



Topps Tiles

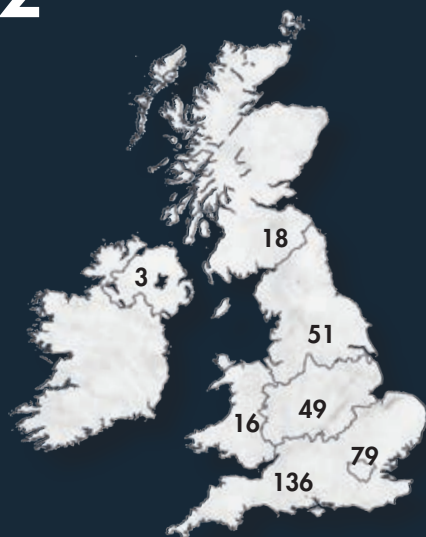
TOPPS TILES PLC ANNUAL REPORT AND ACCOUNTS
FOR THE 52 WEEK PERIOD ENDED 1 OCTOBER 2016
STOCK CODE: TPT

At a Glance

Topps is the UK's leading specialist retailer of tiles. Our business is focused on the tile market for refurbishment of domestic housing and provides an industry leading range of tiles and associated accessories 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.

352
STORES



Topps has over 350 stores across the UK with a broad geographic reach which means that most customers require less than a 20 minute drive time to reach their local store.

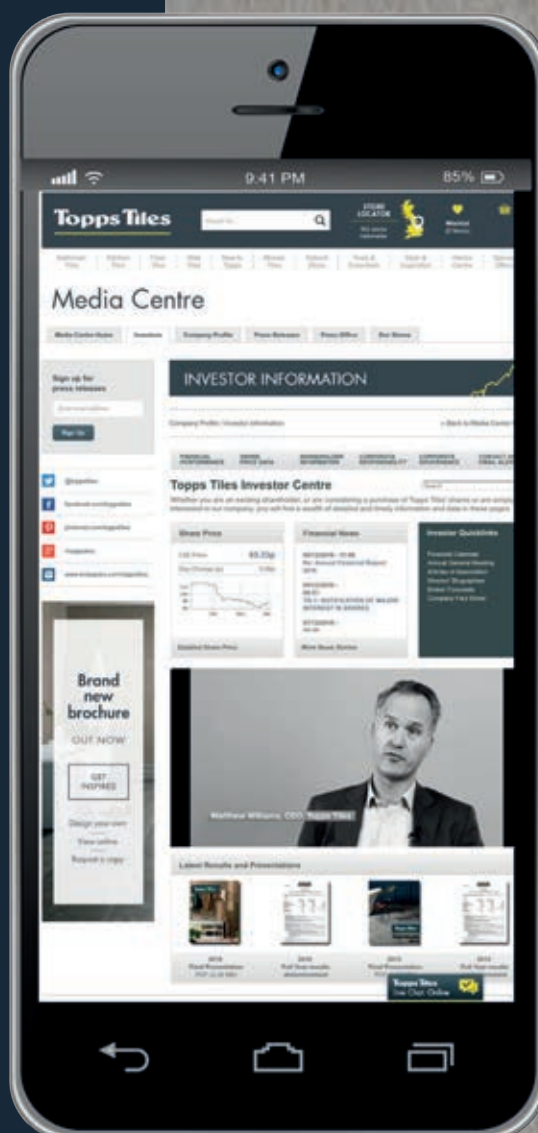
+ See our full store list on page 137

Getting around our report

+ Read more content within the report

📄 Read more content online

Our strategy of “Out-Specialising the Specialists” remains very much at the heart of what we do and the management team will continue to evolve the key strands of this strategy to maximise the opportunities to drive performance. The business has continued to demonstrate it can lead the market through a combination of inspiring its customers, offering a leading range and maximising convenience.



CORPORATE WEBSITE

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

COVER

Slumber™ Hickory Mix wood-effect tile on the wall

Hartley™ Old Red brick-effect tile on the floor

EXCLUSIVE

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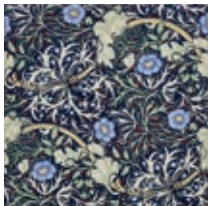
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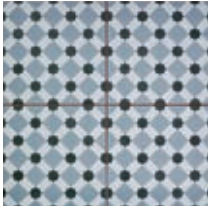
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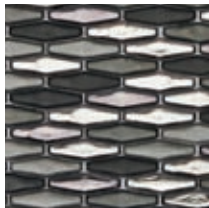
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KEY PERFORMANCE INDICATORS

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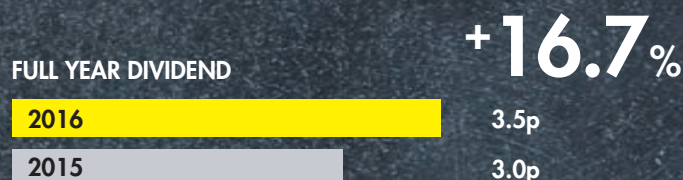
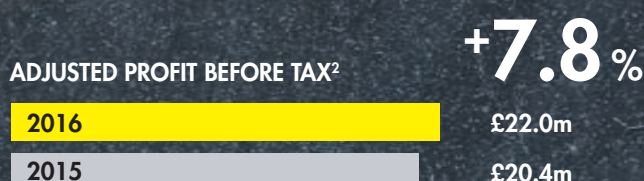
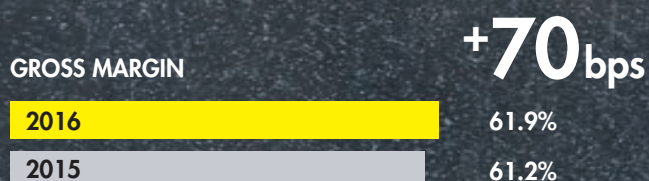
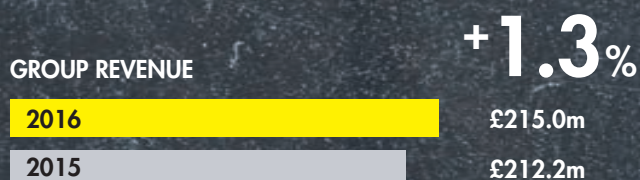
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that is leading the
market in growth
and delivery**

TABULA™ ICE

Porcelain wall
& floor tile

EXCLUSIVE

Highlights

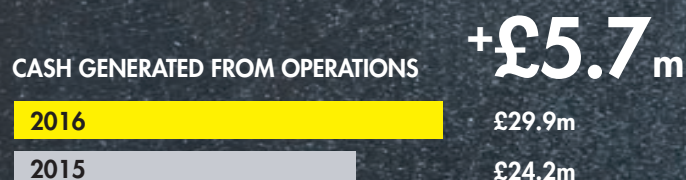
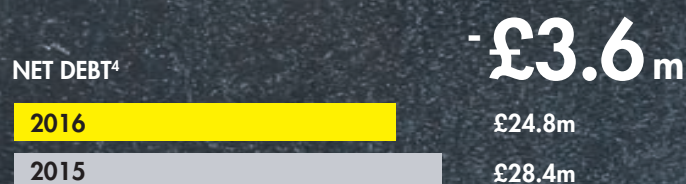
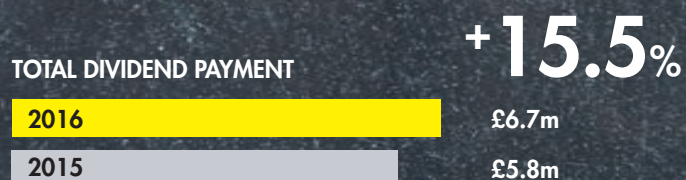


Financial Highlights

- Record sales of £215 million (2015: £212.2 million). Like-for-like sales growth of 4.2% (2015: +5.4%).
- Gross margin increased to 61.9% (2015: 61.2%) reflecting further sourcing gains and our focus on a differentiated product offer.
- Adjusted profit before tax² of £22.0 million, up by 7.8% or 10.0% on a 52 week comparable basis.
- Increased final dividend of 2.5 pence per share (2015: 2.25 pence per share), making a total for the year of 3.5 pence per share (2015: 3.00 pence per share), an increase of 16.7%.
- Net debt⁴ at period end reduced to £24.8 million (2015: £28.4 million).

Operational Highlights

- Strategy of "Out-Specialising the Specialists" continues to deliver successful results.
- Trade increased to 52% of total sales (2015: 50%) driven by growth of the trade loyalty programme and trend for "do it for me".
- Sales benefiting from continued new product development – 12.6% of tile revenues generated from ranges launched in the last 12 months (2015: 9.3%).
- Digitisation of "Rewards+" trade loyalty programme to enhance offer to trade customer base.
- Active management of store portfolio – 19 new openings (including four rebrands and two relocations), 15 closures, and 15 refits completed in the year, c.15 new openings expected in current financial year.



STATUTORY MEASURES

PROFIT BEFORE TAX

+17.6%

2016	£20.0m
2015	£17.0m

BASIC EARNINGS PER SHARE

+19.3%

2016	8.05p
2015	6.75p

Current Trading and Outlook

- The Group is now trading from 352 stores (2015: 346 stores).
- In the first eight weeks of the new financial period, Group revenues, stated on a like-for-like basis, decreased by 0.3% (2015: increase 3.3%).
- Stable gross margin expected this year, despite significant FX headwinds.

Commenting on the results, Matthew Williams, Chief Executive said: "I am pleased to report that Topps has delivered a strong performance for the year, with our unrivalled combination of range, inspiration and convenience resonating with more customers and driving sales to a new record. Sales growth, combined with gross margin improvements and strong cost controls, generated a 10% increase in profits and a 17% increase in dividend.

"Our proven strategy, well-invested business and market leading position leave Topps well-placed for further progress in the year ahead."

NOTES

1. Like-for-like revenues are defined as sales from stores that have been trading for more than 52 weeks.
2. 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:

	2016 £m	2015 £m
ADJUSTED PRE-TAX PROFIT	22.0	20.4
PRESENTED ON THE FACE OF THE INCOME STATEMENT AS NON-RECURRING ITEMS:		
– BUSINESS SIMPLIFICATION EXCEPTIONAL COSTS (AS DETAILED IN THE FINANCIAL REVIEW)	nil	(2.6)
PRESENTED AS PART OF OPERATING COSTS WITHIN THE RELEVANT INCOME STATEMENT CAPTIONS:		
– RESTRUCTURING COSTS INCLUDING TRANSITIONAL COSTS RELATING TO PRIOR YEAR BUSINESS SIMPLIFICATION INITIATIVES	(0.4)	(0.2)
– VACANT PROPERTY COSTS	(0.3)	nil
– STOCK WRITE OFF RELATING TO WOOD CATEGORY EXIT	(0.5)	nil
– THE IMPAIRMENT OF PLANT, PROPERTY AND EQUIPMENT	(0.8)	(0.3)
– PREMIUM RECEIVABLE ON THE EARLY EXIT OF A STORE	nil	0.5
– GAINS RELATING TO THE FORWARD CURRENCY CONTRACTS THE GROUP (DEFINED AS TOPPS TILES PLC AND ALL ITS SUBSIDIARIES) HAS IN PLACE (PER IAS39)	nil	0.1
– CHARGES FOR INTEREST AGAINST A HISTORIC TAX LIABILITY	nil	(0.9)
STATUTORY PRE-TAX PROFIT	20.0	17.0

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



I am pleased to be able to report on a positive year for the business. Our trading performance has been very robust across the majority of the year delivering like-for-like sales growth of 4.2%."

INTRODUCTION

A very warm welcome to the Topps Tiles 2016 Annual Report. It was a year characterised by strong progress for Topps on a number of levels. We have refreshed and reinvigorated our strategy, delivered a robust set of financial results, improved returns for shareholders and continued to build on our corporate governance disciplines.

I am completing my second year as Chairman of the Board and continue to be impressed by the extent and consistency of the strategic focus which exists across the business. In my travels throughout the organisation I find that the key aspects of the strategy are well communicated and very well understood. In my experience of business this is a key indicator of ultimate success against the company's goals.

TRADING AND FINANCIAL PERFORMANCE

I am pleased to be able to report on a positive year for the business. Our trading performance has been very robust across the majority of the year delivering like-for-like sales growth of 4.2% and an adjusted profit before tax of £22.0 million, which is a 10.0% increase on a 52 week comparable basis. Revenue for the period was £215.0 million – a record for Topps (2015: £212.2 million).

CAPITAL STRUCTURE AND DIVIDEND

We remain comfortable with our overall financial position and the capital structure that Topps has in place. The current structure gives us a good balance of capital efficiency and financial flexibility. As we communicated last year we have an ambition to move dividend payments over the medium term to a level of two times cover and I am pleased that we have continued progress toward that this year. The Board considers that, once achieved, a dividend which is approximately two times covered by earnings should be sustainable.

As a result, the Board is recommending to shareholders an increased final dividend of 2.5 pence per share (2015: 2.25 pence per share). This will bring the total dividend for the year to 3.5 pence per share (2015: 3.00 pence per share), an increase of 16.7%. As a consequence of this recommendation dividend cover for the year is 2.5x (2015: 2.72x).

GOAL AND STRATEGY

Topps has benefited over recent years from having a single goal for the organisation and real clarity about the strategy to deliver this goal. The goal for the business is to drive profitable sales growth and we have aligned the organisation to our ambition by setting a truly aspirational internal target and reward scheme for delivery in 2020. The Group will continue to focus on its tile specialism and we believe there is still a significant opportunity across the UK for further market share gains.

Topps' successful strategy of "Out-Specialising the Specialists" will remain at the heart of our growth plans as we continue to focus on inspiring both our trade and retail 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 on the following pages.

THE BOARD AND CORPORATE GOVERNANCE

The Board of Topps is focused on good governance and we have further improved our disciplines on several fronts over the year. Having seen two changes of Non-Executive Director in 2015 I am confident that all of the Board are now fully integrated with a very good knowledge and understanding of the business. In line with last year I am pleased to confirm that all Non-Executive Directors are independent and the Board is compliant with the Corporate Governance code from this perspective.

The Audit Committee has delivered strong progress over the year. In particular, we have improved our disciplines around managing and reporting strategic risk and have enhanced several policies around areas such as tax, treasury and internal control frameworks, which have provided improved clarity and understanding for the Board and improved governance.

We have continued to assess the performance of the Board and the committees, including my own performance as Chairman. These reviews concluded that the Board is operating effectively.

OUR PEOPLE

A strong customer service ethic is a key aspect of Topps' success and this is directly attributed to the fantastic people we have throughout the organisation. Our customer service metrics are excellent and we benefit from extensive training and development programmes and constant communication and improvement processes across the business. On behalf of the Board I would like to extend my sincere thanks to all colleagues for their hard work, dedication and "can do" attitude.

THE FUTURE FOR TOPPS

Our strategy of "Out-Specialising the Specialists" remains very much at the heart of what we do and the management team will continue to evolve the key strands of this strategy to maximise the opportunities to drive performance. The business has continued to demonstrate it can lead the market 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 customer offer will be the foundation of our future success.

DARREN SHAPLAND
Chairman




INVESTOR INSIGHT

+ Read more about Our Strategy on page 10

BRIXTON

Ceramic wall
& floor tile

EXCLUSIVE



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 contain 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.

Strategic Report

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ATTINGHAM™
SEAGRASS GEOMETRIC

Ceramic wall tile

EXCLUSIVE

Marketplace

THE UK TILE MARKET AND PERFORMANCE OF THE BUSINESS

Topps Tiles is the largest tile specialist in the UK retail market. Our primary focus is the domestic market for the renovation, maintenance and improvement of UK homes. In addition, our network of stores across the UK serves an element of the commercial tile market, where our offer is particularly suited to smaller businesses (such as independent retail outlets, coffee shops, restaurants, hair salons and car dealerships) which may not be employing the services of architects and designers.

Due to the highly discretionary nature of our market, consumer confidence remains a key driver of our performance. During 2016 the average level of consumer confidence was -1.3, which compares to +2.0 in 2015. Whilst the decline was modest overall,

there was a notable shift in sentiment over the second half of our year, where the average level of consumer confidence was -4.2, compared to +1.5 over the first half (source: GFK). This deterioration in consumer confidence can, we believe, be largely attributed to the uncertainty created by the EU referendum result in June. While consumer confidence has improved from its immediate post-referendum low, the measure remains in a slightly negative position. The further implications for consumer confidence and the subsequent impact on our business remain unclear and we will continue to monitor the economic data available closely.

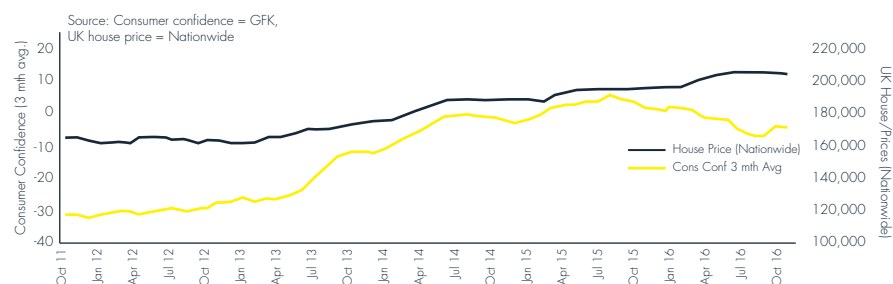
A further key driver of the customer decision to take on a home improvement project is buying a new home. Housing transactions are therefore a very useful indicator of likely future demand. Having grown steadily from

2013 to early 2015 housing transactions were then relatively flat throughout 2015. During this financial year transactions have grown by around 6% to 1.3 million, however, the majority of this growth was triggered by changes to stamp duty in April 2016 which brought forward transactions into February and March. Over the latter part of the year transaction levels have been broadly stable (Source: HMRC).

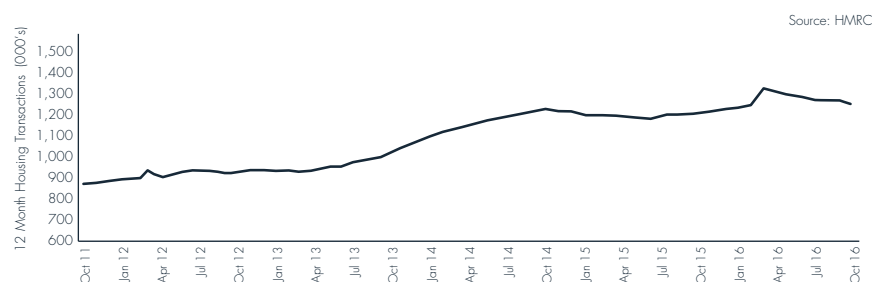
We also consider UK house price data to be a useful indicator of the relative health of our market. House prices are a good reflection of the housing market itself and also tend to reflect consumer confidence, as homeowners tend to feel more affluent in a rising market. During the year we saw an increase in house prices, with the average price of a house in the UK rising to £206,015, an increase of 5.3% 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 2015 was 8.6% on a value basis with an estimate for volume growth in 2016 of 1.8%.

UK HOUSE PRICES & CONSUMER CONFIDENCE



UK 12 MONTH HOUSING TRANSACTIONS – HMRC

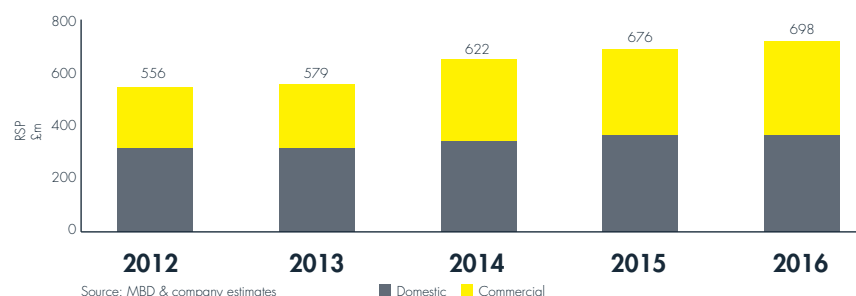


TOPPS TILES MARKET SHARE

17.7%

2015: 17.0%

TILE MARKET



Business Model

Topps Tiles is the leading specialist retailer of tiles in the UK. We supply tiles and associated products to both a trade and retail customer base, primarily for the refurbishment of UK domestic housing.

SOURCING

We source our products directly from manufacturers all around the world and focus on long term strategic relationships with our suppliers. Products are delivered to our 150,000 sq ft warehouse in Leicester and from there all stores receive two deliveries per week through our fleet of 26 commercial vehicles. In addition, each store operates as a mini warehouse, carrying sufficient stock to ensure that our customers, immediate demands can be fulfilled on a “cash and carry” basis.

PRODUCT INNOVATION

We inspire our customers with a market leading product range which is mostly often available on an exclusive basis. We achieve both of these aspects by working collaboratively with our key suppliers to develop new ranges; with Topps providing the customer insight into emerging trends and the supplier providing the technical knowledge and capability. Technology is an important aspect of modern tile production with innovations such as digital printing and new glaze technologies allowing a much greater variety of patterns and finishes. Over recent years Topps has led many innovations in the market including the development of natural stone and wood effect tile ranges which continue to be a major trend in the UK.

CHANNELS

We aim to provide maximum convenience for our customers by offering a truly seamless journey across all of our channels to market.

Stores remain our primary channel to market and driven by the almost unique nature of the tile market we estimate that almost all of our customers will utilise a store at some point during their purchase. We operate in excess of 350 stores across the UK with an average footprint of 5,000 sq ft. However, the flexibility in our model enables us to trade successfully from 1,000 sq ft up to 10,000 sq ft. This means we can be found in a variety of locations including high streets, retail parks, trade parks and on main arterial roads en route to larger shopping destinations.

Our store portfolio operates predominantly on a leased basis with an average unexpired lease term of seven years.

Customers are also increasingly choosing to use our online presence to conduct initial research into their projects or to maximise convenience by using this as a payment channel. We estimate that around 70% of our customers will use our website at some stage in their journey with us.

52% of our sales are to trade customers but they are rarely the end consumer – that is usually the homeowner. In some cases we may not have a direct relationship with the homeowner which is why our relationship with our trade customers is very important to us. These relationships are built on a basis of our specialist credentials; providing excellent technical knowledge and a range of specialist products which ensure we cater for all of our traders’ needs.

PEOPLE

At our heart we are a service-based business and as a result our people are one of our most important assets. We aim to provide our customers with inspiration and advice on their home improvements projects and to do this successfully we ensure that we have teams of people in our stores that can engage with our customers and truly inspire them. Technical knowledge and a strong service ethic are paramount and we invest significant amounts of time and money in our people every year.

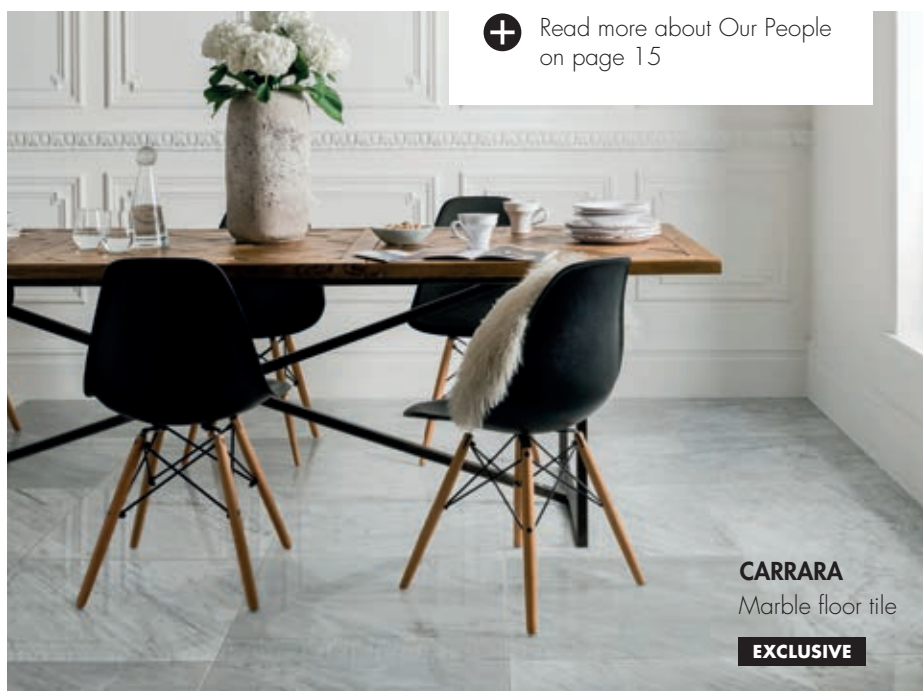
BRAND

Topps Tiles is the UK’s leading tile specialist retailer and now has 85% prompted awareness with consumers who have recently purchased or who are about to purchase tiles. Topps’ focus is on driving consideration with the tile decision makers and building this results in increased sales from both home-improvers and traders. Our customers tell us they want inspirational service at all points of contact and quality “on-trend” products at a range of price levels they can buy conveniently. Topps has gained brand reappraisal and greater consideration by a wider customer base in recent years by being seen as more modern and design-led whilst retaining a strong perception of value for money.

VALUE FOR CUSTOMERS

We offer our customers outstanding value for money through exceptional customer service, an up-to-date market leading product range and unrivalled multi-channel convenience. Topps successfully combines the added value aspects of its offer with competitive pricing led by an “unbeatable tile value” range, market leading promotions and competitive trade pricing on items like adhesives and grouts. The Topps model continues to evolve and our strategy seeks to capitalise on the aspects where we consider we can maximise the potential to deliver our goal.

[+ Read more about Our People on page 15](#)



CARRARA
Marble floor tile

EXCLUSIVE

Our Strategy



Topps has delivered a strong performance for the year, with our unrivalled combination of range, inspiration and convenience resonating with more customers and driving sales to a new record."

The business has an overarching goal of profitable sales growth, with an aspirational internal target for delivery in 2020. Our well-established strategy of "Out-Specialising the Specialists" continues to be very effective in delivering this goal.

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

PROFITABLE SALES GROWTH

STRATEGIC PILLARS



RANGE

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.

+ Read more on page 11



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.

+ Read more on page 12



CONVENIENCE

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 that 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.

+ Read more on page 13



PEOPLE

As a service-based specialist retailer, we know our people are crucial to our success. We have now more clearly recognised this by including "people" as our fourth pillar in our strategy, underpinning our customer-based pillars of range, inspiration and convenience.

+ Read more on page 15

Range

JAMARI™

Porcelain wall
& floor tile

STADIA™ CLIFF

Porcelain wall
& floor tile

EXCLUSIVE

**BUSCA™
BRONZE BEVEL**
Glass wall tile

EXCLUSIVE

Topps is the UK's leading specialist tile retailer and offers unrivalled authority in product range. We constantly refresh our range and launch at least one new product every week both in store and online.

Topps works collaboratively with leading tile manufacturers from around the world to ensure its range remains at the forefront of innovation. Areas such as digital inkjet print technology, for example, continue to improve what can be achieved with patterned stone and wood effect tiles. Where we partner with manufacturers to drive innovation by utilising our expert skills and knowledge we are able to develop exclusive products and ranges. Many of these have become top sellers, further reinforcing Topps' market leading position.

2016 has seen many of our leading ranges presented in our own brand packaging, in order to further differentiate our offer from that of our competitors.

Our new product development processes enable our buyers to bring successful new products to market faster and more frequently than our competitors. Sales of new tile ranges launched over the last twelve months accounted for 12.6% of our tile sales, demonstrating the continued positive customer reaction to our new product innovation.

