees and has continued to keep all employees informed on matters affecting them and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, electronic announcements and the Company magazine. Regular forums have been established to ensure that employee representatives are consulted on a wide range of matters affecting their current and future interests.

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks, namely interest rate risk, currency risk and credit risk. Information regarding such financial risks is detailed in notes 14, 15, 16, 17 and 18. The Group's risk management policies and procedures are also discussed in the Strategic Report on pages 19 to 27.

SHARE OPTION SCHEMES

The directors recognise the importance of motivating employees and believe that one of the most effective incentives is increased employee participation in the Company through share ownership.

This has been achieved through the introduction of a number of employee Sharesave, share bonus, approved and unapproved share option schemes, since the flotation in 1997.

The total number of options held by employees, including directors, is 7,946,737 (2014: 6,338,668).

As described in note 28, employee share purchase plans are open to almost all employees and provide for a purchase price equal to the daily average market price over the 3 days preceding the start of the offer period, less 20%. The shares can be purchased during a two week offer period, which during the period ended 3 October 2015 fell between 5th January 2015 and 21st January 2015, the offer price to employees was 92 pence.

Details of directors' share options are provided in the Directors' Remuneration Report on pages 60, 61 and 62.

INFORMATION GIVEN TO THE AUDITOR

Each of the directors at the date of approval of this annual report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that ought to have been taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITOR

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Directors' REPORT

CONTINUED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation. They have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions. They must also disclose with reasonable accuracy, at any time, the financial position of the Company and enable themselves to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the Annual Report and financial statements, taken as a whole, are a fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy;
- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business, the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

R Parker

Director

1 December 2015

Corporate GOVERNANCE STATEMENT



Darren Shapland
CHAIRMAN

THE BOARD HAS REVIEWED THE CONTENTS OF THIS REPORT AND CONSIDER THE DOCUMENT TO BE FAIR, BALANCED, AND UNDERSTANDABLE AND AN ACCURATE REPRESENTATION OF THE CURRENT POSITION OF THE BUSINESS.

Dear shareholder

...

The Company is committed to the principles of corporate governance contained in the 2012 UK Corporate Governance Code issued by the Financial Reporting Council ("the Code") for which the Board is accountable. The Board has agreed to seek to comply with the provisions of the 2014 UK Corporate Governance Code at the earliest opportunity and as a result the Board early adopted the requirement to produce a viability statement and is currently working to the updated code on internal controls.

The Board has reviewed the contents of this report and consider the document to be fair, balanced, and understandable and an accurate representation of the current position of the business. The basis for this view is that all of the Directors are furnished with the requisite information to perform their duties and are provided access to key members of management as they require. The Board meet regularly and are given adequate time to probe, debate and challenge business performance as and when they consider it necessary to do so. The Board has also discussed the detail of the financial results with the Audit Committee and are satisfied they have been prepared appropriately. Having gained a thorough understanding of the business each member has also had the opportunity to review and influence this report and as such have concluded in line with the statement above.

STATEMENT OF COMPLIANCE WITH THE CODE

The Company has applied the principles set out in the Code, including both the Main Principles and the supporting principles, by complying with the Code as reported above. Further explanations of how the Main Principles have been applied are set out below and in the Directors' remuneration report and Audit Committee report.

During the year the Board undertook an evaluation of the Audit, Remuneration and Nomination and Governance committee processes and performance of the Chairs of these sub-committees. We have agreed some minor refinements following this review.

In addition each Board member completed a detailed evaluation of the Chairman's performance on completion of six months of the role.

Overall the evaluation process was very positive identifying on-going training and education as an area Board members would like to be further developed and a programme is being implemented to enhance this area.

The financial year has seen significant changes in terms of the composition of the Board with the retirement of both the Rt.Hon. Michael Jack as Chairman and Alan White as the senior independent non-executive director and Chair of the Audit Committee. Keith Down was appointed as non-executive director and Chair of the Audit Committee in February 2015 and I was appointed Non-Executive Chairman in March 2015. The Board of directors currently comprises six members, of which four are considered

Corporate GOVERNANCE STATEMENT

CONTINUED

independent. The Senior Independent Non-Executive director is Claire Tiney, who also chairs the Remuneration Committee. Brief biographical details of all directors are given on pages 36 and 37. The Board meets at least ten times a year. Certain defined issues are reserved for the Board including approval of Financial Statements and circulars, annual budgets, strategy, directors' appointments, internal control and risk management, corporate governance, key external and internal appointments and pensions and employee incentives. Board members are responsible for their own development but are provided access to the company's advisors and regularly attend external presentations and workshops on areas considered relevant and appropriate, including environmental, social and governance issues. In particular all members of the Board have access to the Deloitte Academy in London which offers seminars and professional updates on a range of relevant topics useful to enhancing the Board's knowledge and understanding of corporate governance. Provision has also been made within the Boards timetable for regular updates in relation to areas including executive remuneration, the market and corporate governance.

In advance of Board Meetings directors are supplied with up to date information about trading performance, the Group's overall financial position and its achievement against prior year, budgets and forecasts.

Where required, a director may seek independent professional advice at the expense of the Company. All directors have access to the Company Secretary and they may also address specific issues to the Senior Independent Non-Executive director.

All directors are subject to annual re-election. Directors are elected at the first AGM after appointment. All Non-Executive directors have written letters of appointment.

The Board acknowledges the Code's position with respect to the potential loss of independence of Non-Executive Directors who have served more than nine years and that the Chairman (the Rt.Hon. Michael Jack) exceeded this term. During this period the Board included three independent Non-Executive Directors out of a total Board of six members reflecting Corporate Governance best practice. Subsequently Darren Shapland was

appointed after the Company's AGM to facilitate a smooth transition on the retirement of the Rt.Hon. Michael Jack from the Board. The Board considers that, Darren Shapland, Claire Tiney, Andy King and Keith Down are independent for the purposes of the Code. The terms and conditions for the appointment of Non-Executive directors are available for inspection on request.

The Board review the independence of Non-Executive directors on an ongoing basis.

The Board operates three committees. These are the Nomination and Governance Committee, the Remuneration Committee and the Audit Committee. All of these committees meet regularly and have formal written terms of reference which are available for inspection on request.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The following table shows the number of Board and Committee meetings held during the 53 week period ended 3 October 2015 and the attendance record of the individual directors.

	J.M. JACK	D. SHAPLAND	M.T.M. WILLIAMS	R. PARKER	A. WHITE	C. TINEY	A. KING	K. DOWN
BOARD	5 MEETINGS OF A POSSIBLE 12	7 MEETINGS OF A POSSIBLE 12	12 MEETINGS OF A POSSIBLE 12	12 MEETINGS OF A POSSIBLE 12	2 MEETINGS OF A POSSIBLE 12	12 MEETINGS OF A POSSIBLE 12	12 MEETINGS OF A POSSIBLE 12	8 MEETINGS OF A POSSIBLE 12
AUDIT COMMITTEE	1 MEETINGS OF A POSSIBLE 2	1 MEETINGS OF A POSSIBLE 2	2 MEETINGS OF A POSSIBLE 2	2 MEETINGS OF A POSSIBLE 2	1 MEETINGS OF A POSSIBLE 2	2 MEETINGS OF A POSSIBLE 2	2 MEETINGS OF A POSSIBLE 2	1 MEETINGS OF A POSSIBLE 2
NOMINATION & GOVERNANCE COMMITTEE	6 MEETINGS OF A POSSIBLE 6	0 MEETINGS OF A POSSIBLE 6	6 MEETINGS OF A POSSIBLE 6	6 MEETINGS OF A POSSIBLE 6	0 MEETINGS OF A POSSIBLE 6	6 MEETINGS OF A POSSIBLE 6	6 MEETINGS OF A POSSIBLE 6	0 MEETINGS OF A POSSIBLE 6
REMUNERATION COMMITTEE	1 MEETINGS OF A POSSIBLE 3	2 MEETINGS OF A POSSIBLE 3	n/a MEETINGS OF A POSSIBLE 3	n/a MEETINGS OF A POSSIBLE 3	1 MEETINGS OF A POSSIBLE 3	3 MEETINGS OF A POSSIBLE 3	3 MEETINGS OF A POSSIBLE 3	2 MEETINGS OF A POSSIBLE 3

The role of the BOARD OF DIRECTORS

The Board of Directors has overall responsibility for approving our company strategy and the governance of the business. The primary goal of the board is to ensure that the company is being run in the best long term interests of both the company itself and all of its stakeholders. Stakeholders include employees, shareholders, suppliers and any other creditors of the business.

Sub-committee RESPONSIBILITIES

AUDIT COMMITTEE

- Financial Reporting
- External audit
- Risk management and internal controls including internal audit
- Whistleblowing fraud and anti-bribery

 Read more on page 46

NOMINATION AND GOVERNANCE COMMITTEE

- Board Structure
- Board Appointments
- Board Succession Plans
- Senior Executive Appointments

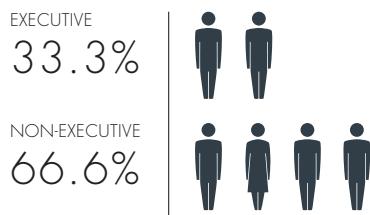
 Read more on page 47

REMUNERATION COMMITTEE

- Chairman and Executive Director Pay
- Senior Executive Pay
- Share Incentive Plans

 Read more on page 48

BOARD COMPOSITION



GENDER DIVERSITY



BOARD TENURE



 Read the Directors' biographies on pages 36 and 37

Corporate GOVERNANCE STATEMENT

CONTINUED

STATEMENT ABOUT APPLYING THE PRINCIPLES OF THE CODE

The Company has applied the principles of the UK corporate governance code as reported above. Further explanation of how the Code has been applied in connection with Directors' remuneration is set out in the Remuneration Report.

AUDIT COMMITTEE

The Audit Committee consists of independent Non-Executive directors. The Chairman is Keith Down who succeeded Alan White in February 2015 and the other members are Claire Tiney and Andy King. The qualifications of the Audit Committee members are detailed on page 36. Its Chairman has particularly relevant experience, being a qualified chartered accountant and who is currently serving as the Chief Financial Officer of a listed company.

The Audit Committee considers the nature and scope of the audit process (both internal and external) and its effectiveness. It also monitors, reviews and approves the internal audit programme, meets with the external auditor and considers the Annual and Interim Financial Statements before submission to the Board. The Committee reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process.

In addition the Committee is responsible for ensuring that the arrangements are in place to enable staff, in confidence, to raise any concerns about possible improprieties in matters of financial reporting or other matters. No issues have been identified during the period.

The Committee is responsible for the review of the Company's key strategic risks which include those to its business

model future performance, solvency and liquidity and this process is performed by the Committee Chairman in conjunction with a number of senior operational managers. It also reviews the Group's system of internal control and reports its findings twice a year to the Board. The Committee meets with the external auditor and other members of the Board attend at the invitation of the Audit Committee Chairman.

The Audit Committee provide advice to the Board on whether the annual report is fair, balanced and understandable and provides the necessary information shareholders require to assess the company's performance, business model and strategy. In doing so the following issues have been addressed specifically:

- **REVIEW OF KEY STRATEGIC RISKS** – the committee conducts an annual review of key strategic risks and invites a cross section of company management in order to ensure that the review includes a detailed understanding of the business. The review highlights the key risks based on a combination of likelihood and impact and then also considers what appropriate mitigants should be implemented (highlights from this work are included in the Strategic Review)
- **REVIEW OF POOR PERFORMING STORES** – as part of both the interim and full year end review process poor performing stores are considered and any related impairments and/or property provisions are provided for. Management will then follow up with detailed action plans to either improve store performance or seek an exit solution. Dilapidations are provided for across the entire store portfolio. The Audit Committee also review progress towards these plans at the following review.
- **REVIEW OF INVENTORY** – ensuring that inventory is correctly valued is a key area of focus for the Audit Committee. The finance function performs ongoing detailed checks of supplier invoices by comparing to system prices and management conduct a regular review of any products being sold, or likely to be sold, below the original cost price. Inventory provisions are prepared in accordance with these reviews.
- **SUPPLIER REBATES** – the business has a number of agreements in place which generate additional income subject to pre-agreed purchase thresholds being triggered. The key risk is inaccurate or optimistic estimates of volume that lead to inappropriate income recognition. These are reviewed to ensure that any estimates of future income are robust.
- **REVENUE RECOGNITION** – like-for-like ("LFL") sales growth is one of our key KPI's and linked to this is the risk that our reported revenue could be misstated due to a failure in compliance with our company procedures. The key risk would be customer orders which have not yet been fulfilled being included as sales. This risk is routinely checked as part of our internal store auditing programme.
- **GOING CONCERN & LONG TERM VIABILITY STATEMENT** – the Chief Financial Officer provides an assessment of the company's ability to continue to trade on both a 12 month look forward test basis and also a longer term review – over 3 years. The conclusion of those reviews is included in the Strategic Review section of this report.

- BUSINESS SIMPLIFICATION INITIATIVE – during the period the Board decided to pursue two business simplification initiatives. They were the centralisation of support functions on to one site at Leicester and the closure of the remaining Topps Clearance stores. The Committee have reviewed the financial provision relating to these initiatives and have satisfied themselves that appropriate provision has been made

Part of the role of the Audit Committee is to review the independence of the Company's auditor. The Company's external auditor, Deloitte LLP ("Deloitte"), also provides non-audit services to the Company in the form of tax compliance and remuneration advice. The Audit Committee is satisfied that Deloitte LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence is maintained. The Audit Committee is aware that providing audit and non-audit advice could lead to a potential conflict of interest. The level of fees paid to Deloitte LLP for non-audit services has been considered by the Audit Committee and is not perceived to be in conflict with auditor independence. In order to ensure the continued independence and objectivity of the external auditor, there is an established policy regarding the provision of non-audit services which is that all non-audit services are put out to tender and the contract awarded based on quality. The Audit Committee has concluded that the auditor, Deloitte, is independent.

Deloitte has been auditor for the Group since September 2003. The audit partner's first period of signing was the financial period ended 27 September 2014. Consideration is also given, by the Committee, to the work of Deloitte and their independence in deciding

whether an audit tender is required. Currently it is satisfied by the work of Deloitte and their independence, and has consequently proposed their re-appointment. The Committee has also considered the requirements of the EU Audit Regulations and has concluded that the Company is not required to rotate and tender for Audit Services until 2023.

NOMINATION AND GOVERNANCE COMMITTEE

The Nomination and Governance Committee is chaired by Andy King. The composition of the Committee has changed during the year with the departure of Alan White and the appointment of Darren Shapland and Keith Down as new Non-Executive directors. The Committee members are Darren Shapland, Keith Down and Claire Tiney. The formal terms of reference for this Committee require it to make recommendations to the Board for appointments of directors and other senior executive staff.

The Nomination and Governance Committee is also responsible for Diversity and our policy is included in the Strategic Review section of this report.

During the year the Nomination and Governance Committee, in conjunction with a professional recruitment firm engaged in the recruitment and subsequent appointment of Keith Down as non-executive director and chair of the Audit Committee and Darren Shapland as non-executive chairman.

DIALOGUE WITH INSTITUTIONAL SHAREHOLDERS

The directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders by making annual presentations and communicating regularly throughout the year. Following my appointment to the Board I also

wrote to major shareholders indicating my availability to meet with them on an individual basis to discuss matters relating to the Company.

 Read more online at www.toppstiles.co.uk

MAINTENANCE OF A SOUND SYSTEM OF INTERNAL CONTROL

The Board has established a continuous process for identifying, evaluating and managing the significant risks the Group faces and regularly reviews the process. The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

As previously stated the Company is committed to complying with Corporate Governance guidelines and currently complies with the 2012 UK Corporate Governance Code. The Audit Committee assists the Board in discharging its responsibilities in this regard. The outcomes from the recent key risks and uncertainties review are detailed in the Strategic Review section of this report and the Board has also considered all significant aspects of internal control in conjunction with the review of the work of Internal Audit.

During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore a confirmation in respect of necessary actions has not been considered necessary.

Darren Shapland

Chairman of the Board
1 December 2015

Remuneration REPORT

Statement from the Chairman of the Remuneration Committee



Claire Tiney
CHAIRMAN OF THE REMUNERATION COMMITTEE

THE COMMITTEE HAS CONTINUED TO MONITOR EXECUTIVE REMUNERATION POLICY TO TAKE ACCOUNT OF EVOLVING MARKET PRACTICE WHILST ALSO SEEKING TO ENSURE THAT A STABLE FRAMEWORK IS MAINTAINED

Dear shareholder

...

I am pleased to present the Directors' report on remuneration.

This report is presented in two sections: the Annual Report on Remuneration and the Directors' Remuneration Policy. The Annual Report on Remuneration provides details of the amounts earned in respect of the 53 week period ended 3 October 2015 and how the Directors' Remuneration Policy will be operated for the 52 week period commencing 4 October 2015. This is subject to an advisory vote at the 2016 Annual General Meeting. The Directors' Remuneration Policy sets out the forward-looking remuneration policy. It was the subject of a binding vote at the 2015 Annual General Meeting.

REVIEW OF THE 2014/15 FINANCIAL YEAR

The Remuneration Committee remains committed to a responsible approach to executive pay. As described in the Financial Review section of this Annual Report, the Company has delivered an 8.7% increase in overall revenues which has generated a 19.3% increase in adjusted pre-tax profits to £20.4 million. In addition the Board are recommending a final dividend to shareholders of 2.25 pence per share which will bring the dividend for the year to 3.00 pence per share, an increase of 33% on the prior period.

Consequently, the Executive Directors will receive 83% bonus (2014:74% preceding approval of the current Remuneration Policy). The maximum annual bonus potential was up to 100% of salary. This has been reached by

achieving all four of the individual targets specifically focussed upon delivery of the strategic plan carried a maximum of 5% of salary for each target and a further 63% for delivery above the PBT target for the year.

Further details regarding the annual bonus earned in respect of the 53 week period ending 3 October 2015 are included on pages 59 and 60.

During the period the following changes to base salary and benefits were made with effect from 1 June 2015:

- The base salary increase for Matt Williams was 2% which was within the range of salary increases across the Group.
- As outlined in last years' report The Committee resolved to increase the base salary for Rob Parker by 5%. These increases reflects the growth of the Company, prevailing market conditions and internal base salary relativities

OUTLOOK FOR THE 2015/16 FINANCIAL YEAR

The Committee has continued to monitor executive remuneration policy to take account of evolving market practice whilst also seeking to ensure that a stable framework is maintained to avoid making unnecessary and frequent changes to the structure of pay. Accordingly, the existing remuneration policy and fundamental structure of the package remains largely unchanged.

Claire Tiney

Chairman of the Remuneration Committee

1 December 2015

DIRECTORS' REMUNERATION POLICY

This part of the report sets out the Company's Directors' Remuneration Policy, which, was subject to a binding shareholder vote at the 2015 Annual General Meeting and remains in force for a 3 year period from that date.

EXECUTIVE DIRECTORS

COMPONENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
BASE SALARY	Core element of fixed remuneration set at a market competitive level with the aim to attract and retain Executive Directors of the calibre required.	Salaries are usually reviewed annually taking into account: <ul style="list-style-type: none"> • underlying Group performance; • role, experience and individual performance; • competitive salary levels and market forces; and • pay and conditions elsewhere in the Group. 	While there is no maximum salary, increases will normally be in line with the typical level of salary increase awarded (in percentage of salary terms) to other employees in the Group. <p>Salary increases above this level may be awarded in certain circumstances, such as, but not limited to:</p> <ul style="list-style-type: none"> • where an Executive Director has been promoted or has had a change in scope or responsibility; • an individual's development or performance in role (e.g. to align a newly appointed Executive Director's salary with the market over time); • where there has been a change in market practice; or • where there has been a change in the size and/or complexity of the business <p>Such increases may be implemented over such time period as the Committee deems appropriate.</p>	Not applicable.
BENEFITS	Fixed element of remuneration set at a market competitive level with the aim to attract and retain Executive Directors of the calibre required.	Executive Directors receive benefits in line with market practice, and these include principally life insurance, income protection, private medical insurance, company car or car allowance and fuel allowance and, where relevant, relocation expenses. <p>Other benefits may be provided based on individual circumstances. These may include, for example, travel expenses.</p>	Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of benefits is set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role and individual circumstances.	Not applicable.

Remuneration REPORT

CONTINUED

EXECUTIVE DIRECTORS

COMPONENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
PENSIONS	Provides market competitive post-employment benefits (or cash equivalent) with the aim to attract and retain Executive Directors of the calibre required.	Executive Directors are eligible to participate in the defined contribution pension scheme. In appropriate circumstances, such as where contributions exceed the annual or lifetime allowance, Executive Directors may be permitted to take a cash supplement instead of contributions to a pension plan.	Set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role and individual circumstances. The contribution levels for the year 2014/15 were set at 12.5% of salary. Contributions of up to 20% of salary may be made to take account of a change in the scope of the role, increase in responsibility and/or a change in the size and/or complexity of the business.	Not applicable.
ALL EMPLOYEE SHARE SCHEMES	To create alignment with the Group and promote a sense of ownership.	Executive Directors are entitled to participate in a tax qualifying all employee SAYE under which they may make monthly savings contributions over a period of three or five years linked to the grant of an option over the Company's shares with an option price which can be at a discount of up to 20% to the market value of shares at grant. Executive Directors are also entitled to participate in an HMRC tax-qualifying Share Incentive Plan ("SIP").	Participation limits are those set by the UK tax authorities from time to time.	Not subject to performance measures in line with HMRC practice.

EXECUTIVE DIRECTORS

COMPONENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
ANNUAL BONUS	Rewards performance against annual targets which support the strategic direction of the Group.	<p>Awards are based on annual performance against key financial targets and/or the delivery of personal/strategic objectives.</p> <p>Pay-out levels are determined by the Committee after the year end based on performance against those targets.</p> <p>The Committee has discretion to amend the pay-out should any formulaic output not reflect the Committee's assessment of overall business performance.</p> <p>For up to two years following the payment of an annual bonus award, the Committee may require the repayment of some or all of the award if an act or omission or a failure to apply reasonable skill and judgement leads to a material loss to the Group or serious reputational damage to the Group or a material misstatement of the Group's financial statements.</p>	The maximum bonus opportunity for an Executive Director will not exceed 100% of salary.	<p>Targets are set annually reflecting the Company's strategy and are aligned with key performance indicators.</p> <p>Up to 20% of the bonus will be based on non-financial strategic measures and/or individual performance and the balance will be assessed against key financial performance metrics of the business.</p> <p><i>Financial metrics</i></p> <p>There is no minimum payment at threshold performance and all of the maximum potential will be paid out for maximum performance, with scaled vesting in between.</p> <p><i>Non-financial or individual metrics</i></p> <p>Vesting of the non-financial or individual strategic awards will apply based on the Committee's assessment of the extent to which a non-financial or individual strategic metric has been met.</p>

Remuneration REPORT

CONTINUED

EXECUTIVE DIRECTORS

COMPONENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
LONG TERM INCENTIVE PLAN ("LTIP")	<p>To incentivise Executive Directors, and to deliver genuine performance-related pay, with a clear line of sight for Executives and direct alignment with shareholders' interests.</p>	<p>Long-term incentive awards are granted under the LTIP, approved by shareholders on 23 January 2013.</p> <p>Under the LTIP, awards of nil cost share options or conditional shares may be made.</p> <p>Awards may be settled in cash at the election of the Committee.</p> <p>The vesting of awards will be subject to the achievement of specified performance conditions, over a period of at least three years.</p> <p>The Committee may make a dividend equivalent payment ('Dividend Equivalent') to reflect dividends that would have been paid over the period to vesting on shares that vest. This payment may be in the form of additional shares or a cash payment equal to the value of those additional shares.</p> <p>The Committee has the right to reduce, cancel or impose further conditions on unvested or unexercised awards if there has been a material misstatement of the Company's financial results, a material failure of risk management by the Company or if there has been serious reputational damage to the Company as a result of the participant's misconduct or otherwise.</p> <p>For up to two years following the payment of a long-term incentive award, the Committee may require the repayment of some or all of the award if an act or omission or a failure to apply reasonable skill and judgement leads to a material loss to the Group or serious reputational damage to the Group or a material misstatement of the Group's financial statements.</p>	<p>The normal maximum award is 100% of salary in respect of a financial year. Under the share plan rules the overall maximum opportunity that may be granted in respect of a financial year is 200% of salary. The normal maximum award limit will only be exceeded in exceptional circumstances involving the recruitment or retention of an Executive Director.</p> <p>The market value of the shares subject to an award is based on the three day average share price immediately prior to the Company's year end, unless the Committee determines otherwise.</p>	<p>Relevant performance measures are set that reflect underlying business performance.</p> <p>Performance measures and their weighting where there is more than one measure are reviewed annually to maintain appropriateness and relevance.</p> <p>For achievement of threshold performance 25% of the maximum opportunity will vest.</p> <p>There will usually be straight line vesting between threshold and maximum performance.</p>

NON-EXECUTIVE DIRECTORS

PURPOSE AND LINK TO STRATEGY	APPROACH OF THE COMPANY
Sole element of Non-Executive Director remuneration, set at a level that reflects market conditions and is sufficient to attract individuals with appropriate knowledge and experience.	<p>Fees are normally reviewed annually.</p> <p>Fees paid to Non-Executive Directors for their services are approved by the Board. Fees may include a basic fee and additional fees for further responsibilities (for example, chairmanship of board committees or holding the office of senior independent director). Fees are based on the level of fees paid to Non-Executive Directors serving on the board of similar-sized UK listed companies and the time commitment and contribution expected for the role. Typically, any fee increase will be in line with the wider workforce. Fee increases may be awarded above this level in certain circumstances such as (but not limited to):</p> <ul style="list-style-type: none"> • where there has been a change in market practice; • where there has been a change in the size and complexity of the Company; or • where there has been an increase in the Non-Executive Director's time commitment to the role. <p>Overall fees paid to Non-Executive Directors will remain within the limits set by the Company's Articles of Association.</p> <p>Non-Executive Directors cannot participate in any of the Company's share options schemes and are not eligible to join the Company's pension scheme. Non-Executive Directors may be eligible to receive benefits such as the use of secretarial support, travel costs or other benefits that may be appropriate.</p>

EXPLANATION OF PERFORMANCE MEASURES CHOSEN

Performance measures are selected that are aligned with the performance of the Group and the interests of shareholders. Stretching performance targets are set each year for the annual bonus and long term incentive awards. When setting these performance targets, the Committee will take into account a number of different reference points, which may include the Company's business plans and strategy and the economic environment. Full vesting will only occur for what the Committee considers to be a stretching performance.

The annual bonus can be assessed against financial and individual/strategic measures determined by the Committee. The Committee considers that profit before tax is a key performance metric for the annual bonus and specific strategic objectives for each Director which are aligned to delivering the overall business strategy encourages behaviours which facilitate profitable growth and the future development of the business.

Long-term performance measures are chosen by the Committee to provide a robust and transparent basis on which to measure the Company's performance over the longer term and to provide alignment with the business strategy. They are selected to be aligned with the interests of shareholders and to drive business performance whilst not encouraging excessive risk taking.

The Committee retains the ability to adjust or set different performance measures if events occur (such as a change in strategy, a material acquisition and/or a divestment of a Group business or a change in prevailing market conditions) which cause the Committee to determine that the measures are no longer appropriate and that amendment is required so that they achieve their original purpose.

Awards and options may be adjusted in the event of a variation of share capital in accordance with the rules of the LTIP.

POLICY FOR THE REMUNERATION OF EMPLOYEES MORE GENERALLY

Remuneration arrangements are determined throughout the Group based on the same principle that reward should be achieved for delivery of the business strategy and should be sufficient to attract, retain and motivate high-calibre employees.

ILLUSTRATIONS OF APPLICATION OF REMUNERATION POLICY

Illustrations were provided for in the 2013/2014 Annual Report.

 Read more online at www.toppstiles.co.uk

APPROACH TO RECRUITMENT REMUNERATION

The policy aims to facilitate the appointment of individuals of sufficient calibre to lead the business and execute the strategy effectively for the benefit of shareholders. When appointing a new Executive Director, the Committee seeks to ensure that arrangements are in the best interests of the Company and not to pay more than is appropriate.

Remuneration REPORT

CONTINUED

The Committee will take into consideration a number of relevant factors, which may include the calibre of the individual, the candidate's existing remuneration package, and the specific circumstances of the individual including the jurisdiction from which the candidate was recruited.

When hiring a new Executive Director, the Committee will typically align the remuneration package with the above Policy. The Committee may include other elements of pay which it considers are appropriate, however, this discretion is capped and is subject to the principles and the limits referred to below.

- Base salary will be set at a level appropriate to the role and the experience of the Executive Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and/or responsibilities, subject to good performance, where it is considered appropriate.
- Pension and benefits will be provided in line with the above Policy.
- The Committee will not offer non-performance related incentive payments (for example a "guaranteed sign-on bonus").
- Others elements may be included in the following circumstances:
 - an interim appointment being made to fill an Executive Director role on a short-term basis;
 - if exceptional circumstances require that the Chairman or a Non-Executive Director takes on an executive function on a short-term basis;
 - if an Executive Director is recruited at a time in the year when it would be inappropriate

to provide a bonus or long-term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis;

- if the Executive Director will be required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee.

- The Committee may also alter the performance measures, performance period and vesting period of the annual bonus or LTIP, subject to the rules of the LTIP, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the following Directors' Remuneration Report.
- The maximum level of variable remuneration which may be granted (excluding "buyout" awards as referred to below) is 300% of salary.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share plans. If necessary, and subject to the limits referred to above, recruitment awards may be granted outside of these plans as permitted under the Listing Rules which allow for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director.

The Committee may make payments or awards in respect of hiring an employee to "buyout" remuneration arrangements forfeited on leaving a previous employer. In doing so the Committee will take account of relevant factors including any performance conditions attached to the forfeited arrangements and the time over which they would have vested. The Committee will generally seek to structure buyout awards or payments on a like for like basis to the remuneration arrangements forfeited. Any such payments or awards are limited to the expected value of the forfeited awards. Where considered appropriate, such special recruitment awards will be liable to forfeiture or "malus" and/or "clawback" on early departure.

Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue according to the original terms.

Fees payable to a newly-appointed Chairman or Non-Executive Director will be in line with the fee policy in place at the time of appointment.

SERVICE CONTRACTS

It is the Company's policy that Executive Directors are offered permanent contracts of employment with a twelve month notice period. Under an event of contract termination any severance payment would be subject to negotiation but would be with regard to length of service and prevailing notice period.

Company policy also states that Non-Executive Directors should have contracts of services with an indefinite term providing for a maximum of six months' notice. The role of Chairman is also Non-Executive, with an indefinite term contract and a maximum six months' notice.

PAYMENTS FOR LOSS OF OFFICE

The principles on which the determination of payments for loss of office will be approached are set out below:

POLICY	
PAYMENT IN LIEU OF NOTICE	The Company has discretion to make a payment in lieu of notice. Such a payment would be calculated by reference to basic salary and shall include compensation for any employer pension contributions for the unexpired period of notice. The payment may also include compensation for benefits for the period.
ANNUAL BONUS	This will be at the discretion of the Committee on an individual basis and the decision as to whether or not to award a bonus in full or in part will be dependent on a number of factors, including the circumstances of the individual's departure and their contribution to the business during the bonus period in question. Any bonus amounts paid will typically be pro-rated for time in service during the bonus period and will, subject to performance, be paid at the usual time (although the Committee retains discretion to pay the bonus earlier in appropriate circumstances).
LTIP	<p>The extent to which any unvested award will vest will be determined in accordance with the rules of the LTIP.</p> <p>Unvested awards will normally lapse on cessation of employment. However, if the participant leaves due to death, illness, injury, disability, sale of his employer or any other reason at the discretion of the Committee, the Committee shall determine whether the award will vest at cessation or at the normal vesting date. In either case, the extent of vesting will be determined by the Committee taking into account the extent to which the performance condition is satisfied and, unless the Committee determines otherwise, the period of time elapsed from the date of grant to the date of cessation relative to the performance period. Awards may then be exercised during such period as the Committee determines.</p> <p>Awards which have already vested at the date of cessation may be exercised for such period as the Committee determines.</p>
CHANGE OF CONTROL	<p>The extent to which unvested awards will vest will be determined in accordance with the rules of the LTIP.</p> <p>Awards under the LTIP will vest early on a takeover, merger or other relevant corporate event. The Committee will determine the level of vesting taking into account the extent to which the performance condition is satisfied and, unless the Committee determines otherwise, the period of time elapsed from the date of grant to the date of the relevant corporate event relative to the performance period. The Committee has discretion under the rules of the LTIP to vest awards on a different basis.</p>
MITIGATION	The Committee's practice is that if an Executive Director's employment is terminated any compensation payment will be calculated in accordance with normal legal principles including the application of mitigation to the extent appropriate to the circumstances of the termination.
ALL EMPLOYEE SHARE PLANS	<p>Payments may be made either in the event of a loss of office or a change of control under the all employee share plans, which are governed by the rules and the legislation relating to such tax qualifying plans. There is no discretionary treatment for leavers or on a change of control under these schemes.</p> <p>In appropriate circumstances, payments may also be made in respect of accrued holiday, outplacement and legal fees.</p>

Remuneration REPORT

CONTINUED

Where a buyout award is made under the Listing Rules then the leaver provisions would be determined at the time of the award.

The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.

Where the Committee retains discretion it will be used to provide flexibility in certain situations, taking into account the particular circumstances of the Director's departure and performance.

There is no entitlement to any compensation in the event of a Non-Executive Directors' appointment being terminated.

EXISTING CONTRACTUAL ARRANGEMENTS

The Committee retains discretion to make any remuneration payment or payment for loss of office outside the policy in this report:

- where the terms of the payment were agreed before the policy came into effect;

- where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company; and
- to satisfy contractual commitments under legacy remuneration arrangements.

For these purposes, "payments" includes the satisfaction of awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

STATEMENT OF CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

When determining the remuneration arrangements for Executive Directors, the Committee takes into consideration, as a matter of course, the pay and conditions of employees throughout the Group. In particular, the Committee is kept informed on:

- salary increase for the general employee population;
- overall spend on annual bonus; and
- participation levels in the annual bonus and share plans.

Although no consultation with employees takes place in relation to determining the remuneration policy for Directors, the Group has various ways of engaging employees collectively, as teams and one to one which provide a forum for employees to express their views on the Company's executive and wider employee reward policies.

STATEMENT OF CONSIDERATION OF SHAREHOLDER VIEWS

The Committee is committed to an ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. Prior to the new LTIP being formally put to shareholders in 2013, the Committee engaged with major shareholders and institutional bodies setting out the proposals and rationale for the changes on variable pay arrangements for Executive Directors. Major shareholders were also advised of the rationale for the increase in the annual bonus opportunity for 2014/15.

ANNUAL REPORT ON REMUNERATION

Single figure table

The tables below detail the total remuneration receivable by each Director for the 52 week period ended 27 September 2014 and the 53 week period ended 3 October 2015.

2014/15	SALARY AND FEES £'000	BENEFITS £'000	ANNUAL BONUS £'000	LTIP £'000	PENSION £'000	TOTAL REMUNERATION £'000
EXECUTIVE DIRECTORS						
M T M WILLIAMS	389	32	318	–	48	787
R PARKER	243	29	198	–	30	500
NON-EXECUTIVE DIRECTORS						
J M JACK ¹	104	–	–	–	–	104
A WHITE ²	8	–	–	–	–	8
C TINEY	43	–	–	–	–	43
A KING	42	–	–	–	–	42
D SHAPLAND ³	62	–	–	–	–	62
K DOWN ⁴	28	–	–	–	–	28

1 J M Jack retired from his role as Non-Executive Chairman on the 18 March 2015 and was replaced by Darren Shapland. The Board asked J M Jack to remain as an advisor to the Board until the 14/15 AGM and has been recompensed by continuing to receive a fee during this period

2 Resigned 8 December 2014

3 Appointed 19 March 2015

4 Appointed 2 February 2015

2013/14	SALARY AND FEES £'000	BENEFITS £'000	ANNUAL BONUS £'000	LTIP £'000	PENSION £'000	TOTAL REMUNERATION £'000
EXECUTIVE DIRECTORS						
M T M WILLIAMS	375	34	278	122	41	849
R PARKER	227	30	168	71	25	521
NON-EXECUTIVE						
J M JACK	102	–	–	–	–	102
A WHITE	42	–	–	–	–	42
C TINEY	41	–	–	–	–	41
A KING	41	–	–	–	–	41

The figures in the single figure tables above are derived from the following:

SALARY AND FEES	THE AMOUNT OF SALARY/FEES RECEIVED IN THE PERIOD
BENEFITS	The taxable value of benefits received in the period. These are principally life insurance, income protection, private medical insurance, company car or car allowance, fuel allowance and the value of SAYE scheme options granted during the period. The value attributable to sharesave scheme options is calculated on the following basis: Monthly contribution x 12 x 20% (being the discount applied to market value in determining the exercise price).
PENSION	The pension figure represents the cash value of Company pension contributions paid to the Executive Directors as part of the Company's defined contribution scheme.
ANNUAL BONUS	The annual bonus is the cash value of the bonus earned in respect of the period. A description of performance against the objectives which applied for the period is provided on pages 59 and 60.
LTIP	The LTIP figure stated for the period 2013/14 represents the value of matching awards granted under the Topps Tiles Plc 2010 Deferred Bonus Long Term Incentive Plan that vested in respect of the period. For the matching share awards granted on 28 November 2012 EBITDA earnings growth over the two year performance period to 27 September 2014 has been 12.9% therefore the matching share awards vested in full in November 2014. The estimated face value of the vested shares is based on a share price of 108 pence being the average market value of the Company's shares for the last quarter of the 52 week period ended 27 September 2014.

Remuneration REPORT

CONTINUED

INDIVIDUAL ELEMENTS OF REMUNERATION

Base salary and fees

Base salaries for individual Directors are reviewed annually by the Committee and are set with reference to the Remuneration Policy. During the period the following changes to base salary were made with effect from 1 June 2015:

	BASE SALARY 1 JUNE 2014	BASE SALARY 1 JUNE 2015	% INCREASE
M T M WILLIAMS	£380,708	£388,323	2%
R PARKER	£235,143	£246,901	5%

The base salary increase for Matt Williams was in line with the range of salary increases across the Group. The base salary increase for Rob Parker reflects the growth of the Company, prevailing market conditions and internal base salary relativities and in line with the statement made in the 2013/2014 Annual Report.

The Non-Executive Directors' fees were increased with effect from 1 June 2015 in line with the increase for the wider workforce:

	FEES 1 JUNE 2014	FEES 1 JUNE 2015	% INCREASE
BASIC FEE	£36,516	37,246	2%
ADDITIONAL FEES			
SENIOR INDEPENDENT DIRECTOR/CHAIR OF REMUNERATION COMMITTEE	£6,120	6,242	2%
CHAIR OF THE NOMINATIONS COMMITTEE	£5,100	5,202	2%
CHAIR OF THE AUDIT COMMITTEE	£5,100	5,202	2%

TOTAL PENSION ENTITLEMENTS

During the year the Company pension benefit represented 12.5% of salary for the Executive Directors and is in line with the Remuneration Policy.

ANNUAL BONUS

For the 53 week period ended 3 October 2015, the maximum annual bonus opportunity was 100% of salary. To encourage behaviours which facilitate profitable growth and future development of business up to 80% of salary could be earned for delivering PBT above the adjusted PBT target and up to 20% of salary could be earned for the achievement of individual objectives specifically delivering the strategic plan.

The following table sets out the bonus pay-out to the Executive Directors for 2014/15 and how this reflects performance for the period.

	TARGET	ACTUAL PERFORMANCE	EXECUTIVE DIRECTOR BONUS EARNED AS A PERCENTAGE OF SALARY
ADJUSTED PBT ¹	£20 million	£20.4 million	63%
STRATEGIC OBJECTIVES	<p>The strategic targets for the period related to:</p> <ul style="list-style-type: none"> • Increase market share • Average Transaction Value ("ATV") • Discounting • Customer Service <p>The Committee considers that the detailed strategic targets are commercially sensitive and should therefore remain confidential to the Company. They provide our competitors with insight into our business plans, expectations and our strategic actions.</p>	<p>Met in full</p> <p>Met in full</p> <p>Met in full</p> <p>Met in full</p>	20% 5% 5% 5% 5%
TOTAL BONUS EARNED			83%

¹ Adjusted PBT as defined in the financial review section of this report.

ANNUAL BONUS FOR 2015/16

The maximum annual bonus opportunity for 2015/16 financial year is 100% of salary. Up to 20% of salary will continue to be focused upon achievement of individual objectives specifically delivering the strategic plan. The element of the annual bonus that can be earned for delivering PBT above the adjusted PBT target for the year is 80% of salary.

The Committee considers that the actual annual bonus targets are commercially sensitive and should therefore remain confidential to the Company. However, the Remuneration Committee will continue to disclose how the bonus pay-out delivered relates to performance against the targets on a retrospective basis.

Remuneration REPORT

CONTINUED

LONG TERM INCENTIVES

Awards vesting in respect of the financial year

No LTIP award vested during the financial year

AWARDS GRANTED DURING THE FINANCIAL YEAR

The LTIP was approved by shareholders on 23 January 2013. For the 53 week period ended 3 October 2015 the following awards were granted to Executive Directors on 12 December 2014.

	TYPE OF AWARD	PERCENTAGE OF SALARY	NUMBER OF SHARES	FACE VALUE AT GRANT ¹	% OF AWARD VESTING AT THRESHOLD	PERFORMANCE PERIOD
M T M WILLIAMS	Nil-cost option	100%	359,159	£380,709	25%	3 years
R PARKER	Nil-cost option	100%	221,833	£235,142	25%	3 years

¹ Valued using a share price of 106.00 pence based on the average three day share price ending on 27 September 2014.

The awards will vest based on the following Cumulative Adjusted EPS targets:

CUMULATIVE ADJUSTED EPS FOR THE PERIOD 2014/15 TO 2016/17	PERCENTAGE OF THE AWARD THAT WILL VEST
23.02 pence	25%
Greater than 23.02 pence but less than 24.83 pence	Determined on a straight line basis between 25% and 100%
24.83 pence	100%

Adjusted EPS is defined as stated in the Company's accounts for the relevant financial period excluding exceptional items and subject to such adjustments as the Board in its discretion determines are fair and reasonable.

These targets equate to adjusted EPS growth of c.7% growth from the 2014/15 outturn for 25% vesting and c.11% for 100% vesting.

Notwithstanding the Cumulative Adjusted EPS targets calculated above, the extent to which the awards will vest will be subject to the Committee's assessment of the quality of earnings over the performance period. The Committee may reduce the extent to which the award would otherwise vest if the Committee determines that the Cumulative Adjusted EPS achieved is not consistent with the achievement of commensurate underlying financial performance taking into account such factors as the Committee considers appropriate, including market share, margin performance, net debt, overall returns to shareholders and shareholder value creation.

LONG TERM INCENTIVES FOR 2015/16

No changes to the quantum or performance conditions are proposed. The maximum LTIP opportunity will remain at 100% of salary and the proportion of the award vesting for threshold performance remains at 25% of salary.

The awards will vest based on the following Cumulative Adjusted EPS targets that equate to adjusted EPS growth of c.7% growth from the 2015/16 outturn for 25% vesting and c.11% for 100% vesting.

CUMULATIVE ADJUSTED EPS FOR THE PERIOD 2015/16 TO 2017/18	PERCENTAGE OF THE AWARD THAT WILL VEST
27.29 pence	25%
Greater than 27.29 pence but less than 29.42 pence	Determined on a straight line basis between 25% and 100%
29.42 pence	100%

Adjusted EPS is defined as stated in the Company's accounts for the relevant financial period excluding exceptional items and subject to such adjustments as the Board in its discretion determines are fair and reasonable.

ALL EMPLOYEE SHARE PLANS

The Executive Directors may participate in the Company's all employee share plans, the Topps Tiles Plc SAYE Scheme (SAYE Scheme) and the Topps Tiles Plc Share Incentive Plan (SIP), on the same basis as other employees.

The SAYE Scheme provides an opportunity to save a set monthly amount (currently up to £500) over three years towards the exercise of a discounted share option, which is granted at the start of the three years.

The SIP provides an opportunity for employees to buy shares from their pre-tax remuneration up to the limit permitted by the relevant tax legislation (currently £1,800 per year). No matching shares are awarded.

Options and awards under these plans are not subject to performance conditions.

The following SAYE options were granted to the Executive Directors during the financial year ended 3 October 2015:

	TYPE OF AWARD ¹	NUMBER OF SHARES	FACE VALUE AT GRANT ²
M T M WILLIAMS	DISCOUNTED SHARE OPTION	3,913	£4,745
R PARKER	DISCOUNTED SHARE OPTION	3,913	£4,745

¹ In accordance with the scheme rules, the options are granted with an exercise price set at a discount of up to 20% to the market value of a share when the invitations to acquire the option are issued. For the awards granted in 2014/15, the share price at the date of invitation was 115 pence and the exercise price is 92 pence per share. In accordance with the scheme rules, the exercise of the options is not subject to any performance condition.

² The face value of the award is calculated by multiplying the number of shares under option by the market value of a share on the date of grant (being 121.25 pence for these options granted on 28 January 2015).

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS

In order to further align the Executive Directors' long term interests with those of shareholders, the Committee introduced shareholding guidelines in 2013. The guidelines require that, with effect from 2013/14, Executive Directors build up a shareholding of one times salary over a period of five years. The table below sets out the number of shares held or potentially held by Directors (including their connected persons where relevant) as at 3 October 2015.

	SHAREHOLDING GUIDELINES	CURRENT SHAREHOLDING (AS % OF SALARY)
M T M WILLIAMS	100% of salary	670%
R PARKER	100% of salary	123%

Remuneration REPORT

CONTINUED

The interests of each Executive Director of the Company as at 3 October 2015 were as follows:

DIRECTOR	TYPE	OWNED	EXERCISED DURING THE YEAR	VESTED	UNVESTED AND SUBJECT TO PERFORMANCE CONDITIONS	UNVESTED AND NOT SUBJECT TO PERFORMANCE CONDITIONS	TOTAL AS AT 3 OCTOBER 2015
EXECUTIVE DIRECTORS							
M T M WILLIAMS	Shares	1,748,986	n/a	n/a	n/a	n/a	1,748,986
	LTIP shares	n/a	n/a	n/a	1,565,381	n/a	1,565,381
	SAYE options	n/a	0	n/a	n/a	15,958	15,958
R PARKER	Shares	204,208	n/a	n/a	n/a	n/a	204,208
	LTIP shares	n/a	n/a	n/a	945,571	n/a	945,571
	SAYE options	n/a	0	n/a	n/a	15,958	15,958
NON-EXECUTIVE DIRECTORS							
D SHAPLAND	Shares	80,000	n/a	n/a	n/a	n/a	80,000
K DOWN	Shares	n/a	n/a	n/a	n/a	n/a	n/a
C TINEY	Shares	15,480	n/a	n/a	n/a	n/a	15,480
A KING	Shares	n/a	n/a	n/a	n/a	n/a	n/a

Note. Director's shareholdings include shares held by their connected persons where relevant.

PAYMENTS MADE TO FORMER DIRECTORS DURING THE PERIOD

As mention earlier in this report The Right Honourable Michael Jack CBE retired from his role as Non-Executive Chairman during the year and was replaced by Darren Shapland. The Board asked him to remain an advisor up until the 14/15 AGM and has been recompensed by continuing to receive a fee during this period.