During the year we took the decision to exit from the low margin wood flooring category and focus exclusively on our core tiles specialism. Wood flooring has become increasingly commoditised over time and the overall level of return from these lines was significantly below that of our tile offer. Using the space released in store we have been able to launch several new tile ranges, including the XL product range which capitalises on the growing consumer trend for ever larger tiles. In the year ahead we anticipate that this change will be a key contributor to gross margins in the business.



WHAT OUR CUSTOMERS ARE SAYING

Maria R:

We received phenomenal service from Rebecca, she knows her stuff inside out, right down to the millimetre. She opened our eyes to what was available and what works with what, she even took the time to generate a visual on the iPad. We were amazed that she took the amount of time she did with us. We will definitely be back to buy the tiles from her once we reach a decision, she is an absolute diamond!

INVESTOR INSIGHT



Read Strategy in Action on page 16

Inspiration

Providing customers with an inspirational shopping experience continues to be a key aspect of our success.

Due to the relatively infrequent purchase cycle, our retail customers require high levels of service and expertise in store. The delivery of best in class customer service is essential in helping our customers 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.

As a specialist business with a total focus on tiles we are ideally placed to respond to the trend for ever more adventurous tiling projects. 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.

We launched our biggest ever programme of colleague training during the year and delivered 2,500 days of face-to-face development for all colleagues.

During the year we launched an interest-free credit facility which enables retail customers

to deliver their projects to the very highest standards and spread the cost over a period of either 12, 24 or 36 months. Topps is the only specialist tile retailer to offer this service which forms an important new aspect of our unique customer proposition.

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 homeowners to one of our loyal trade fitters.

We continued to grow the trade loyalty programme we launched in 2014, helping us to extend both our trade customer base and also increase the "share of wallet" from our existing trade customers. Work continues to drive participation levels higher and to boost the rewards available to our most loyal trade customers. For 2017 we are launching a new "Rewards +" loyalty programme which will digitalise the scheme, allowing us to integrate it with our Customer Relationship Management system.

Trade sales have continued to increase their share of the sales mix and now account for 52% (2015: 50%) of our total sales.

During the year we launched a personalised digital brochure service. This allows customers to establish a series of preferences and then create a custom brochure which is specific to their tastes. This is emailed to them in a PDF format for them to browse at their leisure. The brochure can be created through our website or in store as part of the consultation process. The interaction between customer and colleague is key and this allows us to deliver a more personalised experience.

We continue to invest across our store estate to ensure that our stores are inspirational places to shop. This year we have replaced a range of third party legacy stands with a new flexible merchandising treatment, showcasing directly sourced ranges. This allows us to focus increasingly on own brand and exclusive ranges and also to manage future range changes more efficiently.

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

REWARDS+

With 52% of customer purchasing coming through our trade channel, it is important that we continue to reward our 45,000+ active traders for putting Topps Tiles at the forefront of their choice and often recommending us to their clients for their home improvement projects.

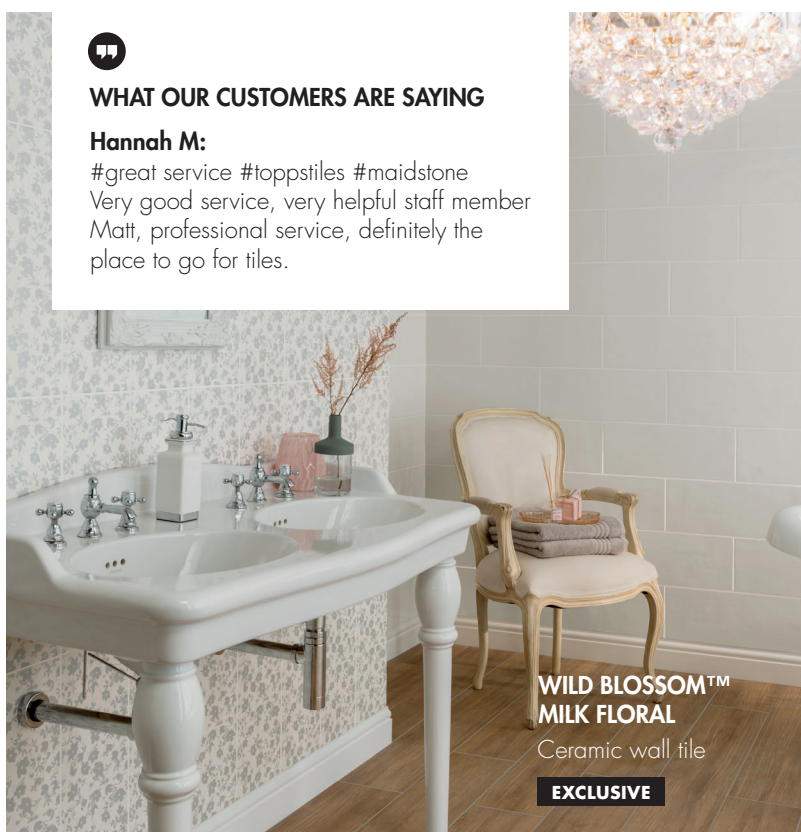
In autumn 2016 the Rewards+ scheme launched, replacing the previous card based loyalty scheme with a fully-digital one. The 4% points-based reward scheme gives traders the chance to redeem as discounts against any purchase, or use their points to "trade-up" to a range of specially-sourced products, including electronics, DIY tools and sports and leisure gear.



WHAT OUR CUSTOMERS ARE SAYING

Hannah M:

#great service #toppstiles #maidstone
Very good service, very helpful staff member
Matt, professional service, definitely the place to go for tiles.



**WILD BLOSSOM™
MILK FLORAL**
Ceramic wall tile
EXCLUSIVE

Convenience

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

STORES

Our stores remain by far our dominant channel with over 99% of our customers visiting a store at some stage in their shopping journey with Topps. 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 relocate individual stores where this is supported by a local market opportunity.

Over the last three years Topps has made a significant investment in its store network, including a rebranding of the entire national estate and a series of "All Stores Improvements" which have significantly improved the quality of store exteriors and in-store environment. During the year in review we opened 17 new Core stores and closed four, resulting in a net increase of 13 Core stores to bring the total, at year end, to 336 (2015: 323). These new stores have performed well and we remain very satisfied with the return on investment. In addition, we fully refitted 15 stores and made minor improvements in three other stores during the period.

In the year ahead we expect to open a net 15 new stores and fully refit around a further 10 stores, with other minor works undertaken as appropriate. We will continue with our annual programme of all store improvements and are currently trialling a number of initiatives which originated within the Boutique format. If these trials are successful and deliver the required financial payback this could result in an extended programme of all store improvements in 2018 which would require a higher level of investment.

As announced last year, we exited from the Clearance store format during the period, with the remaining stores converted or closed by December 2015.

Our Boutique stores have seen modest growth in numbers over the year with a further two openings, bringing the number of stores trading to 15 (2015: 13). As planned, we invested time in developing a better understanding of the key drivers of their performance and focused on operational improvements. As a result, the performance of Boutique improved over the period and we will look for further growth opportunities in the year ahead.



WHAT OUR CUSTOMERS ARE SAYING

Rachel G:

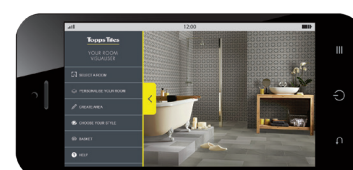
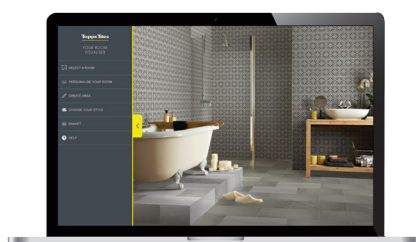
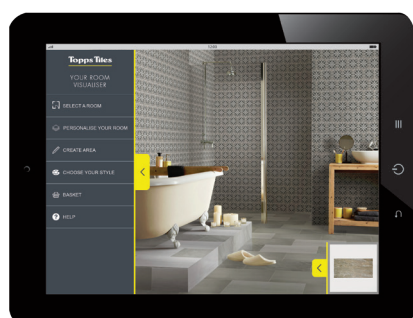
My partner and I visited the Salisbury branch this morning. We were served by David, he is a credit to your organisation. David was very passionate about his job and really knew what he was talking about. He gave us some great advice on our kitchen. The best customer service that we have received in a very long time! We will definitely return to store for any future tiling needs!



Read about our Strategy in Action on pages 16 to 23

BELOW:

Online shopping site optimised for use across all mobile and tablet devices



Convenience



ONLINE

The ability to research their tile projects online is one of the ways in which we offer customers convenience and strive to provide a consistent experience across all touchpoints including store visits, online and mobile. Similarly, our online payment facility enables customers who have ordered in store or over the phone to pay remotely.

Research shows that almost all of our customers use our website at some point in their journey, as well as visiting a store. We therefore believe the “pure play” online market for tiles remains very small.

Our market-leading online tile visualiser continues to be a key tool in engaging and inspiring customers both in stores and at home. During the year we continued to further develop our visualiser, adding new domestic room settings and commercial premises such as restaurants, cafes and hair salons. We have also improved ease of use with quick edit facilities, and introduced a transactional capability.

TRADE

While traders are a distinct customer group they are also 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. We continue to see good growth potential in our trade business as homeowners rely increasingly on specialist traders to complete their ever more ambitious tiling projects.



WHAT OUR CUSTOMERS ARE SAYING

Bazaarvoice reviews:

On **Attingham Seagrass**:

“Looks brilliant in our new bathroom and the builders found them easy to use.”

On **Attingham Seagrass**:

“They are a great addition to our new kitchen and have been much admired. A very expensive looking product at an affordable price for an accent wall.”

On **Diamante Teal**:

“Lovely shaped tile – the Victorian tube tile was appropriate for a Victorian London house. Delighted with colour and size.”

People

As a service-based retail business, our colleagues are critical to our success. In refreshing our strategy this year we have recognised the importance of our colleagues more explicitly by including “People” alongside the three existing customer-facing aspects highlighted above. The People strand of our strategy is split into four areas:

RESOURCING

Resourcing is vital in ensuring we always have the right number of colleagues with the right capabilities in place. The rest of our resourcing cycle is then about attracting, selecting and inducting all colleagues to ensure future success.

This year we have evolved the profile of our workforce by improving the mix of female colleagues to 22.0% (2015: 20.7%). Full details of our workforce diversity can be found in the Directors’ Report of [this document/our annual report]. Due to the technical knowledge and specialist service skills we require of colleagues we are focused on internal recruitment and we are pleased to be able to source 50% of our recruitment needs internally. We have continued to develop our direct sourcing approach by deploying different sourcing methods and by proactively defining our employer brand and value proposition. This is essentially the “deal” to be part of our business and we plan to communicate this externally next year via our brand new careers website which is currently under development.

LEADERSHIP & CULTURE

We recognise that the behaviour of all colleagues, and particularly our leaders, creates our unique Topps culture and it is this culture that has the biggest influence on colleague engagement. To support this we have consciously defined and launched our “Topps Behaviours” framework this year to all colleagues and we have integrated these behaviours throughout our people processes including recruitment, performance management and everyday colleague communications. To further support colleague engagement we have continued to work successfully with our colleague representative forum

“TEAMTalk”, conducted our end of year Store Manager conference and we have also committed to participating in the “Best Companies” engagement survey next year to gain even more insight and to measure our progress.

Colleague wellbeing is also a key part of our culture. This year we have revised and introduced policies impacting the way colleagues work and are supported, including a new flexible working approach for colleagues based in our Support Centre and reduced late night store opening hours in order to better balance customers’ needs with colleagues’ welfare. We also continue to provide an Employee Assistance programme, a confidential helpline service for colleagues to raise any concerns and have a Health & Safety Committee which meets regularly.

Sustaining our unique culture and achieving business success is integral with evolving our leadership capability. This year we have improved the focus and development support provided to senior leaders which will continue next year, together with increasing our focus on generating a pipeline of leaders across the business.

PERFORMANCE & REWARD

Topps’ overall strategy on pay and reward is to deliver market levels of basic pay and market-beating levels of reward.

This assists us in our constant drive to improve our performance and achieve our goal. To enable this, we implemented a revised performance development review process this year that continues to recognise and reward colleagues for delivering great results whilst ensuring these results are achieved in the right way. We have also implemented several reward-related changes to further improve the competitiveness, fairness and consistency across all colleagues’ rewards whilst also developing an even stronger platform to continue to manage increasing employment costs arising from legislation changes.

We have also improved the communication of our reward package through the recent launch of a new mobile-enabled reward platform enabling all colleagues to easily access all their rewards in one place.

In addition, we have improved the general communications surrounding all reward and benefits available to colleagues, e.g. save as you earn schemes.

DEVELOPMENT

Developing our people to give the best possible service and promoting from within whenever feasible remains a fundamental part of our DNA. This year we have continued to invest in development and have held a record number of 2,500 training days across the business including “natural service training” for all store colleagues and supported over 70 colleagues through various apprenticeship programmes. We have also maintained our strong delivery of technical product and process training, thereby ensuring our store colleagues continue to be “specialists”.

We have also invested in a new learning and development approach to be launched next year. This approach incorporates the purchase of new learning technology, expanding the development support and solutions available to all colleagues, and a new annual development calendar aligned to our operations calendar. The new L&D technology will be particularly important as it will enable us to provide all our colleagues, wherever they are based in the UK, with even more engaging and interactive L&D support.

BELOW:

In-store colleagues



Strategy in Action

Range

Following advancements in digital inkjet print technology, Slumber™ was developed collaboratively with a leading tile manufacturer from concept to support the Topps Tiles' comprehensive range of wood-effect tiles.

These innovative, wood-effect porcelain tiles are highly-desirable and sought after, capturing the beauty of sawn timber with the endurance and easy care of tiles.

With more than 20 different variations in two colourways, Slumber replicates the look and feel of individual planks of sawn wood, with each tile "plank" featuring a different texture and stained-effect colour.

Hickory Mix combines chocolate, caramel and earthy tones to bring warmth to an industrial-inspired space, while Ash Mix blends greys and charcoals to provide depth and interest to the classic distressed look.



Topps Tiles have been nothing but perfect.

WHAT OUR CUSTOMERS ARE SAYING

Lottie J:

I am happy with the tiles but I am most happy with the customer service I have received from Topps Tiles. We have had issues with a number of suppliers whilst carrying out our house refurb but Topps Tiles have been nothing but perfect, they have been so easy to deal with both in store and on the telephone! Thanks, it is so refreshing to receive such great service.



Slumber

With more than 20 different variations in two colourways, Slumber replicates the look and feel of individual planks of sawn wood, with each tile “plank” featuring a different texture and stained-effect colour.

**SLUMBER™
HICKORY MIX**
Porcelain wall &
floor tile
EXCLUSIVE

Strategy in Action

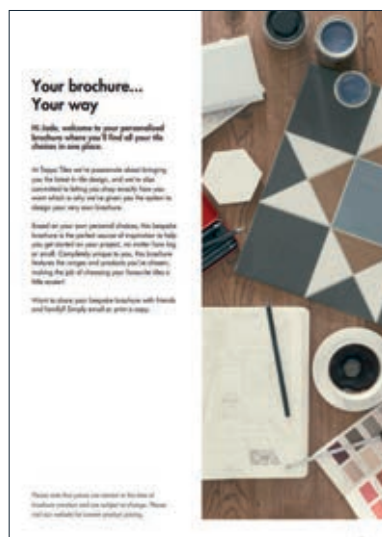
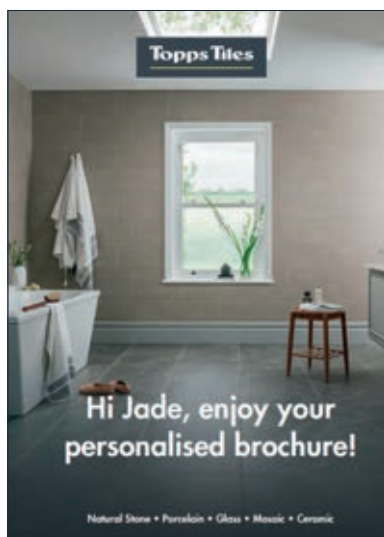
Inspiration

Personalised Brochures

Spring 2016 saw the launch of personalised brochures as an additional way of enhancing our customers' purchasing journey, aligning Topps' role in delivering interior design advice with being the UK's leading tile specialist.

The "Your Brochure, Your Way" approach invites customers to shop the way they want to, selecting their favourite designs in a wish-list and having their final selections emailed to them in an easy-to-read-and-save PDF format. Customers can select by design or filter by material, colour, room or size to find the tiles which suit their project and budget.

More than 1,200 personalised brochures per week are now being emailed out; surpassing the number of printed brochures handed out in-store to customers.





TEMPLO™ SKY MIX

Glass wall &
floor mosaic

EXCLUSIVE

Strategy in Action

Convenience

With over 99% of our customers interacting with a store as part of their purchasing journey, it is important to ensure that their experience is as convenient and positive as possible.

Part of our continued efforts to enhance that journey for customers and traders alike, we have rolled out our new lab store format.

This has seen the introduction of consultation tables to enable greater interaction and engagement with our store specialists as interior design advisers, new counters and tool displays for the convenience of traders, and integrated displays where natural products such as stone can sit alongside stone-effect ranges.

Sixteen new stores and 19 full refits have now been opened with these features, and Topps Tiles is now exploring the viability of a carefully-planned rollback programme across the existing estate for 2017/18.



MOSAICS



Strategy in Action

People

As outlined earlier in this report, we have included a more explicit “people” element as part of our strategy refresh this year to continue to recognise the importance of our colleagues.

“Resourcing” is one of the four areas under this People element and our strong focus in resourcing this year has been to understand and proactively develop our employer brand.

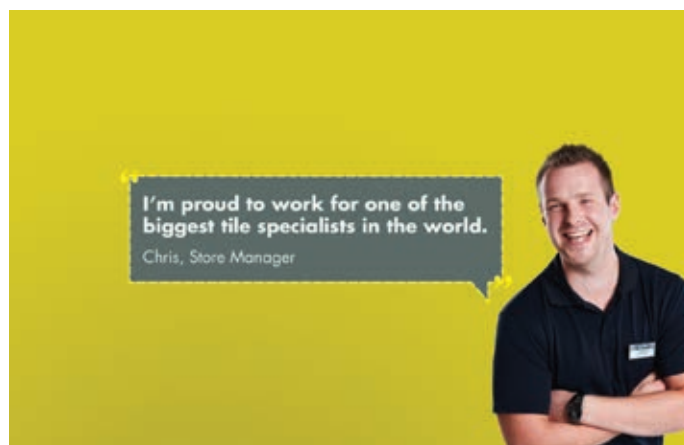
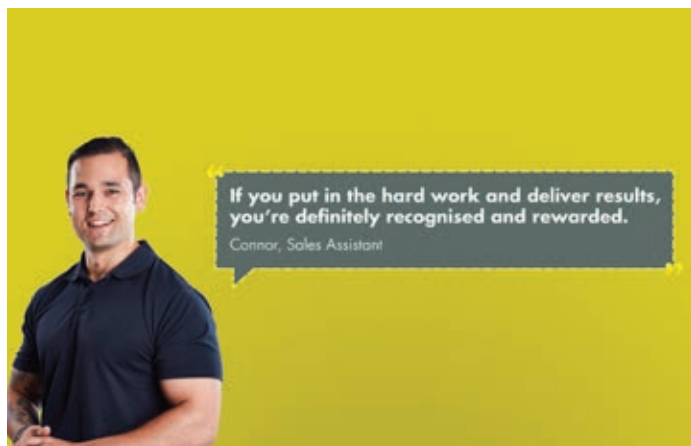
Internal and external research in this area has concluded that our employer brand is all about our colleagues, underpinned by five key messages:

- We’re really good at what we do
- Our service gives our customers confidence
- We’re growing
- We have a family feel
- We recognise and reward results.

Our employer brand is now both represented and driven by colleague images and quotes.



View our brand new careers website at <http://jobs.toppstiles.co.uk>



I feel great when I know a customer has gone away happy.

Beth, Service Specialist

People

As a service-based retail business, our colleagues are critical to our success. In refreshing our strategy this year we have recognised the importance of our colleagues more explicitly by including "People" alongside the three existing strategic pillars.



From the top to the bottom, the family feel here is absolutely inherent.

James, Area Business Manager

Every single person, no matter their role, contributes to the company's goals.

Geeta, Stock Replenisher



Key Performance Indicators

The Board monitors 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

+4.2%

2015: +5.4%

GROSS MARGIN

61.9%

2015: 61.2%

YoY: +70bps

NET DEBT

£24.8m

2015: £28.4m

YoY: -£3.6m

TOTAL SALES GROWTH
YEAR-ON-YEAR

+1.3%

2015: +8.7%

ADJUSTED PROFIT
BEFORE TAX*

£22.0m

2015: £20.4m

YoY: +7.8%

*Adjusted PBT as defined on page 3

INVENTORY
DAYS

115

2015: 124

YoY: -7.3%

Non-Financial KPIs

MARKET SHARE

17.7%

2015: 17.0%

YoY: +0.7%

NUMBER OF STORES
AT YEAR END

351

2015: 347

YoY: +4

CARBON EMISSIONS PER STORE
(TONNES PER ANNUM)

38.3

2015: 36.9

YoY: +3.8%

COLLEAGUE
TURNOVER

29.5%

2015: 31.5%

YoY: +2.0%

NET PROMOTER
SCORE %

69.4%

2015: 73.0%

YoY: -3.6%

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 customers 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.
- Energy carbon emissions have been compiled in conjunction with our supplier (Opus) and is based on the actual energy consumed multiplied by Environment Agency approved emissions factors. Vehicle emissions have 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 (including domestic and commercial markets). Data for 2015 was originally stated at 18.0% but was restated to 17.0% based on the 2016 MBD market report which restated the 2015 market size upwards by around 7%.

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



ROB PARKER
Chief Financial Officer



We have delivered good underlying sales and gross margin growth combined with strong cost controls, generating a healthy improvement in profits and earnings per share."

FINANCIAL OBJECTIVES

In addition to the key strategic objectives highlighted in the Strategy section above 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; and
- Maximising earnings per share and shareholder returns, including bi-annual review of our dividend policy. The Board intends to increase dividends through a combination of improved earnings and reduced dividend cover and targets 2x cover over the medium term.

PROFIT AND LOSS ACCOUNT

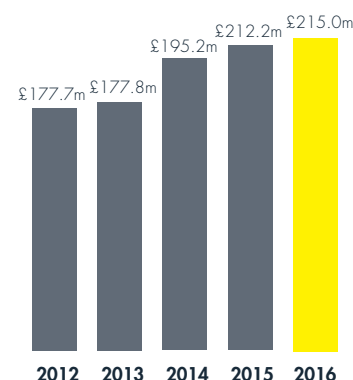
REVENUE

Revenue for the period ended 1 October 2016 increased by 1.3% to £215.0 million (2015: £212.2 million). The trading period was 52 weeks, as opposed to 53 weeks in the prior year; removing the effect of one less week of sales would result in sales growth of 3.3%. Like-for-like store sales increased by 4.2% in the period, which consisted of a 4.7% increase in the first half of the financial period and a 3.8% increase in the second half. The decrease in sales performance correlates with the reduction in consumer confidence highlighted in the Market section of this report and also the strategic decision to exit the low margin wood category in the fourth quarter which we estimate impacted sales growth by around 0.75% over the second half.

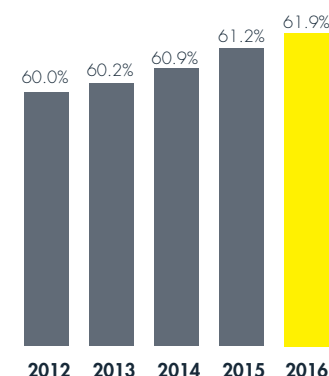
GROSS MARGIN

Overall gross margin increased to 61.9% compared with 61.2% in the previous financial period. Over the first half of the period the gross margin was 61.5%, and we delivered a gross margin of 62.4% in the second half of the period. The nature of the promotional calendar drives a differential between the first and second half gross margin and this performance is typical of normal trading patterns. The longer term outlook for gross margin remains positive; however, given the recent devaluation of sterling and the subsequent impact on our overseas sourcing, our short term focus is to offset these impacts and deliver a broadly stable gross margin in the year ahead.

REVENUE



GROSS MARGIN



Financial Review



NAYARA™ POLISHED

Porcelain wall
& floor tile

EXCLUSIVE

OPERATING EXPENSES

Total operating costs have risen from £111.0 million to £112.1 million, an increase of 1.0%. Costs as a percentage of sales were 52.1% compared to 52.3% in the previous period. When one-off adjusting items (detailed below) are excluded, operating costs were £110.1 million (2015: £108.4 million), equivalent to 51.2% of sales (2015: 51.1% of sales).

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

- Operating a 52 week year, verses a 53 week year in the prior period has reduced costs by £2.0 million
- Inflation at an average of approximately 1.6% has increased our cost base by around £1.7 million
- The average number of UK stores trading during the financial period was 344

(2015: 341), which generated an increase in costs of approximately £0.9 million

- Investment in additional store labour hours, and the costs associated with the implementation of the National Living Wage accounted for £1.1 million of additional costs
- Employee profit share costs have decreased by £0.4 million due to a slightly lower level of financial performance compared to budget
- Depreciation has increased by £0.6 million due to continued higher levels of investment in the store estate
- 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:

- Business restructuring costs including transitional costs relating to prior year business simplification initiatives of £0.4 million (2015: £0.2 million)
- The impairment of plant, property and equipment relating to closed or loss making stores of £0.8 million (2015: £0.3 million)
- Vacant property costs of £0.3 million (2015: nil)
- Stock write off related to the exit of wood category of £0.5 million (2015: nil)
- In addition, in the prior year we also excluded £2.6 million of exceptional business restructuring costs, and a one-off gain relating to the receipt of a premium for the early exit of a store of £0.5 million

ADJUSTED OPERATING EXPENDITURE BRIDGE



OPERATING PROFIT

Operating profit for the period was £21.1 million (2015: £18.9 million), representing 9.8% of sales (2015: 8.9%).

Excluding the adjusting items detailed above, operating profit was £23.1 million (2015: £21.5 million), representing 10.7% of sales (2015: 10.1%).

OTHER GAINS AND LOSSES

During the period we did not dispose of any freehold property. In the prior period we disposed of one property with no gain.

FINANCING

The net underlying interest charge for the year was £1.1 million (2015: £1.1 million). The underlying interest charge has remained stable compared to the prior financial period due to a broadly stable net debt position.

In addition to the above charges and gains in the prior period we also provided for £0.9 million of interest against historic outstanding tax liabilities. There have been no further provisions made in the current year and the historic liabilities have now been settled – the majority of which was early in the new financial period.

Net interest cover was 27.4 times (2015: 23.8 times) based on earnings before interest, tax, depreciation and the impairment of plant, property and equipment, excluding the impact of IAS39 in finance charges.

PROFIT BEFORE TAX

Reported profit before tax was £20.0 million (2015: £17.0 million). The Group profit before tax margin was 9.3% (2015: 8.0%).

Excluding the adjusting items detailed on page 03, profit before tax was £22.0 million (2015: £20.4 million).

The Group adjusted profit before tax margin was 10.2% (2015: 9.6%).

TAX

The effective rate of Corporation Tax for the period was 22.3% (2015: 23.2%).