PAYMENTS FOR LOSS OF OFFICE MADE DURING THE PERIOD

No payments for loss of office were made in the period to any Director of the Company.

PERFORMANCE GRAPH

The graph below shows the TSR performance for the Company's shares in comparison to the FTSE Small Cap Index for the five years to 3 October 2015. For the purposes of the graph, TSR has been calculated as the percentage change during the five-year period in the market price of the shares, assuming that dividends are reinvested. The graph shows the value, by the end of the 2014/15 financial year, of £100 invested in the Group over the last five financial years compared with £100 invested in the FTSE Small Cap Index which the Directors believe is the most appropriate comparative index.



HISTORICAL CHIEF EXECUTIVE REMUNERATION OUTCOMES

The table below shows details of the total remuneration and annual bonus and LTIP vesting (as a percentage of the maximum opportunity) for the Chief Executive over the last five financial years.

	TOTAL REMUNERATION	ANNUAL BONUS AS A % OF MAXIMUM OPPORTUNITY	LTIP AS A % OF MAXIMUM OPPORTUNITY
53 WEEK PERIOD ENDED 3 OCTOBER 2015	812	83%	n/a
52 WEEK PERIOD ENDED 27 SEPTEMBER 2014	849	99%	n/a
52 WEEK PERIOD ENDED 28 SEPTEMBER 2013	564	46.3%	n/a
52 WEEK PERIOD ENDED 29 SEPTEMBER 2012	579	35.2%	n/a
52 WEEK PERIOD ENDED 1 OCTOBER 2011	384	0%	n/a
53 WEEK PERIOD ENDED 2 OCTOBER 2010	515	40%	n/a

Note: The Board has resolved that the Performance Condition attached to the LTIP Award made on the 26 February 2013 relating to the three consecutive financial periods of the Company beginning with the Company's 2012/2013 financial period has been satisfied and will vest during the period ending 1 October 2016.

Remuneration REPORT

CONTINUED

CEO PAY INCREASE IN RELATION TO ALL EMPLOYEES

The table below sets out in relation to salary, taxable benefits and annual bonus the percentage change in remuneration for M T M Williams compared to the wider workforce. For these purposes, the wider workforce includes all employees.

PERCENTAGE CHANGE	CEO	WIDER WORKFORCE
SALARY ¹	1.9%	3.6%
TAXABLE BENEFITS	-5.2%	-1.1%
ANNUAL BONUS	14.4%	6.1%

¹ M T M Williams' salary was increased by 2% with effect from 1 June 2015. Because this table shows the difference between Mr Williams' full year salary for 2013/14 and 2014/15, the percentage increase shown is less than 2%.

SPEND ON PAY

The following table sets out the percentage change in dividends and the overall expenditure on pay (as a whole across the organisation).

	52 WEEK PERIOD ENDED 27 SEPTEMBER 2014	53 WEEK PERIOD ENDED 3 OCTOBER 2015	PERCENTAGE CHANGE
DIVIDENDS AND SHARE BUYBACKS	2.25 pence per share	3.00	33%
OVERALL EXPENDITURE ON PAY	£45,865,000	51,529,000	12%

CONSIDERATION BY THE DIRECTORS OF MATTERS RELATING TO DIRECTORS' REMUNERATION

The Committee is composed of the Company's independent Non-Executive Directors, Claire Tiney (Chairman), Andy King and Keith Down. The Company Secretary attends the meetings as secretary to the Committee.

The role of the Committee is to:

- Determine the pay and benefits of the Executive Directors in accordance with the Remuneration Policy.
- Determine the short and long-term incentives for Executive Directors in accordance with the Remuneration Policy.
- To determine awards against incentive schemes.
- To consult with major shareholders about changes to these incentive schemes.
- To determine fees payable to the Non-Executive Chairman.
- To review the Remuneration Report.
- To monitor the level and structure of remuneration for senior management.

ADVISORS

The Committee is assisted in its work by the Chief Executive Officer and Finance Director. The Chief Executive Officer is consulted on the remuneration of those who report directly to him and also of other senior executives. No Executive Director or employee is present or takes part in discussions in respect of matters relating directly to their own remuneration.

During the financial period, the Committee received independent advice from the following external consultant:

ADVISOR	DETAILS OF APPOINTMENT	SERVICES PROVIDED BY THE ADVISOR	FEES PAID BY THE COMPANY FOR ADVICE TO THE COMMITTEE AND BASIS OF CHARGE	OTHER SERVICES PROVIDED TO THE COMPANY IN THE 52 WEEK PERIOD ENDED 27 SEPTEMBER 2014
DELOITTE LLP	Appointed by the Committee in June 2012.	Advice on developments in executive pay and the operation of the Company's incentive plans. Advice on market practice and shareholder perspectives. Advice on the new reporting regulations in connection with the disclosure of Directors' remuneration.	£13000 (excluding VAT). Charged on a time/cost basis or fixed fee dependent on the nature of the project.	External auditor and certain other services (see page 84 of the Annual Report).

The Remuneration Committee took into account the Remuneration Consultants Group's Code of Conduct when reviewing the appointment of Deloitte and also took into account Deloitte's role as external auditor. As Deloitte is the external auditor to the Company, Deloitte's advice to the Remuneration Committee is governed by certain guidelines and safeguards. The Remuneration Committee is satisfied that the remuneration advice provided by Deloitte is objective and independent. The Remuneration Committee plans to change the advisors to the Committee during this financial year and will commence a tendering process after the AGM in January 2016.

STATEMENT OF VOTING AT LAST AGM

The following table sets out actual voting in respect of the resolution to approve the Directors' Remuneration Report at the Company's Annual General Meeting on 22 January 2015.

RESOLUTION	VOTES FOR	% OF VOTE	VOTES AGAINST	% OF VOTE	DISCRETION	% OF VOTE	VOTES WITHHELD
APPROVE REMUNERATION REPORT	113,470,441	92.33%	9,402,110	7.65%	27,887	0.02%	897,379

APPROVAL

This Report was approved by the Board on 1 December 2015 and signed on its behalf by:

Claire Tiney

Chairman of the Remuneration Committee
1 December 2015

Independent AUDITORS' REPORT TO THE MEMBERS OF TOPPS TILES PLC

OPINION ON FINANCIAL STATEMENTS OF TOPPS TILES PLC

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 3 October 2015 and of the group's profit for the 53 week period then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Consolidated Statement of Financial Performance, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position and Parent Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes 1 to 29. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

SEPARATE OPINION IN RELATION TO IFRSs AS ISSUED BY THE IASB

As explained in note 2 to the group financial statements, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, the group has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.

GOING CONCERN AND THE DIRECTORS' ASSESSMENT OF THE PRINCIPAL RISKS THAT WOULD THREATEN THE SOLVENCY OR LIQUIDITY OF THE GROUP

As required by the Listing Rules we have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 2 to the financial statements and the directors' statement on the longer-term viability of the group (contained within the strategic report, on page 24).

We have nothing material to add or draw attention to in relation to:

- the directors' statement in note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the director's explanation (on page 24) as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

INDEPENDENCE

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Financial Statements

RISK	HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE RISK
INVENTORY The key inventory risk relates to the valuation of inventory (which includes tiles, adhesives, stone and wood products), given the size of the inventory balance (gross inventory – £30.2 million) and it is the single largest current asset balance on the consolidated statement of financial position.	<p>We tested the cost of inventory (on a sample basis) by reference to supplier invoice costs. We have performed our net realisable value testing to determine that the Group sells these products at a price greater than cost.</p> <p>Additionally, in performing our net realisable value testing, we have compared the level of provisioning made by management against sales made below cost during the period and after the period end.</p> <p>We have also reviewed sales made post year end to determine if any further inventory lines were sold below cost.</p>
PROPERTY PROVISIONS The property provisions arise from the Group's portfolio of 347 stores. The appropriateness and completeness of onerous lease (£1.4 million) and dilapidation provisions (£1.6 million) in relation to those stores is judgemental as they include an assessment of the likely future periods over which leasehold properties may be vacant and estimates of future costs of making good dilapidations. The accounting policies in respect of property provisions are outlined in note 2(w). The balance sheet provisions are disclosed in note 19.	<p>We assessed the appropriateness and completeness of onerous lease and dilapidation provisions by challenging management's principal assumptions in identifying and providing for the group's at-risk properties.</p> <p>Our audit team included property specialists who assisted us in evaluating the Directors' estimates, for example, those relating to the length of time anticipated to exit onerous lease agreements on vacant or loss making stores.</p> <p>We also challenged management's assumptions in relation to the calculation of onerous leases at loss-making stores by reviewing management's track record of returning such stores to profit and the period of time management assume will take to exit the property where relevant.</p> <p>We have also challenged management's assumptions regarding the calculation of the dilapidation provision, including validating property information back to the original lease documentation and agreeing dilapidation charges historically incurred to third party source. In performing this work we have assessed whether the provisions are appropriately discounted.</p>

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Independent AUDITORS' REPORT TO THE MEMBERS OF TOPPS TILES PLC CONTINUED

RISK	HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE RISK
REVENUE RECOGNITION <p>We have identified a revenue risk in relation to the timing of revenue recognition on open orders (i.e. sales not completed) where goods can take up to 15 days to be delivered and therefore could be subject to manipulation. The risk also encompasses store sales where deposits are made for inventory items which have a long lead time or are currently out of stock.</p> <p>The Group's policy, as outlined in note 2(f), is to recognise such revenue when the inventory is delivered or collected as opposed to when payment is received (which is earlier).</p>	<p>We have performed substantive testing of revenue recorded within the first and last 15 days of the 2016 and 2015 financial periods (on a sample basis) respectively to test the appropriateness of revenue recognition of open orders around the period end and that only delivered/collected goods have been recognised as income in the year.</p> <p>We have in turn, agreed amounts where legal title of the goods have not been transferred, back to the deposit liability recorded within the balance sheet.</p>
ACCOUNTING FOR SUPPLIER REBATES <p>The group has a number of contractual incentives including rebates with its suppliers. These arrangements have a number of thresholds and settlement dates that require management to exercise judgment when calculating the rebate receivable and the appropriate recognition within the income statement.</p> <p>The accounting policy for supplier income is detailed in note 2(w).</p>	<p>For those agreements open at the year-end we obtained a sample of supplier agreements and assessed the appropriateness of the recognition of income by assessing the underlying contractual arrangements, the likelihood of meeting the contractual thresholds (considering the volumes achieved at the period end and the level of activity with the customer) and recalculating the amount of income recognised.</p> <p>We performed analytical procedures (alongside our other substantive tests) for supplier agreements recognised, such as comparing income to the level of purchases and sales made, to assess the completeness of the supplier income in the year. We also arranged for a sample of supplier confirmations to be circularised to confirm the carrying values at the period end.</p>
ACCOUNTING FOR RESTRUCTURING PROVISIONS <p>During the year costs of £2.6 million have been recognised by the group relating to the restructuring of the Group's operations. This was in order to focus on the core Topps Tiles business following closure of 9 Tile Clearance stores and to realise synergies with one head office function. Of this £1.7 million relates to property charges (onerous leases and impairment of property, plant and equipment) and £0.9 million relates to redundancy costs which includes relocation of the finance function to the head office in Leicester. Restructuring provisions need to meet specific criteria (possessing a detailed formal plan and raising a valid expectation in those affected by the plan) in order to be eligible for recognition and require management judgement when calculating the amounts that require provision.</p> <p>The Group's accounting policies for restructuring provisions and property provisions are in note 2(w). The provision balance is disclosed in note 19.</p>	<p>Our work on property related charges has been performed alongside our property provision risk procedures. Further to this, we have assessed whether the communications to landlords occurred before the balance sheet date and the strategic plan had been widely announced so that the restructuring recognition criteria were met. Additionally we confirmed that for all closed Tile Clearance stores the carrying value of property, plant and equipment was provided for.</p> <p>We have performed substantive testing over the redundancy element including reviewing correspondence with the affected parties so as to assess whether the recognition criteria were met. We obtained management's calculation of the redundancy provision and validated the relevant inputs to respective employee data.</p>

In the current period an additional risk has been included within this audit report relating to the accounting for the provisions relating to the restructuring of the group's operations which resulted in costs totalling £2.6 million.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on pages 46 and 47.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

OUR APPLICATION OF MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the group to be £1,000,000 (2014: £829,000), which is 5% (2014: 5%) of normalised pre-tax profit (2014: statutory pre-tax profit). Pre-tax profit has been normalised by adding back restructuring costs incurred during the year of £2.6 million as these have been determined to be non-recurring and the normalised profit more truly represents the underlying business. There were no such costs in the previous year and as such no normalisation adjustments were applied.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £20,000 (2014: £16,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the group audit engagement team.

Given the nature of the group's corporate structure where all evidence relating to each component is compiled at the group's head office, we performed an audit covering all of the group's trading components. With the exception of dormant components, no components were scoped out of the audit.

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality and ranged from £2,000 to £900,000 (2014: £6,000 to £746,000).

At the parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

As part of the inventory count programme, alongside attendance at the Group's main warehouse, members of the audit team attended 22 (2014: 12) of the Group's stores as part of their consideration of the controls around revenue, inventory, inventory count procedures and physical asset verification. This programme of visits was designed so that the audit team visited different store locations compared to previous years depending upon risks identified in conjunction with the work performed by Internal Audit.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF EXPLANATIONS RECEIVED AND ACCOUNTING RECORDS

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.
- We have nothing to report in respect of these matters.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Independent AUDITORS' REPORT TO THE MEMBERS OF TOPPS TILES PLC CONTINUED

CORPORATE GOVERNANCE STATEMENT	Under the Listing Rules we are also required to review part of the Corporate Governance Statement relating to the company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.
OUR DUTY TO READ OTHER INFORMATION IN THE ANNUAL REPORT	<p>Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:</p> <ul style="list-style-type: none"> • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or • otherwise misleading. <p>In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.</p>
RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR	<p>As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.</p> <p>This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.</p>
SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS	An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Damian Sanders (Senior statutory auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom
1 December 2015

Consolidated STATEMENT OF FINANCIAL PERFORMANCE FOR THE 53 WEEKS ENDED 3 OCTOBER 2015

		53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
GROUP REVENUE – CONTINUING OPERATIONS	3	212,221	195,237
COST OF SALES		(82,319)	(76,367)
GROSS PROFIT		129,902	118,870
EMPLOYEE PROFIT SHARING		(10,405)	(9,827)
DISTRIBUTION AND SELLING COSTS		(76,204)	(69,161)
OTHER OPERATING EXPENSES		(5,846)	(5,359)
ADMINISTRATIVE COSTS		(13,485)	(11,665)
SALES AND MARKETING COSTS		(5,079)	(4,672)
GROUP OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		21,502	18,186
BUSINESS SIMPLIFICATION COSTS	4	(2,619)	–
GROUP OPERATING PROFIT		18,883	18,186
OTHER (LOSSES)/GAINS	5	(23)	401
INVESTMENT REVENUE	7	242	251
FINANCE COSTS	7	(2,083)	(2,147)
PROFIT BEFORE TAXATION	5	17,019	16,691
TAXATION	8	(3,954)	(4,179)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	26	13,065	12,512
EARNINGS PER ORDINARY SHARE FROM CONTINUING OPERATIONS	10		
– BASIC		6.75p	6.49p
– DILUTED		6.73p	6.43p

Consolidated STATEMENT OF COMPREHENSIVE INCOME FOR THE 53 WEEKS ENDED 3 OCTOBER 2015

		53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
PROFIT FOR THE PERIOD		13,065	12,512
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		13,065	12,512

Consolidated STATEMENT OF FINANCIAL POSITION

AS AT 3 OCTOBER 2015

	Notes	2015 £'000	2014 £'000
NON-CURRENT ASSETS			
GOODWILL	11	245	245
DEFERRED TAX ASSET	19	319	–
PROPERTY, PLANT AND EQUIPMENT	12	47,094	41,294
		47,658	41,539
CURRENT ASSETS			
INVENTORIES		27,408	27,846
TRADE AND OTHER RECEIVABLES	14	8,041	5,800
CASH AND CASH EQUIVALENTS	15	16,564	19,547
		52,013	53,193
TOTAL ASSETS		99,671	94,732
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	16	(33,987)	(36,240)
CURRENT TAX LIABILITIES		(5,048)	(4,888)
PROVISIONS	19	(1,736)	(876)
		(40,771)	(42,004)
NET CURRENT ASSETS		11,242	11,189
NON-CURRENT LIABILITIES			
BANK LOANS	17	(44,692)	(49,581)
DEFERRED TAX LIABILITIES	19	–	(261)
PROVISIONS	19	(3,410)	(2,043)
TOTAL LIABILITIES		(88,873)	(93,889)
NET ASSETS		10,798	843
EQUITY			
SHARE CAPITAL	20	6,457	6,455
SHARE PREMIUM	21	1,906	1,879
OWN SHARES	22	(630)	(656)
MERGER RESERVE	23	(399)	(399)
SHARE BASED PAYMENT RESERVE	24	2,820	1,941
CAPITAL REDEMPTION RESERVE	25	20,359	20,359
RETAINED LOSSES	26	(19,715)	(28,736)
TOTAL FUNDS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		10,798	843

The accompanying notes are an integral part of these financial statements.

The financial statements of Topps Tiles Plc, registered number 3213782, on pages 71 to 99 were approved by the board of directors and authorised for issue on 1 December 2015. They were signed on its behalf by:

M T M Williams

R Parker

Directors

Consolidated STATEMENT OF CHANGES IN EQUITY

FOR THE 53 WEEKS ENDED 3 OCTOBER 2015

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	OWN SHARES £'000	MERGER RESERVE £'000	SHARE- BASED PAYMENT RESERVE £'000	CAPITAL REDEMPTION RESERVE £'000	RETAINED EARNINGS £'000	TOTAL EQUITY £'000
BALANCE AT 28 SEPTEMBER 2013	6,404	1,492	(10)	(399)	649	20,359	(38,679)	(10,184)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	–	–	–	–	–	–	12,512	12,512
ISSUE OF SHARE CAPITAL	51	387	–	–	–	–	–	438
DIVIDENDS	–	–	–	–	–	–	(3,175)	(3,175)
OWN SHARES PURCHASED IN THE PERIOD	–	–	(650)	–	–	–	–	(650)
OWN SHARES ISSUED IN THE PERIOD	–	–	4	–	–	–	–	4
CREDIT TO EQUITY FOR EQUITY- SETTLED SHARE BASED PAYMENTS	–	–	–	–	1,292	–	–	1,292
DEFERRED TAX ON SHARE-BASED PAYMENT TRANSACTIONS	–	–	–	–	–	–	606	606
BALANCE AT 27 SEPTEMBER 2014	6,455	1,879	(656)	(399)	1,941	20,359	(28,736)	843
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	–	–	–	–	–	–	13,065	13,065
ISSUE OF SHARE CAPITAL	2	27	–	–	–	–	–	29
DIVIDENDS	–	–	–	–	–	–	(4,534)	(4,534)
OWN SHARES PURCHASED IN THE PERIOD	–	–	(504)	–	–	–	–	(504)
OWN SHARES ISSUED IN THE PERIOD	–	–	530	–	–	–	–	530
CREDIT TO EQUITY FOR EQUITY- SETTLED SHARE BASED PAYMENTS	–	–	–	–	879	–	–	879
DEFERRED TAX ON SHARE-BASED PAYMENT TRANSACTIONS	–	–	–	–	–	–	490	490
BALANCE AT 3 OCTOBER 2015	6,457	1,906	(630)	(399)	2,820	20,359	(19,715)	10,798

Consolidated CASH FLOW STATEMENT

FOR THE 53 WEEKS ENDED 3 OCTOBER 2015

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT FOR THE PERIOD	13,065	12,512
TAXATION	3,954	4,179
FINANCE COSTS	2,083	2,147
INVESTMENT REVENUE	(242)	(251)
OTHER GAINS/(LOSSES) ON SALE OF FREEHOLD PROPERTIES	23	(401)
GROUP OPERATING PROFIT	18,883	18,186
<i>ADJUSTMENTS FOR:</i>		
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	5,243	4,553
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	432	348
SHARE OPTION CHARGE	1,409	1,292
BUSINESS SIMPLIFICATION COSTS	2,619	–
(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	(2,125)	1,834
DECREASE/(INCREASE) IN INVENTORIES	438	(1,650)
(DECREASE)/INCREASE IN PAYABLES	(2,680)	348
CASH GENERATED BY OPERATIONS	24,219	24,911
INTEREST PAID	(1,882)	(1,695)
TAXATION PAID	(3,882)	(2,582)
NET CASH FROM OPERATING ACTIVITIES	18,455	20,634
INVESTING ACTIVITIES		
INTEREST RECEIVED	127	140
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(12,058)	(11,450)
PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	512	733
PURCHASE OF OWN SHARES	(504)	(646)
NET CASH USED IN INVESTMENT ACTIVITIES	(11,923)	(11,223)
FINANCING ACTIVITIES		
DIVIDENDS PAID	(4,534)	(3,175)
PROCEEDS FROM ISSUE OF SHARE CAPITAL	29	438
LOAN ISSUE COSTS	(10)	(570)
REPAYMENT OF BANK LOANS	(5,000)	(5,000)
NET CASH USED IN FINANCING ACTIVITIES	(9,515)	(8,307)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,983)	1,104
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	19,547	18,443
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,564	19,547

Notes to the financial statements

FOR THE 53 WEEKS ENDED 3 OCTOBER 2015

1 GENERAL INFORMATION

Topps Tiles Plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 37. The nature of the Group's operations and its principal activity are set out in the Directors' Report on page 38.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

ADOPTION OF NEW AND REVISED STANDARDS

In the current period, the following new and revised standards and interpretations have been adopted and may affect the future amounts reported in the financial statements:

IFRS 13 – Fair Value Measurement, this standard defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements.

STANDARDS NOT AFFECTING THE REPORTED RESULTS NOR THE FINANCIAL POSITION

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements that may impact the accounting for future transactions and arrangements.

IAS 1 (amended) – Presentation of Items of Other Comprehensive Income, the amendments improve the consistency and clarity of the presentation of items of other comprehensive income.

IAS 19 (revised) – Employee Benefits, this revised standard prescribes the accounting and disclosure by employers for employee benefits.

Improvements to IFRSs 2011–13. Aside from those items already identified above, the amendments made to standards under the 2010 improvements to IFRSs have had no impact and will not have any impact on the group.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9 – Financial Instruments

IFRS 11 – Joint Arrangements

IFRS 15 – Revenue from Contracts with Customers

IAS 16 and IAS 38 (amended): Clarification of Acceptable Methods of Depreciation and Amortisation

IAS 27 (amended): Equity Method in Separate Financial Statements

IAS 1 – Disclosure initiative

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group.

2 ACCOUNTING POLICIES

The principal accounting policies adopted are set out below.

A) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards 'IFRSs'. The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS regulation. The financial statements have been prepared on the historical cost basis, except for the revaluation of derivative financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

B) GOING CONCERN

When considering the going concern test the Board review several factors including a detailed review of the above risks and uncertainties, the Group's forecast covenant and cash headroom against lending facilities and management's current expectations (see Strategic Report for further details). As a result of this review the Board believes that the Group will continue to meet all of its financial commitments as they fall due and will be able to continue as a going concern. Therefore, the Board considers it appropriate to prepare the financial statements on the going concern basis.

Notes to the financial statements

CONTINUED

2 ACCOUNTING POLICIES CONTINUED

C) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Financial Performance from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

D) FINANCIAL PERIOD

The accounting period ends on the Saturday which falls closest to 30 September, resulting in financial periods of either 52 or 53 weeks.

Throughout the financial statements, Directors' Report and Business Review, references to 2015 mean at 3 October 2015 or the 53 weeks then ended; references to 2014 mean at 27 September 2014 or the 52 weeks then ended.

E) GOODWILL

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill of £15,080,000 written off to reserves under UK GAAP prior to 1998 has not been reinstated and will not be included in determining any subsequent profit or loss on disposal.

F) REVENUErecognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The level of sales returns is closely monitored by management and provided for when management considers them to be significant and deducted from income.

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably).

2 ACCOUNTING POLICIES CONTINUED

G) EXCEPTIONAL ITEMS

Items are classed as exceptional where they relate to one-off costs incurred in the period that the directors do not expect to be repeated in the same magnitude on an annual basis, or where the directors consider the separate disclosure to be necessary to understand the Group's performance. The principles applied in identifying exceptional costs are consistent between periods. See note 4 for details of exceptional items in the current period.

H) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets, less estimated residual value, over their estimated useful lives, on the following bases:

FREEHOLD BUILDINGS	2% PER ANNUM ON COST ON A STRAIGHT-LINE BASIS
SHORT LEASEHOLD LAND AND BUILDINGS	OVER THE PERIOD OF THE LEASE, UP TO 25 YEARS ON A STRAIGHT LINE BASIS
FIXTURES AND FITTINGS	OVER 10 YEARS, EXCEPT FOR THE FOLLOWING; 4 YEARS FOR COMPUTER EQUIPMENT OR 5 YEARS FOR DISPLAY STANDS, PER ANNUM AS APPROPRIATE
MOTOR VEHICLES	25% PER ANNUM ON A REDUCING BALANCE BASIS

Freehold land is not depreciated.

Residual value is calculated on prices prevailing at the date of acquisition.

Assets held in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

I) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each period end, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future post-tax cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

J) INVENTORIES

Inventories are stated at the lower of cost and net realisable value and relate solely to finished goods for resale, and net of supplier rebates. Cost comprises the purchase price of materials and an attributable proportion of distribution overheads based on normal levels of activity and is valued at standard cost. Net realisable value represents the estimated selling price, less costs to be incurred in marketing, selling and distribution. Provision is made for those items of inventory where the net realisable value is estimated to be lower than cost. The net replacement value of inventories is not considered materially different from that stated in the Consolidated Statement of Financial Position.

Notes to the financial statements

CONTINUED

2 ACCOUNTING POLICIES CONTINUED

K) TAXATION

The tax expense represents the sum of the tax charge for the period and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Financial Performance because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the Statement of Financial Performance, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

L) FOREIGN CURRENCY

The individual financial statements of each Group company are presented in pounds sterling (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentational currency for the consolidated financial statements.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of transactions. At each period end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Statement of Financial Performance for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in Statement of Financial Performance for the period.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

M) LEASES

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease even where payments are not made on such a basis, except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed or a provision has been made for an onerous lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group provides for the unavoidable costs prior to lease termination or sub-lease relating to onerous leases. Dilapidation costs are provided for against all leasehold properties across the entire estate.

2 ACCOUNTING POLICIES CONTINUED

N) INVESTMENTS

Fixed asset investments are shown at cost less provision for impairment.

O) RETIREMENT BENEFIT COSTS

For defined contribution schemes, the amount charged to the Statement of Financial Performance in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Consolidated Statement of Financial Position.

P) FINANCE COSTS

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

All other finance costs of debt are recognised in the Statement of Financial Performance over the term of the debt at a constant rate on the carrying amount.

Q) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

FINANCIAL ASSETS AT FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. The Group has no designated FVTPL financial assets.

A Financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied, such as discounted cash flows and assumptions regarding market volatility.

LOANS AND RECEIVABLES

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets and liabilities classified as at FVTPL.

Notes to the financial statements

CONTINUED

2 ACCOUNTING POLICIES CONTINUED

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 43 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash within three months and are subject to an insignificant risk of changes in value.

DERECOGNITION OF FINANCIAL ASSETS

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. The Group does not have any designated FVTPL liabilities.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of disposal in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

OTHER FINANCIAL LIABILITIES

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

DERECOGNITION OF FINANCIAL LIABILITIES

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2 ACCOUNTING POLICIES CONTINUED

DERIVATIVE FINANCIAL INSTRUMENTS

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates.

The Group uses foreign exchange forward contracts to manage its foreign currency risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, on the use of financial derivatives.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each period end date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

R) SHARE-BASED PAYMENTS

The Group has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 October 2005.

The Group issues equity settled share based payments to certain employees. Equity settled share based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the share based payment is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of the Black Scholes model.

The Group provides employees with the ability to purchase the Group's ordinary shares at 80% of the current market value through the operation of its share save scheme. The Group records an expense, based on its estimate of the 20% discount related to shares expected to vest on a straight line basis over the vesting period.

S) TRADE PAYABLES

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

T) OPERATING PROFIT

Operating profit is stated after charging restructuring costs but before property disposals, investment income, finance costs and fair value movement in derivative contracts.

U) PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

V) SUPPLIER INCOME

Amounts receivable from suppliers are initially held on the balance sheet within the cost of inventory and recognised within the income statement once the contractual terms of the supplier agreements are met and the corresponding inventory has been sold.

Volume rebates and price discounts are recognised in the income statement, as a reduction in cost of sales, in line with the recognition of the sale of a product.

W) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements

CONTINUED

2 ACCOUNTING POLICIES CONTINUED

The critical judgement, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in financial statements is the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue. In particular the largest judgement is where there are open orders and these goods have not been delivered to the customer, and in these cases the directors believe the significant risks and rewards of ownership of the goods have not been transferred to the buyer and therefore do not recognise revenue on these orders.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the period end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below:

INVENTORY

At the period end there were £1.9 million (2014: £2.2 million) of overheads and £2.0 million (2014: £2.1 million) of supplier income (rebates) absorbed into the inventory balance. Additionally there were £0.7 million (2014: £0.6 million) of provisions against the net realisable value of inventories.

PROPERTY PROVISIONS

ONEROUS LEASE PROVISION

During the period the Group has continued to review the performance of its store portfolio, which has resulted in no further stores being exited before their lease terms had expired (2014: two stores). In respect of the leases in relation to stores exited before lease end dates in prior periods that are still vacant, the Group has provided for what it considers to be the unavoidable costs prior to lease termination or sublease. The Group has further reviewed any trading loss making stores and provided for those leases considered to be onerous. These estimates are based upon available information and knowledge of the property market. The ultimate costs to be incurred in this regard may vary from the estimates.

DILAPIDATIONS PROVISION

The Group has estimated its likely dilapidation charges for its store portfolio and provided accordingly. This estimate involves an assessment of average costs per store and the expected exit period for the current portfolio, and is based on management's best estimate, taking into account knowledge of the property market and historical trends. The ultimate costs to be incurred may vary from the estimates.

SUPPLIER INCOME

The Group has arrangements with a number of its suppliers which award rebates on satisfaction of purchase thresholds or discounts against certain inventory lines. At the period end, the Group has invoiced £1.2 million of rebates (2014: £1.2 million) which are still outstanding in receivables and holds £2.0 million (2014: £2.1 million) of rebates within the inventory balance (as above) and accrued rebates of £1.4 million (2014: £1.1 million). The Group does not recognise the amounts received from suppliers within the income statement until the associated inventories are sold to the customers of the Group.

BUSINESS SIMPLIFICATION COSTS

During the period the Group announced its intentions to relocate the finance function to its head office in Leicester, resulting in the closure of a support office. Additionally a decision has been made to exit the Topps Clearance format in order to focus on the core Topps Tiles brand. These decisions have led to a review of the onerous lease and related property provisions and a number of redundancy announcements.

3 REVENUE

An analysis of Group revenue is as follows:

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
REVENUE FROM THE SALE OF GOODS	212,221	195,237
FAIR VALUE GAIN ON FORWARD CURRENCY CONTRACTS	135	110
INVESTMENT REVENUE	107	141
TOTAL REVENUE	212,463	195,488

Investment revenue represents bank interest receivable. There are no other gains recognised in respect of loans and receivables.

4 EXCEPTIONAL ITEMS – BUSINESS SIMPLIFICATION COSTS

During the period the Group announced the decision to relocate the finance function to Leicester and exit the Topps Clearance format in the first half of 2015-16 financial period. This will result in the exit of one central support office and nine store locations. Accordingly the Group has provided for the expected exposure to future lease commitments on these properties, resulting in a charge of £1.7million. Additionally, an impairment review has been conducted of the property, plant and equipment held by these locations, resulting in a charge of £0.2million. The Group has also provided for other restructuring costs related to this decision, resulting in a charge of £0.7million.

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
INCLUDED IN ADMINISTRATIVE EXPENSES:		
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	172	–
RESTRUCTURING COSTS	736	–
PROPERTY RELATED PROVISIONS	1,711	–
	2,619	–

5 PROFIT BEFORE TAXATION

Profit before taxation for the period has been arrived at after charging/(crediting):

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	5,243	4,553
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT*	266	399
DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT LOSS/(GAIN)	23	(401)
PROPERTY RELATED PROVISIONS CHARGED/(UTILISED)*	1,729	(7)
RESTRUCTURING COSTS	736	–
STAFF COSTS (SEE NOTE 6)	51,530	45,865
OPERATING LEASE RENTALS	23,388	21,168
WRITE DOWN OF INVENTORIES RECOGNISED AS AN EXPENSE	3,431	2,584
COST OF INVENTORIES RECOGNISED AS EXPENSE	78,152	73,783
NET FOREIGN EXCHANGE GAIN	(135)	(268)

The disposal of property, plant and equipment loss relates to the sale of one freehold property (2014: one freehold property).

* Included in the amounts above for property related provisions and impairment of property, plant and equipment, are the business simplification costs in note 4.

Notes TO THE FINANCIAL STATEMENTS

CONTINUED

5 PROFIT BEFORE TAXATION CONTINUED

Analysis of auditor's remuneration is provided below:

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
FEES PAYABLE TO THE COMPANY'S AUDITOR WITH RESPECT TO THE COMPANY'S ANNUAL ACCOUNTS	30	30
FEES PAYABLE TO THE COMPANY'S AUDITOR AND THEIR ASSOCIATES FOR OTHER AUDIT SERVICES TO THE GROUP:		
AUDIT OF THE COMPANY'S SUBSIDIARIES PURSUANT TO LEGISLATION	85	85
TOTAL AUDIT FEES	115	115
OTHER ASSURANCE	10	10
TAXATION COMPLIANCE SERVICES	70	70
REMUNERATION COMMITTEE ADVICE	2	13
SHARE PLAN ADVICE	11	–
TOTAL NON AUDIT FEES	93	93
	208	208

A description of the work of the Audit Committee is set out on page 46 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor.

6 STAFF COSTS

The average monthly number of persons and their full time equivalents employed by the Group and Company in the UK during the accounting period (including executive directors) was:

	53 WEEKS ENDED 3 OCTOBER 2015 NUMBER EMPLOYED	52 WEEKS ENDED 27 SEPTEMBER 2014 NUMBER EMPLOYED
SELLING	1,731	1,619
ADMINISTRATION	184	175
	1,915	1,794

THEIR AGGREGATE REMUNERATION COMPRISED:

WAGES AND SALARIES (INCLUDING LTIP, SEE NOTE 28)	46,844	41,577
SOCIAL SECURITY COSTS	3,838	3,636
OTHER PENSION COSTS (SEE NOTE 27B)	848	652

Details of directors' emoluments are disclosed on pages 48 to 65. The Group considers key management to be the directors only. Employee profit sharing of £10.4 million (2014: £9.8 million) is included in the above and comprises sales commission and bonuses.

7 INVESTMENT REVENUE, FINANCE COSTS AND FAIR VALUE LOSS ON INTEREST RATE DERIVATIVES

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
INVESTMENT REVENUE		
BANK INTEREST RECEIVABLE AND SIMILAR INCOME	107	141
FAIR VALUE GAIN ON FORWARD CURRENCY CONTRACTS	135	110
	242	251
FINANCE COSTS		
INTEREST ON BANK LOANS AND OVERDRAFTS	(1,231)	(2,042)
INTEREST ON UNDERPAID TAX*	(852)	(105)
	(2,083)	(2,147)

* The Group has historically provided for tax on open HMRC enquiries, some of which have now been resolved. As a result, some historic tax payments have been reallocated between periods which, whilst leading to a net reduction in the overall level of provision required, has required a reallocation of provision from corporation tax payable to cover interest which may become due on underpaid tax in earlier periods. In the event that additional tax is ultimately due in those earlier periods, it is estimated that £2.0 million of late payment interest would fall due, of which £1.1 million was provided for in the prior period. In addition the Group made a payment on account of £0.8 million in the period, in partial settlement of these open enquiries.

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
HELD FOR TRADING ASSETS AND LIABILITIES		
FORWARD CURRENCY CONTRACTS GAINS	135	110
	135	110

No finance costs are appropriate to be capitalised in the period, or the prior period.

Interest on bank loans and overdrafts represents gains and losses on financial liabilities measured at amortised cost. There are no other gains or losses recognised in respect of financial liabilities measured at amortised cost.

8 TAXATION

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
CONTINUING OPERATIONS:		
CURRENT TAX – CHARGE FOR THE PERIOD	3,946	4,087
CURRENT TAX – ADJUSTMENT IN RESPECT OF PREVIOUS PERIODS	103	(57)
DEFERRED TAX – EFFECT OF REDUCTION IN UK CORPORATION TAX RATE	–	(81)
DEFERRED TAX – CHARGE FOR PERIOD (NOTE 19)	(158)	133
DEFERRED TAX – ADJUSTMENT IN RESPECT OF PREVIOUS PERIODS (NOTE 19)	63	97
	3,954	4,179

Corporation tax in the UK is calculated at 20.5% (2014: 22%) of the estimated assessable profit for the period.

The government has announced that it intends to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020. As this legislation was not substantively enacted by 3 October 2015, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts.

Notes TO THE FINANCIAL STATEMENTS

CONTINUED

8 TAXATION CONTINUED

The charge for the period can be reconciled to the profit per the statement of financial performance as follows:

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
CONTINUING OPERATIONS:		
PROFIT BEFORE TAXATION	17,019	16,691
TAX AT THE UK CORPORATION TAX RATE OF 20.5% (2014: 22%)	3,489	3,672
TAX EFFECT OF EXPENSES THAT ARE NOT DEDUCTIBLE IN DETERMINING TAXABLE PROFIT	119	367
TAX EFFECT OF REDUCTION IN UK CORPORATION TAX RATE	–	(81)
TAX EFFECT OF CHARGEABLE GAIN LOWER THAN PROFIT ON SALE OF FREEHOLD PROPERTY	(2)	(21)
TAX EFFECT OF TANGIBLE FIXED ASSETS WHICH DO NOT QUALIFY FOR CAPITAL ALLOWANCES	182	201
TAX EFFECT OF ADJUSTMENT IN RESPECT OF PRIOR PERIODS	166	41
TAX EXPENSE FOR THE PERIOD	3,954	4,179

9 DIVIDENDS

	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
INTERIM DIVIDEND FOR THE PERIOD ENDED 3 OCTOBER 2015 OF £0.0075 (2014: £0.0065) PER SHARE		
PROPOSED FINAL DIVIDEND FOR THE PERIOD ENDED 3 OCTOBER 2015 OF £0.0225 (2014: £0.0160) PER SHARE	1,447	1,257
	4,358	3,098

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

10 EARNINGS PER SHARE

The calculation of earnings per share is based on the earnings for the financial period attributable to equity shareholders and the weighted average number of ordinary shares.

	2015 NUMBER OF SHARES	2014 NUMBER OF SHARES
WEIGHTED AVERAGE NUMBER OF SHARES		
FOR BASIC EARNINGS PER SHARE	193,683,323	192,850,860
IMPACT OF TREASURY SHARES	(799,088)	–
WEIGHTED AVERAGE NUMBER OF SHARES UNDER OPTION	1,234,227	1,690,097
FOR DILUTED EARNINGS PER SHARE	194,118,462	194,540,957

The calculation of the basic and diluted earnings per share used the denominators as shown above for both basic and diluted earnings per share.

11 GOODWILL

£'000

COST AND CARRYING AMOUNT AT 28 SEPTEMBER 2013, 27 SEPTEMBER 2014
AND 3 OCTOBER 2015

245

The balance of goodwill remaining is the carrying value that arose on the acquisition of Surface Coatings Ltd in 1998.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to, selling prices and direct costs during the period. Management estimates discount rates based on the Group's weighted average cost of capital. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. Discounted cash flows are calculated using a post-tax rate of 12.0% (2014: 12.0%).

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for the following five years. The growth rate applied does not exceed the average long-term growth rate for the relevant markets. There are no reasonable changes that would result in the carrying value of goodwill being reduced to its recoverable amount.

As a result of the annual test of impairment of goodwill, no impairment has been identified for the current period.

12 PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS	FIXTURES AND FITTINGS	MOTOR VEHICLES	TOTAL
	FREEHOLD £'000	SHORT LEASEHOLD £'000	£'000	£'000
COST				
AT 28 SEPTEMBER 2013	15,360	1,842	56,350	166
ADDITIONS	2,872	–	8,345	15
DISPOSALS	(281)	(10)	(1,236)	(61)
AT 27 SEPTEMBER 2014	17,951	1,832	63,459	120
ADDITIONS	1,129	231	10,643	5
DISPOSALS	(520)	(109)	(1,793)	(67)
AT 3 OCTOBER 2015	18,560	1,954	72,309	58
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
AT 28 SEPTEMBER 2013	1,619	1,678	35,009	64
CHARGE FOR THE PERIOD	242	51	4,228	32
PROVISION FOR IMPAIRMENT	–	–	389	10
ELIMINATED ON DISPOSALS	(94)	(10)	(1,115)	(35)
AT 27 SEPTEMBER 2014	1,767	1,719	38,511	71
CHARGE FOR THE PERIOD	290	38	4,896	19
PROVISION FOR IMPAIRMENT	–	–	266	–
ELIMINATED ON DISPOSALS	(11)	(109)	(1,627)	(43)
AT 3 OCTOBER 2015	2,046	1,648	42,046	47
CARRYING AMOUNT				
AT 3 OCTOBER 2015	16,514	306	30,263	11
AT 27 SEPTEMBER 2014	16,184	113	24,948	49

Freehold land and buildings include £4,104,000 of freehold land (2014: £4,104,000) on which no depreciation has been charged in the current period. There is no material difference between the carrying and market values.

Cumulative finance costs capitalised in the cost of tangible fixed assets amount to £nil (2014: £nil).

Contractual commitments for the acquisition of property, plant and equipment are detailed in note 27.

During the period, the Group has closed nine stores in the UK. As the fixtures and fittings within these stores cannot be re-used in other locations within the Group, the carrying value of these assets has been fully provided for in the period, with the associated impairment charge of £266,000 (2014: £389,000) included within other operating expenses.

Notes TO THE FINANCIAL STATEMENTS

CONTINUED

13 SUBSIDIARIES

A list of all subsidiaries, including the name, country of incorporation and proportion of ownership interest is given in note 3 to the Company's separate financial statements.

14 TRADE AND OTHER RECEIVABLES

	2015 £'000	2014 £'000
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
AMOUNTS RECEIVABLE FOR THE SALE OF GOODS	712	740
ALLOWANCE FOR DOUBTFUL DEBTS	(27)	(45)
OTHER DEBTORS AND PREPAYMENTS		
— RENT AND RATES	4,808	3,324
— OTHER	2,548	1,781
	8,041	5,800

The directors consider that the carrying amount of trade and other receivables at 3 October 2015 and 27 September 2014 approximates to their fair value on the basis of discounted cash flow analysis.

CREDIT RISK

The Group's principal financial assets are bank balances and cash and trade receivables.

The Group considers that it has no significant concentration of credit risk. The majority of sales in the business are cash based sales in the stores.

Total trade receivables (net of allowances) held by the Group at 3 October 2015 amounted to £0.7 million (2014: £0.7 million). These amounts mainly relate to sundry trade accounts and Tesco Clubcard Scheme generated sales. In relation to these sales, the average credit period taken is 51 days (2014: 61 days) and no interest is charged on the receivables. Trade receivables between aged over 60 days are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. Of the trade receivables balance at the end of the year, £146,000 (2014: £120,000) is due from Tesco Plc, the Group's largest customer.

Included in the Group's trade receivable balance are debtors with a carrying amount of £96,000 (2014: £42,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Ageing of past due but not impaired receivables

	2015 £'000	2014 £'000
GREATER THAN 60 DAYS	96	42

The allowance for doubtful debts was £27,000 by the end of the period (2014: £45,000). Given the minimal receivable balance, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

The allowance for doubtful debts includes £27,000 relating to individually impaired trade receivables (2014: £45,000) which are due from companies that have been placed into liquidation.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held by the Group and short term bank deposits (with associated right of set off) net of bank overdrafts, with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. A breakdown of significant bank and cash balances by currency is as follows:

	2015 £'000	2014 £'000
STERLING	16,519	19,367
US DOLLAR	14	31
EURO	31	149
TOTAL CASH AND CASH EQUIVALENTS	16,564	19,547

16 OTHER FINANCIAL LIABILITIES

TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
TRADE PAYABLES	15,505	18,193
OTHER PAYABLES	4,940	5,841
ACCRAULS AND DEFERRED INCOME	14,041	12,206
	34,486	36,240

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases is 46 days (2014: 58 days). No interest is charged on these payables.

The directors consider that the carrying amount of trade payables at 3 October 2015 and 27 September 2014 approximates to their fair value on the basis of discounted cash flow analysis.

17 BANK LOANS

	2015 £'000	2014 £'000
BANK LOANS (ALL STERLING)	44,576	49,467
THE BORROWINGS ARE REPAYABLE AS FOLLOWS:		
ON DEMAND OR WITHIN ONE YEAR	–	–
IN THE SECOND YEAR	–	–
IN THE THIRD TO FIFTH YEAR	45,000	50,000
	45,000	50,000
LESS: TOTAL UNAMORTISED ISSUE COSTS	(424)	(533)
	44,576	49,467
ISSUE COSTS TO BE AMORTISED WITHIN 12 MONTHS	116	114
AMOUNT DUE FOR SETTLEMENT AFTER 12 MONTHS	44,692	49,581

The directors consider that the carrying amount of the bank loan at 3 October 2015 and 27 September 2014 approximates to its fair value since the amounts relate to floating rate debt.

Notes to the financial statements

Continued

17 BANK LOANS CONTINUED

The average weighted interest rates paid on the loan were as follows:

	2015 %	2014 %
LOANS	2.36	3.05

The Group borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

During the previous period the Group agreed a new five year revolving credit facility of £50.0 million, expiring 1 June 2019. As at the financial period end £45.0 million of this facility was drawn (2014: £50.0 million). The loan facility contains financial covenants which are tested on a bi-annual basis.

At 3 October 2015, the Group had available £5.0 million (2014: £nil) of undrawn committed banking facilities.

18 FINANCIAL INSTRUMENTS

Financial liabilities held for trading were reclassified in the prior period in order to more appropriately reflect the requirements of IAS1. Classification as non-current liabilities ensures the instrument mirrors the cash flows of the loan facility, which it is in place to hedge against.

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 17, cash and cash equivalents disclosed in note 15 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 20 to 26.

The Group is not subject to any externally imposed capital requirements.

SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2q to the financial statements.

Categories of financial instruments:

	CARRYING VALUE AND FAIR VALUE	
	2015 £'000	2014 £'000
FINANCIAL ASSETS		
LOANS AND RECEIVABLES (INCLUDING CASH AND CASH EQUIVALENTS)	17,249	20,242
FAIR VALUE THROUGH PROFIT AND LOSS	117	–
FINANCIAL LIABILITIES		
FAIR VALUE THROUGH PROFIT AND LOSS	–	18
AMORTISED COST	60,197	66,579

The Group considers itself to be exposed to risks on financial instruments, including market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to mitigate the effects of these risks by using derivative financial instruments to hedge these risk exposures economically. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

MARKET RISK

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into forward foreign exchange contracts to hedge the exchange rate risk arising on the import of goods.