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 8.05 pence (2015: 6.75 pence).

Diluted earnings per share were 7.82 pence (2015: 6.73 pence).

Excluding the adjusting items detailed on page 03, adjusted earnings per share were 8.86 pence (2015: 8.17 pence).

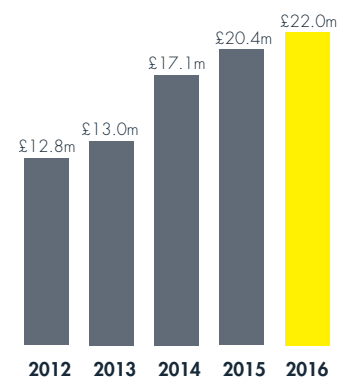
DIVIDEND AND DIVIDEND POLICY

The Board considers that a dividend cover of approximately two times earnings 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 2.5x level of cover.

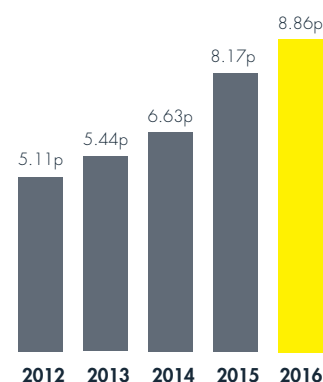
The Board is recommending to shareholders a final dividend of 2.5 pence per share (2015: 2.25 pence per share). This will cost £4.8 million (2015: £4.3 million). The shares will trade ex-dividend on 5 January 2017 and, subject to approval at the Annual General Meeting, the dividend will be payable on 3 February 2017.

This brings the total dividend for the year to 3.5 pence per share (2015: 3.00 pence per share), an increase of 16.7%.

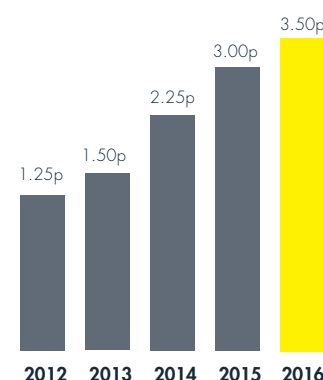
ADJUSTED PROFIT BEFORE TAX



ADJUSTED EARNINGS PER SHARE



TOTAL DIVIDEND

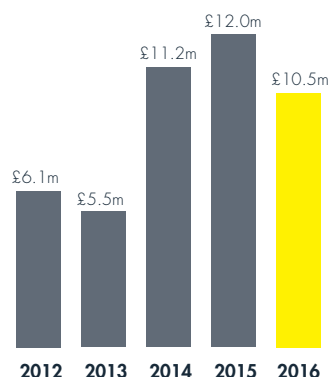


**MINTON HOLLINS
SEAWEED**
Ceramic wall tile

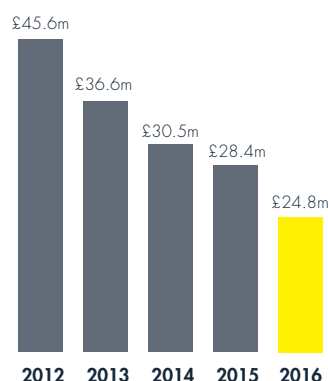
EXCLUSIVE

Financial Review

CAPITAL EXPENDITURE



NET DEBT



We are confident that the Group's successful strategy of 'Out-Specialising the Specialists' has significant further potential."

BALANCE SHEET

CAPITAL EXPENDITURE

Capital expenditure in the period amounted to £10.5 million (2015: £12.0 million), a decrease of 12.5%.

Key investments are as follows:

- New stores (Core format and Boutique) £4.2 million – 19 new openings, including two relocations and four rebrands (2015: £3.3 million)
- Store refits £3.3 million (2015: £3.0 million)
- All stores-related strategic initiatives £1.7 million (2015: £0.7 million)
- Other expenditure of £1.1 million (2015: £1.2 million)
- Freehold and leasehold investments £0.2 million (2015: £1.3 million)
- In addition, in the prior year we invested £2.5 million on store rebranding

The Board expects capital expenditure to continue at broadly the same level in the current financial year, subject to any additional investment in freehold opportunities.

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 £16.1 million (2015: nine freehold or long leasehold sites valued at £16.5 million). The carrying value is based on the historic purchase cost and capital expenditure less accumulated depreciation.

PROPERTY DISPOSALS

During the period we have not disposed of any freehold property. In the prior year we disposed of one freehold with no gain or loss.

INVENTORY

Inventory at the period end was £25.7 million (2015: £27.4 million) representing 115 days turnover (2015: 124 days turnover). The absolute level of inventory has fallen due to a focus on working capital and range consolidation, including the exit of the wood category. Days cover has reduced as a result of this and sales growth.

CAPITAL STRUCTURE AND TREASURY

Cash and cash equivalents at the period end were £10.2 million (2015: £16.6 million) with borrowings of £35.0 million (2015: £45.0 million).

This gives the Group a net debt position of £24.8 million (2015: £28.4 million). The Group has previously highlighted an expected cash outflow of c.£4 million which related to legacy tax enquiries and related interest charges. The majority of this was paid post year end resulting in a £2.9 million cash outflow.

CASH FLOW

Cash generated by operations was £29.9 million, compared to £24.2 million in the prior year period, an increase of £5.7 million.

This increase was generated by the additional profit of the Group and a £1.2 million working capital cash inflow (2015: £1.7 million working capital cash outflow), which generated a £2.9 million incremental cash flow when compared to the prior year period.

CURRENT TRADING AND MARKET CONDITIONS FOR THE YEAR AHEAD

2016 was a successful year for Topps and we have delivered good underlying sales and gross margin growth combined with strong cost controls, generating a healthy improvement in profits and earnings per share.

Trading in the first eight weeks of the new financial year has been within our range of expectations, with like-for-like sales decreasing by 0.3% (2015: 3.3%). 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.

**PENTHOUSE™ COAL**Porcelain wall
& floor tile**EXCLUSIVE****CAUTIONARY STATEMENT**

This Strategic and Operational Review 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 and Operational Review 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 understandable view of the business.

ANNUAL GENERAL MEETING

The Annual General Meeting for the period to 1 October 2016 will be held on 26 January 2017 at 10am at the Marriot Hotel, Leicester.

The Strategic Report was approved by the Board of Directors and signed on its behalf by:

MATTHEW WILLIAMS
Chief Executive Officer

ROB PARKER
Chief Financial Officer
29 November 2016

Risks and Uncertainties

RISK MANAGEMENT FRAMEWORK

The Board has assessed its process for reviewing strategic risk and uncertainties during the year. As a result of this we have developed a new framework, as follows:

- An annual strategic risk workshop which is attended by the Audit Committee Chairman, Head of Internal Audit and key senior members of the management team including the Executive Committee
- The production of a key risks register which is prepared based on a combination of likelihood and impact
- A monthly summary in the Board pack which includes a summary of the key risks identified, combined with mitigants and agreed actions – with each risk refreshed at least quarterly

NUVOLA OLIVE

Ceramic wall & floor tile

EXCLUSIVE



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.

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 four 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.

The Board has also considered the Group's current banking facilities which include a non-amortising revolving credit facility that expires in June 2019. The Board considers that the facility would need to be renewed in the 12 month period prior to expiry and that this is very likely to be completed on similar commercial terms to the current facility.





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 four years.




RISK	IMPACT	MITIGATION	STATUS
UK ECONOMY & CONSUMER CONFIDENCE			
The economy may deteriorate and impact on consumer confidence.	<p>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.</p> <p>The full impact of the decision of the UK to leave the EU remains unclear and this is likely to create some uncertainty in the outlook over the short term. This could result in lower sales which would adversely impact the business.</p>	We believe that through a combination of a robust level of profitability 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.	
FOREIGN EXCHANGE RATE FLUCTUATION			
A significant devaluation of sterling will result in increased costs of sourcing for the Group, and subsequent reduction in profits.	We source around 50% of our cost of goods from outside the UK which gives us an exposure to movements in foreign currency exchange rates. The devaluation in sterling post the result of the EU referendum has a potential profit impact of between £2.5 million and £3.0 million p.a.	We are working on plans to mitigate around half of this impact through supplier negotiation or sourcing management and offset the remainder through continued underlying gross margin evolution such as innovation, exclusivity and product mix.	
APPROPRIATE BUSINESS STRATEGY			
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.	<p>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.</p> <p>The Board reviews progress on key strategic initiatives at each meeting.</p>	
INCREASED EMPLOYMENT COSTS THROUGH LEGISLATION			
The Government programme of above inflation pay rises known as the "National Living Wage" will increase employment costs at a faster rate than sales are rising. There will also be an additional cost from the new "Apprentice Levy" initiative.	The impact of additional costs to the Group could have the impact of reduced profits. The costs, based on indications from the Government, over and above underlying inflation are around £1 million per annum through to 2020. The Apprentice Levy annual cost will be around £0.1 million.	The Group is focused on how to deliver the Government's plans through to 2020 whilst maximising the benefit to colleagues and minimising the impact to shareholders. Our approach over this period is likely to be dynamic. In 2016 we have preserved variable pay and introduced pay bands to allow for clearer pay structures and consistency across all colleagues.	

KEY:

	Risk has increased		Risk has decreased		No change		New risk
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Risks and Uncertainties

RISK	IMPACT	MITIGATION	STATUS
THREAT FROM COMPETITORS			
Competitors eroding our market share. A greater competitive threat could come from a new competitor introducing a new point of differentiation to our market or an existing competitor who improves a key area of their competitive offer such as operational standards, range, service, use of technology, etc.	Loss of market share leading to reduced sales and profitability.	<p>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.</p> <p>The business is constantly seeking to improve its offer in all key areas and many of the areas of focus and improvement are dealt with throughout this report. These include constant evolution of our range, increased use of technology and focus on our people as a key source of competitive advantage.</p>	
LOSS OF KEY PERSONNEL			
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.	<p>Colleague turnover is closely 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 the market and reflective of their contribution to the business.</p> <p>In addition we have a detailed succession plan for each key executive and non-compete clauses for senior colleagues.</p>	
LOSS OF KEY PERFORMING STORES			
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.	<p>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.</p> <p>Given our geographic coverage it is also likely that if a key performing store did close we would migrate some sales into neighbouring stores.</p> <p>We also recognise that freehold is the ultimate mitigant and as part of our continuing review of key stores we consider this where appropriate.</p>	
LOSS OF A KEY SUPPLIER			
<p>The loss of a key supplier could impact on our ability to trade.</p> <p>We consider that the risk has increased as a result of the UK's decision to leave the EU. Subject to trade deals agreed both with existing EU nations and countries outside of the EU this could result in the business reviewing key supplier relationships and ultimately having to appoint new suppliers.</p>	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 marketplace and accordingly should not lead to a loss of competitiveness.	

RISK	IMPACT	MITIGATION	STATUS
FINANCING			
<p>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.</p>	<p>The most likely impact of not being able to renew the loan facility would be the requirement to raise additional funding from shareholders.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	
CYBER SECURITY			
<p>The business suffers a breach of its IT systems security leading to either a loss of capability or a loss of customer and/or commercial data.</p>	<p>A temporary loss of systems would be likely to result in an operational impact which would impact sales and ultimately profits.</p> <p>The loss of commercial or customer data would potentially result in reputational damage to the company.</p>	<p>The company uses modern systems and the latest network and security protocols to protect against attack or breaches of security.</p> <p>A plan of work exists to ensure we continue to improve our cyber security infrastructure in the face of an ever increasing external risk threat.</p>	
MAJOR REPUTATIONAL DAMAGE			
<p>The Topps brand is a very important part of our competitive advantage. Possible areas of impact could be due to a failure in our core processes around our products, our stores, our supply chain (including ethical sourcing) or our people.</p>	<p>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.</p>	<p>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 and governance best practice across the entire business.</p> <p>Supply chain is of particular significance and we believe in long term strategic relationships with our key suppliers. During the year we have developed a new sourcing policy which includes the relevant provisions from the Modern Slavery Act and are working with suppliers to ensure agreement with our terms of trade and compliance.</p>	

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

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 needs 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 colleagues. 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. Our head office staff kindly donated their time at the start of the year to volunteer with the Leicestershire Cares charity helping to reinvigorate Leonard Cheshire Disability Centre's interior, clean a polluted river with the Green Lifeboat initiative and redecorate the Ullesthorpe Playing Field Association's changing rooms and pavilion.

Through the donation of tiles we helped schoolchildren from Mudeford Junior School to show off their creative flair and create some Christmas trinkets to take home from their annual Christmas fair. We also donated mosaics for crafting sessions to the Harplands Hospital, a dedicated service to helping adults with mental illness.



TOP:

Members of the central operations, trade and IT teams redecorating the Ullesthorpe Playing Field Association's changing rooms and pavilion

MIDDLE:

Commercial team at the Leonard Cheshire Disability Centre

BOTTOM:

Christmas Jumper Day 2015 in aid of Macmillan Cancer Support

In addition we have supported tiling colleges and construction courses across the UK with the supply of free tiles, including Leicester College, YTA Training & Assessment, Hammersmith & Fulham Adult Learning & Skills Service and Leeds College of Building.

YOUTH SPORT

At Topps, we have always recognised the benefits that participation in sport can bring to the communities in which we trade. We are proud to be involved in helping children to get outdoors and become active through our youth sport sponsorship. Donating funds for football, rugby and hockey kits, children across the UK benefited from the scheme in 2016.



ABOVE:

Happy teammates from Ramsey Manor FC, in Bedfordshire, sponsored by Topps Tiles

CHARITY SUPPORT

Topps has supported Macmillan Cancer Support since 2015, a partnership that 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, barbecues and coffee mornings, raising more than £20,000 for the charity.

To further support Macmillan in October 2015 we introduced Pennies, the digital charity box, to all our stores. When paying by card, customers are asked through the payment card machine if they would like to round up their purchase to the nearest pound, with the difference donated to Macmillan. Almost £55,000 has been raised this year through Pennies.

LEICESTERSHIRE CARES

Leicestershire Cares is a local charity organisation which enables businesses to support the local community by enabling employees to give time to help with various community initiatives.

Our association with Leicestershire Cares continues to support our focus on colleague engagement and provides additional development opportunities for our colleagues; we are therefore delighted to have renewed our membership with them for a second year running.

Last year we completed a range of activities including:

- five “team challenges” which involved a mix of teams across the business completing challenges such as cleaning out a river in Leicester to painting a local church
- hosted a “Christmas morning” for an elderly group in our Boardroom at Grove Park
- attended local schools and conducted mock interviews with schoolchildren
- supported an ex-offender with a two week work placement in the warehouse

The benefits of completing all these activities gives everyone in Topps the opportunity to really give something back to the local community, provides colleagues with the chance to do something different thereby further supporting their personal development, and enables Topps to show its brand as a proactive part of the community in the Leicestershire area.



ABOVE:

Colleagues helping clean up a local river as part of the Green Lifeboat initiative

Corporate Social Responsibility



ABOVE:

Leicester Distribution Centre

ENVIRONMENTAL IMPACT

Topps is committed to being an energy sustainable business and in January 2016 submitted to the Environment Agency an Energy Survey & Audit Report under the Government's Energy Savings Opportunity Scheme (ESOS).

The report highlighted our initiatives to:

- replace the oldest, most inefficient lighting in our stores with low energy-use equipment
- install Automatic Meter Reading technology to the electricity and gas meters across our buildings to better monitor/manage our usage
- include environmental impact reporting in our annual Directors' report.

We have also introduced the following further initiatives:

- newly opened and re-fitted stores have energy efficient LED lighting installed,
- LED lighting is also preferred for sign lighting repairs
- water usage is better managed through regular water meter monitoring.

Further plans include the introduction of better energy management policies and a major refurbishment of our Grove Park headquarters, including replacing inefficient lighting, heating/cooling and ventilation systems.

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

WASTE

Reducing the amount of waste sent to landfill continues to be a focus across the business.

In our Distribution Centre, we continue to recover and in most cases, recycle several streams of waste from our operations. These include cardboard, shrink-wrap, polythene, polypropylene banding, wooden packaging, scrap metal, repairable wooden pallets and broken tiles.

During the year we invested in a new mill-sized cardboard baler to allow us to increase the revenue earned from this waste stream. We also invested in a new general waste compactor to reduce the volume of our non-recyclable waste and therefore the number of collections.

Our Distribution Centres now also centrally recover cementitious waste product (such as adhesive and grout) from all stores where it is sent on for specialised end-of-life processing.

The UK Waste Electrical and Electronic Equipment (WEEE) Regulations were introduced in 2007 with the aim of reducing the amount of electrical and electronic equipment ending up in landfill. Our stores offer a like-for-like take back service, whereby customers can return their old product to any store when purchasing a new one. These electrical products are then collated at our distribution centre and sent for recycling.

TRANSPORT

Our vehicle fleet covered 3.3 million kilometres last year delivering stock to our stores and we have put in place additional systems to promote lower emissions.

During 2016 we invested in brand new fleet in the form of 20 new leased vehicles, which now means 74% of our transport fleet is less than a year old. Importantly, this means the majority of our vehicles are running with the latest, lowest emission engine technology and meet the tough Euro 6 standard.

Our vehicles are equipped with forward-facing dashboard mounted cameras, which encourages safer driving and, in the event of an incident, helps us to understand the cause. In addition, our newest vehicles are equipped with built-in satellite navigation for responding to changing traffic conditions en route to stores, as well as a lane departure warning system to guard against accidents on multi-lane carriageways.

Our vehicles are now equipped as standard with on-board technology from Microlise, which allows remote access to driver and vehicle performance as well as satellite tracking. This system is being used to support good driving behaviour, which can lead to lower fuel use and lower vehicle emissions.

As we continue to seek out further efficiencies in our transport network, we are exploring the viability of delivering to our stores outside trading hours. This can maximise fleet efficiency whilst also taking loads away from our roads, especially at peak traffic times. To support this, we have been trialling the use of electric forklifts on our vehicles and this has proved successful. We have plans to procure a further three electric powered forklifts, and believe that these will be an important enabler to making low noise deliveries outside of trading hours where some of our stores may be bounded by residential areas.

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 are required to comply with the Topps Tiles Responsible Sourcing Code*. The company will not knowingly work with any supplier who does not comply to the code and compliance is underpinned by contractual obligation and an audit process.

It is expected that all suppliers will comply with local environmental laws and legislation. Our suppliers will take into consideration the principles of sustainable development, in particular the optimum use of raw materials, the efficient use of energy and also minimising the amount of waste as a result of the supply chain and manufacturing process.

All our ceramic and porcelain tiles and natural stone products are fully compliant with European standards and 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.

In 2015, the Modern Day Slavery Act came in to force and Topps Tiles is committed to this act ensuring that no forms of Modern Day Slavery enter the business and its supply chains. The company will ensure transparency within the organisation and with its service providers and supplier of goods.

* Our Responsible Sourcing Code of Conduct and Modern Day Slavery Statement can be found on our website at www.toppstiles.co.uk in the investor section under Corporate Responsibility.



ABOVE:

The new Topps Tiles vehicle livery





Governance

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Board of Directors



1 DARREN SHAPLAND NON-EXECUTIVE CHAIRMAN

Darren has over 25 years of retail and public 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 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 Financial Director of the Go-Ahead Group plc and JD Wetherspoons plc. Keith joined the Board of Topps Tiles in February 2015.

5 CLAIRE TINEY (B, F, D, H) NON-EXECUTIVE DIRECTOR

Claire joined the Board of Topps Tiles in November 2011. She is also a Non-Executive Director of Volution plc and Hollywood Bowl Group plc. Additionally she 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 W H Smith. Most recently, she was HR Director at McArthurGlen.

6 ANDY KING (G, E, H) NON-EXECUTIVE DIRECTOR

Andy has recently been appointed Chief Executive Officer of Evans Cycles. Previously he was Managing Director of Dobbies Garden Centres and prior to that Chief Executive of Notcutts Garden Centres. He has also held director roles at The Body Shop, Mothercare, W H Smith and Boots The Chemists. 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 Advisers

SECRETARY

S. Davey

REGISTERED NUMBER

3213782

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Corporate Governance Statement



DARREN SHAPLAND
CHAIRMAN



The Board has reviewed the contents of the annual report and considers the document to be fair, balanced, and understandable and an accurate representation of the current position and performance of the Company."

DEAR SHAREHOLDER,

The Company is committed to the principles of corporate governance contained in the 2014 UK Corporate Governance Code issued by the Financial Reporting Council (the "Code") for which the Board is accountable.

The Board has reviewed the contents of the annual report and considers the document to be fair, balanced, and understandable and an accurate representation of the current position and performance of the Company, its business model and strategy. The basis for this view is that all of the Directors of the Company are furnished with the requisite information to perform their duties and are provided access to key members of management as they require. The Board meets regularly and is given adequate time to probe, debate and challenge business performance as and when it considers it necessary to do so. The Board has also discussed the detail of the financial results with the Audit Committee and is 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 has concluded in line with the statement above.

STATEMENT OF COMPLIANCE WITH THE CODE

Throughout the period, 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 Strategic Report, Directors' Remuneration Report and Audit Committee Report.

During the year a Board evaluation was conducted and the Board undertook an evaluation of the Audit, Remuneration and Nomination and Governance committees processes and performance of the chairs of these sub-committees. We have agreed some minor refinements following this review in relation to the Board's timetable and workload.

In addition, each Board member completed a detailed evaluation of the Chairman's performance, the result of which was positive in all respects.

Matthew Williams, as chief executive officer ("CEO"), does not sit on any of the Audit, Remuneration or Nomination and Governance committees and there is a clear division of responsibilities between his role of CEO and that of Chairman.

The Board currently comprises six members, of which four are considered 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 page 40. The Board meets at least twelve 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

- pensions and employee incentives.

Board members are responsible for their own development but are provided access to the Company's advisers 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 various technical 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 Board's timetable for regular updates in relation to areas including accounting, 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 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 reviews 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 52 week period ended 1 October 2016 and the attendance record of the individual Directors. Directors who are not committee members are invited to attend meetings where the respective Chair considers it appropriate given the nature of the business being considered by the Committee.

	D. SHAPLAND	M.T.M. WILLIAMS	R. PARKER	C. TINEY	A. KING	K. DOWN
BOARD	12 12	12 12	12 12	12 12	12 12	11 12
AUDIT COMMITTEE	4 4	3 4	4 4	4 4	4 4	4 4
NOMINATION & GOVERNANCE COMMITTEE	2 2	2 2	0 2	2 2	2 2	2 2
REMUNERATION COMMITTEE	4 5	5 5	3 5	5 5	5 5	5 5

● Meetings attended ● Possible meetings

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 44

NOMINATION AND GOVERNANCE COMMITTEE

- Board structure
- Board appointments
- Board succession plans
- Senior executive appointments

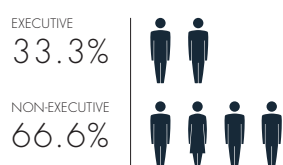
[+](#) Read more on page 45

REMUNERATION COMMITTEE

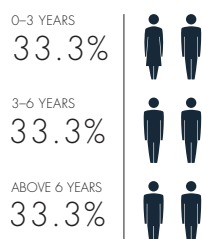
- Chairman and executive director pay
- Senior executive pay
- Share incentive plans

[+](#) Read more on page 50

BOARD COMPOSITION



BOARD TENURE



GENDER DIVERSITY



Corporate Governance Statement

STATEMENT ABOUT APPLYING THE PRINCIPLES OF THE CODE

The Company has applied the principles of the 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 and the other members are Claire Tiney and Andy King. The qualifications of the Audit Committee members are detailed on page 40. Its chairman has relevant experience, being a qualified chartered accountant 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 robust assessment of the Company's principal strategic risks which include those risks 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 by reference to an Internal Controls Framework assessment 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 provides 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 principal strategic risks – the committee conducts an annual review of principal 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 principal risks based on a combination of likelihood and impact and then also considers what appropriate mitigating effects should be implemented (highlights from this work are included in the Strategic Report).
- 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 reviews 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 conducts 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 principal 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. During the period the business has changed trading arrangements to transfer approximately 85% of rebates into the net purchase price of the product. This change is now largely complete and will reduce the level of risk in relation to supplier rebates in future years.
- Revenue recognition – like-for-like sales growth is one of our key performance indicators 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 principal 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 and 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 four years. The conclusion of those reviews is included in the Strategic Report section of this report.

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"), has provided non-audit services to the Company in the form of tax compliance. During the relevant financial period the Company has conducted a tender process to secure the appointment of new advisers to the Company for tax compliance and as a result KPMG has been appointed from the commencement of the current financial period. The Audit Committee has now formally adopted a new policy for the provision of non-audit services by the external auditor which has been published on the Company's website.

Deloitte has been auditor for the Group since September 2003. The current 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 with the work of Deloitte and their independence, and has consequently proposed their reappointment. The Committee has also considered the requirements of the EU statutory audit amending Directive (2014/56/EU) and Audit Regulation (No 537/2014) 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 other 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 Report section of this report.

All Committee Terms of Reference can be found within the Investors section of the Company's website www.toppstiles.co.uk.

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 I met with a number of shareholders and both Claire Tiney and I have met with some of the majority shareholders to consult on changes to the Company's Remuneration Policy. The Company also publishes financial information on its website www.toppstiles.co.uk. Further, the chairs of the Audit, Remuneration and Nomination and Governance committees make themselves available at the AGM to answer any questions shareholders may have.

MODERN SLAVERY

The Board is committed to ensuring that acts of modern day slavery and human trafficking do not enter the business and its supply chain and has complied with the Modern Slavery Act 2015 by making an appropriate statement which has been published on the Company's website. The Board and senior management recognise the importance of this policy statement and its objectives and shall further develop policies to safeguard against slavery and human trafficking taking place within the organisation or its supply chains.

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 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 Report 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

Directors' Report

The directors of the Company (the "Directors" or the "Board") present their Annual Report on the affairs of the Group, together with the Financial Statements and Auditor's Report, for the 52 week period ended 1 October 2016. The Corporate Governance Statement set out on pages 42 to 45 forms part of this report.

PRINCIPAL ACTIVITY

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

STRATEGIC REVIEW

The Company, being the listed entity Topps Tiles Plc, is required by the Companies Act 2006 to set out in this report a fair review of the business of the Group during the financial period ended 1 October 2016 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 04, the Strategic Report on pages 06 to 37, and the Corporate and Social Responsibility ("CSR") statement on pages 34 to 37, which are incorporated into this report by reference.

The future prospects of the Group are highlighted in both the Chairman's Statement and the Strategic and Operational review.

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 24.

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 52 week period ended 1 October 2016 are set out on pages 77 to 113. The Group's profit for the period from continuing operations, after taxation, was £15,531,000 (2015: £13,065,000).

During the interim period, a dividend of 1.00 pence per share was declared and paid (2015: interim dividend of 0.75 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 2.5 pence per share, totalling £4,803,000 (2015: 2.25 pence per share, totalling £4,358,000).

DIRECTORS

The Directors, who served throughout the year and thereafter, were as follows:

D. Shapland
Non-Executive Chairman

M.T.M. Williams
Chief Executive Officer

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 2014 UK Corporate Governance Code issued by the Financial Reporting Council all Directors are subject to annual re-election at the next Annual General Meeting.