18 FINANCIAL INSTRUMENTS CONTINUED

FOREIGN CURRENCY RISK MANAGEMENT

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	ASSETS		LIABILITIES	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
EURO	31	149	2,201	1,502
US DOLLAR	14	31	500	792

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The Group is mainly exposed to the currency of China and Brazil (US dollar currency) and to various European countries (Euro) as a result of inventory purchases. The following table details the Group's sensitivity to a 10% increase and decrease in Sterling against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where Sterling strengthens 10% against the relevant currency.

	2015 £'000	2014 £'000
PROFIT OR LOSS MOVEMENT ON A 10% STRENGTHENING IN STERLING AGAINST THE EURO	197	123
PROFIT OR LOSS MOVEMENT ON A 10% STRENGTHENING IN STERLING AGAINST THE US DOLLAR	44	69
PROFIT OR LOSS MOVEMENT ON A 10% WEAKENING IN STERLING AGAINST THE EURO	(241)	(150)
PROFIT OR LOSS MOVEMENT ON A 10% WEAKENING IN STERLING AGAINST THE US DOLLAR	(54)	(85)

CURRENCY DERIVATIVES

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group uses foreign currency forward contracts in the management of its exchange rate exposures. The contracts are denominated in US dollars and Euros.

At the balance sheet date, the total notional amounts of outstanding forward foreign exchange contracts that the Group has committed to are as below:

	2015 £'000	2014 £'000
FORWARD FOREIGN EXCHANGE CONTRACTS	6,597	5,766

These arrangements are designed to address significant exchange exposures for the first half of 2015 and are renewed on a revolving basis as required.

At 3 October 2015 the fair value of the Group's currency derivatives is a £117,000 gain within prepayments (note 14) (2014: a liability of £18,000 held in accruals and deferred income). These amounts are based on the market value of equivalent instruments at the balance sheet date.

Gains of £135,000 are included in finance costs (note 7) (2014: £110,000 gain).

INTEREST RATE RISK MANAGEMENT

The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. Due to the reduced level of floating rate borrowings and the current low level of interest rates, management have not deemed it necessary to implement measures that would mitigate this risk. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Notes TO THE FINANCIAL STATEMENTS

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18 FINANCIAL INSTRUMENTS CONTINUED

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit would be impacted as follows:

	50 BASIS POINTS INCREASE IN INTEREST RATES		50 BASIS POINTS DECREASE IN INTEREST RATES	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
(LOSS) OR PROFIT	(184)	(195)	184	195

The Group's sensitivity to interest rates mainly relates to the revolving credit facility.

CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Management has considered the counterparty risk associated with the cash and derivative balances and do not consider there to be a material risk. The Group has a policy of only dealing with creditworthy counterparties. The Group's exposure to its counterparties is reviewed periodically. Trade receivables are minimal consisting of a number of insurance companies and sundry trade accounts, further information is provided in note 14.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

LIQUIDITY AND INTEREST RISK TABLES

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows (and on the assumption that the variable interest rate remains constant at the latest fixing level of 2.28688% (2014: 2.45694%)) of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2015	LESS THAN 1 MONTH £'000	3 MONTHS TO 1 YEAR £'000			TOTAL £'000
	1-3 MONTHS £'000	1 YEAR £'000	1-5 YEARS £'000		
NON-INTEREST BEARING	20,444	—	—	—	20,444
VARIABLE INTEREST RATE INSTRUMENTS	78	186	792	47,823	48,879
2014	LESS THAN 1 MONTH £'000	1-3 MONTHS £'000	3 MONTHS TO 1 YEAR £'000	1-5 YEARS £'000	TOTAL £'000
NON-INTEREST BEARING	24,034	—	—	—	24,034
VARIABLE INTEREST RATE INSTRUMENTS	95	5,199	882	49,210	55,386

The Group is financed through a £50 million (2014 £50 million), revolving credit facility of which £45 million (2014 £50 million) was utilised. At the balance sheet date the total unused amount of financing facilities was £5 million (2014 £nil). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instruments that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest and foreign currency rates as illustrated by the yield curves existing at the reporting date.

18 FINANCIAL INSTRUMENTS CONTINUED

2015	LESS THAN 1 MONTH £'000	1-3 MONTHS £'000	3 MONTHS TO 1 YEAR £'000	1-5 YEARS £'000	5+ YEARS £'000	TOTAL £'000
FOREIGN EXCHANGE FORWARD CONTRACTS PAYMENTS	–	(3,331)	(3,267)	–	–	(6,598)
FOREIGN EXCHANGE FORWARD CONTRACTS RECEIPTS	–	3,358	3,362	–	–	6,720

2014	LESS THAN 1 MONTH £'000	1-3 MONTHS £'000	3 MONTHS TO 1 YEAR £'000	1-5 YEARS £'000	5+ YEARS £'000	TOTAL £'000
FOREIGN EXCHANGE FORWARD CONTRACTS PAYMENTS	–	(2,903)	(2,864)	–	–	(5,767)
FOREIGN EXCHANGE FORWARD CONTRACTS RECEIPTS	–	2,884	2,888	–	–	5,772

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities are determined as follows:

- Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- The fair values are therefore categorised as Level 2 (2014: Level 2), based on the degree to which the fair value is observable. Level 2 fair value measurements are those derived from inputs other than unadjusted quoted prices in active markets (level 1 categorisation) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

19 PROVISIONS

		2015 £'000	2014 £'000
ONEROUS LEASE PROVISION		1,368	1,493
BUSINESS SIMPLIFICATION PROVISION		2,208	–
DILAPIDATIONS PROVISION		1,569	1,426
		5,145	2,919
CURRENT		1,736	876
NON-CURRENT		3,409	2,043
		5,145	2,919

	BUSINESS SIMPLIFICATION PROVISION £'000	ONEROUS LEASE PROVISION £'000	DILAPIDATIONS PROVISION £'000	TOTAL £'000
AT 27 SEPTEMBER 2014	–	1,493	1,426	2,919
CREATED IN THE YEAR	2,208	754	322	3,284
UTILISATION OF PROVISION	–	(880)	(178)	(1,058)
RELEASE OF PROVISION IN THE PERIOD	–	–	–	–
AT 3 OCTOBER 2015	2,208	1,367	1,570	5,145

Notes to the financial statements

CONTINUED

19 PROVISIONS CONTINUED

The onerous lease provision relates to estimated future unavoidable lease costs in respect of closed, non-trading and loss making stores. The provision is expected to be utilised over the following four financial periods. The dilapidations provision represents management's best estimate of the Group's liability under its property lease arrangements based on past experience and is expected to be utilised over the following six financial periods. The business simplification provision relates to the decision to exit the Tops Clearance format and relocation of the finance function to Leicester, resulting in redundancies and the subsequent closure of nine store locations and one support office (see note 4). The business simplification provision is expected to be utilised over the next 12 months. In addition to the provision £0.3 million of related costs have been incurred and expensed in the period and £0.1 million is reflected in the value of inventories in the Consolidated Statement of Financial Performance.

The following are the deferred tax liabilities/(assets) recognised by the Group and movements thereon during the current and prior reporting period.

	ACCELERATED TAX DEPRECIATION £'000	OTHER SHORT-TERM TIMING DIFFERENCES £'000	SHARE-BASED PAYMENTS £'000	EXCHANGE RATE DIFFERENCES £'000	INTEREST RATE HEDGING £'000	RENT FREE £'000	TOTAL £'000
AS AT 28 SEPTEMBER 2013	1,573	(23)	(478)	(28)	(2)	(616)	426
CHARGE TO INCOME	26	–	80	22	2	4	134
CHARGE IN RESPECT OF PREVIOUS PERIODS	74	23	–	–	–	–	97
IMPACT OF RATE CHANGE	(215)	–	50	4	–	80	(81)
CREDIT TO EQUITY	–	–	(315)	–	–	–	(315)
AS AT 27 SEPTEMBER 2014	1,458	–	(663)	(2)	–	(532)	261
CHARGE/(CREDIT) TO INCOME	2	–	(205)	24	–	21	(158)
CHARGE IN RESPECT OF PREVIOUS PERIODS	63	–	–	–	–	–	63
CREDIT TO EQUITY	–	–	(485)	–	–	–	(485)
AS AT 3 OCTOBER 2015	1,523	–	(1,353)	22	–	(511)	(319)

The government has announced that it intends to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020. As this legislation was not substantively enacted by 3 October 2015, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts. The effect of the future changes from 20% is expected to be to increase the net deferred tax asset by £0.1 million. To the extent that the deferred tax reverses more quickly/slowly than this the impact on the net deferred tax asset/liability will be reduced/increased.

20 CALLED-UP SHARE CAPITAL

	2015 £'000	2014 £'000
AUTHORISED 240,000,000 (2014: 240,000,000) ORDINARY SHARES OF 3.33P EACH (2014: 3.33P)	8,000	8,000
AUTHORISED 37,000,000 (2014: 37,000,000) REDEEMABLE B SHARES OF £0.54 EACH	19,980	19,980
AUTHORISED 124,890,948 (2014: 124,890,948) IRREDEEMABLE C SHARES OF £0.001 EACH	125	125
	28,105	28,105
ISSUED AND FULLY-PAID 193,700,459* (2014: 193,636,240*) ORDINARY SHARES OF 3.33P EACH (2014: 3.33P)	6,457	6,455
TOTAL	6,457	6,455

During the period the Group issued 64,219 (2014: 1,508,571) ordinary shares with a nominal value of £2,141 (2014: £50,286) under share option schemes for an aggregate cash consideration of £28,733 (2014: £438,111).

* During the period £504,000 (2014: £650,000) shares were purchased by Tops Employee Benefit Trust on behalf of the Group.

21 SHARE PREMIUM

	2015 £'000	2014 £'000
AT START OF PERIOD	1,879	1,492
PREMIUM ON ISSUE OF NEW SHARES	27	387
AT END OF PERIOD	1,906	1,879

22 OWN SHARES

	2015 £'000	2014 £'000
AT START OF PERIOD	(656)	(10)
ACQUIRED IN THE PERIOD	(504)	(650)
DISPOSED OF ON ISSUE IN THE PERIOD	530	4
AT END OF PERIOD	(630)	(656)

A subsidiary of the Group holds 799,000 (2014: 923,000) shares with a nominal value of £27,000 acquired for an average price of £0.79 per share (2014: £31,000 acquired for an average price of £0.71 per share) and therefore these have been classed as own shares.

23 MERGER RESERVE

	2015 £'000	2014 £'000
AT START AND END OF PERIOD	(399)	(399)

The merger reserve arose on pre 2006 acquisitions, the directors do not consider this to be distributable as at 3 October 2015 (2014: same).

24 SHARE-BASED PAYMENT RESERVE

	2015 £'000	2014 £'000
AT START OF PERIOD	1,941	649
CREDIT TO EQUITY FOR EQUITY-SETTLED SHARE BASED PAYMENTS	879	1,292
AT END OF PERIOD	2,820	1,941

The share-based payment reserve has arisen on the fair valuation of save as you earn schemes and long-term incentive plans. The directors do not consider this to be distributable as at 3 October 2015 (2014: same).

25 CAPITAL REDEMPTION RESERVE

	2015 £'000	2014 £'000
AT START AND END OF PERIOD	20,359	20,359

The capital redemption reserve arose on the cancellation of treasury shares and as a result of a share reorganisation in 2006. The directors do not consider this to be distributable as at 3 October 2015 (2014: same).

Notes TO THE FINANCIAL STATEMENTS

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26 RETAINED LOSSES

	£'000
AT 28 SEPTEMBER 2013	(38,679)
DIVIDENDS (NOTE 8)	(3,175)
DEFERRED TAX ON SHARESAVE SCHEME TAKEN DIRECTLY TO EQUITY	606
NET PROFIT FOR THE PERIOD	12,512
AT 27 SEPTEMBER 2014	(28,736)
DIVIDENDS (NOTE 8)	(4,534)
DEFERRED AND CURRENT TAX ON SHARESAVE SCHEME TAKEN DIRECTLY TO EQUITY	490
NET PROFIT FOR THE PERIOD	13,065
AT 3 OCTOBER 2015	(19,715)

27 FINANCIAL COMMITMENTS

A) CAPITAL COMMITMENTS

At the end of the period there were capital commitments contracted of £114,000 (2014: £164,000).

B) PENSION ARRANGEMENTS

The Group operates a defined contribution pension scheme for employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £848,000 (2014: £652,000). At the period end there were no outstanding contributions (2014: same).

C) LEASE COMMITMENTS

Minimum future sublease payments expected to be received under non-cancellable subleases amount to £3,093,000 (2014: 2,652,000).

The Group has entered into non-cancellable operating leases in respect of motor vehicles, equipment and land and buildings.

Minimum lease payments under operating leases recognised as an expense for the period were £23,388,000 (2014: £21,168,000) which includes property service charges of £783,000 (2014: £767,000).

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2015		2014	
	LAND AND BUILDINGS £'000	OTHER £'000	LAND AND BUILDINGS £'000	OTHER £'000
– WITHIN 1 YEAR	21,868	847	19,936	868
– WITHIN 2 - 5 YEARS	69,785	797	66,554	949
– AFTER 5 YEARS	54,619	–	58,285	–
	146,272	1,644	144,775	1,817

Operating lease payments primarily represent rentals payable by the Group for certain of its office and store properties. Leases are negotiated for an average term of 15 years and rentals are fixed for an average of 5 years (2014: 5).

28 SHARE-BASED PAYMENTS

The Group operates six share option schemes in relation to Group employees.

SHARE-BASED PAYMENT PLANS

Employee share purchase plans are open to almost all employees and provide for a purchase price equal to the daily average market price on the date of grant, less 20%. The shares can be purchased during a two-week period each financial period. The shares so purchased are generally placed in the employee share savings plan for a 3 or 5 year period.

Movements in share based payment plan options are summarised as follows:

	2015	2014		
	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE £	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE £
OUTSTANDING AT BEGINNING OF PERIOD	2,485,176	0.37	3,352,424	0.37
ISSUED DURING THE PERIOD	887,775	0.98	910,851	0.98
EXPIRED DURING THE PERIOD	(339,627)	0.31	(269,528)	0.31
EXERCISED DURING THE PERIOD	(64,219)	0.29	(1,508,571)	0.29
OUTSTANDING AT END OF PERIOD	2,969,105	0.63	2,485,176	0.63
EXERCISABLE AT END OF PERIOD	—	—	—	—

The inputs to the Black-Scholes Model for the above 3 (2014: 3 and 5) year plans are as follows:

	2015	2014
WEIGHTED AVERAGE SHARE PRICE — PENCE	90.5	79.0
WEIGHTED AVERAGE EXERCISE PRICE — PENCE	71.1	63.2
EXPECTED VOLATILITY — %	42.2, 36.4 and 35.1	42.2 and 43.7
EXPECTED LIFE — YEARS	3	3 or 5
RISK-FREE RATE OF INTEREST — %	0.42	0.60
DIVIDEND YIELD — %	2.03	2.79

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 3 years (2014: 3 or 5 years). The expected risk used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural forces.

DEFERRED BONUS LONG-TERM INCENTIVE PLAN

During the financial period ended 28 September 2013 an award was made under the deferred bonus long term incentive plan (LTIP) for the Senior Management Team. Under this bonus scheme 25% of the award (net of tax) is deferred in the form of shares for a two year period, with a matching share award (on a gross basis) that vests at the end of two years subject to the achievement of performance conditions relating to continuing employment within the business and EBITDA earnings growth measured over the two year period.

This scheme was replaced in January 2013 when a new Long Term Incentive Plan was approved by shareholders and as such there will be no further awards under this scheme.

The total number of shares awarded was nil (2014: 191,084), and the fair value of these deferred shares as at 3 October 2015 was £nil (2014: £88,000).

The total number of matching shares that are expected to be awarded, subject to fulfilment of the performance conditions is nil (2014: 363,614) and the fair value of these matching shares as at 3 October 2015 was £nil (2014: £167,000). No options were granted or exercised during the period (2014: None). There were no options outstanding at 3 October 2015 (2014: same).

Notes TO THE FINANCIAL STATEMENTS

CONTINUED

28 SHARE-BASED PAYMENTS CONTINUED

The inputs to the Black–Scholes Model are as follows:

		2015	2014
WEIGHTED AVERAGE SHARE PRICE	— PENCE	—	46.0
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	—	£nil
EXPECTED VOLATILITY	— %	—	36.9
EXPECTED LIFE	— YEARS	—	2
RISK-FREE RATE OF INTEREST	— %	—	0.3

The scheme closed at the end of the prior period. In the prior period expected volatility was determined by calculating the historical volatility of the Group's share price over the financial periods 2012/13 and 2013/14. The expected risk used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural forces.

LONG TERM INCENTIVE PLAN

During the financial period, a new three year Long Term Incentive plan was approved by shareholders. Under this plan a number of share options were granted to senior management. These options will vest in November 2017 subject to the achievement of certain performance criteria.

The total number of share options granted was 1,422,348 (2014: nil) and the fair value of these options as at 3 October 2015 was £1,439,000 (2014: £nil).

The inputs to the Black–Scholes Model are as follows:

		2015	2014
WEIGHTED AVERAGE SHARE PRICE	— PENCE	106.0	—
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	£nil	—
EXPECTED VOLATILITY	— %	35.1	—
EXPECTED LIFE	— YEARS	3	—
RISK-FREE RATE OF INTEREST	— %	0.5	—

Expected volatility was determined by calculating the historical volatility of the Group's share price over the 2012/13, 2013/14 and 2014/15 financial periods. The expected risk used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural forces.

During the 2012/13 financial period, a three year Long Term Incentive plan was approved by shareholders. Under this plan a number of share options were granted to senior management. These options will vest in December 2015 subject to the achievement of certain performance criteria.

The total number of share options granted was 2,073,474 (2014: 2,073,474) and the fair value of these options as at 3 October 2015 was £929,000 (2014: £929,000).

The inputs to the Black–Scholes Model are as follows:

		2015	2014
WEIGHTED AVERAGE SHARE PRICE	— PENCE	46.3	46.3
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	£nil	£nil
EXPECTED VOLATILITY	— %	42.2	42.2
EXPECTED LIFE	— YEARS	3	3
RISK-FREE RATE OF INTEREST	— %	0.6	0.6

Expected volatility was determined by calculating the historical volatility of the Group's share price over the 2011/12, 2012/13 and 2013/14 financial periods (2014: 2011/12, 2012/13 and 2013/14 financial period). The expected risk used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural forces.

During the previous financial period, a three year Long Term Incentive plan was approved by shareholders. Under this plan a number of share options were granted to senior management. These options will vest in December 2016 subject to the achievement of certain performance criteria.

The total number of share options granted was 1,441,695 (2014: 1,532,730) and the fair value of these options as at 03 October 2015 was £1,296,000 (2014: £1,351,000).

28 SHARE-BASED PAYMENTS CONTINUED

The inputs to the Black–Scholes Model are as follows:

		2015	2014
WEIGHTED AVERAGE SHARE PRICE	— PENCE	93.2	93.2
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	£nil	£nil
EXPECTED VOLATILITY	— %	42.2	42.2
EXPECTED LIFE	— YEARS	3	3
RISK-FREE RATE OF INTEREST	— %	1.1	1.2

Expected volatility was determined by calculating the historical volatility of the Group's share price over the 2011/12, 2012/13 and 2013/14 financial periods (2014: 2011/12, 2012/13 and 2013/14 financial periods). The expected risk used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural forces.

MANAGEMENT OPTIONS

During the 2012/13 financial period members of the Management team were granted share options that are due to vest in October 2015, subject to the fulfilment of criteria. The number of shares that are expected to be awarded is 260,000 (2014: 260,000) and the fair value of these shares as at 3 October 2015 was £127,000 (2014: £127,000).

The inputs to the Black–Scholes Model are as follows:

		2015	2014
WEIGHTED AVERAGE SHARE PRICE	— PENCE	46.3	46.3
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	£nil	£nil
EXPECTED VOLATILITY	— %	42.2	42.2
EXPECTED LIFE	— YEARS	3	3
RISK-FREE RATE OF INTEREST	— %	0.56	0.56

Expected volatility was determined by calculating the historical volatility of the Group's share price over the 2011/12, 2012/13 and 2013/14 financial periods. The expected risk used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural forces.

In total, the Group recognised a total expense of £1,409,000 (2014: £1,292,000) relating to share based payments.

29 RELATED PARTY TRANSACTIONS

S.K.M. Williams is a related party by virtue of his 9.99% shareholding (19,343,950 ordinary shares) in the Group's issued share capital (2014: 10.6% shareholding of 20,593,950 ordinary shares).

At 3 October 2015 S.K.M. Williams was the landlord of four properties leased to Multi Tile Limited, a trading subsidiary of Topps Tiles Plc, for £240,000 (2014: three properties for £162,000) per annum.

No amounts were outstanding with S.K.M. Williams at 3 October 2015 (2014: £nil). The lease agreements on all properties are operated on commercial arm's length terms.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. In accordance with the exemption available under IAS24.

The remuneration of the Board of Directors, who are considered key management personnel of the Group was £1.6 million (2014: £1.6 million) including share based payments of £nil (2014: £193,000). Further information about the remuneration of the individual directors is provided in the Remuneration Report on pages 48 to 65.

Company BALANCE SHEET

AS AT 3 OCTOBER 2015

	Notes	53 WEEKS ENDED 3 OCTOBER 2015 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000
FIXED ASSETS			
INVESTMENTS	3	493	3,059
CURRENT ASSETS			
DEBTORS DUE WITHIN ONE YEAR	4	10,554	5,306
DEBTORS DUE AFTER ONE YEAR	4	20,840	123,200
CASH AT BANK AND IN HAND		15,179	18,689
		46,573	147,195
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(3,415)	(5,197)
NET CURRENT ASSETS		43,158	141,998
NET ASSETS		43,651	145,057
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	6,7	6,457	6,455
SHARE PREMIUM	7	1,906	1,879
SHARE BASED PAYMENT RESERVE	7	3,354	1,945
CAPITAL REDEMPTION RESERVE	7	20,359	20,359
OTHER RESERVE	7	6,200	6,200
PROFIT AND LOSS ACCOUNT	7	5,375	108,219
EQUITY SHAREHOLDERS' FUNDS		43,651	145,057

The financial statements of Topps Tiles Plc, Companies House number 3213782, were approved by the board of directors on 1 December 2015 and signed on its behalf by:

M T M Williams

R. Parker

Directors

Notes to the Company Financial Statements

1 BASIS OF ACCOUNTING

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards and law.

Based on a detailed review of the risks and uncertainties discussed within the Strategic and Operational Review, and management's current expectations the Board believes that the Company will continue to meet all of its financial commitments as they fall due and will be able to continue as a going concern.

The current economic climate creates a degree of uncertainty in the outlook which when combined with the financial covenants included in our loan facilities, has led the Board to conduct a detailed review of a number of different trading scenarios, including reasonably possible downsides, as well as possible mitigating actions, should they be required.

Based on this analysis the Board has concluded that the Company would be able to fully meet all of its financial commitments for the foreseeable future and therefore consider it appropriate to prepare the financial statements on the going concern basis.

There have been no changes to the principal accounting policies in the period, all of which have been applied consistently throughout the period and the preceding period.

The Company issues equity settled share based payments to certain employees. Equity settled share based payments are measured at fair value at the date of grant.

Fixed asset investments are shown at cost less provision for impairment.

The Company has taken advantage of the exemption in FRS 8 from disclosing transactions with other members of the Group and the exemption in FRS 29 for making disclosures relating to financial instruments.

2 LOSS FOR THE PERIOD

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the period. Topps Tiles Plc reported a loss for the financial period ended 3 October 2015 of £102,844,000 (2014: £611,000 profit), as a result of the impairment of inter-company investments in Topps Tiles Holdings Limited of £105,100,000 (2014: £nil).

The auditor's remuneration for services to the company was £40,000 for audit related work (2014: £40,000 for audit related work). Fees relating to non-audit work totalled £nil (2014: £nil), see note 4 to the Group financial statements for further details.

The Company had no other employees other than the Directors (2014: same), whose remuneration is detailed on page 57.

3 FIXED ASSET INVESTMENTS

	SHARES £'000
AT 27 SEPTEMBER 2014	3,059
MOVEMENT IN SHARE OPTIONS GRANTED TO EMPLOYEES	179
IMPAIRMENT OF INVESTMENT IN TOPPS TILES HOLDINGS*	(2,745)
AT 3 OCTOBER 2015	493

* During the period the Group undertook a corporate restructuring process, leading to the acquisition of Topps Tiles (UK) Limited by Tiles4Less Limited. Following an impairment review, the directors decided that the investment held by Topps Tiles Plc in the intermediary holding company of Topps Tiles (UK) Limited (Topps Tiles Holdings Limited) could not be supported. The subsequent impairment charge of £2,745,000 has been utilised against the non-distributable reserves held in the company.

Notes to the Company Financial Statements

Continued

3 FIXED ASSET INVESTMENTS CONTINUED

The Company has investments in the following subsidiaries which affected the profits or net assets of the Group.

SUBSIDIARY UNDERTAKING	% OF ISSUED SHARES HELD	PRINCIPAL ACTIVITY
TOPALPHA LIMITED*	100%	PROPERTY MANAGEMENT AND INVESTMENT
ACRAMAN (318) LIMITED	100%	DORMANT
ACRAMAN (319) LIMITED	100%	DORMANT
TOPALPHA (ORPINGTON) LIMITED	100%	DORMANT
TOPALPHA (RHYL) LIMITED	100%	DORMANT
TOPALPHA (WAREHOUSE) LIMITED	100%	PROPERTY MANAGEMENT AND INVESTMENT AND PROVISION OF WAREHOUSING SERVICES
TOPALPHA (STOKE) LIMITED	100%	PROPERTY MANAGEMENT AND INVESTMENT.
TILES4LESS LIMITED*	100%	INTERMEDIATE HOLDING COMPANY
TOPPS TILES (UK) LIMITED	100%	RETAIL AND WHOLESALE OF CERAMIC TILES, WOOD FLOORING AND RELATED PRODUCTS
TOPPS TILES HOLDINGS LIMITED*	100%	INTERMEDIATE HOLDING COMPANY
TOPPS TILE KINGDOM LIMITED	100%	INTERMEDIATE HOLDING COMPANY
MULTI TILE LIMITED	100%	RETAIL AND WHOLESALE OF CERAMIC TILES, WOOD FLOORING AND RELATED PRODUCTS
TOPPS TILES DISTRIBUTION LTD	100%	WHOLESALE AND DISTRIBUTION OF CERAMIC TILES, WOOD FLOORING AND RELATED PRODUCTS.
MULTI-TILE DISTRIBUTION LIMITED	100%	INTERMEDIATE HOLDING COMPANY.
TOPPS TILES I.P COMPANY LIMITED	100%	OWNERSHIP AND MANAGEMENT OF GROUP INTELLECTUAL PROPERTY.
CIRCUITCOURT LIMITED	100%	DORMANT
BEST4TILES LIMITED*	100%	DORMANT
TOPPS TILES EMPLOYEE BENEFIT TRUST*	100%	EMPLOYEE BENEFIT TRUST
TOPPS TILES QUEST TRUSTEE LIMITED*	100%	DORMANT

* Held directly by Topps Tiles Plc

The investments are represented by ordinary shares.

All undertakings are incorporated in Great Britain and are registered and operate in England and Wales.

4 DEBTORS

	2015 £'000	2014 £'000
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
AMOUNTS OWED BY SUBSIDIARY UNDERTAKINGS	10,035	5,253
OTHER DEBTORS	3	36
PREPAYMENTS AND ACCRUED INCOME	516	17
	10,554	5,306
AMOUNTS FALLING DUE AFTER ONE YEAR:		
AMOUNTS OWED BY SUBSIDIARY UNDERTAKING	20,840	123,200

An impairment review was conducted, following the corporate restructuring process detailed in note 3. This resulted in a decision by the directors that the inter-co debtor held by the company with Topps Tiles Holdings Limited could not be fully supported. The subsequent impairment charge of £102,359,799 has been utilised against the non-distributable reserves held in the company.

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
TRADE AND OTHER CREDITORS	560	17
AMOUNTS OWED TO SUBSIDIARY UNDERTAKINGS	222	2,796
ACCRUALS AND DEFERRED INCOME	2,633	2,384
	3,415	5,197

6 CALLED-UP SHARE CAPITAL

	2015 £'000	2014 £'000
AUTHORISED 240,000,000 (2014: 240,000,000) ORDINARY SHARES OF 3.33P EACH (2014: 3.33P)	8,000	8,000
AUTHORISED 37,000,000 (2014: 37,000,000) REDEEMABLE B SHARES OF £0.54 EACH	19,980	19,980
AUTHORISED 124,890,948 (2014: 124,890,948) IRREDEEMABLE C SHARES OF £0.001 EACH	125	125
	28,105	28,105
ISSUED AND FULLY-PAID 193,700,459 (2014: 193,636,240) ORDINARY SHARES OF 3.33P EACH (2014: 3.33P)	6,457	6,455

* During the period 431,108 (£504,000) shares were purchased by Topps Tiles Employee Benefit Trust on behalf of the Group (2014: 441,594 shares – £500,000).

During the period the Group allotted 64,219 (2014: 1,508,571) ordinary shares with a nominal value of £2,141 (2014: £50,286) under share option schemes for an aggregate cash consideration of £28,733 (2014: £438,111).

7 RESERVES

COMPANY	SHARE CAPITAL £'000	SHARE PREMIUM £'000	SHARE-BASED PAYMENT RESERVE £'000	CAPITAL REDEMPTION RESERVE £'000	OTHER RESERVES £'000	PROFIT AND LOSS ACCOUNT £'000	TOTAL £'000
AT 27 SEPTEMBER 2014	6,455	1,879	1,945	20,359	6,200	108,219	145,057
LOSS FOR THE PERIOD	–	–	–	–	–	(203)	(203)
DIVIDEND RECEIVED FROM GROUP COMPANIES	–	–	–	–	–	6,999	6,999
DIVIDEND PAID TO EQUITY SHAREHOLDERS	–	–	–	–	–	(4,535)	(4,535)
WRITE DOWN OF INVESTMENT	–	–	–	–	–	(105,105)	(105,105)
ISSUE OF NEW SHARES	2	27	–	–	–	–	29
CREDIT TO EQUITY FOR EQUITY-SETTLED SHARE BASED PAYMENTS	–	–	1,409	–	–	–	1,409
AT 3 OCTOBER 2015	6,457	1,906	3,354	20,359	6,200	5,375	43,651

At 3 October 2015, the directors consider the other reserve of £6,200,000 to remain non distributable.

The directors consider £nil (2014: £105,106,000) of profit and loss account reserves not to be distributable at 3 October 2015. The prior period amount arose on an unrealised gain on the intragroup disposal of subsidiary companies. An impairment has been recognised against the related intercompany investment balance in the current period.

Five YEAR RECORD

UNAUDITED

COMPANY	52 WEEKS ENDED 1 OCTOBER 2011 £'000	52 WEEKS ENDED 29 SEPTEMBER 2012 £'000	52 WEEKS ENDED 28 SEPTEMBER 2013 £'000	52 WEEKS ENDED 27 SEPTEMBER 2014 £'000	53 WEEKS ENDED 3 OCTOBER 2015 £'000
GROUP REVENUE	175,525	177,693	177,849	195,237	212,221
GROUP OPERATING PROFIT	13,980	15,462	13,845	18,186	18,883
PROFIT BEFORE TAXATION	7,908	12,493	10,601	16,691	17,019
SHAREHOLDERS' FUNDS (DEFICIT)	(25,462)	(17,348)	(10,184)	843	10,798
BASIC EARNINGS PER SHARE	3.04p	5.14p	4.76p	6.49p	6.75p
DIVIDEND PER SHARE	1.50p	1.10p	1.25p	1.65p	2.34p
DIVIDEND COVER	1.92	4.68	3.17	3.94	2.88
AVERAGE NUMBER OF EMPLOYEES	1,661	1,654	1,720	1,794	1,915
SHARE PRICE (PERIOD END)	34.0p	46.0p	93.0p	105.0p	148.75p

All figures quoted are inclusive of continued and discontinued operations.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Topps Tiles Plc (the "Company") will be held at the Marriott Hotel, Smith Way, Grove Park, Enderby, Leicestershire LE19 1SW on 28 January 2016 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions 1–11 (inclusive) which will be proposed as Ordinary Resolutions:

1. To receive and adopt the Company's Annual Report and Financial Statements for the financial period ended 3 October 2015 together with the last Directors' Report, the last Directors' Remuneration Report and the Auditors' Report on those accounts and the auditable part of the Directors' Remuneration Report.
2. To declare a final dividend of 2.25 pence per ordinary share for the financial period ended 3 October 2015 payable on 4 February 2016 to shareholders who are on the register of members of the Company on 8 January 2016.
3. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the financial period ended 3 October 2015 as set out on pages 48 to 65 of the Company's Annual Report and Financial Statements for that period.
4. To re-elect Matthew Williams as a director of the Company.
5. To re-elect Robert Parker as a director of the Company.
6. To re-elect Darren Shapland as a director of the Company.
7. To re-elect Claire Tiney as a director of the Company.
8. To re-elect Andy King as a director of the Company.
9. To re-elect Keith Down as a director of the Company
10. To re-appoint Deloitte LLP as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next general meeting at which the Annual Report and Financial Statements are laid before the Company
11. To authorise the Directors to determine the remuneration of the auditors.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the resolutions set out below which, in the case of Resolution 12 will be proposed as an Ordinary Resolution and, in the case of Resolutions 13 to 15 (inclusive), will be proposed as Special Resolutions.

12. THAT, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to Section 551, Companies Act 2006 (the "Act"):
 - a. to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "**relevant securities**") up to an aggregate nominal amount of £2,152,317 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph (b) below in excess of £2,152,317 and further

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Notice OF ANNUAL GENERAL MEETING

CONTINUED

b. to allot equity securities (as defined in Section 560 of the Act) up to an aggregate nominal amount of £4,304,634 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph (a) above) in connection with an offer by way of rights issue;

i. in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and

ii. to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever,

provided that, unless previously revoked, varied or extended, this authority shall expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

13. THAT, the directors be and they are empowered to allot equity securities (as defined in Section 560 of the Act) of the Company wholly for cash pursuant to the authority of the directors under Section 551 of the Act conferred by resolution 12 above (in accordance with Section 570(1) of the Act) and/or by way of a sale of treasury shares (in accordance with Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

a. the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 12, by way of a rights issue only):

i. in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and

ii. to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

b. the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities up to an aggregate nominal value equal to £645,695 and

unless previously revoked, varied or extended, this power shall expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

14. THAT, the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares of 3 1/3p each in the capital of the Company ("Ordinary Shares") provided that:

a. the maximum number of Ordinary Shares hereby authorised to be purchased is 19,370,853 (representing 10% of the Company's issued Ordinary Share capital);

b. the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is 3 1/3p;

- c. the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share shall be an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased; and

this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting, but the Company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

15. THAT, a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Dated: 18 December 2015

By order of the Board

Stuart Davey

Company Secretary

Registered Office:

Thorpe Way

Grove Park

Enderby

Leicestershire

LE19 1SU

Registered Number: 3213782

Notes

1. The right to vote at the meeting is determined by reference to the register of members. Only those members registered in the register of members of the Company as at 6:00pm on 26 January 2016 or, in the event that the meeting is adjourned, close of business on such date being not more than 2 days prior to the date fixed for the adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6:00pm on 26 January 2016 or, in the event that the meeting is adjourned, after 2 working days before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member is entitled to appoint one or more persons as proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A form of proxy is enclosed and notes for completion can be found on the form and should be read carefully before it is completed. To be valid, the form of proxy must be completed, signed and sent to the offices of the Company's registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, so as to arrive no later than 10.00 am on 26 January 2016 (or, in the event that the meeting is adjourned, no later than 2 working days before the time of any adjourned meeting).
3. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. You may photocopy the enclosed proxy form, indicating clearly on each proxy form the name of the proxy you wish to appoint and the number of shares in relation to which the proxy is appointed. All forms must be signed and should be returned together in the same envelope. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. The right of a member under section 324 of the Companies Act 2006 (the "Act") to appoint a proxy does not apply to a person nominated to enjoy information rights under section 146 of the Act.
4. The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.
5. As at the close of business on the date of this notice, the Company's issued share capital comprised 193,708,537 ordinary shares of 3 1/3p each. Each ordinary share carries the right to one vote at a general meeting of the Company. No ordinary shares were held in treasury and accordingly the total number of voting rights in the Company as at the close of business on the date of this notice is 193,708,537.
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote.
7. In the case of joint holders, where more than one joint holder purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

Notice OF ANNUAL GENERAL MEETING

CONTINUED

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuers' agent (ID RA10) by the latest time for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

9. Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under section 146 of the Act ("nominee"):
 - a. the nominee may have a right under an agreement between the nominee and the member by whom he was appointed, to be appointed, or to have someone else appointed, as a proxy for the meeting; or
 - b. if the nominee does not have any such right or does not wish to exercise such right, the nominee may have a right under any such agreement to give instructions to the member as to the exercise of voting rights.

10. Capita Asset Services maintain the Company's share register. They also provide a telephone helpline service on 0871 664 0300 (calls cost 10p a minute plus network extras). Lines are open from 8:30am to 5:30pm, Monday to Friday. If you have any queries about voting or about your shareholding, please contact Capita Asset Services.
11. Members have the right to ask questions at the meeting in accordance with section 319A of the Act.
12. It is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
13. The following documents are available for inspection by members at the registered office of the Company (except Bank Holidays) during the normal business hours and at the place of the meeting not less than 15 minutes prior to and during the meeting:
 - a. the register of Directors' interests required to be kept under section 809 of the Act;
 - b. copies of the Directors' service contracts and letters of appointment of the Non-executive Directors; and
 - c. a copy of the Company's Articles of Association.
14. Information regarding the meeting, including the information required by section 311A of the Act, is available from the Company's website – www.toppstiles.co.uk.

Explanatory NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

THE ANNUAL GENERAL MEETING of the Company will be held at the Marriott Hotel, Smith Way, Grove Park, Enderby, Leicestershire LE19 1SW on 28 January 2016 at 10.00 a.m.

Four of the resolutions are to be taken at this year's Annual General Meeting as special business. By way of explanation of these and the other resolutions:

ORDINARY BUSINESS

Resolution 1

Receiving the accounts and reports

All quoted companies are required by law to lay their annual accounts before a general meeting of the Company, together with the directors' reports and auditors' report on the accounts. At the Annual General Meeting, the directors will present these documents to the shareholders for the financial period ended 3 October 2015.

Resolution 2

Declaration of Final Dividend

A final dividend of 2.25 pence per Ordinary Share is recommended by the directors for payment to shareholders on the register of members of the Company at 6.00 p.m. on 8 January 2016. Subject to approval by the Ordinary Shareholders at the Annual General Meeting, the dividend will be paid 4 February 2016. An interim dividend of 0.75p was declared which means the total dividend level will 3.00 pence per Ordinary Share for the 53 weeks prior to 3 October 2015.

Resolution 3

Directors' Remuneration Report

All quoted companies are required by law to produce for each financial year a directors' remuneration report which sets out the Remuneration Committee's policy in relation to directors' remuneration, together with the remuneration and benefits paid to directors during the year. The Company is also required to put an ordinary resolution to shareholders approving the report at the meeting at which the Company's report and accounts for that year are laid (excluding the section of the report comprising the directors' remuneration policy). As the directors' remuneration policy was approved at last year's annual general meeting and as no changes to the policy are currently being proposed, no resolution will be proposed this year in relation to the directors' remuneration policy. Accordingly, resolution 3 seeks the approval of the directors' remuneration report which is set out on pages 48 to 65 of the report and accounts for the financial period ended 3 October 2015 (excluding the directors' remuneration policy).

Resolutions 4 to 9

Re-election of Directors

The Company's articles of association require that all members of the board of directors submit themselves for re-election at least every three years. Although not required by the Company's articles, the directors will, in the interests of good corporate governance under the UK Corporate Governance Code, retire voluntarily and offer themselves for re-election. Brief biographical details about all the directors appear on pages 36 and 37 of the Annual Report and Financial Statements.

Resolution 10

Re-appointment of auditors

This resolution concerns the re-appointment of Deloitte LLP as auditors until the conclusion of the next general meeting at which accounts are laid, that is, the next Annual General Meeting.

Resolution 11

Auditors' remuneration

This resolution authorises the directors to fix the auditors' remuneration.

SPECIAL BUSINESS

Resolution 12

Directors' power to allot shares

This resolution complies with guidance issued by the Investment Association and will, if passed, authorise the Directors to allot:

- relevant securities up to a maximum nominal amount of £2,152,317 which represents approximately one-third of the Company's issued ordinary shares (excluding treasury shares) as at the date of this notice. This maximum is reduced by the nominal amount of any equity securities allotted under the authority set out in paragraph 12(b) in excess of £2,152,317; and

- in relation to a pre-emptive rights issue only, equity securities (as defined by section 560 of the Act) up to a maximum nominal amount of £4,304,634 which represents approximately two-thirds of the Company's issued ordinary shares (excluding treasury shares) as at the date of this notice. This maximum is reduced by the nominal amount of any relevant securities allotted under the authority set out in paragraph 12(a).

Therefore, the maximum nominal amount of relevant securities (including equity securities) which may be allotted under this resolution is £4,304,634.

As at the date of this notice, the Company does not have any treasury shares.

The directors do not have any present intention of exercising the authorities conferred by this resolution but they consider it desirable that the specified amount of authorised but unissued share capital is available for issue so that they can more readily take advantage of possible opportunities.

Resolution 13

Disapplication of statutory rights of pre-emption

This resolution authorises the directors in certain circumstances to allot equity securities for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where the allotment takes place in connection with a rights issue or the allotment is limited to a maximum nominal amount of £645,695, representing approximately 10% of the nominal value of the issued ordinary share capital of the Company as at 9 December 2015 being the latest practicable date before publication of this notice. Unless revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company or 18 months after the passing of the resolution, whichever is the earlier.

The Board confirms that it will only allot shares representing more than 5% of the issued ordinary share capital of the Company (excluding treasury shares), for cash pursuant to the authority referred to in paragraph (b) of Resolution 13, where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group's Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment. In respect of the authority referred to in paragraph (b) of Resolution 13, the Board also confirms its intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5% of issued ordinary share capital of the Company (excluding treasury shares) should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

TREASURY SHARES

The Company may hold any shares it buys back "in treasury" and then sell them at a later date for cash rather than simply cancelling them. Any such sales are required to be made on a pre-emptive, pro-rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the directors power to allot unissued ordinary shares on a non pre-emptive basis, resolution 13 will also give directors power to sell ordinary shares held in treasury on a non- pre-emptive basis, subject always to the limitations noted above. The directors consider that the power proposed to be granted by resolution 13 is necessary to retain flexibility, although they do not have any intention at the present time of exercising such power. As at the date of this notice, the Company does not have any treasury shares.

Resolution 14

Authority to purchase shares (market purchases)

This resolution authorises the board to make market purchases of up to 19,370,853 ordinary shares (representing approximately 10% of the Company's issued ordinary shares as at 9 December 2015, being the latest practicable date before publication of this notice). Shares so purchased may be cancelled or held as treasury shares. The authority will expire at the end of the next Annual General Meeting of the Company or 18 months from the passing of the resolution, whichever is the earlier. The directors intend to seek renewal of this authority at subsequent Annual General Meetings.

The minimum price that can be paid for an ordinary share is 3 1/3p being the nominal value of an ordinary share. The maximum price that can be paid is 5% over the average of the middle market prices for an ordinary share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased.

The directors intend to exercise this right only when, in light of the market conditions prevailing at the time and taking into account all relevant factors (for example, the effect on earnings per share), they believe that such purchases are in the best interests of the Company and shareholders generally.

Explanatory NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The overall position of the Company will be taken into account before deciding upon this course of action. The decision as to whether any such shares bought back will be cancelled or held in treasury will be made by the directors on the same basis at the time of the purchase.

As at 9 December 2015, being the latest practicable date before publication of this notice, there were outstanding awards under the Company's various share option schemes in respect of 8,176,737 ordinary shares in the capital of the Company representing 4.2% of the Company's issued ordinary share capital. If the authority to purchase the Company's ordinary shares were exercised in full, the number of outstanding options would represent 5.0% of the Company's issued ordinary share capital following the repurchase of shares.

Resolution 15

Notice period for general meetings

The Companies (Shareholders' Rights) Regulations 2009 require the Company to call general meetings (other than annual general meetings) on at least 21 clear days' notice unless shareholders approve a shorter notice period of not less than 14 clear days. Such approval was granted at last year's annual general meeting and this resolution therefore seeks to renew this approval. The approval will be effective until the Company's next annual general meeting, at which it is intended a similar resolution will be proposed. The directors' intention is to only call general meetings on less than 21 days' notice where such shorter notice period would be in the interests of shareholders as a whole.