The internal regulation of the Company is set out in its Articles of Association which cover such matters as the rights of shareholders, the appointment or removal of directors and the conduct of the Board and general meetings. Copies are available upon request and are displayed on the Group's website. In accordance with the Articles of Association, directors can be appointed or removed by the Board or shareholders in

general meeting. Subject to company law and the Articles of Association, the Directors may exercise all the powers of the Company and may delegate authorities to committees. Details of the principal Board committees can be found in the CSR statement on pages 34 to 37. The Company's Articles of Association can be amended by a special resolution of the Company's shareholders.

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 £15,000,000.

The Directors' interests in the shares of the Company are set out on page 66.

Details of Directors' share options are provided in the Directors' Remuneration Report on pages 63, 64 and 65.

SHARE CAPITAL

Details of the Company's 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 counterparties upon a change of control of the Company. Should the counterparties 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 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.

CARBON REPORTING

As detailed in the CSR statement of this report on page 36 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.

	2016		2015	
	CO ₂ (Tonnes)	CO ₂ (Tonnes)/Store	CO ₂ (Tonnes)	CO ₂ (Tonnes)/Store
ELECTRICITY	7,095	20.6	6,563	19.3
GAS & OIL	2,455	7.1	2,716	8.0
COMMERCIAL FLEET	3,269	9.5	2,922	8.6
COMPANY CARS	379	1.1	386	1.1
TOTAL	13,198	38.3	12,587	37.0

Energy carbon emissions has been compiled in conjunction with our suppliers Opus and Gazprom 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.

The period for which the carbon reporting information is set out above is the same as the period for which the Directors' report has been prepared.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group has a designated charitable partner, the Macmillan Trust. Across the Group's business, colleagues engage in numerous fundraising activities which are documented in the CSR statement of this report. During the period the Group made no monetary charitable donations (2015: £nil). The Group made no political contributions (2015: £nil).

SUBSTANTIAL SHAREHOLDINGS

In addition to the Directors' shareholdings noted on page 66, as at 1 October 2016, the Company had been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules, of the following disclosable interests in its issued share capital:

	Number	% held
BLACKROCK INVESTMENT MGT (UK)	21,104,080	10.9%
WILLIAMS S K M ESQ	20,593,950	10.6%
AXA INVESTMENT MANAGERS SA	19,213,670	9.9%
STANDARD LIFE	11,163,279	5.7%
FMR PLC	9,702,900	5.0%
INVESCO ASSET MANAGEMENT	9,679,056	5.0%
SCHRODER INVESTMENT MGT	8,216,970	4.2%
MITON GROUP	7,783,246	4.0%
AVIVA PLC & ITS SUBSIDIARIES	7,746,366	4.0%

In addition to the above shareholdings between 1 October 2016 and 9 December 2016, we have been notified of the following changes in shareholdings:

- Schroder Investment Mgt. increased its holding to 10,133,160 ordinary shares on 25 October 2016
- Aviva plc and its subsidiaries increased its holding to 7,912,730 ordinary shares on 15 November 2016
- Blackrock Investment MGT (UK) decreased its holding to 19,524,652 on 29 November 2016

- Blackrock Investment MGT (UK) decreased its holding to 17,701,712 on 30 November 2016

CORPORATE SOCIAL RESPONSIBILITY

The Company 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 above.

Directors' Report

HUMAN RIGHTS

All of our directly employed colleagues are based in the UK and covered by UK employment law, with which we are fully compliant. The Modern Slavery Act 2015 came into effect in 2015 and the Company has taken and continues to take steps to promote and improve our commitment to ensuring that slavery and human trafficking

is not within our business and supply chain. Historically, the Company has had in place its Ethical Sourcing Programme which during the period has been reviewed and relaunched as The Topps Tiles Suppliers Code of Conduct. Both are reinforced by commercial agreements 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. Our Modern Slavery Statement can be found on the Company's website in the Investor Section under Corporate Responsibility.

 View our website at www.toppstiles.co.uk

DIVERSITY

The Nominations 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 the period end date comprises:

	2016			2015		
	Male	Female	Total	Male	Female	Total
DIRECTORS	5	1	6	6	1	7
SENIOR MANAGERS	15	1	16	16	–	16
OTHER EMPLOYEES	1,487	438	1,925	1,523	401	1,924
TOTAL EMPLOYEES	1,507	440	1,947	1,545	402	1,947
% OF TOTAL	77	23		79	20	

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.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always given full and fair consideration, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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 quarterly 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 26 to 33.

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 10,748,450 (2015: 7,946,737).

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 three 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 1 October 2016 fell between 5 January 2016 and 20 January 2016. The offer price to employees was 1.27 pence. The shares that are the subject of the share option schemes are ordinary shares which carry the same rights as those set out under the "Share capital" section above.

Details of Directors' share options are provided in the Directors' Remuneration Report on pages 63 to 66.

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 he/she ought to have 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 reappoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report, the 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) including FRS 101 Reduced Disclosure Framework. 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 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 this 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

ROB PARKER
Director

Directors' Remuneration Report



CLAIRE TINEY
CHAIRMAN OF THE REMUNERATION COMMITTEE



The Remuneration Committee remains committed to a responsible approach to executive pay."

STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

DEAR SHAREHOLDER

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

This report is presented in two sections:

- The Annual Report on Remuneration provides details of the amounts earned in respect of the 52 week period ended 1 October 2016 and how the policy will be operated for the 52 week period commencing 2 October 2017. This is subject to an advisory vote at the next Annual General Meeting which takes place in January 2017.
- The Directors' Remuneration Policy sets out the remuneration policy for the next three years and will be subject to a binding vote at the AGM in January 2017.

REVIEW OF THE 2015/16 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 a 1.3% increase in overall revenues which has generated a 7.8% increase in adjusted pre-tax profits to £22 million. In addition, the Board are recommending a final dividend to shareholders of 2.5 pence per share which will bring the dividend for the year to 3.5 pence per share, an increase of 16.7% on the prior period.

Consequently, the Executive Directors will receive 67% of salary bonus (2015: 83%) out of a maximum opportunity of 100% of salary. This has been reached by delivering above target adjusted PBT, as defined in the financial highlights on page 03, for the year and achieving some elements of the four individual targets that specifically focused upon delivery of the strategic plan. Further details regarding the annual bonus earned in respect of the 52 week period ending 1 October 2016 are included on page 63.

The long-term incentive plan awards granted in December 2013 were based on performance over the three financial years to 1 October 2016. The awards required cumulative adjusted earnings per share (EPS) over the period to be at least 17.84p for 25% vesting, increasing to 19.24p for full vesting of the awards. Reflecting the strong performance of the Group over the period, actual cumulative EPS was 23.59 pence which will result in 100% of the awards vesting in November 2016.

During the period, the Committee reviewed the base salary levels for the Executive Directors and agreed to increase the salaries for Matt Williams and Rob Parker by 1.5% which was in line with the budgeted salary increase across the Group.

The remuneration policy for the Executive Directors is closely aligned with the business strategy and the Committee is satisfied that the overall remuneration of the Executive Directors for the period under review is appropriate given the strong performance of both the Group and individual Directors during the year.

The Committee is mindful of the pay and employment conditions of all employees across the Group when making decisions on executive pay. All colleagues are eligible to participate in a bonus scheme which is linked to financial performance. In the case of store colleagues this is linked to their individual store performance and for support colleagues this is linked to the overall performance of the Group. Collectively, these payments are categorised as "profit share" and during the financial period £10.0 million has been paid to all colleagues (2015: £10.4 million).

OUTLOOK FOR THE 2016/17 FINANCIAL YEAR

In 2015 we set ourselves a target to grow our revenues to £300 million by the year ending 3 October 2020 (FY2020). It is important to us that all our people have a clear understanding of the organisation's goals and the strategic plan to obtain them. We also want our people to be able to share in the success of the business. Therefore, last year we rolled out our 2020 Plan to colleagues from Store Managers up to the Leadership Team (below the Group Executive). This saw colleagues receive share awards starting at 5,000 shares up to an equivalent of 50% of salary which will vest should we hit our sales target of £300 million by FY2020 (subject to achieving a minimum Adjusted PBT underpin).

Having targets aligned and incentives cascaded through the organisation has played a significant part in the delivery of our previous strategic targets. To continue this approach, we wish to ensure that all of our management team are aligned to our ambitious growth strategy, by extending participation in the 2020 Plan to the Group Executive, including the Executive Directors. This would see the Executive Directors, subject to approval of the Remuneration Policy at our forthcoming AGM, receive a one-off award of shares worth up to one times salary (equivalent to an additional 20-25% of salary per annum over the four year performance period). The awards would vest subject to the Company hitting the £300 million sales target in FY2020. To ensure that we are targeting profitable growth, a minimum of Adjusted PBT must also be achieved in FY2020. The binary nature of the sales target (and Adjusted PBT underpin) reflects the ambitious nature of our growth plan. If these targets are not achieved the awards would lapse. If the targets are achieved, the Executive Directors would be required to retain 50% of the net of tax number of shares vesting until January 2022 (being the fifth anniversary of grant).

It is intended that the 2020 awards would operate alongside our existing annual bonus and long-term incentive plan which will continue to target sustainable profit growth and other key strategic measures. The annual bonus opportunity and long-term incentive award levels remain unchanged at 100% of salary.

No substantive changes have been made to the other elements of the Remuneration Policy, which was approved by shareholders in January 2015, except for the minimum recommended shareholding for Executive Directors which has been increased from 100% of salary to 200% of salary for the CEO and to 150% for the CFO.

As part of our review of the Remuneration Policy, I have consulted with our largest shareholders to discuss our approach for 2016/17 and answer any questions that they may have, and all our shareholders will have the opportunity to vote on our Remuneration Policy at our forthcoming AGM in January 2017. It is intended that, once approved, the Remuneration Policy will remain unchanged until the 2020 AGM when, under the regulations, another shareholder vote will be required.

I hope that you are able to support the proposed changes to our Remuneration Policy and its implementation.

CLAIRE TINEY
Chairman of the Remuneration Committee

29 November 2016

Directors' Remuneration Report

DIRECTORS' REMUNERATION POLICY

This part of the report sets out the Company's Directors' Remuneration Policy which will be subject to a binding shareholder vote at the Annual General Meeting in January 2017 and will remain in force for up to a three 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. 	<p>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> <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.	<p>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. Other benefits may be provided based on individual circumstances. These may include other benefits which are introduced for the wider workforce on broadly similar terms.</p> <p>Any reasonable business related expenses (including the tax thereon) can be reimbursed.</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.

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 2015/16 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 scheme 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.

Directors' Remuneration Report

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 may be based on strategic measures and/or individual performance. The balance will be assessed against key financial performance metrics of the business.</p> <p>Financial metrics 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>Non-financial or individual metrics Vesting of the strategic awards will apply based on the Committee's assessment of the extent to which a strategic metric has been met.</p>
LONG TERM INCENTIVE PLAN ("LTIP")	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>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 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 after the Company's Qtr 4 trading statement, 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 straightline vesting between threshold and maximum performance.</p>

EXECUTIVE DIRECTORS

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
2020 AWARDS	A one-off share award to incentivise Executive Directors to achieve our ambitious 2020 growth strategy and to align them with the goals set for the rest of the management team.	<p>The 2020 awards will be granted under the rules of the LTIP approved by shareholders on 23 January 2013.</p> <p>Awards of nil cost share options or conditional shares may be made. 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 based on the financial reporting period ending 3 October 2020.</p> <p>The Executive Directors will be required to retain 50% of the shares vesting (net of tax) until the fifth anniversary of grant.</p>	<p>Up to 100% of salary.</p> <p>The number of shares will be based on a share price of 147.75 pence, being the share price when awards under the 2020 plan were granted to other members of the management team.</p> <p>The combined value of LTIP and 2020 awards granted in the same financial year will be subject to an overall limit of 200% of salary.</p>	The awards are subject to achieving revenue of £300 million and adjusted profit before tax under pin of £38 million in the financial period ending 3 October 2020.

Directors' Remuneration Report

SHAREHOLDING GUIDELINE

The Executive Directors are subject to a shareholding requirement to build and maintain a shareholding in Topps Tiles equivalent to 200% of salary for the Chief Executive and 150% of salary for the Chief Financial Officer.

LTIP AND 2020 AWARDS ADDITIONAL INFORMATION

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.

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.

EXPLANATION OF PERFORMANCE MEASURES CHOSEN FOR THE INCENTIVE SCHEMES

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.

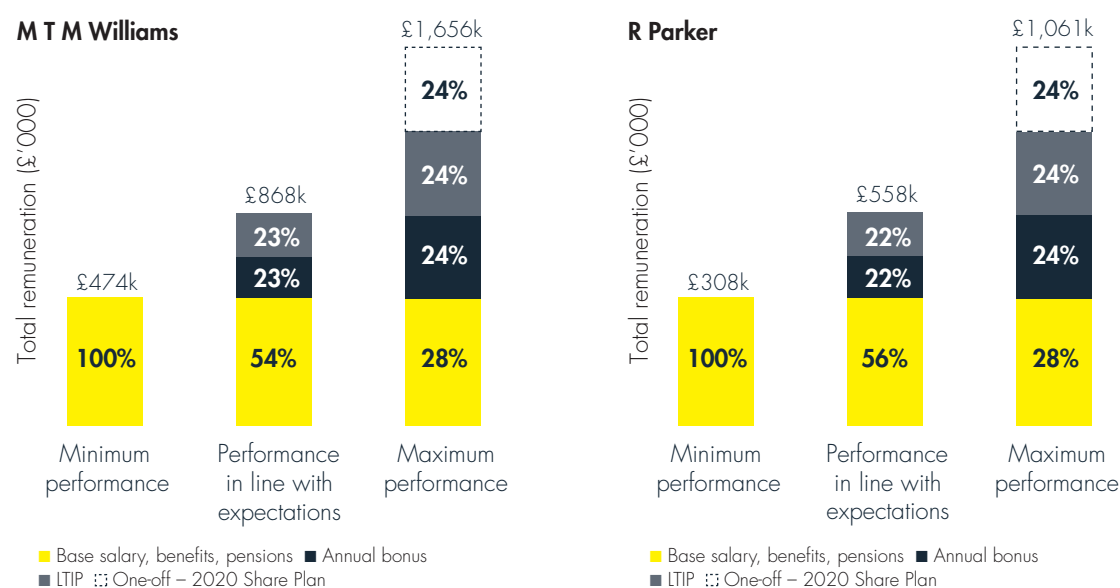
The annual bonus can be assessed against financial and individual/strategic measures as determined by the Committee. The Committee considers that profit before tax is a key performance metric for the annual bonus and specific strategic objectives for each Director, which are aligned to delivering the overall business strategy, encourage 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 for the annual bonus and share awards 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.

ILLUSTRATIONS OF APPLICATION OF REMUNERATION POLICY



In illustrating the potential reward, the following assumptions have been made:

	Fixed pay	Annual bonus	LTIP*	2020 Award
MINIMUM PERFORMANCE	Fixed elements of remuneration only – base salary (being the salary as at October 2016), benefits as disclosed in the single figure table on page 61 for the year 2015/16 and pension of 12.5% of salary.	No bonus.	No LTIP vesting.	No vesting.
PERFORMANCE IN LINE WITH EXPECTATIONS		50% of salary awarded for achieving target performance.	50% of maximum award vesting (equivalent to 50% of salary) for achieving target performance.	No vesting.
MAXIMUM PERFORMANCE		100% of salary awarded for achieving maximum performance.	100% of maximum award vesting (equivalent to 100% of salary) for achieving maximum performance.	100% vesting (equivalent to 100% of salary) one-off award not forming part of annual grant policy†.

* LTIP awards are included in the scenarios above at face value with no share price movement included.

† Directors would be required to retain 50% of the net of tax number of shares vesting until January 2022 (being the fifth anniversary of grant).

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 boards 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 (including any tax incurred thereon) or other benefits that may be appropriate.</p>

Directors' Remuneration Report

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.

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 for existing Directors. 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").
- Other 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 section 9.4.2 (2) of the Listing Rules which allows 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>

Directors' Remuneration Report

Where a buyout award is made under section 9.4.2 (2) of 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 Director's 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.

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.

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. The chair of the Remuneration Committee is available to meet with the employee consultation group if requested

STATEMENT OF CONSIDERATION OF SHAREHOLDER VIEWS

The Committee is committed to an ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. Prior to this Remuneration Policy being formally put to shareholders, 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.

ANNUAL REPORT ON REMUNERATION

SINGLE FIGURE TABLE
(AUDITED INFORMATION)

The tables below detail the total remuneration receivable by each Director for the 52 week period ended 1 October 2016 and the 53 week period ended 3 October 2015.

2015/16	Salary and fees £'000	Benefits £'000	Annual bonus £'000	LTIP £'000	Pension £'000	Total remuneration £'000
EXECUTIVE DIRECTORS						
M T M WILLIAMS	387	31	260	453	49	1,180
R PARKER	246	26	165	272	29	738
NON-EXECUTIVE						
D SHAPLAND	122	7	—	—	—	129
A KING	42	1	—	—	—	43
K DOWN	42	—	—	—	—	42
C TINEY	43	1	—	—	—	44

2014/15	Salary and fees £'000	Benefits £'000	Annual bonus £'000	LTIP ⁵ £'000	Pension £'000	Total remuneration £'000
EXECUTIVE DIRECTORS						
M T M WILLIAMS	389	32	318	1,240	48	2,027
R PARKER	243	29	198	744	30	1,244
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 18 March 2015 and was replaced by Darren Shapland. The Board asked J M Jack to remain as an adviser 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.

5. Restated to include the value of the January 2013 LTIP award which vested in January 2016 based on performance to 3 October 2015.

Directors' Remuneration Report

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 $\times 12 \times 20\%$ (being the discount applied to market value in determining the exercise price). In the case of the Non-Executive Directors, taxable expenses are shown as being paid by way of benefits.
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 or as a cash supplement taken in lieu of contributions to the pension plan. Rob Parker has chosen to take a cash supplement.
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 page 63.
LTIP	<p>The LTIP figure for the period 2015/16 represents the awards granted on 17 December 2013. The awards were based on cumulative EPS performance over three financial years to 1 October 2016 and will vest at 100% on 29 November 2016. The estimated value of the vested shares is based on a share price of 113 pence, being the market value of the Company's shares for the last quarter of the 52 week period ended 1 October 2016.</p> <p>The LTIP figure stated for the period 2014/15 represents the value of first awards granted under the Topps Tiles Plc 2013 Long Term Incentive Plan. The awards were granted in January 2013 and vested at 100% in January 2016 based on cumulative EPS performance over three financial years to 3 October 2015. The share price on the date of vesting was 154 pence.</p>

INDIVIDUAL ELEMENTS OF REMUNERATION (AUDITED INFORMATION)

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 October 2016:

	Base salary 1 June 2015	Base salary 1 October 2016	% increase
M T M WILLIAMS	£388,323	£394,147	1.5
R PARKER	£246,901	£250,604	1.5

The base salary increases for Matt Williams and Rob Parker are in line with the range of salary increases across the Group.

The Non-Executive Directors' fees were increased with effect from 1 October 2016 in line with the increase for the wider workforce:

	Fees 1 June 2015	Fees 1 October 2016	% increase
CHAIRMAN'S FEE	£122,400	£124,236	1.5
NON-EXECUTIVE DIRECTORS' BASIC FEE	£37,246	£37,805	1.5
ADDITIONAL FEES			
SENIOR INDEPENDENT DIRECTOR/CHAIR OF REMUNERATION COMMITTEE	£6,242	£6,336	1.5
CHAIR OF THE NOMINATIONS COMMITTEE	£5,202	£5,280	1.5
CHAIR OF THE AUDIT COMMITTEE	£5,202	£5,280	1.5

TOTAL PENSION ENTITLEMENTS

During the year the Company pension benefit represented 12.5% of salary for the Executive Directors (paid as cash in lieu in respect of Rob Parker) and is in line with the Remuneration Policy.

ANNUAL BONUS

For the 52 week period ended 1 October 2016, 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 based on adjusted PBT performance 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 2015/16 and how this reflects performance for the period.

	Weighting	Threshold	Stretch	Actual performance	Executive Director bonus earned as a percentage of salary
ADJUSTED PBT ¹	80%	£20.6 million	£23.0 million	£22.0 million	49%
STRATEGIC OBJECTIVES:					
VALUE OF STOCK HOLDING	5%	£28.7 million	£25.2 million	£25.7 million	4%
AVERAGE TRANSACTION VALUE ("ATV")	5%	>£69.06	>£70.66	£70.29	4%
EMPLOYEE TURNOVER	5%	See Comments	See Comments	See Comments	5%
CUSTOMER SERVICE	5%	75.5%	77.5%	79.7%	5%
TOTAL BONUS EARNED					67%

The Committee considers that the detailed strategic targets for employee turnover are commercially sensitive, as they provide our competitors with insight into our business plans, expectations and our strategic actions, and should therefore remain confidential to the Company. However, the Committee can confirm that a sliding scale of targets was set and that the stretch target was exceeded resulting in full pay-out under this measure.

1. Adjusted PBT as defined in the Financial Review section of this report.

ANNUAL BONUS FOR 2016/17

The maximum annual bonus opportunity for the 2016/17 financial year remains 100% of salary. Up to 20% of salary will continue to be focused upon achievement of individual objectives specifically delivering the strategic plan and 80% will be based on challenging adjusted PBT targets. The strategic objectives for 2016/17 are based on average transaction value, customer service, gross margin and operating expenditure targets.

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

LONG TERM INCENTIVES

(AUDITED INFORMATION)

AWARDS VESTING IN RESPECT OF THE FINANCIAL YEAR

The LTIP awards granted in December 2013 were based on cumulative adjusted EPS targets over the three financial years to 1 October 2016. The performance targets for the awards were as follows:

Cumulative Adjusted EPS for the period 2013/14 to 2015/16	Percentage of the award that will vest
17.84 PENCE	25%
GREATER THAN 17.84 PENCE BUT LESS THAN 19.24 PENCE	Determined on a straightline basis between 25% and 100%
19.24 PENCE	100%

Directors' Remuneration Report

Adjusted EPS is defined as stated in the Company's accounts for the relevant financial period excluding exceptional items. Cumulative EPS over the three year period was 23.51 pence. This resulted in 100% of the award vesting. Details of the awards vesting to the individual Directors are set out in the table below:

	Type of award	Number of shares granted	% Vesting	Number of shares vesting	Value of shares on vesting*	Vesting Date†
M T M WILLIAMS	Nil-cost option	400,604	100%	400,604	452,683	29 November 2016
R PARKER	Nil-cost option	240,363	100%	240,363	271,610	29 November 2016

* Based on the average share price over the last Quarter of the 52 week period to 1 October 2016 of 1.13 pence.

† The awards can be exercised any time until 17 December 2023.

AWARDS GRANTED DURING THE FINANCIAL YEAR (AUDITED INFORMATION)

For the 52 week period ended 1 October 2016 the following awards were granted to Executive Directors on 16 December 2015:

	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%	262,824	£388,323	25%	3 years
R PARKER	Nil-cost option	100%	167,107	£246,901	25%	3 years

1. Valued using a share price of 147.75 pence based on the average three day share price ending on 3 October 2015.

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

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.

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 2016/17 LTIP AWARDS

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 straight-line 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 2016/17 to 2018/19	Percentage of the award that will vest
29.94 PENCE	25%
GREATER THAN 29.94 PENCE BUT LESS THAN 32.29 PENCE	Determined on a straight-line basis between 25% and 100%
32.29 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.

2020 AWARDS

As noted on pages 51, 55 and 56, subject to approval of the Remuneration Policy by shareholders, it is intended that shortly after the AGM, the Executive Directors will be granted awards to align them with the 2020 Incentive Plan already rolled out to other members of the management team. The 2020 awards for the Executive Directors will comprise a one-off award of shares worth up to 100% of salary with the number of shares calculated using a share price of 147.75p (being the share price used when the awards were granted to participants from Store Managers to the Leadership Team, below the Executive Committee). The awards will be subject to the following conditions based on performance in the financial year 2019/2020 of £300 million together with an underpin of a minimum of £38 million Adjusted PBT.

	2019/2020
SALES	£300 million
ADJUSTED PROFIT BEFORE TAX	£38 million

Both the sales and PBT targets must be achieved for the awards to vest. If the targets are achieved the awards will vest at 100% but the Executive Directors will be required to retain 50% of the net of tax shares vesting under the award until January 2022 (the fifth anniversary of grant).

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 1 October 2016:

	Type of award ¹	Number of shares	Face value at grant ²
M T M WILLIAMS	3yr Discounted share option	2,834	£3,798
M T M WILLIAMS	5yr Discounted share option	4,724	£6,330
R PARKER	3yr Discounted share option	2,834	£3,798
R PARKER	5yr Discounted share option	9,448	£12,660

1. In accordance with the scheme rules, the options are granted with an exercise price set at a discount of up to 20% of the market value of a share when the invitations to acquire the option are issued. For the awards granted in 2015/16, the share price at the date of invitation was 158.33 pence and the exercise price is 127 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 134 pence for these options granted on 27 January 2016).

Directors' Remuneration Report

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED INFORMATION)

In order to further align the Executive Directors' long term interests with those of shareholders, the Committee introduced shareholding guidelines in 2013 which required that Executive Directors build up a shareholding of one times salary over a period of five years. With effect from the 2017 AGM, the guideline holding will be increased to two times salary for the CEO and 1.5 times salary for the CFO. The table below sets out the number of shares held or potentially held by Directors (including their connected persons where relevant) as at 2 October 2016.

	Shareholding guidelines	Current shareholding (as % of salary)
M T M WILLIAMS	100%	500%
R PARKER	100%	143%

The interests of each Executive Director of the Company as at 1 October 2016 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 2 October 2016
EXECUTIVE DIRECTORS							
M T M WILLIAMS	Shares	1,718,696	n/a	n/a	n/a	n/a	1,718,696
	LTIP shares	n/a	n/a	805,618	1,022,587	n/a	1,828,205
	SAYE options	n/a	8,372	n/a	n/a	15,144	23,516
R PARKER	Shares	312,895	n/a	n/a	n/a	n/a	312,895
	LTIP shares	n/a	300,000	483,371	629,307	n/a	1,412,678
	SAYE options	n/a	8,372	n/a	n/a	19,868	28,240
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: Directors' shareholdings include shares held by their connected persons where relevant.

There have been no changes in the Directors' shareholdings between 2 October 2016 and the date of this report.

PAYMENTS MADE TO FORMER DIRECTORS DURING THE PERIOD (AUDITED INFORMATION)

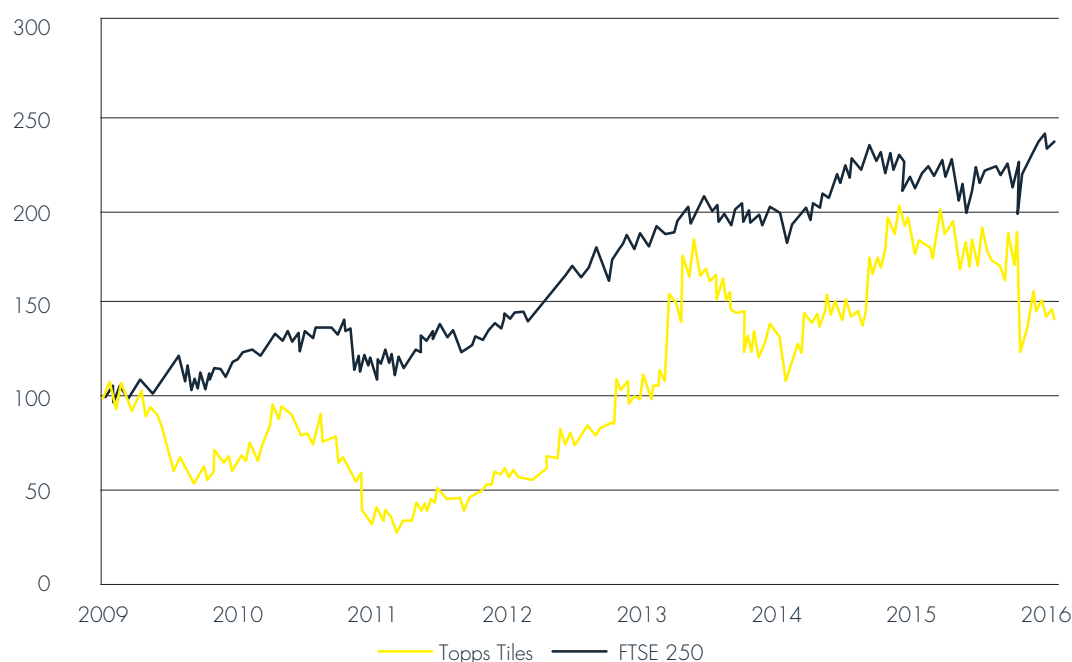
As previously reported the Board had asked The Right Honourable Michael Jack CBE to remain an adviser up until the 2014/15 AGM held on 28 January 2016 during which period he continued to receive a fee.

PAYMENTS FOR LOSS OF OFFICE MADE DURING THE PERIOD (AUDITED INFORMATION)

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 seven years to 1 October 2016. For the purposes of the graph, TSR has been calculated as the percentage change during the seven-year period in the market price of the shares, assuming that dividends are reinvested. The graph shows the value, by the end of the 2015/16 financial year, of £100 invested in the Group over the last seven 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 seven financial years.

	Total remuneration	Annual bonus as a % of maximum opportunity	LTIP as a % of maximum opportunity
52 WEEK PERIOD ENDED 2 OCTOBER 2016	1,180	67%	100%
53 WEEK PERIOD ENDED 3 OCTOBER 2015	2,027 ¹	83%	100%
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

1. Restated to include the value of the January 2013 LTIP award which vested in January 2016 based on performance to 3 October 2015.

Directors' Remuneration Report

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 Matt Williams compared to the wider workforce. For these purposes, the wider workforce includes all employees.

Percentage change	CEO	Wider workforce
SALARY	-0.5%	0.6%
TAXABLE BENEFITS	-3.1%	8.8%
ANNUAL BONUS	18.2%	-2.9%

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 1 October 2016	53 week period ended 3 October 2015	Percentage change
DIVIDENDS AND SHARE BUYBACKS	3.5 pence per share	3.00 pence per share	16.7%
OVERALL EXPENDITURE ON PAY	£53,816,000	£51,530,000	4.4%

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.
- Determine awards against incentive schemes.
- Consult with major shareholders about changes to these incentive schemes.
- Determine fees payable to the Non-Executive Chairman.
- Review the Remuneration Report.
- Monitor the level and structure of remuneration for senior management.

ADVISERS

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 undertook a review of its remuneration advisers. Following a competitive tender, the Committee chose to appoint New Bridge Street as its independent adviser, replacing Deloitte. New Bridge Street is a trading name of Aon Hewitt Limited.

Adviser	Details of appointment	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 1 October 2016
NEW BRIDGE STREET	Appointed by the Committee in March 2016	£11,360 (excluding VAT) Charged on a time/cost basis or fixed fee dependent on the nature of the project.	None

New Bridge Street is a member of the Remuneration Consultants Group and adheres to its Code of Conduct. The Remuneration Committee is satisfied that the advice received from New Bridge Street during the year has been objective and independent.

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 28 January 2016.

Resolution	Votes for	% of vote	Votes against	% of vote	Discretion	% of vote	Votes withheld
APPROVE REMUNERATION REPORT	155,158,632	99.96%	54,057	0.01%	19,093	0%	829,075

APPROVAL

This Report was approved by the Board on 29 November 2016 and signed on its behalf by:

CLAIRE TINEY

Chairman of the Remuneration Committee

29 November 2016



Financial Statements

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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 1 October 2016 and of the group's profit for the 52 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, including FRS 101 "Reduced Disclosure Framework"; 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 the related notes 1 to 29 and the Parent Company notes 1 to 8. 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), including FRS 101 "Reduced Disclosure Framework".

SEPARATE OPINION IN RELATION TO IFRS AS ISSUED BY THE IASB

As explained in note 2a 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 2b to the financial statements and the directors' statement on the longer-term viability of the group contained within the strategic report on page 30.

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

- the directors' confirmation on page 30 that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 31 to 33 that describe those risks and explain how they are being managed or mitigated;
- the directors' statement in note 2b 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 directors' explanation on page 30 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.

INVENTORY

RISK DESCRIPTION	<p>There is significant management judgement involved in assessing the inventory provisions relating to the decisions of discontinued product lines and the requirement for provisions based on forecast consumer trends and sales, and the judgements involved in determining the provisions required for inventory loss from stores based on the average value of inventory loss and time from most recent full inventory count. In addition judgement exists related to the type and percentage of overhead costs to be capitalised into inventory.</p> <p>Given the size of the inventory balance (gross inventory – £27.2 million, inventory provision of £0.9m) and the judgements noted above, we consider it appropriate to include within our audit report.</p> <p>Inventory valuation is included within the key sources of estimation uncertainty within note 2w, and the balance sheet provisions are disclosed in note 2w.</p>
HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE RISK	<p>We tested the cost of inventory (on a sample basis) by reference to supplier invoice costs. We performed net realisable value testing to assess whether the Group sells these products at a price greater than cost.</p> <p>We challenged management's assumptions, as well as the calculation methodology, involved with the inventory provisions. We have also performed analytical procedures and detailed testing over the overheads absorption method, to determine whether the types of costs and value of overheads capitalised in inventory is appropriate. We tested the accuracy and completeness of the information used in calculating the provisions, as well as the information used in assessing the level of overheads absorbed into inventory.</p>

PROPERTY PROVISIONS

RISK DESCRIPTION	<p>The property provisions arise from the Group's portfolio of 351 stores. The appropriateness and completeness of onerous provisions (£2.5 million) and dilapidation provisions (£1.8 million) in relation to those stores is judgemental as they include an assessment of the likely future periods of which leasehold properties may be vacant and estimates of future costs of making good dilapidations.</p> <p>Due to the size of the Group's property portfolio and the sensitivity of the assumptions, Property provisions are considered to be one of the areas which has the most significant impact on the audit, and is therefore included in our audit report.</p> <p>Property provisions are included within the key sources of estimation uncertainty within note 2w, and the balance sheet provisions are disclosed in note 19.</p>
HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE RISK	<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, as well as the overall policy applied to the provisions.</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 arrangements 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 sources. In performing this work we have utilised our specialists to benchmark the discount rate used and assess whether the provisions are appropriately discounted.</p>

Independent Auditors' Report to the Members of Topps Tiles Plc

SUPPLIER REBATES

RISK DESCRIPTION	<p>The Group has a number of contracts that include rebates with its suppliers. These arrangements have a number of thresholds and settlement dates that require management to exercise judgement when calculating the rebate receivable and the appropriate recognition within the income statement. Many of these agreements are based on calendar years, therefore there is judgement in estimating the volume of purchases that will be made, and whether relevant thresholds for receiving rebates will be met.</p> <p>Supplier rebates and income is included within the key sources of estimation uncertainty within note 2w.</p>
HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE RISK	<p>For those agreements open at year-end we obtained a sample of supplier agreements and assessed the appropriateness of the recognition of income by reviewing 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 supplier) 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 the 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 and the income recognised in the year.</p>

Last year our report included two other risks which are not included in our report this year: Revenue recognition (although revenue is a key financial performance indicator for the Group there is minimal judgement or complexity in relation to the recognition of revenue), and accounting for restructuring provisions (the group's restructuring costs were primarily incurred in the previous period).

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 44.

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 (2015: £1,000,000), which is 5% (2015: 5%) of normalised pre-tax profit, and below 1% (2015: 1%) of equity. In the prior year we normalised pre-tax profit, by adding back restructuring costs incurred in 2015 of £2.6 million as these were determined to be non-recurring, and therefore the normalised profit more truly represented the underlying business. There are no such non-recurring items in the current year. Profit before tax is used as the benchmark in determining materiality as it is considered to be the key performance measure of the business.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £20,000 (2015: £20,000), 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 at the group level.

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 and no component auditors were used. 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 £4,000 to £900,000 (2015: £2,000 to £900,000).

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 16 (2015: 22) 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

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

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:

- 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.

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.


RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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.

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.

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
29 November 2016

Consolidated Statement of Financial Performance

For the 52 weeks ended 1 October 2016

	Notes	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
GROUP REVENUE – CONTINUING OPERATIONS	3	214,994	212,221
COST OF SALES		(81,825)	(82,319)
GROSS PROFIT		133,169	129,902
EMPLOYEE PROFIT SHARING		(10,046)	(10,405)
DISTRIBUTION AND SELLING COSTS		(77,113)	(76,204)
OTHER OPERATING EXPENSES		(6,489)	(5,846)
ADMINISTRATIVE COSTS		(13,887)	(13,485)
SALES AND MARKETING COSTS		(4,561)	(5,079)
GROUP OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		21,073	21,502
BUSINESS SIMPLIFICATION COSTS	4	–	(2,619)
GROUP OPERATING PROFIT		21,073	18,883
OTHER LOSSES	5	–	(23)
INVESTMENT REVENUE	7	85	242
FINANCE COSTS	7	(1,176)	(2,083)
PROFIT BEFORE TAXATION	5	19,982	17,019
TAXATION	8	(4,451)	(3,954)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	26	15,531	13,065
EARNINGS PER ORDINARY SHARE FROM CONTINUING OPERATIONS	10		
— BASIC		8.05p	6.75p
— DILUTED		7.82p	6.73p

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 1 October 2016

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME	15,531	13,065
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	15,531	13,065

Consolidated Statement of Financial Position

As at 1 October 2016

	Notes	2016 £'000	2015 £'000
NON-CURRENT ASSETS			
GOODWILL	11	245	245
DEFERRED TAX ASSET	19	–	319
PROPERTY, PLANT AND EQUIPMENT	12	51,619	47,094
		51,864	47,658
CURRENT ASSETS			
INVENTORIES		25,667	27,408
TRADE AND OTHER RECEIVABLES	14	6,708	8,041
CASH AND CASH EQUIVALENTS	15	10,228	16,564
		42,603	52,013
TOTAL ASSETS		94,467	99,671
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	16	(33,108)	(33,987)
CURRENT TAX LIABILITIES		(4,004)	(5,048)
PROVISIONS	19	(1,448)	(1,736)
		(38,560)	(40,771)
NET CURRENT ASSETS		4,043	11,242
NON-CURRENT LIABILITIES			
BANK LOANS	17	(34,807)	(44,692)
DEFERRED TAX LIABILITIES	19	(709)	–
PROVISIONS	19	(2,846)	(3,410)
TOTAL LIABILITIES		(76,922)	(88,873)
NET ASSETS		17,545	10,798
EQUITY			
SHARE CAPITAL	20	6,539	6,457
SHARE PREMIUM	21	2,473	1,906
OWN SHARES	22	(4,411)	(630)
MERGER RESERVE	23	(399)	(399)
SHARE-BASED PAYMENT RESERVE	24	4,280	2,820
CAPITAL REDEMPTION RESERVE	25	20,359	20,359
RETAINED LOSSES	26	(11,296)	(19,715)
TOTAL EQUITY		17,545	10,798

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

The financial statements of Topps Tiles Plc, registered number 3213782, on pages 77 to 113 were approved by the board of directors and authorised for issue on 29 November 2016. They were signed on its behalf by:

MATTHEW WILLIAMS
ROB PARKER
Directors

Consolidated Statement of Changes in Equity

For the 52 weeks ended 1 October 2016

	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 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
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	–	–	–	–	–	–	15,531	15,531
ISSUE OF SHARE CAPITAL	82	567	–	–	(7)	–	–	642
DIVIDENDS	–	–	–	–	–	–	(6,296)	(6,296)
OWN SHARES PURCHASED IN THE PERIOD	–	–	(4,415)	–	–	–	–	(4,415)
OWN SHARES ISSUED IN THE PERIOD	–	–	634	–	–	–	(634)	–
CREDIT TO EQUITY FOR EQUITY-SETTLED SHARE BASED PAYMENTS	–	–	–	–	1,467	–	448	1,915
DEFERRED TAX ON SHARE-BASED PAYMENT TRANSACTIONS	–	–	–	–	–	–	(630)	(630)
BALANCE AT 1 OCTOBER 2016	6,539	2,473	(4,411)	(399)	4,280	20,359	(11,296)	17,545

Consolidated Cash Flow Statement

For the 52 weeks ended 1 October 2016

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT FOR THE PERIOD	15,531	13,065
TAXATION	4,451	3,954
FINANCE COSTS	1,176	2,083
INVESTMENT REVENUE	(85)	(242)
OTHER GAINS ON SALE OF FREEHOLD PROPERTIES	–	23
GROUP OPERATING PROFIT	21,073	18,883
ADJUSTMENTS FOR:		
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	5,832	5,243
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	152	432
SHARE OPTION CHARGE	1,701	1,409
BUSINESS SIMPLIFICATION COSTS	–	2,619
DECREASE/(INCREASE) IN TRADE AND OTHER RECEIVABLES	1,334	(2,125)
DECREASE IN INVENTORIES	1,740	438
DECREASE IN PAYABLES	(1,916)	(2,680)
CASH GENERATED BY OPERATIONS	29,916	24,219
INTEREST PAID	(1,045)	(1,882)
TAXATION PAID	(4,648)	(3,882)
NET CASH FROM OPERATING ACTIVITIES	24,223	18,455
INVESTING ACTIVITIES		
INTEREST RECEIVED	84	127
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(10,577)	(12,058)
PROCEEDS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	–	512
PURCHASE OF OWN SHARES	(4,383)	(504)
NET CASH USED IN INVESTMENT ACTIVITIES	(14,876)	(11,923)
FINANCING ACTIVITIES		
DIVIDENDS PAID	(6,296)	(4,534)
PROCEEDS FROM ISSUE OF SHARE CAPITAL	613	29
LOAN ISSUE COSTS	–	(10)
REPAYMENT OF BANK LOANS	(10,000)	(5,000)
NET CASH USED IN FINANCING ACTIVITIES	(15,683)	(9,515)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,336)	(2,983)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,564	19,547
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10,228	16,564

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

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 41. The nature of the Group's operations and its principal activity are set out in the Directors' Report on page 46.

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, there were no new or revised standards and interpretations adopted that have a material impact on the financial statements.

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.

Annual Improvements to IFRSs: 2010–12 Cycle

Annual Improvements to IFRSs: 2011–13 Cycle

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 2 – Classification and Measurement of Share-based Payment Transactions

IFRS 9 – Financial Instruments

IFRS 10 & IAS 28 (amended) – Sale or Contribution of Assets between an investor and its Associate or Joint Venture

IFRS 11 (amended) – Joint Arrangements

IFRS 15 – Revenue from Contracts with Customers

IFRS 16 – Operating Leases

Annual Improvements to IFRSs: 2012–2014 Cycle

IAS 1 & 7 – Disclosure initiative

IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

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

IFRS 16 – Operating Leases, will have a material impact on the Group, with all of its operating leases being recognised on balance sheet with a corresponding right to use asset being recognised on balance sheet. Rental costs in the income statement will be replaced by interest and depreciation charges and will therefore impact the Group's profit. Management are currently reviewing the impact of the change in standard and beyond this the impact can't be further quantified at this stage.

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

IFRS 15 is not expected to have a material impact on the group, however management are currently reviewing the impact of the change in standard and beyond this the impact can't be fully quantified at this stage.

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

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 goods and services.

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.

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 2016 mean at 1 October 2016 or the 52 weeks then ended; references to 2015 mean at 3 October 2015 or the 53 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.

2 ACCOUNTING POLICIES CONTINUED

F) REVENUE RECOGNITION

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 on the collection or delivery of goods, 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.

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. The Group has not recognised any exceptional items in the current year.

H) PROPERTY, PLANT & 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 straightline basis
Short leasehold land and buildings	over the period of the lease, up to 25 years on a straightline basis
Fixtures and fittings	over 10 years, except for the following; 4 years for computer equipment or 5 years for display stands, 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.

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 ASSETS

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.

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.

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

2 ACCOUNTING POLICIES CONTINUED

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 revalued 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, 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.

K) TAXATION

The tax expense represents the sum of the tax currently payable 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.

2 ACCOUNTING POLICIES CONTINUED

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).

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.

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 Statement of Financial Position.

P) FINANCE COSTS

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.

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.

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

2 ACCOUNTING POLICIES CONTINUED

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.

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 50 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.

2 ACCOUNTING POLICIES CONTINUED

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.

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 remeasured 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.

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.

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

2 ACCOUNTING POLICIES CONTINUED

T) OPERATING PROFIT

Operating profit is stated after charging/(crediting) restructuring costs but before property disposals, investment income and finance costs.

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.

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 (2015: £1.9 million) of overheads absorbed into inventory and £0.6 million (2015: £2.0 million) of supplier income (rebates) recognised into the inventory balance. Additionally, there were £0.7 million (2015: 0.7 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 seven further stores being exited before their lease terms had expired (2015: zero stores). All seven stores exited in advance of their lease terms related to the exit the Topps Clearance format, a decision taken in the 2015 financial year. 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.

2 ACCOUNTING POLICIES CONTINUED

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 £nil of rebates (2015: £1.2 million) which are still outstanding in receivables and holds £0.6 million (2015: £2.0 million) of rebates within the inventory balance (as above) and accrued rebates of £1.0 million (2015: £1.4 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. During the period the Group renegotiated a number of supplier rebate agreements, with the effect of the renegotiation being that the Group now receives a lower net price of goods, and lower retrospective rebate receivable. This has significantly reduced the level of rebates held in stock and level of rebates invoiced and not yet received. The overall profit impact on the Group during the period is nil.

BUSINESS SIMPLIFICATION PROVISIONS

During the prior 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 the decision was made to exit the Topps Clearance format in order to focus on the core Topps Tiles brand. During 2016 both of these business simplification initiatives were completed. In the 2016 financial year this simplification work has led to part utilisation of onerous lease and related property provisions and a number of redundancy payments. No such costs have been recognised in the current year.

3 REVENUE

An analysis of Group revenue is as follows:

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
REVENUE FROM THE SALE OF GOODS	214,994	212,221
TOTAL REVENUE	214,994	212,221

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

The Group has one reportable segment in accordance with IFRS 8 – Operating Segments, which is the Topps Tiles stores and online business segment. The Group's board is considered the chief operating decision maker. The Board receives monthly financial information at this level and uses this information to monitor the performance of the Topps Tiles stores and online business segment, allocate resources and make operational decisions. Internal reporting focuses on the Group as a whole and does not identify any further individual segments. All revenue is derived from sales in the UK and from one class of business.

4 EXCEPTIONAL ITEMS – BUSINESS SIMPLIFICATION COSTS

During the prior period the Group announced the decision to relocate the finance function to Leicester and exit the Topps Clearance format. Both of these simplification initiatives have been completed during the 2015–16 financial period. This simplification work has led to part utilisation of onerous lease and related property provisions and a number of redundancy payments, all in line with the provision raised in the prior year.

No exceptional items were incurred in the 2016 financial year.

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
INCLUDED IN ADMINISTRATIVE EXPENSES:		
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	–	172
RESTRUCTURING COSTS	–	736
PROPERTY RELATED PROVISIONS	–	1,711
	–	2,619

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5 PROFIT BEFORE TAXATION

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

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	5,832	5,243
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT*	152	266
DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT LOSS	–	23
PROPERTY RELATED PROVISIONS CHARGED*	719	1,729
RESTRUCTURING COSTS	–	736
STAFF COSTS (SEE NOTE 6)	53,816	51,530
OPERATING LEASE RENTALS	23,830	23,388
WRITE-DOWN OF INVENTORIES RECOGNISED AS AN EXPENSE	3,971	3,431
COST OF INVENTORIES RECOGNISED AS EXPENSE†	78,612	78,152
NET FOREIGN EXCHANGE GAIN†	–	(135)

During the year the business disposed of zero freehold properties (2015: One freehold property disposal).

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

† In the prior year, the directors included foreign exchange gains within investment revenue. In the current year, the directors consider a more appropriate classification to be within cost of sales given the gains relate to the Group's inventory purchases. On the grounds of materiality, no changes have been made to the comparative figures. The current year gain was £225,260. If the prior year gain of £135,000 was included within cost of sales, cost of inventories recognised as an expense would have been £78,017,000.

Analysis of auditor's remuneration is provided below:

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
FEES PAYABLE TO THE COMPANY'S AUDITOR WITH RESPECT TO THE COMPANY'S ANNUAL ACCOUNTS	41	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	87	85
TOTAL AUDIT FEES	128	115
OTHER ASSURANCE	–	10
TAXATION COMPLIANCE SERVICES	70	70
REMUNERATION COMMITTEE ADVICE	–	2
SHARE PLAN ADVICE	–	11
TOTAL NON AUDIT FEES	70	93
TOTAL FEES PAYABLE TO THE COMPANY'S AUDITOR	198	208

A description of the work of the Audit Committee is set out on page 44 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 in the UK during the accounting period (including executive directors) was:

	52 weeks ended 1 October 2016 Number employed	53 weeks ended 3 October 2015 Number employed
SELLING	1,778	1,731
ADMINISTRATION	199	184
	1,977	1,915
	2016 £'000	2015 £'000
THEIR AGGREGATE REMUNERATION COMPRISED:		
WAGES AND SALARIES (INCLUDING LTIP, SEE NOTE 28)	48,667	46,844
SOCIAL SECURITY COSTS	4,286	3,838
OTHER PENSION COSTS (SEE NOTE 27B)	863	848
	53,816	51,530

Details of directors' emoluments are disclosed on pages 50 to 69. The Group considers key management to be the directors only. Employee profit sharing of £10.0 million (2015: £10.4 million) is included in the above and comprises sales commission and bonuses.

7 INVESTMENT REVENUE AND FINANCE COSTS

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
INVESTMENT REVENUE		
BANK INTEREST RECEIVABLE AND SIMILAR INCOME	85	107
FAIR VALUE GAIN ON FORWARD CURRENCY CONTRACTS*	—	135
	85	242
FINANCE COSTS		
INTEREST ON BANK LOANS AND OVERDRAFTS	(1,092)	(1,231)
INTEREST ON UNDERPAID TAX†	(84)	(852)
	(1,176)	(2,083)

* In the prior year, the directors included foreign exchange gains within investment revenue. In the current year, the directors consider a more appropriate classification to be within cost of sales given the gains relate to the Group's inventory purchases. On the grounds of materiality, no changes have been made to the comparative figures.

† The Group has historically provided for tax on open HMRC enquiries. During 2015/16 financial year a £0.6 million payment was made, and in the first few weeks of the 2016/17 financial year a further payment of £2.9 million was made, all payments being provided for in previous periods. It is believed that these payments resolve the majority of outstanding historic tax issues.

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.

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8 TAXATION

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
CONTINUING OPERATIONS:		
CURRENT TAX – CHARGE FOR THE PERIOD	3,906	3,946
CURRENT TAX – ADJUSTMENT IN RESPECT OF PREVIOUS PERIODS	148	103
DEFERRED TAX – CHARGE FOR PERIOD (NOTE 19)	302	(158)
DEFERRED TAX – ADJUSTMENT IN RESPECT OF PREVIOUS PERIODS (NOTE 19)	95	63
	4,451	3,954

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

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
CONTINUING OPERATIONS:		
PROFIT BEFORE TAXATION	19,982	17,019
TAX AT THE UK CORPORATION TAX RATE OF 20.0% (2015: 20.5%)	3,997	3,489
EXPENSES THAT ARE NOT DEDUCTIBLE IN DETERMINING TAXABLE PROFIT	58	119
DIFFERENCE BETWEEN IFRS 2 AND CORPORATION TAX RELIEF	137	–
REDUCTION IN UK CORPORATION TAX RATE	(246)	–
CHARGEABLE GAIN LOWER THAN PROFIT ON SALE OF FREEHOLD PROPERTY	–	(2)
TANGIBLE FIXED ASSETS WHICH DO NOT QUALIFY FOR CAPITAL ALLOWANCES	261	182
ADJUSTMENT IN RESPECT OF PRIOR PERIODS	244	166
TAX EXPENSE FOR THE PERIOD	4,451	3,954

In the period, the Group has recognised a corporation tax credit directly to equity of £448,000 (2015: £8,000) and a deferred tax debit to equity of £630,000 (2015: £485,000) in relation to the Group's share option schemes.

9 DIVIDENDS

	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
INTERIM DIVIDEND FOR THE PERIOD ENDED 1 OCTOBER 2016 OF £0.01 (2015: £0.0075) PER SHARE	1,930	1,447
PROPOSED FINAL DIVIDEND FOR THE PERIOD ENDED 1 OCTOBER 2016 OF £0.025 (2015: £0.0225) PER SHARE	4,803	4,358

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.

	2016 Number of shares	2015 Number of shares
WEIGHTED AVERAGE NUMBER OF ISSUED SHARES		
FOR BASIC EARNINGS PER SHARE	195,063,550	193,683,323
WEIGHTED AVERAGE IMPACT OF TREASURY SHARES FOR BASIC EARNINGS PER SHARE	(2,131,436)	(799,088)
WEIGHTED AVERAGE NUMBER OF SHARES UNDER OPTION	5,769,647	1,234,227
FOR DILUTED EARNINGS PER SHARE	198,701,761	194,118,462

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 27 SEPTEMBER 2014, 3 OCTOBER 2015 AND 1 OCTOBER 2016	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 pre-tax rate of 14.2% (2015: 14.4%).

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.

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For the 52 weeks ended 1 October 2016

12 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings		Fixtures and fittings	Motor vehicles	Total
	Freehold £'000	Short leasehold £'000	£'000	£'000	£'000
COST					
AT 27 SEPTEMBER 2014	17,951	1,832	63,459	120	83,362
ADDITIONS	1,129	231	10,643	5	12,008
DISPOSALS	(520)	(109)	(1,793)	(67)	(2,489)
AT 3 OCTOBER 2015	18,560	1,954	72,309	58	92,881
ADDITIONS	–	93	10,411	5	10,509
DISPOSALS	–	–	(691)	–	(691)
AT 1 OCTOBER 2016	18,560	2,047	82,029	63	102,699
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
AT 27 SEPTEMBER 2014	1,767	1,719	38,511	71	42,068
CHARGE FOR THE PERIOD	290	38	4,896	19	5,243
PROVISION FOR IMPAIRMENT	–	–	266	–	266
ELIMINATED ON DISPOSALS	(11)	(109)	(1,627)	(43)	(1,790)
AT 3 OCTOBER 2015	2,046	1,648	42,046	47	45,787
CHARGE FOR THE PERIOD	289	49	5,482	12	5,832
PROVISION FOR IMPAIRMENT	–	–	152	–	152
ELIMINATED ON DISPOSALS	–	–	(691)	–	(691)
AT 1 OCTOBER 2016	2,335	1,697	46,989	59	51,080
CARRYING AMOUNT					
AT 1 OCTOBER 2016	16,225	350	35,040	4	51,619
AT 3 OCTOBER 2015	16,514	306	30,263	11	47,094

Freehold land and buildings include £4,104,000 of freehold land (2015: £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 (2015: £nil).