The TEAM

A

Aaron Butler
Aaron Hider
Aaron Lonie
Aaron Rivett
Aaron Smith
Abbeyigail Boutell
Abby Tween
Abdirahman Ibrahim
Abdul Rouf
Abdul Yasir
Adam Bennett
Adam Cato
Adam Chapman
Adam Clarke
Adam Cook
Adam Crowe
Adam Gilkes
Adam Godfrey
Adam Ireland
Adam Nuttall
Adam Parsons
Adam Riley
Adam Robinson
Adam Rodriguez
Adam Rous
Adam Shearsmith
Adam Walker
Adam Ward
Adam Ware
Adam Williams
Adil Rajah
Adnan Abdullah
Adrian Kimber
Adrian Panzariuc
Afrim Mensah
Ahmad Ebrahimi Senobari
Aisha Yerimah
Akiyemi Orekoya
Aklakud Duha
Akshey Vadgama
Alan Clague
Alan Haji
Alan Hughes
Alan Parker
Alan Saunders
Alan Sinclair
Alan Smalley
Alan Sproston
Alan Wrighting
Aled Collier
Aleksandrs Gulenkovs
Alen Sithiravel
Alex Abram

Alex Hedges
Alex Whitmore
Alexander Armstrong
Alexander Bradley
Alexander Esposito
Alexander Findley
Alexander Heskett
Alexander Kempson
Alexander Mackley
Alexander Onions
Alexander Torres
Alexander Williams
Alexandra Davies
Alexandria Crowther
Alexandria Ferguson
Alfie Abbott
Ali Abshir Ibrahim
Ali Rizvi
Alison Hunt
Alison Walkinshaw
Alister Watt
Allan Busby
Allan Harper
Alnavaz Nuralah
Alwyn Bolton
Amanda Brogan
Amanda Green
Amanda Hullett
Amanda Samuel
Amandeep Bains
Amber West
Amy Hughes
Amy McGregor
Amy Simmonds
Amy Smith
Amy Wirtz
Ananthan Sivanesan
Anantharupan Ananthapuvirajah
Andre Osei
Andrea Crooks
Andrea Moon
Andrew Baldock
Andrew Belson
Andrew Callister
Andrew Canham
Andrew Chapman
Andrew Childs
Andrew Clay
Andrew Clayton
Andrew Collins
Andrew Cox
Andrew Curr
Andrew Davis
Andrew Green
Andrew Hamilton

Andrew Hanson
Andrew Harrison
Andrew Huntingford
Andrew King
Andrew Middleton
Andrew Page
Andrew Phillips
Andrew Playfoot
Andrew Riley
Andrew Sansum
Andrew Scorgie
Andrew Sharkey
Andrew Shaw
Andrew Taylor
Andrew Wade
Andrew Wagstaff
Andrew Warne
Andrew Waterfield
Andrew Wathan
Andrew Wilkinson
Andrew Winterburn
Andrew Woods
Andrew Young
Aneta Kleczek
Angela Capp
Angela Toseland
Ann Warren
Anna Forden
Anna Moulding
Anna Wedrzyk
Anna-Marie Tough
Annmarie Malone
Anthony Bradford
Anthony Christopher
Anthony Cox
Anthony Daly
Anthony Davies
Anthony Dedman
Anthony Docherty
Anthony Dolan
Anthony Gibby
Anthony Gilbert
Anthony Havvas
Anthony James
Anthony Linsell
Anthony Molyneux
Anthony Tarr
Antonia Hughes
Antonio Perkins
Antony Belham
Anub Varghese
Anwar Marshall
Arkadiusz Halas
Aron Hoff
Arron Turner

Arthur Van Aswegen
Aruna Mistry
Ashleigh Richards
Ashleigh Tucker
Ashley Cutler
Ashley Hegarty
Ashley Mansfield
Ashley Martin
Ashley Rivett
Ashraful Haque
Asteraya Engdayehu
Astone Davids
Atul Patel
Audrius Kolojanskas
Augustus Hagan

B

Barbara Connor
Barbara Smith
Barri Barnes
Barry Beaver
Barry Edwards
Barry Hanlon
Barry Hodges
Barry Jones
Barry Taylor
Barry Theobald
Barry Thomas
Barry Veasey
Beatrice Onnerth
Ben Armitage
Ben Bright
Ben Harris
Ben Holloway
Ben Howard
Ben Moore
Ben Richmond
Ben Tallis
Benjamin Fullman
Benjamin Goodey
Benjamin Lawson
Benjamin Moughan
Benjamin Rich
Benjamin Rowe
Benjamin Willis
Benjamin Woollins
Berek K-Caeser
Beth Crozier
Bianca Gradinaru
Billy Hutchins
Billy Lodge
Billy Taylor
Bobby Atwood
Bolaji Adeyanju
Brad Squires

The TEAM

CONTINUED

Bradley Moore	Charles Robbins	Christopher Tame	Daniel Caruana	
Brandon Abels	Charles Roussard	Christopher Turley	Daniel Chambers	
Brandon Adeniji	Charles Taylor	Christopher Walley	Daniel Clayton	
Brant Wells	Charlie Pelchat	Christopher Wells	Daniel Cox	
Bregetta Hill	Charlotte Brooks	Christopher Williamson	Daniel Evans	
Brendan Flynn	Charlotte Fitzgerald	Clair Jeffries	Daniel Fallows	
Brett Goulden	Charlotte Godfrey	Claire Chaffe	Daniel Friend	
Brian Cariello	Charlotte Lammin	Claire Harris	Daniel Grunwell	
Brian Cook	Charlotte Stringfellow	Claire Rayton	Daniel Hamilton	
Brian Cooper	Charmaine Chapman	Claire Sarnecki	Daniel Ingham	
Brian Cox	Chelsea Battle	Claire Tiney	Daniel Jenkins	
Brian Crews	Chelsea Cragg	Clare Barden	Daniel Jones	
Brian Flatters	Chelsea Crichton	Clare Cohring	Daniel Jones	
Brian King	Chelsea Dale	Clare Fuller	Daniel Lawrie	
Brian Linnington	Cherie Ahmet	Clare Shepherd	Daniel Little	
Bruce Fielding	Cheryl Vearncombe	Claudine Charles-Scotton	Daniel McLean	
Bruce Garrod	Chetna Shah	Colin Clarke	Daniel Milner	
Bruno Bernasconi	Chloe Singleton	Colin Dickson	Daniel Musquin	
Bryan Taylor	Choudre Grobler	Colin Griffiths	Daniel Neary	
Byron Tree	Chris Dixon	Colin Harvey	Daniel Parsons	
C				
Cade Somerville	Christain McCarthy	Colin Hayward	Daniel Philpott	
Caitlin Snider	Christian Banham	Colin Hoban	Daniel Poile	
Calbert Hall	Christine Berry	Colin Joy	Daniel Robinson	
Callum Beedles	Christine Hendry	Colin Markham	Daniel Saltmarsh	
Campbell Marr	Christine Taylor	Colin Nuttall	Daniel Scott Francis	
Carl Courtney	Christine Thistlethwaite	Colin Rymer	Daniel Sheppard-Brown	
Carl Cumberbatch	Christopher Beeson	Colin Skinner	Daniel Thornley	
Carl Foster	Christopher Bland	Colin Taylor	Daniel Willows	
Carl Fraser	Christopher Bolton	Connor Saunders	Daniel Wren	
Carl Hermitt	Christopher Bowden	Connor Swan	Daniel Wright	
Carl Whatley	Christopher Brereton	Connor Turner	Danielle Kirby	
Carl Willshee	Christopher Butler	Conrad Harrup	Danielle Noyes	
Carley Brown	Christopher Collins	Cora Morrison	Danielle Omara	
Carlos Alford Maestre	Christopher Cooper	Corrie-Leigh Goodhew	Danielle Rains	
Carlos Chowdhury	Christopher Cooper	Corrina Bowers	Danielle Whittaker	
Carlos Do Rosario Botecas	Christopher Curtis	Cory Handford	Danny Burgess	
Carol English	Christopher D'Arts	Craig Connor	Danny McInnes	
Carol Tromans	Christopher Edwards	Craig Dolling	Danny Ostler	
Caroline Bailey	Christopher Foster	Craig Henley	Darius Bright	
Caroline Beattie	Christopher France	Craig Johnson	Darran Wood	
Caroline Bennett	Christopher Harbutt	Craig Murphy	Darren Bebbington	
Caroline Bray	Christopher Heyes	Craig Reed	Darren Chester	
Caroline May	Christopher Holland	Cristina Cole	Darren Doughty	
Caroline Vernon-Sutton	Christopher Howe	Czeslaw Majorek	Darren Harper	
Carolyn Paull	Christopher Joynes			
Carolynn Remington-Hobbs	Christopher Lamb	D		
Catherine Britton	Christopher Leach	Daisy Utley	Darren Mencarini	
Catherine Platt	Christopher Moore	Dale Benford	Darren Mitchell	
Catherine Smith	Christopher Nicholls	Damian Harrison	Darren Morgan	
Catrin Anthony-Evans	Christopher Nixon	Damian Liu	Darren Murray	
Cecilia Lamb	Christopher Nottle	Damien Mole	Darren Shapland	
Chamsey Morley	Christopher Perry	Damontre Love	Darren Sherwood	
Charlene Walpole	Christopher Potter	Daniel Ashby	Darren Square	
	Christopher Sansby	Daniel Bevan	Darren Wagg	
	Christopher Simpson	Daniel Brain	Darren Weedon	
			Darron Bicknell	
			Darron Kerr	

Darryl Ferry	David Stott	Donald Magullian	Francis Weldon
David Atherton	David Thomasson	Donald Morrissey	Frank Gardner
David Augustus	David Thompson	Donald Nyoni	Frank Hibbert
David Beasley	David Timbrell-Clark	Donna Douglas	Fred Therme
David Blackhurst	David Townsley	Donovan Robinson	
David Blades	David Webb	Dorothy Stewart	G
David Bolingbroke	David Webb	Douglas Bingham	Gabriella Carvalho
David Brooks	David Weller	Douglas Nicol	Gage Wheeldon
David Burnikell	David Whitelaw	Drew Aldom	Gail Purves
David Callaghan	David Wilson	Duncan Foy	Gareth Davies
David Carpenter	David Yallop	Duncan Mayman	Gareth Fogden
David Clare	Dawn Allan	Dwain Mensah	Gareth Meakings
David Clark	Dawn Gale Curtis	Dylan Roberts	Gareth Moss
David Coupland	Dean Kelly	Dylan Taylor	Gareth Pye
David Elliott	Dean Marshall		Garry Hardy
David Fletcher	Dean Miller		Gary Allum
David Hamer	Dean Newell		Gary Ashdown
David Harper	Dean Partridge		Gary Bloomfield
David Hatton	Dean Smith-Crome		Gary Curtis
David Hayers	Dean Titchen		Gary Gear
David Henderson	Dean Woolley		Gary Gledhill
David Hill	Deana Turner		Gary Gledhill
David Hirst	Deborah Edwards		Gary Hawrylak
David Hope	Deborah Gobey		Gary Marsden
David Hussey	Deborah Rooney		Gary Marshall
David Jardim	Declan Matthiesen		Gary Nash
David Jobling	Decland Speede		Gary Pickavance
David Jones	Denis Ahmet		Gary Roberts
David Kershaw	Denis O'Brien		Gary Shapcott
David Kettlewell	Denise Johnson		Gary Thatcher
David Knight	Dennis Jovellanos		Gary Woolmore
David Lane	Dennis Lammas		Gavin Bennett
David Locke	Dennis Rawding		Gavin Collins
David Longman	Denzil Johns		Gavin Magwood
David Macartney	Derek Amoo		Gavin Meek
David Marsh	Derek Goosen		Gavin Mitchell
David Matthews	Derek Sim		Geeta Makwana
David Medlam	Dermott Reilly		Gemma Gilliver
David Meers	Desiree Turner		Gemma Haynes
David Miller	Devias Gudka		Gemma Kleeman
David Murray	Devindren Govender		Gemma Stephens
David Nichol	Dewi Evans		Geoffrey Greenwood
David Oliver	Dexter Lawrie		George Astill
David Palmer	Didar Uddin		George Birkley
David Plant	Dilawar Ali		George Burns
David Prime	Dilip Parmar		George Hawkes
David Rendall	Dinesh Amin		George Martinesz
David Savage	Dipal Parikh		Georgina Carlberg
David Sheehy	Dominic D'Souza		Geraint Griffiths
David Shewan	Dominic Gray		Geraint Thorne
David Simms	Dominic Hall		Ghirmai Solomon
David Simons	Dominic Johnson		Gianfranco Zanolini
David Sinclair	Dominic Reilly		Gianluca Ostinelli
David Smith	Dominic Summers		Gillian Grace
David Steel	Donald Benson		Gino Muco
		F	
		Faisal Ashraf	
		Faisle Sharif	
		Faizar Ali	
		Fay Dodson	
		Fayzur Rahman	
		Felipe West	
		Fiona Grant	
		Fitz Martin	
		Fizan Rajah	
		Frances Aylward	
		Francesca Wright	

The TEAM

CONTINUED

Glendale Canoville
 Glenis Gibson
 Glenn Claridge
 Glenn Elgy
 Glyn Rogers
 Gordon Davies
 Graeme Inchley
 Graham Cooper
 Graham Foster
 Graham Jones
 Graham Livingstone
 Graham Vance
 Grant Harris
 Greg Lloyd
 Gregory McHugh
 Grenville Davies
 Gurinder Chana
 Gurnaam Sharma

H
 Hannah Carter
 Hannah Peeroo
 Hannah Pritchard
 Hanz Nelson
 Harmeet Jassal
 Haroon Cockar
 Harriet Goodacre
 Harry Biggs
 Harry Kay
 Harsimran Singh Bagga
 Hazel Millington
 Heather Findler
 Heather-Marie Cooper
 Helen Beaumont
 Helen Gosling
 Helen Hughes
 Helen Walker
 Henry Smith
 Hesham Kashi
 Himesh Hirani
 Hitesh Nathu
 Holly Baxter
 Holly Nettleton
 Hugh Selley

I
 Iain Arnott
 Ian Aikman
 Ian Bird
 Ian Bloomfield
 Ian Caley
 Ian Costen
 Ian Hughes
 Ian Marshall

Ian Marshall
 Ian McNeish
 Ian Noon
 Ian Paterson
 Ian Snook
 Ian Sykes
 Ian Tivendale
 Ibrahim Ali
 Ilars Skabeikis
 Imran Ashraf
 Inderdeep Dhanjal
 Irene Dickinson
 Ivan Paitoo
 Iyuthanraj Ratnam

J
 Jaasir Wazir
 Jacek Zebrowski
 Jack Allardyce
 Jack Cairns
 Jack Campany
 Jack Coker
 Jack Finlay
 Jack Fry
 Jack Haynes
 Jack Ingram
 Jack Maddison
 Jack Millman
 Jack O'Neill
 Jack Relfe
 Jack Walker
 Jack Webster
 Jack White
 Jack Whitehead
 Jack Williamson
 Jacqueline Byrne
 Jacqueline Desborough-
 Morehead
 Jacqueline Farnan
 Jade Bunce
 Jahtal Nisa Roberts-Joseph
 Jailuene Peake
 Jaijwinder Harar
 Jake Osborn
 Jake Shopland
 Jake Woods
 James Bayley
 James Biesty
 James Cameron
 James Carpenter
 James Clifford
 James Cooney
 James Davies
 James Faulkner
 James Fox

James Heard
 James Hoare
 James Hollis
 James Holt
 James Hubball
 James Jeffreys
 James Lawson
 James McGeoch
 James Morgan
 James Pannett
 James Patston
 James Pearson
 James Pilfold
 James Robertson
 James Rolfe
 James Saunders
 James Snuggs
 James Taylor
 James Teahan
 James Tuvey
 James Vander Plank
 James Walker
 James Watt
 James Worden
 Jamie Evans
 Jamie Jenkinson
 Jamie Rose
 Jamie Sia
 Jamie Wenborn
 Jan Reddi
 Jane Harrison
 Janet Riley
 Janice Millett
 Janine Moon
 Jarreth Hawkins
 Jasbir Singh
 Jason Barker
 Jason Buckley
 Jason Coupland
 Jason Darcy
 Jason Ealden
 Jason Gallagher
 Jason Knox
 Jason Meadows
 Jason Pratt
 Jason Rose
 Jason Thomas
 Jason Wilcox
 Jaunius Kurstakas
 Javeed Parkar
 Jay Strawford
 Jayandrie Chetty
 Jayaprakash Paragjee
 Jayden Cuthbert
 Jaymal Arjan

Jayne Warlow
 Jeannette Hastie
 Jed Nethercot
 Jedrzej Politowski
 Jeff Arscott
 Jeffrey Armstrong
 Jeffrey Mudiman
 Jemma Wyatt
 Jennifer Seabrook
 Jennifer Wall
 Jennifer Yates
 Jenny Inkson
 Jessica Cokeley
 Jessica McCarthy
 Jessica Rowlands
 Jessica Thiari
 Jigna Naran Lalji
 Jill Cox
 Joanna Dimonaco
 Joanna Herbert
 Joanna Terrell
 Joanne Cox
 Joanne Elton
 Joanne Harris
 Jodie Jones
 Joe Lamond
 Joe Mathews
 Joe McPherson
 Joe Smith
 Joel Barker
 John Bingley
 John Bourke
 John Cook
 John Cooper
 John Ellis
 John Fawkes
 John Field
 John Forden
 John Gardner
 John Harris
 John Harrison
 John Hesp
 John Hickey
 John Hughes
 John Keouski
 John McLaren
 John Moat
 John Murphy
 John Page
 John Shaw
 John Smith
 John Tait
 John Taylor
 John Thompson
 Johnathan McCallum

Jon Davis	Juliet Wilford	Kelvin Lansdowne	Laura Horton
Jon Reynolds	Justin Bradley	Kenneth Owen	Laura Jacques
Jon Thatcher	Justin Coyle	Kenneth Westley	Laura James
Jon-Paul Hughes	Justin Evans	Kenneth Williams	Laura Johnson
Jonathan Boxall	Justin Korankye-Addai	Kerri Atkinson	Laura Racey
Jonathan Coombs	Justin Marlow	Kevan Richardson	Laura Sansom
Jonathan Coyne	Juttinder Digpal	Kevin Atherton	Lauren Bettison
Jonathan East		Kevin Baker	Lauren Holmes
Jonathan Hall		Kevin Bowtle	Laurence Jones
Jonathan Hargreaves		Kevin Fox	Laurence Pendrill
Jonathan Morgan	Kalpeshkumar Patel	Kevin Hailes	Lauris Popovs
Jonathan Pringle	Kamal Embarek	Kevin Hardy	Lavarn Morgan
Jonathan Roberts	Kamaljit Atkar	Kevin Hartley	Layla Kellaway
Jonathan Samuel	Kamaljit Thandi	Kevin Hodson	Layla Pring
Jonathan Sheerin	Kamil Janas	Kevin Jeans	Layla Pyatt
Jonathan Smith	Kamlesh Shah	Kevin Jones	Leah Morgan
Jonathan Stearman	Karen Brook	Kevin Nicol	Leanne Curry
Jonathan Stone	Karen Dodds	Kevin Redmond	Leanne Palmer
Jonathan Sutton	Karen Leimetter	Kevin Rowe	Lee Adam
Jonathan Wallace	Karen Sutcliffe	Kevin Sheils	Lee Baxter
Jonathan Williams	Karis Hall	Kevin Smith	Lee Carlos
Jonathan Woodroff	Karl Aran	Kevin Thorne	Lee Cash
Jonathon Turner	Karl Batterham	Kieran Barnes-Warden	Lee Clarke
Jordan Gibbins	Karl Haines	Kieran Corben	Lee Dering
Jordan Macdonald	Karl Lippatt	Kieran Fleet	Lee Dover
Jordan Webb	Karl Stephens	Kieran Gardiner	Lee Galloway
Josef Kinski	Karl Turner-Talmage	Kieran Clarke	Lee Gardner
Joseph Cox	Karl Verry	Kim Liddle	Lee Gibson
Joseph Daly	Karl White	Kim Moriarty	Lee Graham
Joseph Gregorace	Kashan Riley	Kirandeep Kaur	Lee Hutchinson
Joseph Jones	Katarzyna Roberts	Kirk Irvine	Lee Jacovou
Joseph Reames	Kate Flitton	Kirsten Cummings	Lee James
Joseph Shyne	Kate O'Connor	Kirstie Leonard	Lee Johnstone
Joseph Sweeney	Katerina Gavriel	Kirstie McDowell	Lee Jones
Josephina Lane	Kathrine Wainwright	Kirti Patel	Lee McConnell
Josephine Ketskemety	Kathryn Baird	Kranthi Billakanti	Lee Read
Joshua Batterham	Kathryn Finch	Kristian Catterall	Lee West
Joshua Blain	Kathryn Pell	Kristopher Bailey	Lee Wilkinson
Joshua Darby	Kathryn Robinson	Kristopher Brough-Rutland	Leigh Hyam
Joshua Elliott	Katie Boggis	Krystian Sior	Leighton Davies
Joshua Groener	Katie Brindley-Hughes	Krystle Milan	Leon O'Neill
Joshua Jackson	Katie Bush	Kuljit Aujla	Leon Pryce
Joshua Lambert	Katy Hyslop	Kunal Pandya	Leona Parker
Joshua Outram	Kawaljit Gulati	Kyle Francis	Leonard Finch
Joshua Paton-Rolls	Keiran Ling	Kyle Hardie	Leonora Moses
Joshua Rapley	Keith Alexander	Kyle Morris-Campbell	Lesley Watson
Joshua Wright	Keith Ambrose	Kyle Nightingill	Lesley Willcox
Judith Duncan	Keith Baker	Kyle Welford	Lesley Wilson
Juginder Gill	Keith Down		Leslie Shemmeld
Julia Kerr	Keith Earl		Lewis Adkins
Julian Myles	Keith Fitzpatrick		Lewis Axford
Julie Brachtvogel	Keith Johnson		Lewis Collins
Julie Cox	Keith Rudkin		Lewis Crossley
Julie Fewings	Kelly Savile		Lewis Hall
Julie-anne Harris	Kelly Weyman		Lewis Harry
	Kelly-Anne O'Connor		
		L	
		Lance Cale	
		Lara McKenzie	
		Laura Adams	
		Laura Costa	
		Laura Henry	

The TEAM

CONTINUED

Lewis Prentice
 Lewis Saunders
 Lewis Walter
 Lewis Williams
 Leza McDonald
 Liam Allen
 Liam Bantin
 Liam Cowan-Fields
 Liam Hogan
 Liam Hubbard
 Liam Hunt
 Liam Moore
 Liam Piper
 Liam Rushton
 Lianne Harrison-Allcock
 Libby Field
 Linda Herbert
 Linda Scott
 Lindsey Flint
 Lisa Algar
 Lisa Cullen
 Lisa Holmes
 Lisa Noel
 Lisa Pallett
 Lloyd Jackson
 Loucas Louca
 Louis Whittle
 Louise Jeffery
 Louise Wilson
 Luana Freeman
 Lucas Mavlappas
 Lucinda Mazzei
 Lucy McGennity-Bane
 Lucy Taylor-Simpson
 Luke Cameron
 Luke Day
 Luke Durham
 Luke Kerr
 Luke Livermore
 Luke McNally
 Luke Patel
 Luke Potiphar
 Luke Saunders
 Luke Tilley
 Luke Tilson
 Luke Woodward
 Luke Woodward
 Luther Tunmore-Lansdowne-kyi
 Lynette Levi
 Lynn Pearson
 Lynsey Smart

M
 Maciej Krzyzaniak
 Maciej Rabczewski
 Mahesh Wara
 Mahomadzuber Saiyed
 Malcolm Ferguson
 Malcolm Temple
 Mandy Aidney
 Manjit Aluwahlia
 Mansoor Ali
 Marc Trim
 Marcin Kupczyk
 Marcin Malinowski
 Marcin Sakowicz
 Marcin Senkowski
 Marcus Battie
 Marek Kloda
 Margaret Lawrie
 Maria Drozdova
 Maria Furniss
 Maria Thompson
 Marie Biggs
 Marius Jackevicius
 Mark Allenden
 Mark Allman
 Mark Bianchi
 Mark Braithwaite
 Mark Brown
 Mark Burgess
 Mark Coe
 Mark Davies
 Mark Discombe
 Mark Frisby
 Mark Fuller
 Mark Gasson
 Mark Holland
 Mark Hunter
 Mark Johnson
 Mark Johnston
 Mark Keymer
 Mark Lever
 Mark Maciver
 Mark Mott
 Mark Owen
 Mark Palmer
 Mark Pancott
 Mark Ridley
 Mark Stephens
 Mark Tenant
 Mark Thompson
 Mark Tilley
 Mark Vaughan
 Mark Waldock
 Mark Walters

Mark Whitaker
 Mark Winder
 Mark Winger
 Mark Woodyatt
 Mark Wordley
 Mark Wright
 Mark Wylie
 Marlon Barnes
 Marlon Bright
 Martha Karczewska
 Martin Derricott
 Martin Evans
 Martin Foster
 Martin Osborne
 Martin Pickard
 Martin Sloggett
 Martin Smyth
 Martin Turner
 Martin Williams
 Martin Williams
 Martin Winterburn
 Martin Wys
 Martina Way
 Martyn Costen
 Martyn Lovell
 Martyn Somerville
 Martyn Spring
 Martyn Strange
 Mary Syme
 Mathew Clifton
 Mathew Demaurie
 Mathew Lampard
 Mathew Tapp
 Matthew Antell
 Matthew Attwood
 Matthew Britton
 Matthew Copestake
 Matthew Crowton
 Matthew Dunne
 Matthew Fisher
 Matthew Foster
 Matthew Foulger
 Matthew Harris
 Matthew Hawley
 Matthew Hay
 Matthew Holland
 Matthew Ingram
 Matthew Jones
 Matthew King
 Matthew Lindsay
 Matthew Love
 Matthew McPhee
 Matthew Moore
 Matthew Nash
 Matthew Richardson