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

During the period, the Group has closed ten 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 £152,000 (2015: £266,000) included within other operating expenses.

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 only financial statements.

14 TRADE AND OTHER RECEIVABLES

	2016 £'000	2015 £'000
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
AMOUNTS RECEIVABLE FOR THE SALE OF GOODS	681	712
ALLOWANCE FOR DOUBTFUL DEBTS	(33)	(27)
OTHER DEBTORS AND PREPAYMENTS		
— RENT AND RATES	4,001	4,808
— OTHER	2,059	2,548
	6,708	8,041

The Directors consider that the carrying amount of trade and other receivables at 1 October 2016 and 3 October 2015 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 1 October 2016 amounted to £0.6 million (2015: £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 54 days (2015: 51 days) and no interest is charged on the receivables.

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.

Included in the Group's trade receivable balance are debtors with a carrying amount of £94,000 (2015: £96,000) 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

	2016 £'000	2015 £'000
GREATER THAN 60 DAYS	94	96

The allowance for doubtful debts was £33,000 by the end of the period (2015: £27,000). 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 £20,000 relating to individually impaired trade receivables (2015: £27,000) 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:

	2016 £'000	2015 £'000
STERLING	8,738	16,519
US DOLLAR	715	14
EURO	775	31
TOTAL CASH AND CASH EQUIVALENTS	10,228	16,564

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For the 52 weeks ended 1 October 2016

16 OTHER FINANCIAL LIABILITIES

TRADE AND OTHER PAYABLES

	2016 £'000	2015 £'000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
TRADE PAYABLES	16,598	15,505
OTHER PAYABLES	3,740	4,940
ACCRUALS AND DEFERRED INCOME	12,770	13,542
	33,108	33,987

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 49 days (2015: 46 days). No interest is charged on these payables.

The Directors consider that the carrying amount of trade payables at 1 October 2016 and 3 October 2015 approximates to their fair value on the basis of discounted cash flow analysis.

17 BANK LOANS

	2016 £'000	2015 £'000
BANK LOANS (ALL STERLING)	34,691	44,576
	2016 £'000	2015 £'000
THE BORROWINGS ARE REPAYABLE AS FOLLOWS:		
ON DEMAND OR WITHIN ONE YEAR	–	–
IN THE SECOND YEAR	–	–
IN THE THIRD TO FIFTH YEAR	35,000	45,000
	35,000	45,000
LESS: TOTAL UNAMORTISED ISSUE COSTS	(309)	(424)
	34,691	44,576
ISSUE COSTS TO BE AMORTISED WITHIN 12 MONTHS	116	116
AMOUNT DUE FOR SETTLEMENT AFTER 12 MONTHS	34,807	44,692

The Directors consider that the carrying amount of the bank loan at 1 October 2016 and 3 October 2015 approximates to its fair value since the amounts relate to floating rate debt.

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

	2016 %	2015 %
LOANS	2.19	2.36

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

The Group is part way through a five year revolving credit facility of £50.0 million, expiring 31 May 2019. As at the financial period end £35.0 million of this facility was drawn (2015: £45.0 million). The loan facility contains financial covenants which are tested on a bi-annual basis. The Group did not breach any covenants in the period.

At 1 October 2016, the Group had available £15 million (2015: £5.0 million) of undrawn committed banking facilities.

18 FINANCIAL INSTRUMENTS

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 2015. 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 losses 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	
	2016 £'000	2015 £'000
FINANCIAL ASSETS		
LOANS AND RECEIVABLES (INCLUDING CASH AND CASH EQUIVALENTS)	10,876	17,249
FAIR VALUE THROUGH PROFIT AND LOSS	342	117
FINANCIAL LIABILITIES		
AMORTISED COST	51,404	60,197

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.

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	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
EURO	781	31	3,032	2,201
US DOLLAR	725	14	1,215	500

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18 FINANCIAL INSTRUMENTS CONTINUED

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. Ten per cent 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.

	2016 £'000	2015 £'000	2014 £'000
PROFIT OR LOSS MOVEMENT ON A 10% STRENGTHENING IN STERLING AGAINST THE EURO	205	197	123
PROFIT OR LOSS MOVEMENT ON A 10% STRENGTHENING IN STERLING AGAINST THE US DOLLAR	45	44	69
PROFIT OR LOSS MOVEMENT ON A 10% WEAKENING IN STERLING AGAINST THE EURO	(250)	(241)	(150)
PROFIT OR LOSS MOVEMENT ON A 10% WEAKENING IN STERLING AGAINST THE US DOLLAR	(55)	(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:

	2016 £'000	2015 £'000
FORWARD FOREIGN EXCHANGE CONTRACTS	6,125	6,597

These arrangements are designed to address significant exchange exposures for the first half of 2016 and are renewed on a revolving basis as required.

At 1 October 2016 the fair value of the Group's currency derivatives is a gain of £341,917 within prepayments (note 14) (2015: £117,000). These amounts are based on the market value of equivalent instruments at the balance sheet date.

Gains of £225,260 are included in cost of sales (2015: £135,000 gain included in investment revenue) (note 7). In the prior year, the directors included foreign exchange gains within investment revenue. In the current year, the directors consider a more appropriate classification to be within cost of sales given the gains relate to the Group's inventory purchases. On the grounds of materiality, no changes have been made to the comparative figures.

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.

18 FINANCIAL INSTRUMENTS CONTINUED

INTEREST RATE SENSITIVITY ANALYSIS

The sensitivity analysis below has 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	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
(LOSS) OR PROFIT	(198)	(231)	198	231

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 counterparty 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 1.77413% (2015: 2.28688%)) 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.

2016	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	1–5 years £'000	Total £'000
NON-INTEREST BEARING	20,337	–	–	–	20,337
VARIABLE INTEREST RATE INSTRUMENTS	59	117	521	36,157	36,854

2015	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	1–5 years £'000	Total £'000
NON-INTEREST BEARING	20,444	–	–	–	20,444
VARIABLE INTEREST RATE INSTRUMENTS	78	186	792	47,823	48,879

The Group is financed through a £50 million (2015: £50 million) revolving credit facility, of which £35 million (2015: £45 million) was utilised. At the balance sheet date the total unused amount of financing facilities was £15 million (2015: £5 million). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

18 FINANCIAL INSTRUMENTS CONTINUED

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.

	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	5+ years £'000	Total £'000
2016						
FOREIGN EXCHANGE FORWARD CONTRACTS PAYMENTS	(1,179)	(2,435)	(2,511)	–	–	(6,125)
FOREIGN EXCHANGE FORWARD CONTRACTS RECEIPTS	1,305	2,611	2,567	–	–	6,483
2015						
FOREIGN EXCHANGE FORWARD CONTRACTS PAYMENTS	–	(3,331)	(3,267)	–	–	(6,598)
FOREIGN EXCHANGE FORWARD CONTRACTS RECEIPTS	–	3,358	3,362	–	–	6,720

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 (2015: 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

	2016 £'000	2015 £'000
ONEROUS LEASE PROVISION	1,309	1,368
BUSINESS SIMPLIFICATION PROVISION	1,181	2,208
DILAPIDATIONS PROVISION	1,804	1,569
	4,294	5,145
CURRENT	1,448	1,736
NON-CURRENT	2,846	3,409
	4,294	5,145

	Business Simplification provision £'000	Onerous lease provision £'000	Dilapidations provision £'000	Total £'000
AT 3 OCTOBER 2015	2,208	1,367	1,570	5,145
CREATED IN THE YEAR	–	1,284	325	1,609
UTILISATION OF PROVISION	(1,027)	(1,342)	(91)	(2,460)
RELEASE OF PROVISION IN THE PERIOD	–	–	–	–
AT 1 OCTOBER 2016	1,181	1,309	1,804	4,294

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 Topps 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 remaining business simplification provision is expected to be utilised over the next 12 months.

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	Share-based payments £'000	Exchange rate differences £'000	Rent free £'000	Total £'000
AS AT 27 SEPTEMBER 2014	1,458	(663)	(2)	(532)	261
CHARGE TO INCOME	2	(205)	24	21	(158)
CHARGE IN RESPECT OF PREVIOUS PERIODS	63	–	–	–	63
IMPACT OF RATE CHANGE	–	–	–	–	–
CREDIT TO EQUITY	–	(485)	–	–	(485)
AS AT 3 OCTOBER 2015	1,523	(1,353)	22	(511)	(319)
CHARGE/(CREDIT) TO INCOME	138	(166)	(22)	511	461
CHARGE IN RESPECT OF PREVIOUS PERIODS	95	–	–	–	95
IMPACT OF RATE CHANGE	(263)	105	–	–	(158)
CHARGE TO EQUITY	–	630	–	–	630
AS AT 1 OCTOBER 2016	1,493	(784)	–	–	709

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 1 October 2016 has been calculated based on these rates.

20 CALLED-UP SHARE CAPITAL

	2016 £'000	2015 £'000
ISSUED AND FULLY-PAID 196,153,770* (2015: 193,700,459*)		
ORDINARY SHARES OF 3.33P EACH (2014: 3.33P)	6,539	6,457
TOTAL	6,539	6,457

During the period the Group issued 2,453,311 (2015: 64,219) ordinary shares with a nominal value of £81,712 (2015: £2,141) under share option schemes for an aggregate cash consideration of £612,500 (2015: £28,733).

* During the period £4,415,000 (2015: £504,000) shares were purchased by Topps Tiles Employee Benefit Trust on behalf of the Group.

21 SHARE PREMIUM

	2016 £'000	2015 £'000
AT START OF PERIOD	1,906	1,879
PREMIUM ON ISSUE OF NEW SHARES	567	27
AT END OF PERIOD	2,473	1,906

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

22 OWN SHARES

	2016 £'000	2015 £'000
AT START OF PERIOD	(630)	(656)
ACQUIRED IN THE PERIOD	(4,415)	(504)
DISPOSED OF ON ISSUE IN THE PERIOD	634	530
AT END OF PERIOD	(4,411)	(630)

A subsidiary of the Group holds 4,038,495 (2015: 799,000) shares with a nominal value of £4,410,863 acquired for an average price of £1.09 per share (2015: £27,000 acquired for an average price of £0.79 per share) and therefore these have been classed as own shares.

23 MERGER RESERVE

	2016 £'000	2015 £'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 1 October 2016 (2015: same).

24 SHARE-BASED PAYMENT RESERVE

	2016 £'000	2015 £'000
AT START OF PERIOD	2,820	1,941
CREDIT TO EQUITY FOR EQUITY-SETTLED SHARE BASED PAYMENTS	1,460	879
AT END OF PERIOD	4,280	2,820

The share-based payment reserve has arisen on the fair valuation of save as you earn schemes and Long-term incentive plans. The Directors consider this to be distributable as at 1 October 2016 (2015: same).

25 CAPITAL REDEMPTION RESERVE

	2016 £'000	2015 £'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 1 October 2016 (2015: same).

26 RETAINED LOSSES

	£'000
AT 27 SEPTEMBER 2014	(28,736)
DIVIDENDS (NOTE 9)	(4,534)
DEFERRED TAX ON SHARES/SAVE SCHEME TAKEN DIRECTLY TO EQUITY	490
NET PROFIT FOR THE PERIOD	13,065
AT 3 OCTOBER 2015	(19,715)
DIVIDENDS (NOTE 9)	(6,296)
DEFERRED AND CURRENT TAX ON SHARES/SAVE SCHEME TAKEN DIRECTLY TO EQUITY	(182)
OWN SHARES ISSUED IN THE PERIOD	(634)
NET PROFIT FOR THE PERIOD	15,531
AT 1 OCTOBER 2016	(11,296)

27 FINANCIAL COMMITMENTS

A) CAPITAL COMMITMENTS

At the end of the period there were capital commitments contracted of £45,000 (2015: £114,000).

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 £863,000 (2015: £848,000). At the period end, the Group holds outstanding contributions of £136,619 (2015: £152,414).

C) LEASE COMMITMENTS

Minimum future sublease payments expected to be received under non-cancellable subleases amount to £3,715,000 (2015: £3,093,000).

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 £23,830,000 (2015: £23,388,000) which includes property service charges of £732,000 (2015: £783,000).

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:

	2016		2015	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
— WITHIN 1 YEAR	22,601	1,037	21,868	847
— WITHIN 2–5 YEARS	71,957	1,363	69,785	797
— AFTER 5 YEARS	51,083	168	54,619	—
	145,641	2,568	146,272	1,644

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 10 years and rentals are fixed for an average of 5 years (2015: 5).

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

28 SHARE-BASED PAYMENTS

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

EMPLOYEE SHARE PURCHASE PLANS

Employee share purchase plans are open to almost all employees and provide for a purchase price equal to the average market price over the three days prior to 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:

	2016		2015	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
OUTSTANDING AT BEGINNING OF PERIOD	2,969,105	0.63	2,485,176	0.37
ISSUED DURING THE PERIOD	2,098,318	1.27	887,775	0.98
EXPIRED DURING THE PERIOD	(617,982)	1.05	(339,627)	0.31
EXERCISED DURING THE PERIOD	(1,368,826)	0.45	(64,219)	0.29
OUTSTANDING AT END OF PERIOD	3,080,615	1.14	2,969,105	0.63
EXERCISABLE AT END OF PERIOD	8,372	0.43	–	–

The inputs to the Black-Scholes Model for the employee 3 and 5 year Employee Share Purchase Plans issued in the year are as follows:

3 YEAR PLAN

WEIGHTED AVERAGE SHARE PRICE	— PENCE	134.00
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	127.00
EXPECTED VOLATILITY	— %	29.01
EXPECTED LIFE	— YEARS	3.00
RISK – FREE RATE OF INTEREST	— %	0.71
DIVIDEND YIELD	— %	2.24

5 YEAR PLAN

WEIGHTED AVERAGE SHARE PRICE	— PENCE	134.00
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	127.00
EXPECTED VOLATILITY	— %	43.29
EXPECTED LIFE	— YEARS	5.00
RISK-FREE RATE OF INTEREST	— %	1.10
DIVIDEND YIELD	— %	2.24

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 3 and 5 years (2015: 3 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.

28 SHARE-BASED PAYMENTS CONTINUED

LONG TERM INCENTIVE PLAN

Long Term Incentive Plans have been granted to senior management and have a vesting period of three years. Vesting is subject to achievement of certain performance conditions.

Movements in Long Term Incentive Plan options are summarised as follows:

	2016		2015	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
OUTSTANDING AT BEGINNING OF PERIOD	5,032,515	—	3,606,203	—
ISSUED DURING THE PERIOD	1,229,100	—	1,446,312	—
EXPIRED DURING THE PERIOD	(113,041)	—	(20,000)	—
EXERCISED DURING THE PERIOD	(1,084,485)	—	—	—
OUTSTANDING AT END OF PERIOD	5,064,089	—	5,032,515	—
EXERCISABLE AT END OF PERIOD	988,989	—	—	—

Under the plan a number of share options were granted to senior management. These options will vest in December 2018 subject to the achievement of certain performance criteria.

The total number of share options granted was 1,138,647 (2015: 1,422,348) and the fair value of these options was £1,674,835 (2015: £1,439,000).

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

WEIGHTED AVERAGE SHARE PRICE	— PENCE	154.00
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	nil
EXPECTED VOLATILITY	— %	35.48
EXPECTED LIFE	— YEARS	3.00
RISK-FREE RATE OF INTEREST	— %	0.89
DIVIDEND YIELD	— %	1.53

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 3 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.

During the financial period, the Group granted 36,665 share options under the existing share option scheme due to vest in December 2016. The fair value of these options was £55,606.

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

WEIGHTED AVERAGE SHARE PRICE	— PENCE	154.00
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	nil
EXPECTED VOLATILITY	— %	25.60
EXPECTED LIFE	— YEARS	1.00
RISK-FREE RATE OF INTEREST	— %	0.40
DIVIDEND YIELD	— %	1.53

During the financial period, the Group granted 53,788 share options under the existing share option scheme due to vest in November 2017. The fair value of these options was £80,461.

Notes to the Financial Statements

For the 52 weeks ended 1 October 2016

28 SHARE-BASED PAYMENTS CONTINUED

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

WEIGHTED AVERAGE SHARE PRICE	— PENCE	154.00
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	nil
EXPECTED VOLATILITY	— %	29.16
EXPECTED LIFE	— YEARS	2.00
RISK-FREE RATE OF INTEREST	— %	0.65
DIVIDEND YIELD	— %	1.53

2020 LONG TERM INCENTIVE PLAN

During the financial period, a new five year Long Term Incentive plan was introduced. Under this plan a number of share options were granted to management level employees across the Group. These options will vest in December 2020 subject to the achievement of certain performance criteria.

Movements in 2020 Long Term Incentive Plan options are summarised as follows:

	2016		2015	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
ISSUED DURING THE PERIOD	2,698,244	—	—	—
EXPIRED DURING THE PERIOD	(94,497)	—	—	—
EXERCISED DURING THE PERIOD	—	—	—	—
OUTSTANDING AT END OF PERIOD	2,603,747	—	—	—
EXERCISABLE AT END OF PERIOD	—	—	—	—

The total number of share options initially granted was 2,596,994 and the fair value of these options was £3,704,871.

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

WEIGHTED AVERAGE SHARE PRICE	— PENCE	154.00
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	nil
EXPECTED VOLATILITY	— %	43.48
EXPECTED LIFE	— YEARS	5.00
RISK-FREE RATE OF INTEREST	— %	1.32
DIVIDEND YIELD	— %	1.53

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 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.

During the financial period, the Group granted an additional 101,250 share options under the 2020 Long Term Incentive Plan share option scheme due to vest in December 2020. The fair value of these options was £136,826.

28 SHARE-BASED PAYMENTS CONTINUED

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

WEIGHTED AVERAGE SHARE PRICE	— PENCE	149.00
WEIGHTED AVERAGE EXERCISE PRICE	— PENCE	nil
EXPECTED VOLATILITY	— %	35.18
EXPECTED LIFE	— YEARS	4.5
RISK-FREE RATE OF INTEREST	— %	0.79
DIVIDEND YIELD	— %	2.18

In total, the Group recognised a total expense of £1,827,021 (2015: £1,409,000) relating to share based payments.

29 RELATED PARTY TRANSACTIONS

S.K.M. Williams is a related party by virtue of his 10.6% shareholding (20,593,950 ordinary shares) in the Group's issued share capital (2015: 10.6% shareholding of 20,593,952 ordinary shares).

At 1 October 2016 S.K.M. Williams was the landlord of 3 properties leased to Multi Tile Limited, a trading subsidiary of Topps Tiles Plc, for £187,000 (2015: Four properties for £240,000) per annum.

No amounts were outstanding with S.K.M. Williams at 1 October 2016 (2015: £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 £2.2 million (2015: £3.6 million restated figure) including share-based payments of £0.7 million (2015: £2.0 million restated figure). Further information about the remuneration of the individual Directors is provided in the Remuneration Report on pages 50 to 69.

The Group's defined contribution pension scheme is administered by Legal and General. During the year the Group made contributions of £863,000 (2015: £848,000) and at year end the Group has outstanding contributions of £136,619 (2015: £152,414).

Company Balance Sheet

As at 1 October 2016

	Notes	52 weeks ended 1 October 2016 £'000	53 weeks ended 3 October 2015 £'000
FIXED ASSETS			
INVESTMENTS	3	2,320	493
CURRENT ASSETS			
DEBTORS DUE WITHIN ONE YEAR	4	47,615	31,394
CASH AT BANK AND IN HAND		–	15,179
			46,573
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(3,805)	(3,415)
NET CURRENT ASSETS		43,810	43,158
NET ASSETS		46,130	43,651
CAPITAL AND RESERVES			
CALLED-UP SHARE CAPITAL	6,7	6,539	6,457
SHARE PREMIUM	7	2,473	1,906
SHARE BASED PAYMENT RESERVE	7	4,814	3,354
CAPITAL REDEMPTION RESERVE	7	20,359	20,359
OTHER RESERVE	7	6,200	6,200
PROFIT AND LOSS ACCOUNT	7	5,745	5,375
EQUITY SHAREHOLDERS' FUNDS		46,130	43,651

The financial statements of Topps Tiles Plc, Companies House number 3213782, were approved by the board of directors on 29 November 2016 and signed on its behalf by:

MATTHEW WILLIAMS

ROB PARKER

Directors

Notes to the Company Financial Statements

For the 52 weeks ended 1 October 2016

1 BASIS OF ACCOUNTING

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, in the period ended 3 October 2015, the Company has changed its accounting framework from the previous UK GAAP to Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101) issued by the Financial Reporting Council (FRC) and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements have therefore been prepared in accordance with FRS 101.

The prior year financial statements have been restated for material adjustments on adoption of FRS 101 in the current year. For more information, see note 23 (Transition to FRS 101).

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under that standard:

- i) The requirements of IFRS 7 Financial Instruments: Disclosures
- ii) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - a) Paragraph 79(d)(iv) of IAS 1
 - b) Paragraph 73(e) of IAS 16 Property, Plant and Equipment
 - c) Paragraph 118(e) of IAS 38 Intangible Assets
- iii) The requirements of IAS 7 Statement of Cash Flows
- iv) The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- v) The requirements of paragraphs 10(d), 10(f), and 134 to 136 of IAS 1 Presentation of Financial Statements
- vi) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Where relevant, equivalent disclosures have been given in the group accounts of which the Company's results are included.

Reconciliations to the balance sheet from this transition to FRS 101 are provided in note 8.

The financial statements have been prepared under the historical cost convention. Comparative data is for the period ended 3 October 2015.

2 PROFIT 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 profit for the financial period ended 1 October 2016 of £6,666,000 (2015: £98,309,000 Loss).

The auditor's remuneration for services to the company was £41,000 for audit related work (2015: £30,000 for audit related work). Fees relating to non-audit work totalled £nil (2015: £nil); see note 5 to the Group financial statements for further details.

The Company had no employees other than the Directors (2014: same), whose remuneration is detailed on page 62.

Notes to the Company Financial Statements

For the 52 weeks ended 1 October 2016

3 FIXED ASSET INVESTMENTS

	Shares £'000
AT 3 OCTOBER 2015	493
MOVEMENT IN SHARE OPTIONS GRANTED TO EMPLOYEES	1,827
AT 1 OCTOBER 2016	2,320

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
TOPALPHA (ORPINGTON) 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
TOPPS TILES EMPLOYEE BENEFIT TRUST*	100%	EMPLOYEE BENEFIT TRUST

* Held directly by Topps Tiles Plc

During the period the Group completed the strike off of six previously dormant entities.

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

	2016 £'000	2015 £'000
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
AMOUNTS OWED BY SUBSIDIARY UNDERTAKINGS	47,598	30,875
OTHER DEBTORS	3	3
PREPAYMENTS AND ACCRUED INCOME	14	516
	47,615	31,394

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
BANK LOANS AND OVERDRAFTS	857	–
TRADE AND OTHER CREDITORS	12	560
AMOUNTS OWED TO SUBSIDIARY UNDERTAKINGS	72	222
ACCRUALS AND DEFERRED INCOME	2,864	2,633
	3,805	3,415

6 CALLED-UP SHARE CAPITAL

	2016 £'000	2015 £'000
ISSUED AND FULLY-PAID 196,153,770 (2015: 193,700,459) ORDINARY SHARES OF 3.33P EACH (2015: 3.33P)	6,539	6,457

During the period 4,139,000 shares were purchased by Topps Tiles Employee Benefit Trust for £4,415,000 on behalf of the Group (2015: 431,108 shares – £504,000).

During the period the Group issued and allotted 2,453,311 (2015: 64,219) ordinary shares with a nominal value of £81,712 (2015: £2,141) under share option schemes for an aggregate cash consideration of £612,500 (2015: £28,733).

Notes to the Company Financial Statements

For the 52 weeks ended 1 October 2016

7 RECONCILIATION OF 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 3 OCTOBER 2015	6,457	1,906	3,354	20,359	6,200	5,375	43,651
PROFIT FOR THE PERIOD	–	–	–	–	–	6,666	6,666
DIVIDEND PAID TO EQUITY SHAREHOLDERS	–	–	–	–	–	(6,296)	(6,296)
ISSUE OF NEW SHARES	82	567	(7)	–	–	–	642
CREDIT TO EQUITY FOR EQUITY-SETTLED SHARE BASED PAYMENTS	–	–	1,467	–	–	–	1,467
AT 1 OCTOBER 2016	6,539	2,473	4,814	20,359	6,200	5,745	46,130

At 1 October 2016, the Directors consider the other reserve of £6,200,000 to remain non-distributable.

The Directors consider £nil (2015: £nil) of profit and loss account reserves not to be distributable at 1 October 2016.

8 EXPLANATION OF TRANSITION TO FRS 101

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 3 October 2015 and the date of transition to FRS 101 was therefore 28 September 2014.

RECONCILIATION OF BALANCE SHEET AS AT 3 OCTOBER 2015

Company	Notes	UK GAAP £'000	Effect of transition £'000	FRS 101 £'000
FIXED ASSETS				
INVESTMENTS		493	–	493
CURRENT ASSETS				
DEBTORS DUE WITHIN ONE YEAR	a	10,554	20,840	31,394
DEBTORS DUE AFTER ONE YEAR	a	20,840	(20,840)	–
CASH AT BANK AND IN HAND		15,179	–	15,179
		46,573	–	46,573
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		(3,415)	–	(3,415)
NET CURRENT ASSETS		43,158	–	43,158
NET ASSETS		43,651	–	43,651
CAPITAL AND RESERVES				
CALLED-UP SHARE CAPITAL		6,457	–	6,457
SHARE PREMIUM		1,906	–	1,906
SHARE-BASED PAYMENT RESERVE		3,354	–	3,354
CAPITAL REDEMPTION RESERVE		20,359	–	20,359
OTHER RESERVE		6,200	–	6,200
PROFIT AND LOSS ACCOUNT		5,375	–	5,375
EQUITY SHAREHOLDERS' FUNDS		43,651	–	43,651

Notes:

a – movement represents a reclassification of intercompany receivables, receivable on demand.



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DIAMANTE PASTELS

Ceramic wall tile

ALBUS™

Porcelain wall
& floor tile

EXCLUSIVE

Five Year Record

UNAUDITED

COMPANY	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	53 weeks ended 1 October 2016 £'000
GROUP REVENUE	177,693	177,849	195,237	212,221	214,994
GROUP OPERATING PROFIT	15,462	13,845	18,186	18,883	21,072
PROFIT BEFORE TAXATION	12,493	10,601	16,691	17,019	19,982
SHAREHOLDERS' FUNDS (DEFICIT)	(17,348)	(10,184)	843	10,798	17,545
BASIC EARNINGS PER SHARE	5.14p	4.76p	6.49p	6.75p	8.05p
DIVIDEND PER SHARE	1.10p	1.25p	1.65p	2.34p	3.25p
DIVIDEND COVER	4.68	3.17	3.94	2.88	2.48
AVERAGE NUMBER OF EMPLOYEES	1,654	1,720	1,794	1,915	1,977
SHARE PRICE (PERIOD END)	46.0p	93.0p	105.0p	148.75p	112.25p

All figures quoted are inclusive of continued and discontinued operations.

Notice of Annual General Meeting

This notice of meeting is important and requires your immediate attention. If you are in any doubt as to the contents of this document and/or the action you should take, you are recommended to seek personal financial advice from your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the Company, please pass this document and all accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected so that they can pass these documents to the person who now holds the shares.

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Annual General Meeting**”, the “**AGM**” or the “**meeting**”) of Topps Tiles Plc (the “**Company**”) will be held at the Marriott Hotel, Smith Way, Grove Park, Enderby, Leicestershire, LE19 1SW on 26 January 2017 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions 1–12 (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 1 October 2016 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 2.5 pence per ordinary share for the financial period ended 1 October 2016 payable on 3 February 2017 to shareholders who are on the register of members of the Company on 6 January 2017.
3. To approve the Directors’ Remuneration Report for the financial period ended 1 October 2016 as set out on pages 61 to 69 of the Company’s Annual Report and Financial Statements for that period (excluding the Directors’ Remuneration Policy set out on pages 52 to 60).
4. To approve the Directors’ Remuneration Policy as set out in pages 52 to 60 of the Company’s Annual Report and Financial Statements for the financial period ended 1 October 2016.
5. To re-elect Matthew Williams as a director of the Company.
6. To re-elect Robert Parker as a director of the Company.
7. To re-elect Darren Shapland as a director of the Company.
8. To re-elect Claire Tiney as a director of the Company.
9. To re-elect Andrew King as a director of the Company.
10. To re-elect Keith Down as a director of the Company.
11. To reappoint 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.
12. 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 13 will be proposed as an Ordinary Resolution and, in the case of resolutions 14 to 17 (inclusive), will be proposed as Special Resolutions:

13. 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 of the 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 £2,179,742 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph (b) below in excess of £2,179,742; and further:
 - (b) to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £4,359,483 (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,

Notice of Annual General Meeting

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 15 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.

14. 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 13 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 13, 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 £326,961; and

unless previously revoked, varied or extended, this power shall expire on the earlier of the date falling 15 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.

15. THAT, in addition to the authorities and powers granted to the directors pursuant to resolution 14, 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 13 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:

- (a) limited to the allotment of equity securities up to an aggregate nominal value equal to £326,961; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and

unless previously revoked, varied or extended, this power shall expire on the earlier of the date falling 15 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 or sold 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.

16. 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 3¹/₃p each in the capital of the Company ("**Ordinary Shares**") provided that:
- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 19,617,679 (representing 10 per cent. 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 3¹/₃p;
 - (c) the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share shall be an amount equal to 105 per cent. 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 15 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.
17. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Dated: 20 December 2016
 Registered Office:
 Thorpe Way
 Grove Park
 Enderby
 Leicestershire
 LE19 1SU
 Registered Number: 3213782

By order of the Board

STUART DAVEY
Company Secretary

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 close of business on 24 January 2017 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 close of business on 24 January 2017 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 a.m. on 24 January 2017 (or, in the event that the meeting is adjourned, no later than 48 hours 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.

Notice of Annual General Meeting

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 196,176,791 ordinary shares of 3¹/₃p 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 196,176,791.
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 holders 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).
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 12p a minute plus network extras). Lines are open from 8.30 a.m. to 5.30 p.m., 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 Act. 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 26 January 2017 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 1 October 2016 (the "**Annual Report and Financial Statements**").

RESOLUTION 2

DECLARATION OF FINAL DIVIDEND

A final dividend of 2.5 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 6 January 2017. Subject to approval by the Ordinary Shareholders at the Annual General Meeting, the dividend will be paid 3 February 2017. An interim dividend of 1.00 pence was declared which means the total dividend level will be 3.5 pence per Ordinary Share for the 52 weeks prior to 1 October 2016.

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 which is the subject of separate shareholder approval pursuant to resolution 4). Accordingly, resolution 3 seeks the approval of the directors' remuneration report which is set out on pages 61 to 69 of Annual Report and Financial Statements (excluding the directors' remuneration policy).

RESOLUTION 4

DIRECTORS REMUNERATION POLICY

All quoted companies are required by law to seek binding shareholder approval to their directors' remuneration policy at least every three years. Accordingly, shareholders are asked to approve the directors' remuneration policy which is set out on pages 52 to 60 of Annual Report and Financial Statements. Once the directors' remuneration policy is approved, the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless that payment is consistent with the policy or has been approved by a resolution of the members of the Company. If approved, the directors' remuneration policy set out in the Annual Report and Financial Statements will take effect from the conclusion of the annual general meeting.

RESOLUTIONS 5 TO 10

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 page 40 of the Annual Report and Financial Statements.

RESOLUTION 11

REAPPOINTMENT OF AUDITORS

This resolution concerns the reappointment 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 12

AUDITORS' REMUNERATION

This resolution authorises the directors to fix the auditors' remuneration.

SPECIAL BUSINESS**RESOLUTION 13*****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 £2,179,742 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 (b) of resolution 13 in excess of £2,179,742; 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 £4,359,483 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 (a) of resolution 13.

Therefore, the maximum nominal amount of relevant securities (including equity securities) which may be allotted under this resolution is £4,359,483.

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.

RESOLUTIONS 14 AND 15***DIRECTORS' POWER TO ISSUE SHARES FOR CASH***

Resolution 14 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 where the allotment:

- takes place in connection with a rights issue or other pre-emptive issue;
- is limited to a maximum nominal amount of £326,961, representing approximately 5 per cent. of the nominal value of the issued ordinary share capital of the Company as at 9 December 2016 being the latest practicable date before publication of this notice.

Resolution 15 authorises the directors to allot further equity securities for cash in connection with acquisitions or other specified capital investments which are 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. This authority, which is in addition to the authority granted to the directors pursuant to resolution 14 and is being sought in accordance with the Pre-Emption Group's Statement of Principles, is limited to a maximum nominal amount of £326,961 which represents approximately 5 per cent. of the nominal value of the issued ordinary share capital of the Company as at 9 December being the latest practicable date before publication of this notice.

The Board 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 per cent. 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, resolutions 14 and 15 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. As at the date of this notice, the Company does not have any treasury shares.

The directors consider that the power proposed to be granted by resolutions 14 and 15 is necessary to retain flexibility, although they do not have any intention at the present time of exercising such power.

Unless revoked, varied or extended, the authorities conferred by resolutions 14 and 15 will expire at the conclusion of the next Annual General meeting of the Company or 15 months after the passing of the resolution, whichever is the earlier.

Explanatory Notes to the Notice of Annual General Meeting

RESOLUTION 16

AUTHORITY TO PURCHASE SHARES (MARKET PURCHASES)

This resolution authorises the board to make market purchases of up to 19,617,679 ordinary shares (representing approximately 10 per cent. of the Company's issued ordinary shares as at 9 December 2016, 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 15 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 $\frac{1}{3}$ p being the nominal value of an ordinary share. The maximum price that can be paid is 5 per cent. 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.

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 2016, 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 9,057,475 ordinary shares in the capital of the Company representing 4.6 per cent. 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 5.1 per cent. of the Company's issued ordinary share capital following the repurchase of shares.

RESOLUTION 17

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 Davis-Alexis
 Aaron Hider
 Aaron Lonie
 Aaron Reid
 Abby Tween
 Adam Cato
 Adam Chapman
 Adam Clarke
 Adam Crowe
 Adam Durling
 Adam Fernandez
 Adam Gaymer
 Adam Gilkes
 Adam Godfrey
 Adam Groves
 Adam Nuttall
 Adam Riley
 Adam Rous
 Adam Shearsmith
 Adam Ward
 Adam Williams
 Adnan Abdullah
 Adrian Cutcliffe
 Adrian Kimber
 Afrim Mensah
 Aiden-Lee Pattenden
 Akash Dass
 Akinyemi Orekoya
 Akshey Vadgama
 Alan Clague
 Alan Haji
 Alan Saunders
 Alan Sinclair
 Alan Smalley
 Alan Sproston
 Alan Wrighting
 Aleksandrs Gulenkovs
 Alen Sithiravel
 Alex Abram
 Alex Hedges
 Alex Moore
 Alex Whitmore
 Alexander Armstrong
 Alexander Bradley
 Alexander Findley
 Alexander Ford
 Alexander Heskett
 Alexander Onions
 Alexander Torres
 Alexander Walton
 Alexander Williams
 Alexandra Davies
 Alexandra Tuckley
 Alfie Abbott

Ali Rizvi
 Alicija Romanovska
 Alisha Millward
 Alison Hunt
 Alistair Aston
 Alistair Matthews
 Allan Busby
 Allan Harper
 Alnavaz Nuralah
 Amanda Brogan
 Amanda Green
 Amanda Hullett
 Amanda Samuel
 Amber West
 Amy Biggs
 Amy Hamilton
 Amy Mackintosh
 Amy Simmonds
 Amy Smith
 Amy Wirtz
 Ananthan Sivanesan
 Andre Osei
 Andrea Crooks
 Andrea Moon
 Andrei Radu
 Andrew Baldock
 Andrew Belson
 Andrew Brand
 Andrew Callister
 Andrew Canham
 Andrew Clay
 Andrew Collins
 Andrew Cox
 Andrew Davis
 Andrew Gilmour
 Andrew Hanson
 Andrew Haynes
 Andrew King
 Andrew Middleton
 Andrew Phillips
 Andrew Playfoot
 Andrew Riley
 Andrew Sansum
 Andrew Scorgie
 Andrew Sharkey
 Andrew Shaw
 Andrew Taylor
 Andrew Warne
 Andrew Waterfield
 Andrew Wathan
 Andrew Wilkinson
 Andrew Winterburn
 Andrew Woods
 Andrew Young
 Aneil Easow
 Aneta Kleczek
 Angela Capp
 Angela George

Angela Toseland
 Ann Warren
 Anna Forden
 Anna Moulding
 Anna-Marie Tough
 Annelise Sjursen
 Annmarie Malone
 Anthony Bradford
 Anthony Christopher
 Anthony Connor
 Anthony Daly
 Anthony Davies
 Anthony Dedman
 Anthony Docherty
 Anthony Dolan
 Anthony Gibby
 Anthony Gilbert
 Anthony Havvas
 Anthony Linsell
 Anthony Molyneux
 Anthony Tarr
 Antonio Perkins
 Antony Belham
 Anub Varghese
 Arkadiusz Halas
 Aron Hoff
 Arslan Yaqub
 Arthur Van Aswegen
 Aruna Mistry
 Ashleigh Richards
 Ashley Cutler
 Ashley Hegarty
 Ashley Mansfield
 Ashley Martin
 Ashley Murray
 Ashley Rivett
 Ashley Vout
 Asteraya Engdayehu
 Astone Davids
 Atul Patel
 Audrius Kolojanskas
 Augustus Hagan

B

Barbara Connor
 Barbara Smith
 Barri Barnes
 Barry Beaver
 Barry Edwards
 Barry Hanlon
 Barry Jones
 Barry Kelly
 Barry Theobald
 Barry Veasey
 Ben Armitage
 Ben Bright
 Ben Harris

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Ben Holloway
Ben Howard
Ben Moore
Ben Richmond
Ben Squelch
Benjamin Edwards
Benjamin Goodey
Benjamin Hale
Benjamin Moughan
Benjamin Rich
Benjamin Rowe
Benjamin Slater
Benjamin Willis
Benjamin Wood
Berek K-Caesar
Beth Crozier
Bethany Richardson
Beverley Orton
Bianca Cockburn
Bianca Gradinaru
Billie-Jo Andrew
Billy Hutchins
Billy Lodge
Billy Martin
Billy McGregor-Bissett
Billy Taylor
Bolaji Adeyanju
Brad Squires
Brandon Abels
Brendan Flynn
Brendan McCallum
Brett Goulden
Brett O'Harrow
Brian Cariello
Brian Cook
Brian Cooper
Brian Cox
Brian Flatters
Brian King
Brian Linnington
Brian Morris
Bruce Fielding
Bruce Garrod
Bruno Bernasconi
Bryan Taylor
Byron Tree

C

Cade Somerville
Calbert Hall
Callum Beedles
Callum Saunders
Callum Scott
Campbell Marr
Carl Bell
Carl Courtney
Carl Cumberbatch

Carl Foster
Carl Fraser
Carl Hermitt
Carl Hughes
Carl Whatley
Carl Willshee
Carley Brown
Carlos Alford Maestre
Carlos Chowdhury
Carlos Do Rosario Botecas
Carlyn Mckechnie
Carol Beattie
Carol English
Caroline Bailey
Caroline Bray
Caroline May
Caroline Vernon-Sutton
Carolyn Paull
Carolynn Remington-Hobbs
Cassandra Bain
Catherine Britton
Catherine Doulton
Cecilia Lamb
Cem Korkmaz
Chamyse Morley
Chantal Searle
Charlene Walpole
Charles Robbins
Charles Rollins
Charles Roussard
Charles Snell
Charles Taylor
Charlie Green
Charlotte Fitzgerald
Charlotte Lammin
Charmaine Chapman
Chelsea Battle
Chelsea Cragg
Cherie Ahmet
Cheryl Vearncombe
Chetna Shah
Chloe Jackson
Chloe Singleton
Choudre Grobler
Chris Darley
Chris Dixon
Christain McCarthy
Christelle Armstrong
Christian Banham
Christine Berry
Christine Hendry
Christine Taylor
Christine Thistlethwaite
Christopher Bailey
Christopher Beeson
Christopher Bentley
Christopher Bland
Christopher Bodicoat

Christopher Bowden
Christopher Butler
Christopher Collins
Christopher Cooper
Christopher Curtis
Christopher D'Arts
Christopher Edwards
Christopher Foster
Christopher France
Christopher Harbutt
Christopher Harrison
Christopher Heyes
Christopher Holland
Christopher Howe
Christopher Leach
Christopher Maguire
Christopher Miskelly
Christopher Moore
Christopher Nicholls
Christopher Nottle
Christopher Perry
Christopher Potter
Christopher Sansby
Christopher Simpson
Christopher Turley
Christopher Wells
Christopher Williamson
Cieran Armstrong
Clair Jeffries
Claire Chaffe
Claire Harris
Claire Jarrett
Claire Rayton
Claire Tiney
Clara Baxter
Clare Barden
Clare Cohring
Clare Sharpe
Clare Shepherd
Claudine Charles-Scotton
Clifford Tomlinson
Colin Clarke
Colin Dickson
Colin Griffiths
Colin Harvey
Colin Hayward
Colin Hoban
Colin Markham
Colin Morris
Colin Nuttall
Colin Rymer
Colin Skinner
Colin Taylor
Connor Flynn
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Connor Turner
Conrad Harrup
Constantin Pavelescu

Cora Morrison
Cory Handford
Cosimo Lanzafame
Courtney Morgan
Craig Connor
Craig Dolling
Craig Johnson
Craig Murphy
Craig Reed
Craig Rossi
Cristina Cole
Czeslaw Majorek

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Daisy Utley
Damian Merritt
Damiano Seresini
Damien Mole
Dan Bevan
Daniel Ashby
Daniel Brain
Daniel Caruana
Daniel Chambers
Daniel Clayton
Daniel Colk
Daniel Cox
Daniel Edge
Daniel Evans
Daniel Fallows
Daniel Friend
Daniel Gelly
Daniel Grunwell
Daniel Hamilton
Daniel Hawkins
Daniel Horrocks
Daniel Ingham
Daniel Jenkins
Daniel Jones
Daniel Lawrie
Daniel Little
Daniel Loft
Daniel Mackelden
Daniel Mclean
Daniel Milner
Daniel Musguin
Daniel Neary
Daniel Poile
Daniel Priest
Daniel Robinson
Daniel Saltmarsh
Daniel Sheppard-Brown
Daniel Thornley
Daniel Willows
Daniel Wren
Daniel Wright
Danielle Kirby
Danielle Noyes

Danielle Omara
Danielle Rains
Danielle Stewart
Dannielle Carlton
Danny Burgess
Danny Dye
Danny Mcinnes
Danny Ostler
Dario Vinci
Darius Bright
Darius Moses
Darran Wood
Darren Bebbington
Darren Chester
Darren Doughty
Darren Harper
Darren Horne
Darren Jones
Darren Mencarini
Darren Mitchell
Darren Morgan
Darren Shapland
Darren Sherwood
Darren Smith
Darren Square
Darren Wagg
Darron Kerr
Darron Soos
Darryl Ferry
Dave Elliott
David Atherton
David Augustus
David Beasley
David Blackhurst
David Blades
David Bolingbroke
David Burnikell
David Callaghan
David Carpenter
David Clare
David Clark
David Coupland
David Cressey
David Diaper
David Fisher
David Fletcher
David Furness
David Green
David Hamer
David Harper
David Hatton
David Hayers
David Henderson
David Hill
David Hillier-Reynolds
David Hirst
David Hope
David Hussey

David Jobling
David Kershaw
David Kettlewell
David Knight
David Lane
David Locke
David Longman
David Macartney
David Matthews
David Medlam
David Meers
David Miller
David Murray
David Needham
David Nichol
David Oliver
David Palmer
David Plant
David Prime
David Rendall
David Rosser
David Salisbury
David Sheehy
David Shewan
David Simms
David Simons
David Sinclair
David Smith
David Steel
David Stott
David Thomasson
David Thompson
David Townsley
David Webb
David Weller
David Whitelaw
David Wilson
David Yallop
Dawn Gale Curtis
Dayal Arya
Dean Gibson
Dean Kay
Dean Marshall
Dean Miller
Dean Morling
Dean Morris
Dean Newell
Dean Partridge
Dean Titchen
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Declan Matthiesen
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Dennis Lammas
Dennis Rawding
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Derek Amoo
Derek Goosen
Derek Sim
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Devias Gudka
Devindren Govender
Dewi Evans
Dilawar Ali
Dilip Parmar
Dinesh Amin
Dipal Parikh
Dominic D'Souza
Dominic Gray
Dominic Hall
Dominic Johnson
Dominic Reilly
Dominic Summers
Donald Benson
Donald Magullian
Donald Morrissey
Donna Douglas
Donna Fisher
Donovan Robinson
Dorothy Stewart
Douglas Bingham
Douglas Nicol
Duncan Foy
Duncan Mayman
Dwain Mensah
Dylan Bradley
Dylan Roberts

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Edward Murphy
Edward Samuel
Eirini Messaritaki
Elionardo Silva
Elizabeth Harbord
Elizabeth Lee
Elizabeth Williams
Ellen Root
Ellie Howcroft
Elliott Brown
Elliott Davis
Elsie Bird
Emily Jones
Emily Lenton
Emily Madge
Emily Mansell

Emma Childs
Emma Crucefix
Emma Curtis
Emma Dudley
Emma Jordan
Emma Thomas
Emran Mannan
Entiliano Marku
Eric Asuming
Ermiyas Girma
Ezra Evans

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Faisle Sharif
Faizar Ali
Fayzur Rahman
Felipe West
Fiona Grant
Fiona Salter
Fitz Martin
Frances Aylward
Francesca Wright
Frank Hibbert
Fred Therme
Fredric Harmer

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Gabriella Carvalho
Gage Wheeldon
Gail Purves
Gareth Davies
Gareth Fogden
Gareth Moss
Garison Sylvan
Garry Crichton
Garry Hardy
Gary Allum
Gary Ashdown
Gary Bloomfield
Gary Curtis
Gary Davies
Gary Gear
Gary Gee
Gary Gledhill
Gary Marshall
Gary Nash
Gary Purves
Gary Roberts
Gary Thatcher
Gary Woolmore
Gavin Bennett
Gavin Collins
Gavin Magwood
Gavin Meek

Geeta Makwana
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Gemma Gilliver
Gemma Stephens
Genya Sawyer
Geoffrey Greenwood
Geoffrey Thomas
Geordie Stock
George Allen
George Astill
George Birkley
George Buckley
George Hawkes
George Henri Diakileke
George Hopper
George Martinez
George Sivewright
Georgia Clayton
Georgia Kelledy
Georgia Miles
Georgina Carlberg
Georgina Mcfarlane
Geraint Thorne
Ghirmai Solomon
Gillian Grace
Giulio Meluccio
Glendale Canoville
Glenn Claridge
Glenn Elgy
Gordon Davies
Graham Cooper
Graham Foster
Graham Hancock
Graham Hitchin
Graham Jones
Graham Livingstone
Graham Vance
Grant Cowper
Grant Harris
Graziana Motta
Greg Johnstone
Greg Lloyd
Gregory Mchugh
Grenville Davies
Gurinder Chana
Guy Bantick

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Hannah Peeroo
Hannah Pritchard
Hanz Nelson
Haroon Cockar
Harriet Goodacre
Harry Biggs
Harry Kay
Hasmita Parmar
Hayley King

Hazel Millington
 Heather Findler
 Heather-Marie Cooper
 Helen Beaumont
 Helen Gosling
 Helen Hughes
 Helen Walker
 Himesh Hirani
 Hitashji Odedra
 Hitesh Nathu
 Holly Baxter
 Holly Dawson
 Holly Vincent
 Hossen Naudeer
 Hristina Stoycheva
 Hugh Selley

Iain Arnott
 Ian Aikman
 Ian Bloomfield
 Ian Croton
 Ian Hughes
 Ian Marshall
 Ian Mcneish
 Ian Moran
 Ian Noon
 Ian Paterson
 Ian Snook
 Ian Sykes
 Ian Tivendale
 Ibrahim Ali
 Ilars Skabeikis
 Imran Ashraf
 Iqra Iqbal
 Irene Dickinson
 Ivan Paitoo

Jaasir Wazir
 Jacek Zebrowski
 Jack Allardyce
 Jack Biggs
 Jack Cairns
 Jack Company
 Jack Childs
 Jack Coker
 Jack Ellis
 Jack Finlay
 Jack Flannigan
 Jack Haynes
 Jack Maddison
 Jack Millman
 Jack O'Neill
 Jack Relfe

Jack Sell
 Jack Thompson
 Jack Walker
 Jack Whitehead
 Jack Williamson
 Jacob Allan
 Jacqueline Desborough-Morehead
 Jacqueline Farnan
 Jade Girgensons
 Jaden Brookes-Nandara
 Jahtal Nisa Roberts-Joseph
 Jailuene Witterick Peake
 Jajwinder Harar
 Jake Boulton
 Jake Osborn
 Jake Shopland
 Jake Woods
 Jakub Czuba
 James Bayley
 James Beaumont
 James Biesty
 James Brophy
 James Cameron
 James Carpenter
 James Clifford
 James Fox
 James Frost
 James Hawker
 James Heard
 James Hollis
 James Holt
 James Howard
 James Hubbard
 James Lawson
 James Maccallum
 James McGeoch
 James Morgan
 James Pannett
 James Patston
 James Pilfold
 James Rankin
 James Robertson
 James Rolfe
 James Saunders
 James Snuggs
 James Taylor
 James Teahan
 James Tuvey
 James Vander Plank
 James Walker
 James Worden
 Jamie Evans
 Jamie Jenkinson
 Jamie McCann
 Jamie Mears
 Jamie Ormrod
 Jamie Rose
 Jamie Sia

Jamie Wenborn
 Jany Walker
 Jan Reddi
 Janaka Alahapperuma
 Jane Sinclair
 Jane Veitch
 Janet Lee
 Janet Riley
 Janine Moon
 Jarreth Hawkins
 Jasbir Singh
 Jason Barker
 Jason Coupland
 Jason Darcy
 Jason Durham
 Jason Ealden
 Jason Gallagher
 Jason Knox
 Jason Pratt
 Jason Rose
 Jason Wilcox
 Jaunius Kurstakas
 Javeed Parkar
 Jay Billings
 Jay Strawford
 Jayaprakash Paragjee
 Jaymal Arjan
 Jayne Warlow
 Jeannette Hastie
 Jed Nethercot
 Jed O'Neill
 Jędrzej Polkowski
 Jeff Arcsott
 Jeffrey Armstrong
 Jeffrey Coleman
 Jelanie Marsh
 Jemma Copp
 Jemma Wyatt
 Jennifer Seabrook
 Jennifer Wall
 Jenny Inkson
 Jenny Smith
 Jeremy Napthine
 Jessica Cokeley
 Jessica Gurski
 Jessica Hardy
 Jessica McCarthy
 Jessica Nmadume
 Jessica Rowlands
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 Jigna Naran Lalji
 Joanna Dimonaco
 Joanna Herbert
 Joanna Malicka
 Joanne Cox
 Joanne Elton
 Joanne Harris
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 Joe Mathews
 Joe Rudd
 Joe Smith
 Joel Barker
 Joel Fothergill
 Jogendra Kalicharan
 John Bingley
 John Bourke
 John Conley
 John Cook
 John Ellis
 John Fawkes
 John Field
 John Gardner
 John Harris
 John Harrison
 John Hennessy
 John Hesp
 John Hickey
 John Hughes
 John McLaren
 John Moat
 John Monks
 John Murphy
 John Page
 John Scerri
 John Shaw
 John Smith
 John Taylor
 John Thompson
 Johnathan McCallum
 Jon Cottrell
 Jon Davis
 Jon Reynolds
 Jon Thatcher
 Jonathan Boxall
 Jonathan Coombs
 Jonathan East
 Jonathan Hall
 Jonathan Hargreaves
 Jonathan Impey
 Jonathan Morgan
 Jonathan Pringle
 Jonathan Roberts
 Jonathan Samuel
 Jonathan Sheerin
 Jonathan Smith
 Jonathan Stearman
 Jonathan Stone
 Jonathan Wallace
 Jonathan Williams
 Jonathan Woodroff
 Jonathon Turner
 Jon-Paul Hughes
 Jordan Lindsay
 Jordan Macdonald
 Jordan Smith

Jordan Stephens
 Jordan Vinluan
 Jordan Waite
 Jose Mendes
 Josef Kinski
 Joseph Cox
 Joseph Daly
 Joseph Gregorace
 Joseph Lewis
 Joseph Sweeney
 Joseph Whittaker
 Josephina Lane
 Josephine Ketskemeti
 Joshua Batterham
 Joshua Brown
 Joshua Darby
 Joshua Elliott
 Joshua Groener
 Joshua Higgs
 Joshua Hubbard
 Joshua Hughes
 Joshua Jackson
 Joshua Lambert
 Joshua Paton-Rolls
 Joshua Rapley
 Joshua Rowley
 Joshua Stenhouse
 Joshua Wright
 Judith Duncan
 Juginder Gill
 Julia Kerr
 Julian Kirkland
 Julian Myles
 Julie Brachtvogel
 Julie Cox
 Julie Fewings
 Julie Mitchell
 Juris Kalnins
 Justin Coyle
 Justin Evans
 Justin Korankye-Addai
 Justin Marlow
 Justine Bowman
 Juttinder Digpal

K
 Kaine Dagger
 Kaitlin Varnam
 Kamaljit Atkar
 Kamaljit Thandi
 Kamil Janas
 Kamlesh Shah
 Karen Brook
 Karen Dodds
 Karen Leimetter
 Karis Hall
 Karl Aran