Matthew Robinson
 Matthew Robinson
 Matthew Sims
 Matthew Stevenson
 Matthew Stewart
 Matthew Warne
 Matthew Wesson
 Matthew Whitlock
 Matthew Williams
 Matthew Williams
 Matthew Woodhouse
 Matthew Wright
 Megan Broadway
 Mehmet Asdoyuran
 Mehran Ulhaq
 Melanie Abbott
 Melanie Gray
 Melanie Toole
 Melissa Wadman
 Melissa Hemming
 Melton Thompson
 Melvyn Chamberlain
 Mervyn Thorne
 Michael Boland
 Michael Boughton
 Michael Bowden
 Michael Buckley
 Michael Comer
 Michael Congdon
 Michael Darroch
 Michael Dinnage
 Michael Dinter
 Michael Earls
 Michael Edwards
 Michael Edwards
 Michael Fannon
 Michael Fawcett
 Michael Finkill
 Michael Finn
 Michael Foley
 Michael Goodfield
 Michael Griffiths
 Michael Haggett
 Michael Hall
 Michael Hopper
 Michael Howden
 Michael Huskisson
 Michael Jack
 Michael Jenks
 Michael Kolapo
 Michael Lay
 Michael Litster
 Michael Locke
 Michael Lovelock
 Michael McGarry

Michael McNally
Michael Moss
Michael Queen
Michael Quinn
Michael Upton
Michael Van Sittert
Michael Weeks
Michaela Thomas
Michaella Watson
Michal Politowski
Michele Trickett
Michelle Hill
Michelle Kempson
Michelle le Monnier
Michelle Moore
Mick Wells
Miles Burden
Mindaugas Kairys
Mitchell Williams
Mkhonto Gumede
Mohamed Mufallal
Mohamed Patel
Mohammad Mukhtar
Mohammad Uddin
Mohammed Amin
Mohammed Hoque
Mohammed Jamil
Mohammed Jimale
Mohammed Khalid
Mohammed Parvaz
Mohammed Ibad Khan
Morva Leslie
Mr Thomas Watson
Mr Topps (retired)
Mubashir Uddin
Muhammad Ikram Shafqat
Murdo Martin
Mustafa Khan
Mustafa Mohamed

N

Naomi McKenzie
Narinder Chatha
Natalie Boyd
Natalie McCuaig-Finlay
Natalie Paine
Natalie Palumbo
Natalie Ratsavong
Natasha Danby
Natasha Hibberd
Nathan Austin
Nathan Cavanagh
Nathan Coulthard
Nathan Harry
Nathan Sobers

Nathan Wells
Nathan Wilson
Nathan Winterton
Nauris Vinkelis
Ndumiso Mafa
Neil Ammon
Neil Brownley
Neil Hendy
Neil Homan
Neil Jones
Neil Muckle
Neil Pears
Neil Roessner
Neil Southgate
Neil Sparkes
Neil Topping
Neil Wardlaw
Neil Williams
Nicholas Aylwin
Nicholas Billyeald
Nicholas Gadd
Nicholas Harden
Nicholas Houghton
Nicholas Lawrence
Nicholas Lee
Nicholas Lodge
Nicholas Redway
Nicholas Stone
Nicholas Walch
Nicholas Withers
Nicholaus Buchanan
Nick Wardman
Nicky Glenister
Nicola Howlett
Nicola McWatt
Nicola Squires
Nicole Andrews
Nigel Fleming
Nikki Hymers
Nirmal Sagoo
Nishit Shah
Numan Usman

O

Oliver Haghghi
Olivia Harte
Olivia Pilson-Wood
Omid Ibrahim
Ovidiu Agache
Owen Tudor
Oz Masaya
Ozan Kaya

P

Paige Makepeace
Pankaj Bhardwaj
Paolo Segagni
Paresh Nagar
Patricia Duncan
Patrick Coleman
Paul Baxter
Paul Burkett
Paul Burrow
Paul Cartledge
Paul Chambers
Paul Chapman
Paul Clark
Paul Cowen
Paul Dalby
Paul Davey
Paul Elliott
Paul Freeborn
Paul Galvin
Paul Goddard
Paul Hargreaves
Paul Hesketh
Paul Holmes
Paul Hutchins
Paul Irving
Paul Kelly
Paul Laverty
Paul Lee
Paul Lester
Paul Logue
Paul McCabe
Paul Miller
Paul Mills
Paul Nicholls
Paul Noyes
Paul Semple
Paul Sylvester
Paul Smith
Paul Starkey
Paul Tenant
Paul Third
Paul Tregaskis
Paul West
Paul Whittington
Paul Whitworth
Paul Wilson
Paula Budsworth
Pauline Harrison
Pawel Pudelko
Pawel Warych
Penny Davis
Pete Bauer
Peter Anderson

Peter Callan
Peter Charters
Peter Crimp
Peter Gibbons
Peter Goulding
Peter Harley
Peter Higgins
Peter Hogg
Peter James
Peter Knights
Peter Lees
Peter Simmonds
Peter Sincock
Peter Turtle
Peter Valley
Peter Wiles
Peter Young
Philip Cranston
Philip D'Souza
Philip Dunn
Philip Gallop
Philip Jones
Philip Kelly
Philip Kelly
Philip McCarney
Philip Okai
Philip Stocks
Phillip Brundell
Phillip Goode
Phillip Gundel
Phillip Walters
Phillipa Hewitt
Phoebe Webb
Poonam Patel
Portia Boehmer
Preline Martha
Pritisha Mukherjee
Przemyslaw Drabinski

Q

Quadeer Ahmed
Quang Pham

R

Rachel Cartmell
Rachel Fellows
Rachel Johnson
Rae Williams
Rafal Szlachetka
Rain Richmond
Raj Surani
Rajiv Vadgama
Rajneet Sahota
Raul Ivanescu

The TEAM

CONTINUED

Ravendra Bishun	Robert Howker	Sameer Jamdar	Shane Malone
Rebeca Wallis	Robert Jackson	Samson Okolosi	Shane Mason
Rebecca Butler	Robert Jay	Samuel Carey	Shane Till
Rebecca Julier-Goodwin	Robert Jones	Samuel Heath	Shannon Oliver
Rebecca Kelly	Robert Keohone	Samuel Kirk	Sharif Islam
Rebecca Mills	Robert King	Samuel Robinson	Sharon Beckett
Rebecca Moore	Robert Knight	Samuel White	Sharon Buckley
Rebecca Oblein	Robert Kreamer	Samuel Yoganathan	Sharon Papantonio-Barrett
Rebecca Ogilvie	Robert Kweli	Sandra Ramsay	Sharon Simmonds
Rebecca Redfern	Robert Moss	Sanjeev Pal	Shaun Dodson
Rezim Ahmad	Robert Myers	Sarah Bacon	Shaun Harwood
Rhys Bennett	Robert Parker	Sarah Barker	Shaun Mayes
Rhys Hedges	Robin Auld	Sarah Burnard	Shaun Pawsey
Richard Bickers	Robin Perrin	Sarah Cassam	Shaun Scanlon
Richard Bleach	Robin Stagg	Sarah Dobson	Shaun Scott
Richard Bourne	Roger Gridley	Sarah Drake	Shauna Campbell
Richard Brooks	Roger Lazenby	Sarah Harrup	Shaynah Gandhi
Richard Carter	Romal Williams	Sarah Jordan	Sheikh Saidy
Richard Carter	Romans Petuhovs	Sarah Kite	Shelley Burton
Richard Clark	Ronald Woolgar	Sarah McLure	Shelley Carey
Richard Davies	Rory Reeves	Sarah Newcomb	Shelley Rutter
Richard Diamond	Ross Ashbrook	Sarah Jane Pierpoint	Shineat Nicholls
Richard Edwards	Ross Copley	Satinder Nandhra	Shirley Moore
Richard Geare	Ross Dyson	Satvinder Sandhu	Shrina Shah
Richard Hickman	Ross Kerr	Savio Coutinho	Shyam Pankhania
Richard Hopkin	Ross Knight	Scott Ahmad	Sylo Brookes
Richard Hudson	Ross Langford	Scott Birdseye	Sian Austen
Richard Lewington	Ross Matthews	Scott Bond	Silvi Atanasova
Richard Mann	Roxanne Evans	Scott Currie	Silvonne McLean
Richard McCracken	Russell Arnold	Scott Gill	Simon Beare
Richard Oates	Ryan Apark	Scott Goodway	Simon Bodell
Richard Oldale	Ryan Bryant	Scott Johnston	Simon Brookfield
Richard Palfrey	Ryan Coleman	Scott Meadows	Simon Brookfield
Richard Slack	Ryan Curd	Scott Pattison	Simon Chappell
Richard Small	Ryan French	Scott Summers	Simon Coombs
Richard Westell	Ryan Jones	Scott Thirlaway	Simon Farley
Rickie Byrne	Ryan Lawrence-Cokayne	Scott Williams	Simon Frew
Ricky Bishop	Ryan Randall	Sean Cahill	Simon Green
Ricky Freeman-Roach	Ryan Ruffle	Sean Collins	Simon Grimmett
Robbie Perry	Ryan Watts	Sean Dare	Simon Jackson
Robel Ghebrewold		Sean Gee	Simon Jones
Robert Adams		Sean King	Simon Knight
Robert Adkins		Sean McLean	Simon Lasham
Robert Allman		Sean Tagney	Simon Leslie
Robert Ballantyne		Sean Taylor	Simon Lewis
Robert Beard		Sean Tugman	Simon Marks
Robert Black		Sean Weatherby	Simon Morgan
Robert Chawner		Shafeek Mohamed	Simon Neal
Robert Clark		Shahid Mahmood	Simon Pitt
Robert Clarke		Shamara McKenzie-Rochester	Simon Roberts
Robert Clarke		Shana Esworthy	Simon Webb
Robert Collins		Shane Bryan	Simon Witham
Robert Exley		Shane Daley	Simona Barticel
Robert Gedlek		Shane England	Sinead Gray
Robert George		Shane Lindsay	Siobhan Ashman
	S		
	Sabina Redlin		
	Sahibjit Samra		
	Sahla Trew		
	Salman Bawani		
	Sam Attfield		
	Sam Davis		
	Sam Thomas		
	Samantha Cunningham		
	Samantha Evans		
	Samantha Gray		
	Samantha Leavis		
	Samantha Makrygiannis		
	Samantha Simons		

Skender Trstena
Sophie Doggart
Sophie Pitt
Sophie Pritchard
Stanislaw Maciorowski
Stefan Clark-Carter
Steffan Williams
Stephanie Ailwood
Stephanie Hogg
Stephanie Nevett
Stephen Adams
Stephen Amos
Stephen Anthony
Stephen Bloomfield
Stephen Boyd
Stephen Brown
Stephen Carr
Stephen Clayton
Stephen Collins
Stephen Corkett
Stephen Edmonds
Stephen Erskine
Stephen Foote
Stephen France
Stephen Freeman
Stephen Gaylor
Stephen Green
Stephen Hall
Stephen Iwasyszyn
Stephen Kelly
Stephen Lopes
Stephen Machin
Stephen Maidment
Stephen Marshall
Stephen Morris
Stephen Phillips
Stephen Rowlinson
Stephen Sanders
Stephen Seymour
Stephen Smith
Stephen Smith
Stephen Spurgeon
Stephen Starkie
Stephen Welsby
Stephen West
Steven Birch
Steven Bristow
Steven Dooley
Steven Dyer
Steven Gillham
Steven Higgins
Steven Howells
Steven Ives
Steven Jenkins
Steven Kane

Steven Kernot
Steven Larner
Steven Macarthur
Steven Presley
Steven Richards
Steven Souter
Steven Walker
Steven Whitehead
Steven Wood
Steven Woods
Stuart Baigent
Stuart Barrett
Stuart Clarke
Stuart Corlett
Stuart Davey
Stuart Dixon
Stuart Fletcher
Stuart Furlonger
Stuart Harris
Stuart Langford
Stuart Munton
Stuart Pemberton
Stuart Rees
Stuart Ross
Stuart Smith
Stuart Whitby
Stuart Williams
Sukhdev Bains
Sule Daley
Surmukh Jandu
Susan Attwell
Susan Bill
Susan Black
Susan Henshall
Susan Hulme
Susan Law
Susan Shields
Syed Ali

T

Tahmid Islam
Tami Robinson
Tammie O'One
Tammie Spencer
Tauseef Usman
Terence Dooley
Teresa Allen
Terry Salisbury
Terry Smith
Tevyn Mathurin
Theruchenthuran Erathinasingam
Thomas Brien
Thomas Britten
Thomas Crawford
Thomas Cunningham

Thomas Elliott
Thomas Evans
Thomas Fitzgerald
Thomas Gercs
Thomas Lewis
Thomas Lowe
Thomas Miller
Thomas Mills
Thomas Moran
Thomas Murray
Thomas Newman
Thomas Otley
Thomas Parkes
Thomas Ross
Thomas Ryan
Thomas Seaden
Thomas Surridge
Thomas Swain
Thomas Utting
Thomas Wade
Thomas Wade
Thomas Weedon
Thomas Whitlock
Tim Chaifield
Tim Richards
Timea Szabo
Timmy Sandwell
Timothy Bentley
Timothy Bird
Timothy Boardman
Timothy Coupland
Timothy Hartwick
Timothy Stanhope
Timothy Tatlock
Timothy Tuff
Tobias Knox
Toby Bayley
Toby Collins
Todd Routledge
Tom Mason
Toni Gormley
Toni Lambert
Tony Dumbleton
Tony Higson
Tracey Hansard
Tracy Wearmouth
Tracy Wickenden
Trashgim Syla
Travis Thompson
Trevor Thomas
Tyrell Beckham
Tyrone Gambrell

U

Udo Jungbecker
Useni Feno

V

Veronica Evett
Victoria Carrington
Victoria Moore
Vilius Meilus
Vinod Joshi

W

Waqr Raja
Warren Bester
Wayne Farini
Wayne Randall
Wayne Reed
Wei Mean Donlan
Wesley Neukermans
Will Carter
William Bailey
William Barreda
William Gunshon
William Lewinton
William Ralls
William Short
William Wylie
Wyn Dunn-Davies

Y

Yasinul Hoque
Yohannes Getachew
Yvonne Burgess

z

Zahid Hossain
Zainab Idris
Zlatko Milovanovic
Zoe Atkinson
Zoe Fletcher
Zoe Killick
Zydrunas Slazikas

Store LOCATIONS

London

Chesham
Chingford
Colindale
Golders Green
Harrow
Hayes
Highgate
Maida Vale
New Southgate
New Southgate TC
North Finchley
Park Royal
Ruislip
Southall
Staples Corner
Uxbridge
Wembley
Willesden
Barking
Beckton
Catford
Charlton
Dagenham
Dartford
Eltham
Forest Hill
Ilford
Ilford Seven Kings
Mile End
Old Kent Road
Romford
Shoreditch
Acton
Battersea
Brentford
Cheam
East Sheen
Feltham
Fulham
Gunnersbury
Hounslow
Penge
Raynes Park
Streatham
Surbiton
Twickenham
Vauxhall
Wandsworth
Wimbledon
Borehamwood
Enfield
Hemel Hempstead
St Albans
Waltham Cross

Beckenham
Bromley Common
Croydon (Purley)
Croydon (Thornton)
Orpington
Orpington TC
West Wickham
Clapham
Islington
Walton on Thames
Bayswater Boutique
Wimbledon Boutique

Midlands

Barnsley
Doncaster
Doncaster Sprotborough
Grimsby
Hull
Hull TC
Rotherham
Sheffield Meadowhall
Worksop
Newcastle-Under-Lyme
Northwich
Boston
Chesterfield
Derby (Meteor)
Derby (Osmaston)
Grantham
Lincoln (Outer Circle)
Lincoln (St Marks)
Long Eaton
Mansfield
Newark
Nottingham (Castle Park)
Nottingham Lady Bay
Spalding
Binley
Coventry
Enderby
Erdington
Kettering Baron
Kings Heath
Leicester
Loughborough
Nuneaton
Rugby
Sheldon
Solihull
Stratford
Burton on Trent
Cannock
Congleton
Crewe

Fenton
Great Barr
Kidderminster
Lichfield
Nantwich
Redditch
Shrewsbury
Stoke On Trent TC
Tamworth
Telford
West Bromwich
Wolverhampton

North

Carlisle
Workington
Darlington
Durham Dragonville
Gateshead
Harrogate
Northallerton
Scarborough
Sheffield Penistone Road
Sunderland
Stockton
Tyneside
York Clifton Moor
Aintree
Anfield
Barrow
Birkenhead
Blackburn
Blackpool Marton
Bolton
Chester
Chorley
Cleveleys
Morecambe
Ormskirk
Preston
St Helens
Warrington
Widnes
Wigan
Wigan TC
Bradford
Cheadle
Cheetham Hill
Failsworth
Huddersfield
Hyde
Leeds
Macclesfield
Oldham
Pontefract

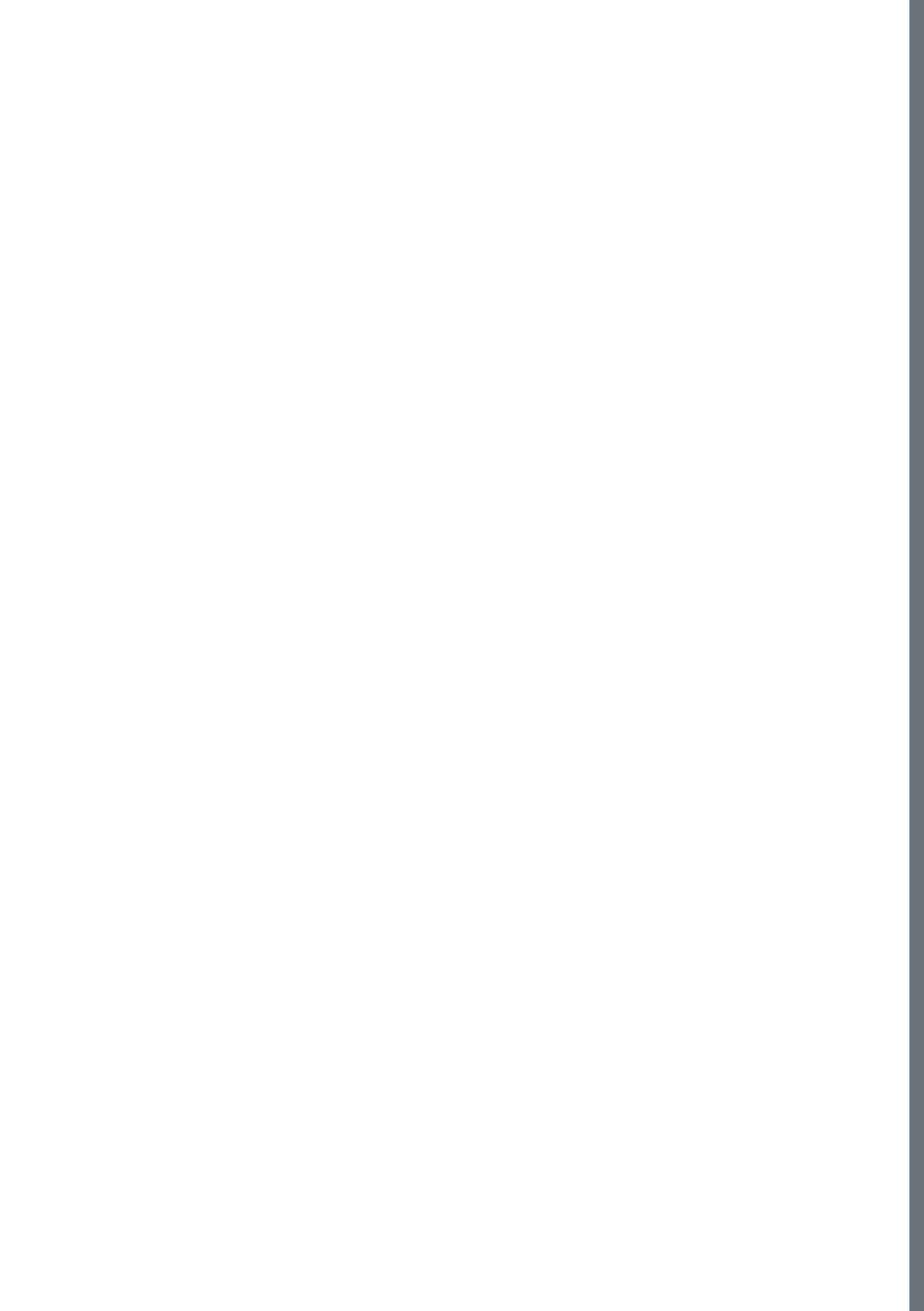
Sale
Salford
Snipe (Audenshaw)
Stockport
Stockport TC
Wakefield
Bury

Scotland and Northern Ireland

Aberdeen (Bridge of Don)
Aberdeen (Wellington)
Ayr
Belfast Newtonabbey
Dumfries
Dundee
Edinburgh (Fort Kinnaird)
Edinburgh (Seafield)
Belfast Boucher Road
Elgin
Glasgow
Govan
Greenock
Hillington
Inverness
Shawfield
Sighthill
Wishaw

South

Cribbs Causeway
Evesham
Hereford
Cambridge
Kings Lynn
Peterborough (Boongate)
Peterborough (Rex Centre)
St Neots
Stamford
Wisbech
Huntingdon
Market Harborough
Northampton (Orbital Park)
Wellingborough
Worcester
Abingdon
Basingstoke
Bristol
Cheltenham
Chippenham
Cirencester
Clevedon
Frome
Gloucester



Hengrove
 Newbury
 Oxford (Botley)
 Oxford (Cowley)
 Reading
 Swindon
 Swindon TC
 Weston Super Mare
 Winchester
 Witney
 Basildon
 Braintree
 Bury St Edmunds
 Chelmsford
 Chelmsford Springfield
 Clacton on Sea
 Colchester
 Cromer
 Great Yarmouth
 Ipswich
 Lowestoft
 Martlesham
 Norwich
 Norwich Hall Road
 Norwich Mile Cross
 Rayleigh
 Southend
 Sudbury
 Theiford
 Aylesbury
 High Wycombe
 Slough
 Windsor
 Brentwood
 Crayford
 Erith
 Grays
 Byfleet
 East Molesey
 Banbury
 Bedford (Elm Farm)
 Bicester
 Bishops Stortford
 Buckingham
 Harlow
 Harlow TC
 Letchworth
 Loughton
 Luton
 Milton Keynes
 Stevenage
 Watford
 Welwyn Garden City
 Bognor Regis
 Brighton

Camberley
 Chichester
 Fareham
 Farnborough
 Farnham
 Gatwick
 Guildford
 Hedgend
 Horsham
 Isle Of Wight
 Lewes
 Millbrook Southampton
 Newhaven
 Portsmouth
 Waterlooville
 Wokingham
 Barnstaple
 Bodmin
 Bournemouth
 Bridgewater
 Christchurch
 Dorchester
 Exeter
 Exmouth
 Glastonbury
 Launceston
 Plymouth
 Plymouth TC
 Poole
 Salisbury
 Taunton
 Torquay
 Truro
 Weymouth
 Yeovil
 Ashford
 Bexhill
 Broadstairs
 Canterbury
 Eastbourne
 Folkestone
 Maidstone
 Sevenoaks
 Sittingbourne
 Strood
 Tonbridge
 Tunbridge Wells
 Uckfield
 Hailsham

Wales

Bangor
 Barry
 Bridgend
 Cardiff (Hadfield Rd)
 Cardiff (Newport Rd)
 Carmarthen
 Cross Hands
 Flint
 Haverfordwest
 Merthyr Tydfil
 Neath
 Rhyl
 Swansea (Cwmdu)
 Swansea (Llan Samlett)
 Wrexham

Topps Tiles

Topps Tiles Plc
Thorpe Way, Grove Park, Enderby,
Leicestershire
LE19 1SU
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www.toppstiles.co.uk