Karl Haines
 Karl Lippiatt
 Karl Mounce
 Karl Stephens
 Karl Turner-Talmage
 Karl Verry
 Karl White
 Kashan Riley
 Kastriot Kelani
 Katarzyna Roberts
 Kate Boggis
 Kate Flitton
 Kate O'Connor
 Katherine Blitz
 Katherine Jackson
 Kathryn Baird
 Kathryn Finch
 Kathryn Pell
 Kathryn Van-Kleef
 Katie Brindley-Hughes
 Katy Todd
 Kayleigh Clemson
 Keiran Ling
 Keiron Ball
 Keith Alexander
 Keith Ambrose
 Keith Down
 Keith Fitzpatrick
 Keith Rudkin
 Kelly Dalby
 Kelly Haycock
 Kelly Savile
 Kelly Weyman
 Kelly-Anne O'Connor
 Kelvin Lansdowne
 Kelvin Real Polanco
 Kenneth Ostler
 Kenneth Owen
 Kenneth Westley
 Kerri Atkinson
 Kerry-Ann Smith
 Kevan Richardson
 Kevin Atherton
 Kevin Baker
 Kevin Bingham
 Kevin Bowtle
 Kevin Fox
 Kevin Hailes
 Kevin Hardy
 Kevin Hartley
 Kevin Hodson
 Kevin Jones
 Kevin Nicol
 Kevin Redmond
 Kevin Rowe
 Kevin Smith
 Kevin Thorne
 Khai Shaw

Khari Tracey
 Kieran Barnes-Warden
 Kieran Corben
 Kieran Fleet
 Kieran Gardiner
 Kieran Hudson
 Kieran Thomas
 Kieran Tuck
 Kieron Clarke
 Kim Liddle
 Kim Moriarty
 Kirandeep Kaur
 Kirk Irvine
 Kirsten Cummings
 Kirsten Wilby
 Kirstie Leonard
 Kirstie Mcdowell
 Kirti Patel
 Kiya Jacobs
 Kranthi Billakanti
 Kristian Catterall
 Kristian Nikolov
 Kristopher Brough-Rutland
 Krystle Milan
 Krzysztof Burdajewicz
 Krzysztof Piotrowski
 Kuljit Aujla
 Kunal Pandya
 Kyle Batley
 Kyle Hardie
 Kyle Manns-Kennedy
 Kyle Welford

L

Lance Cale
 Lara Mckenzie
 Laura Adams
 Laura Cox
 Laura Henry
 Laura Horton
 Laura Jacques
 Laura James
 Laura Madigan
 Laura Racey
 Laura Sansom
 Laura Webb
 Lauren Bartram
 Lauren Beller
 Lauren Holmes
 Laurence Jones
 Laurence Pendrill
 Lavarin Morgan
 Layla Kellaway
 Layla Pring
 Leah Morgan
 Leanne Clarke
 Leanne Curry

Leanne Palmer
 Lee Anderton
 Lee Baxter
 Lee Carlos
 Lee Cash
 Lee Clarke
 Lee Cornford
 Lee Dering
 Lee Dover
 Lee Galloway
 Lee Gardner
 Lee Gibson
 Lee Henry
 Lee Hutchinson
 Lee Jacovou
 Lee James
 Lee Jones
 Lee Kent
 Lee McConnell
 Lee Parker
 Lee Read
 Lee West
 Leendert Van Den Berg-Slowey
 Leigh Creser
 Leighton Davies
 Leon Das
 Leon O'Neill
 Leon Pryce
 Leona Parker
 Leonora Moses
 Lesley Watson
 Lesley Willcox
 Lewis Adkins
 Lewis Allan
 Lewis Axford
 Lewis Buckley
 Lewis Collins
 Lewis Crossley
 Lewis Elkin
 Lewis Hall
 Lewis Lynn
 Lewis Walter
 Lewis Williams
 Leza Mcdonald
 Liam Ball
 Liam Bantin
 Liam Ellis
 Liam Hogan
 Liam Hunt
 Liam Jiggins
 Liam O'Shea
 Liam Piper
 Lianne Harrison-Allcock
 Libby Field
 Linda Herbert
 Linda Scott
 Lindsey Flint
 Lisa Algar

Lisa Callan
 Lisa Cullen
 Lisa Holmes
 Lisa Johnson
 Lisa Noel
 Lisa Pallett
 Lloyd Harper
 Lloyd Jackson
 Lois Short
 Lorraine Burton
 Lorraine Martin
 Louarna Bullock
 Loucas Louca
 Louis Whittle
 Louise Jeffery
 Luana Freeman
 Lucy McGennity-Bane
 Lucy Miskimmin
 Lukasz Pirga
 Luke Barefield
 Luke Day
 Luke Kerr
 Luke Livermore
 Luke McNally
 Luke Patel
 Luke Potiphar-Trigwell
 Luke Roberts
 Luke Saunders
 Luke Woodward
 Lynne Jackson
 Lynsey Smart

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Maciej Krzyzaniak
 Maciej Rabczewski
 Madison Blom
 Mahamed Bashir
 Mahesh Wara
 Mahomadzuber Saiyed
 Maisie Fleming
 Malcolm Ferguson-Thomas
 Mandy Aidney
 Mansoor Ali
 Marc Law
 Marcin Kupczyk
 Marcin Malinowski
 Marcin Sakowicz
 Marcos Loureda
 Marek Kloda
 Margaret Lawrie
 Maria Drozdova
 Maria Furniss
 Maria Thompson
 Marius Jackevicius
 Mark Allman
 Mark Bianchi
 Mark Braithwaite

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Mark Brown
 Mark Burgess
 Mark Coe
 Mark Davies
 Mark Discombe
 Mark Frisby
 Mark Fuller
 Mark Gasson
 Mark Holland
 Mark Hunter
 Mark Johnston
 Mark Keymer
 Mark Lever
 Mark Maciver
 Mark Palmer
 Mark Pancott
 Mark Penfold
 Mark Percival
 Mark Potter
 Mark Ridley
 Mark Stephens
 Mark Tennant
 Mark Tilley
 Mark Vaughan
 Mark Waldock
 Mark Whitaker
 Mark Williams-Inglut
 Mark Winder
 Mark Winger
 Mark Woodyatt
 Mark Wordley
 Mark Wright
 Marlon Barnes
 Martha Karczewska
 Martin Derricott
 Martin Evans
 Martin Osborne
 Martin Pickard
 Martin Smyth
 Martin Turner
 Martin Williams
 Martin Winterburn
 Martin Wys
 Martina Way
 Martyn Costen
 Martyn Lovell
 Martyn Somerville
 Martyn Spring
 Mary Syme
 Mathanaan Yoganathan
 Mathew Clifton
 Mathew Lampard
 Mathew Tapp
 Matt Attwood
 Matt Grainger
 Matthew Britton
 Matthew Clarke
 Matthew Cooper

Matthew Dunne
 Matthew Ellis
 Matthew Fisher
 Matthew Foster
 Matthew Foulger
 Matthew Hawley
 Matthew Hay
 Matthew Haynes
 Matthew Holyoak
 Matthew Ingram
 Matthew Johnson
 Matthew Jones
 Matthew Lindsay
 Matthew Love
 Matthew Martin
 Matthew Mcphee
 Matthew Moore
 Matthew Nash
 Matthew Robinson
 Matthew Stevenson
 Matthew Stewart
 Matthew Varne
 Matthew Wesson
 Matthew Whitlock
 Matthew Williams
 Matthew Woodhouse
 Matthew Wright
 Mattia Tosi
 Megan Broadway
 Megan Lyons
 Mehmet Asdoyuran
 Melanie Abbott
 Melanie Gray
 Melanie Hart
 Melanie Toole
 Melissa Wadman
 Melton Thompson
 Melvyn Chamberlain
 Mervyn Thorne
 Mica Gray
 Michael Angelides
 Michael Boughton
 Michael Bowden
 Michael Buckley
 Michael Chapman
 Michael Congdon
 Michael Cooke
 Michael Darroch
 Michael Dinnage
 Michael Dinter
 Michael Earls
 Michael Edwards
 Michael Evans
 Michael Fannon
 Michael Finn
 Michael Foley
 Michael Gee
 Michael Goodfield

Michael Haggett
 Michael Hall
 Michael Hopper
 Michael Huskisson
 Michael Lay
 Michael Litster
 Michael Lovelock
 Michael McGarry
 Michael McNally
 Michael Moss
 Michael Quinn
 Michael Raeburn
 Michael Sear
 Michael Smillie
 Michael Thomas
 Michael Upton
 Michael Van Sittert
 Michael Weeks
 Michaela Thomas
 Michaela Watson
 Michele Trickett
 Michelle Baker
 Michelle Broux
 Michelle Hill Risley
 Michelle Le Monnier
 Michelle Moore
 Mick Wells
 Mike Booth
 Miles Burden
 Miles Williams
 Millie Gregory
 Mindaugas Kairys
 Mitchell Singleton
 Mithon Persaud
 Mkhonto Gumede
 Mohamed Mufallal
 Mohamed Patel
 Mohammad Mukhtar
 Mohammed Amin
 Mohammed Hoque
 Mohammed Ibad Khan
 Mohammed Jamil
 Mohammed Jimalé
 Mohammed Khalid
 Mohammed Parvaz
 Mohammed Razwan
 Morva Leslie
 Mr Topps (retired)
 Mubashir Uddin
 Muhamad Rahman
 Muhit Rimon
 Murdo Martin

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 Nakara Wehemba
 Naomi Mckenzie
 Narinder Chatha

Natalia Khudobina
 Natalie Mccuaig-Finlay
 Natalie Paine
 Natalie Ratsavong
 Natasha Hibberd
 Natasha Mcleod
 Nathan Austin
 Nathan Cavanagh
 Nathan Coulthard
 Nathan Harry
 Nathan Petts
 Nathan Wilson
 Nathan Winterton
 Natinael Zena
 Nauris Vinkelis
 Nayim Ahmed
 Ndumiso Mafa
 Neil Ammon
 Neil Brownley
 Neil Forbes
 Neil Homan
 Neil Jeremy
 Neil Jones
 Neil Muckle
 Neil Roessner
 Neil Southgate
 Neil Sparkes
 Neil Topping
 Neil Wardlaw
 Neil Williams
 Nicholas Culley
 Nicholas Gadd
 Nicholas Houghton
 Nicholas Kent
 Nicholas Lawrence
 Nicholas Lodge
 Nicholas Smith
 Nicholas Stone
 Nicholas Taylor
 Nicholas Walch
 Nicholas Withers
 Nicholaus Buchanan
 Nick Meese
 Nick Wardman
 Nicky Glenister
 Nicola Howlett
 Nicola Lock
 Nicola Mcwatt
 Nicole Andrews
 Nigel Fleming
 Nishit Shah
 Numan Usman
 Nuno Pinto Da Costa

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Oliver Farebrother
 Olivia Harte

Olivia Pilson-Wood
 Olivia Williamson
 Olyvia Offley
 Omid Ibrahimi
 Onder Madencioglu
 Oscar Cork
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 Ovidiu Agache
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Paige Makepeace
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 Paolo Segagni
 Paresh Nagar
 Patrick Howlett
 Paul Baxter
 Paul Burkett
 Paul Burrow
 Paul Cartledge
 Paul Chambers
 Paul Chapman
 Paul Cheetham
 Paul Clark
 Paul Cowen
 Paul Cox
 Paul Dalby
 Paul Davey
 Paul Elliott
 Paul Galvin
 Paul Gee
 Paul Goddard
 Paul Haythorne
 Paul Hesketh
 Paul Irving
 Paul Jenkinson-Finn
 Paul Kelly
 Paul Lee
 Paul Lester
 Paul Logue
 Paul Miller
 Paul Mills
 Paul Morgan
 Paul Nicholls
 Paul Noyes
 Paul Semple
 Paul Simmonds
 Paul Starkey
 Paul Tennant
 Paul Third
 Paul Thomas
 Paul Tregaskis
 Paul West
 Paul Whittington
 Paul Whitworth
 Paul Wilson

Paul Wixen
 Pauline Garrow
 Pauline Harrison
 Pawel Pudelko
 Pawel Warych
 Paz Alonso
 Penny Davis
 Peter Anderson
 Peter Callan
 Peter Charters
 Peter Crimp
 Peter Goulding
 Peter Hanley
 Peter Higgins
 Peter Hogg
 Peter Knights
 Peter Lees
 Peter Simmonds
 Peter Sincok
 Peter Turtle
 Peter Valley
 Peter West
 Peter Wiles
 Peter Young
 Philip Cranston
 Philip D'Souza
 Philip Dunn
 Philip Gallop
 Philip Kelly
 Philip Mccarney
 Philip Okai
 Philip Speed
 Philip Underhill
 Philippa Smith
 Philippa Warner-Haskell
 Phillip Brundell
 Phillip Goode
 Phillip Walters
 Phillipa Hewitt
 Phillips Adam
 Phoebe Webb
 Poonam Patel
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 Rain Richmond
 Raj Surani
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 Rajneet Sahota
 Ratip Hassan
 Raul Ivanescu
 Ravendra Bishun
 Rebeca Wallis
 Rebecca Butler
 Rebecca James
 Rebecca Julier-Goodwin
 Rebecca Kelly
 Rebecca Love
 Rebecca Mills
 Rebecca Moore
 Rebecca Oblein
 Rebecca Robson
 Reece Brown
 Reece Morgan
 Reece Noble
 Reuben Saverus
 Rheanne Edwards
 Rhiannon Holland
 Rhys Bennett
 Rhys Hedges
 Rhys James
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 Richard Bleach
 Richard Bourne
 Richard Brooks
 Richard Carter
 Richard Clark
 Richard Davies
 Richard Diamond
 Richard Geare
 Richard Hickman
 Richard Keane
 Richard Lewington
 Richard Mann
 Richard Oates
 Richard Oldale
 Richard Palfrey
 Richard Prescott
 Richard Senior
 Richard Slack
 Richard Small
 Richard Westell
 Rickie Byrne
 Ricky Freeman-Roach
 Robbie Perry
 Robel Ghebrewold
 Robert Adams
 Robert Adkins
 Robert Allman
 Robert Ballantyne
 Robert Beard
 Robert Black

Robert Buckley
 Robert Chawner
 Robert Clark
 Robert Clarke
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 Robert Gedlek
 Robert George
 Robert Hardie
 Robert Howker
 Robert Jackson
 Robert Jones
 Robert Keohone
 Robert Knight
 Robert Kweli
 Robert Llewellyn
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 Robert Mould
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 Robin Stagg
 Robin Williams
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 Rohit Modashia
 Romal Williams
 Romans Petuhovs
 Ron Woolgar
 Ronnie-Leigh Pews
 Rory Reeves
 Ross Ashbrook
 Ross Baker
 Ross Copley
 Ross Kerr
 Ross Langford
 Ross Matthews
 Ross Waite
 Roxanne Evans
 Russell Arnold
 Russell Cox
 Ryan Apark
 Ryan Bryant
 Ryan Coleman
 Ryan Curd
 Ryan Dunn
 Ryan French
 Ryan George
 Ryan Iazard
 Ryan Randall
 Ryan Ruffle
 Ryan Spalding

S

Sabina Redlin
 Sadie Gage
 Saheed Miah
 Sahibjit Samra
 Saira Musani
 Salek Ahmed
 Sam Attfield
 Sam Davis
 Sam Heard
 Sam Hopkin
 Sam Thomas
 Samantha Davies
 Samantha Evans
 Samantha Gray
 Samantha Leavis
 Samantha Makrygiannis
 Samantha Peters
 Samantha Royle
 Samantha Simons
 Sameer Jamdar
 Samson Okolosi
 Samuel Blackshaw
 Samuel Carey
 Samuel Gladwin
 Samuel Heath
 Samuel Kirk
 Samuel Robinson
 Samuel White
 Samuel Yoganathan
 Sandra Ramsay
 Sanjeev Pal
 Sara Lloyd
 Sarah Bacon
 Sarah Barker
 Sarah Buchan
 Sarah Burnard
 Sarah Cassam
 Sarah Dobson
 Sarah Harrup
 Sarah Jane Pierpoint
 Sarah Jordan
 Sarah Kite
 Sarah McLure
 Sarah Newcomb
 Sasha Alexander
 Sasha Kataria
 Satvinder Sandhu
 Savio Coutinho
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 Scott Birdseye
 Scott Bond
 Scott Gill
 Scott Johnston
 Scott Meadows
 Scott Nicol

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 Scott Summers
 Scott Thirlaway
 Scott Vickers
 Scott Williams
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 Sean Cahill
 Sean Dare
 Sean Gee
 Sean Mclean
 Sean Tagney
 Sean Taylor
 Sebastian Bridge
 Sebastian Whelan-Medlam
 Shafeek Mohamed
 Shah Hussain
 Shahid Mahmood
 Shamara Mckenzie-Rochester
 Shana Esworthy
 Shane Bryan
 Shane Daley
 Shane Lindsay
 Shane Malone
 Shane Mason
 Shane Mcgrane
 Shane Till
 Shanice Mckenzie Rochester
 Shannon Oliver
 Sharif Islam
 Sharon Buckley
 Sharon Papantoniou-Barrett
 Shaun Dodson
 Shaun Gordon
 Shaun Harwood
 Shaun Mayes
 Shaun Parsons
 Shauna Campbell
 Shaynah Gandhi
 Sheikh Saidy
 Shelley Burton
 Shelley Carey
 Shelley Rutter
 Shrina Shah
 Shylo Brookes
 Sian Austen
 Silvi Atanasova
 Silvonne Mclean
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 Simon Bodell
 Simon Brookfield
 Simon Chapman
 Simon Chappell
 Simon Coombs
 Simon Farley
 Simon Green
 Simon Grimmett
 Simon Jackson
 Simon Knight

Simon Lasham
 Simon Leslie
 Simon Lewis
 Simon Marks
 Simon Morgan
 Simon Neal
 Simon Pitt
 Simon Roberts
 Simon Webb
 Simon Witham
 Simona Barticel
 Simone Turner
 Sinan Demir
 Sinead Gray
 Singh Nihal Matharu
 Siobhan Ashman
 Sofia Haleem
 Sophie Doggart
 Stanislaw Maciorowski
 Stefan Clark-Carter
 Stefan Haworth
 Steffan Williams
 Stephanie Brazil
 Stephanie Dinnis
 Stephanie Hogben
 Stephanie Kilner Roberts
 Stephanie Nevett
 Stephanie Thompson
 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 Hall
 Stephen Harrington
 Stephen Kelly
 Stephen Lopes
 Stephen Machin
 Stephen Maidment
 Stephen Marshall
 Stephen Morris
 Stephen Nicol
 Stephen Phillips
 Stephen Sanders
 Stephen Seymour
 Stephen Smith
 Stephen Spurgeon

Stephen Starkie
 Stephen Taylor
 Stephen Welsby
 Stephen West
 Steve Boardman
 Steven Barrowcliffe
 Steven Birch
 Steven Dooley
 Steven Dyer
 Steven Gillham
 Steven Higgins
 Steven Howells
 Steven Ives
 Steven Jenkins
 Steven Kane
 Steven Kernot
 Steven Langley
 Steven Macarthur
 Steven Presley
 Steven Richards
 Steven Souter
 Steven Stevens
 Steven Walker
 Steven Whitehead
 Steven Wood
 Stuart Baigent
 Stuart Barrett
 Stuart Corlett
 Stuart Davey
 Stuart Fletcher
 Stuart Furlonger
 Stuart Harris
 Stuart Langford
 Stuart Munton
 Stuart Rees
 Stuart Ross
 Stuart Smith
 Stuart Tannock
 Stuart Whitby
 Stuart Williams
 Sukhdev Bains
 Summer Ellison
 Surmukh Jandu
 Susan Bill
 Susan Black
 Susan Law
 Susan Shields
 Susan Stout
 Susanna Horwood
 Syed Ali
 Syedmustakim Ali

T
 Tahmid Islam
 Talia Blackwell
 Tami Robinson
 Tammie O'Lone

The Team

Tammie Spencer
 Tara Smith
 Tarik Bensadik
 Tauseef Usman
 Taylor Smith
 Terence Dooley
 Terry Butler
 Terry Salisbury
 Terry Smith
 Theruchenthuran Erathinasingam
 Thomas Cunningham
 Thomas Evans
 Thomas Fitzgerald
 Thomas Geracs
 Thomas Johnson
 Thomas Lewis
 Thomas Lowe
 Thomas Miller
 Thomas Moran
 Thomas Murray
 Thomas Newman
 Thomas Otley
 Thomas Parkes
 Thomas Quinn
 Thomas Ross
 Thomas Ryan
 Thomas Seaden
 Thomas Steele
 Thomas Surridge
 Thomas Swain
 Thomas Utting
 Thomas Wade
 Thomas Whitlock
 Tiffany Lambert
 Tim Chatfield
 Tim Richards
 Timea Szabo
 Timmy Sandwell
 Timothy Bentley
 Timothy Boardman
 Timothy Hartwick
 Timothy Stanhope
 Timothy Tatlock
 Timothy Tuff
 Tobias Knox
 Toby Bayley
 Toby Collins
 Todd Routledge
 Tom Mcmanus
 Tom Wilson
 Toni Gormley
 Tony Dumbleton
 Tony Higson
 Tracey Waterman
 Tracy Clewes
 Tracy Fitzpatrick
 Tracy Wearmouth
 Travis Thompson

Trevor Sheldon
 Trevor Thomas
 Troy Bell
 Troy Miller
 Tyrell Beckham
 Tyrone Horne

U

Udo Jungbecker
 Umair Qureshi
 Umut Ortac
 Useni Feno

V

Valentin Ivan
 Valerie Smith
 Veronica Evett
 Veronica Zudaire
 Vicky Hall
 Victoria Carrington
 Victoria Moore
 Vilius Meilus
 Vinod Joshi

W

Waqar Raja
 Warren Bester
 Warren Pettersen
 Wayne Manship
 Wayne Randall
 Wayne Reed
 Wei Mean Donlan
 Wesley Neukermans
 Will Carter
 William Bailey
 William Barreda
 William Buxton
 William Connelly
 William Lewinton
 William Ralls
 William Short
 William Wyatt
 William Wylie
 Wyn Dunn-Davies

Y

Yohannes Getachew
 Youssef Djeraoui
 Yvonne Burgess

Z

Zachary Marshall
 Zahid Hossain
 Zara Caldwell
 Zlatko Milovanovic
 Zoe Atkinson
 Zydrunas Slazikas

Store Locations

London

Acton
Balham
Barking
Battersea
Bayswater Boutique
Beckenham Topps
Beckton
Blackheath
Brentford
Brixton
Bromley Common
Catford Bromley Rd
Charlton
Cheam
Chelsea
Chesham
Chingford
Clapham Boutique
Colindale
Croydon
Croydon Purley
Dagenham
Dartford
Denham
Dorking
Dulwich
East Sheen
Eltham
Enfield
Feltham
Forest Hill
Fulham
Golders Green
Gunnersbury
Hampstead Heath
Harrow
Hayes Topps
Hemel Hempstead
Highgate
Hounslow
Ilford
Ilford Seven Kings
Islington Boutique
Kingston
Leyton
Maida Vale
Mile End
Muswell Hill
New Southgate
North Finchley
Old Kent Road
Orpington
Orpington Clay
Park Royal Topps
Penge
Raynes Park
Redhill
Romford
Ruislip
Sevenoaks
Shoreditch

South Bermondsey
Southall
St Albans
St Johns Wood
Staples Corner Topps
Streatham
Surbiton
Sydenham
Twickenham
Uxbridge
Vauxhall
Waltham Cross
Walton on Thames Boutique
Wandsworth
Wembley
Willesden
Wimbledon
Wimbledon Boutique

Midlands

Barnsley
Binley
Boston
Burton upon Trent
Cannock
Chesterfield
Congleton
Crewe
Derby
Derby Osmaston
Doncaster
Doncaster Sprotbrough
Erdington
Fenton
Grantham
Great Barr
Grimsby
Grove Park
Kettering Baron
Kidderminster
Kings Heath
Leicester
Lichfield
Lincoln Outer Circle
Lincoln St Marks
Long Eaton
Loughborough
Mansfield
Nantwich
Newark
Newcastle-under-Lyme
Northwich
Nottingham Poulton
Nuneaton
Redditch
Rotherham
Sheffield Hillsborough
Sheffield Meadowhall
Sheldon
Shrewsbury
Solihull

Spalding
Stoke
Stratford upon Avon
Tamworth
Telford
West Bromwich
Wolverhampton
Workshop

North

Aintree
Alnwick
Anfield
Barrow
Birkenhead
Blackburn
Blackpool
Bolton
Bradford
Bury
Carlisle
Cheadle
Cheetham Hill
Chester
Chorley
Cleveleys
Darlington
Durham Dragonville
Failsworth
Gateshead
Harrogate
Huddersfield
Hull
Hyde
Knutsford
Leeds
Macclesfield
Morecambe
Northallerton
Oldham
Ormskirk
Pontefract
Preston
Sale
Salford
Scarborough
Scunthorpe
Snipe (Audenshaw)
Southport
St Helens
Stockport
Stockton
Sunderland
Tyneside
Wakefield Ings Road
Warrington
Widnes
Wigan
Wilmslow
Workington
York Clifton Moor

Store Locations

Scotland and Northern Ireland

Aberdeen Bridge of Don
Aberdeen Wellington
Ayr
Bangor NI
Belfast Boucher Road
Belfast Newtownabbey
Dumfries
Dundee
Edinburgh
Elgin
Fort Kinnaird
Glasgow
Govan Topps
Greenock
Hillington
Inverness
Kirkcaldy
Perth
Shawfield
Sighthill
Wishaw

South

Abingdon
Ashford
Aylesbury
Banbury
Barnstaple
Basildon
Basingstoke
Bedford Elms
Bexhill
Bicester
Bishops Stortford
Bodmin
Bognor Regis
Borehamwood
Bounds Green
Bournemouth
Bracknell
Braintree
Brentwood
Bridgewater
Brighton
Bristol
Broadstairs
Buckingham
Bury St Edmunds
Byfleet
Camberley
Cambridge
Canterbury
Chelmsford
Chelmsford Springfield
Cheltenham
Chichester

Chippenham
Christchurch
Cirencester
Clacton on Sea
Clevedon
Colchester
Crayford
Cribbs Causeway
Cromer
Dorchester
Dover
East Molesey
Eastbourne
Erith
Evesham
Exeter Trusham Rd
Exmouth
Fareham Topps
Farnborough
Farnham
Folkestone
Frome
Gatwick
Glastonbury
Gloucester
Gravesend
Grays
Great Yarmouth
Guildford
Hailsham
Harlow
Havant
Hedgend
Hengrove
Hereford
High Wycombe
Horsham
Huntingdon
Ipswich
Isle of Wight
Kings Lynn
Launceston
Letchworth
Lewes
Loughton
Lowestoft
Luton
Maidstone
Market Harborough
Martlesham
Millbrook (Southampton)
Milton Keynes
Newbury
Newhaven
Northampton
Norwich
Norwich Hall Road
Norwich Heigham
Oxford
Oxford Botley
Peterborough (Rex Centre)

Peterborough Boongate
Plymouth
Poole
Portsmouth
Rayleigh
Reading
Reading Rose Kiln Lane
Rugby
Salisbury
Saltash
Sittingbourne
Slough
Southend
St Neots
Stamford
Stevenage
Strood
Stroud
Sudbury
Swindon
Swindon Stratton
Taunton
Thetford
Tonbridge
Torquay
Truro
Tunbridge Wells
Uckfield
Waterlooville
Watford Imperial
Wellingborough
Welwyn Garden City
Weston Super Mare
Weymouth
Winchester
Windsor
Wisbech
Witney
Woking
Wokingham
Worcester
Yeovil

Wales

Bangor
Barry
Bridgend
Cardiff
Cardiff Newport Road
Carmarthen
Cross Hands
Flint
Haverfordwest
Llanelli
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