



Topps Tiles

TOPPS TILES PLC
ANNUAL REPORT AND ACCOUNTS
FOR THE 52 WEEK PERIOD ENDED 29 SEPTEMBER 2018



Welcome . . .

. . . to the 2018 Annual Report and Accounts. This has been an important year of strategic progress for the Topps Tiles Group, in which our expansion into commercial has seen us double our addressable market while remaining firmly within our tile specialism, where our buying scale and expertise gives us a significant competitive advantage.

➕ Read more information on **Business Model 2018** on pages 10 to 11

PICTURED

Front cover: Parkside: The Brass, Dubai – design by Harrison
© 2018 Rogier van Zeventer

Top: Monogeo

Back cover: Ruzzini

Inside back cover: Parkside: St George West London Collection,
Royal Exchange Kingston



INVESTOR WEBSITE

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

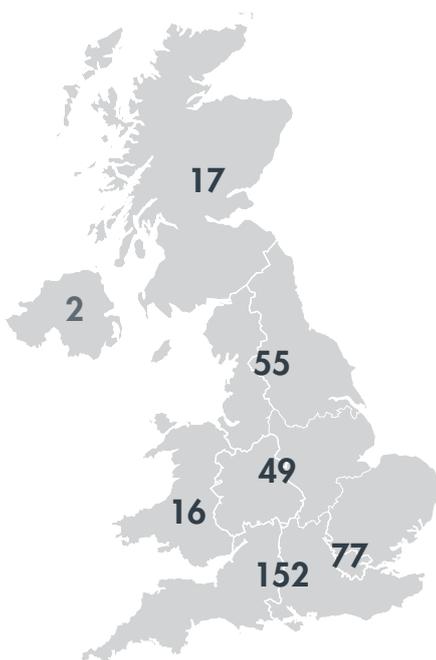
toppstilesplc.com

Inspiring customers through our love of tiles



OUR STORES

Topps Tiles has 368 retail stores across the UK with a broad geographic reach which means most customers require less than a 20-minute drive time to reach their local store.



OUR STRATEGY



Our overarching goal for the Group is to drive profitable sales growth through our retail and commercial businesses. This goal is supported by our "leading range" initiative which encapsulates our leading specialism in tiles and our "Great People, Great Company" initiative which includes all of our Group support functions and our industry leading levels of customer service. The Board is confident that this is the right overall strategy for the Group.

+ Read more information on **Strategy** on pages 12 to 17

+ Read more information on **Marketplace** on pages 08 to 09

CONTENTS

2018 Highlights	02
Chairman's Statement	04

STRATEGIC REPORT

Marketplace	08
Business Model 2018	10
Our Strategy	12
Leading Range	13
Great People, Great Company	14
Retail	15
Commercial	16
Key Performance Indicators	18
Financial Review	19
Risks and Uncertainties	24
Corporate Social Responsibility	30

OUR GOVERNANCE

Board of Directors	42
Executive Team	43
Corporate Governance Statement	44
Directors' Report	50
Directors' Remuneration Report	54

OUR FINANCIALS

Independent Auditor's Report	72
Consolidated Statement of Financial Performance	80
Consolidated Statement of Comprehensive Income	80
Consolidated Statement of Financial Position	81
Consolidated Statement of Changes in Equity	82
Consolidated Cash Flow Statement	83
Notes to the Financial Statements	84
Company Balance Sheet	114
Company Statement of Changes in Equity	115
Notes to the Company Financial Statements	116

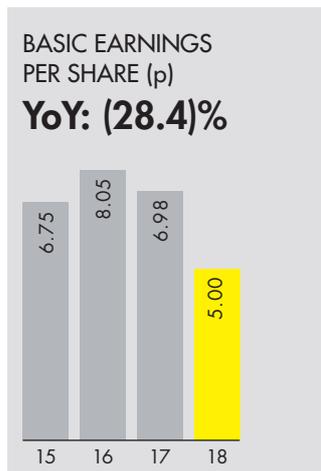
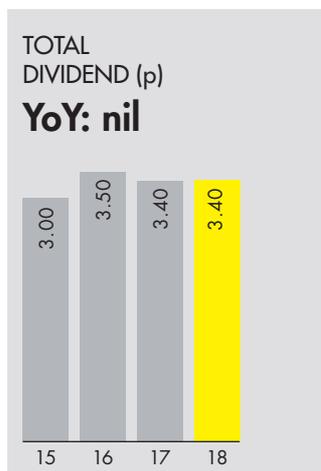
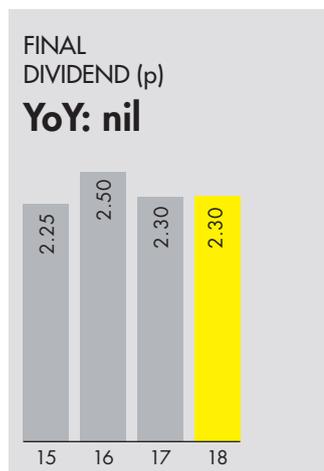
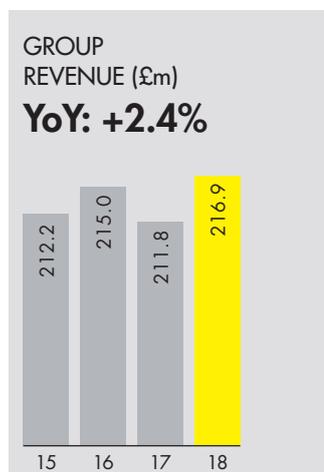
ADDITIONAL INFORMATION

Five Year Record	124
Notice of Annual General Meeting	125
Explanatory Notes to the Notice of Annual General Meeting	130
The Team	133
Store Locations	145

2018 Highlights

Delivering a robust performance

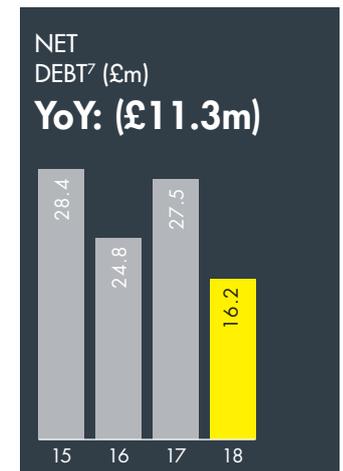
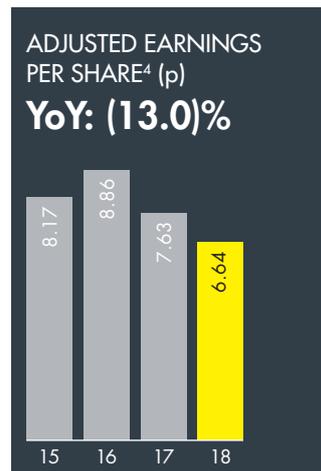
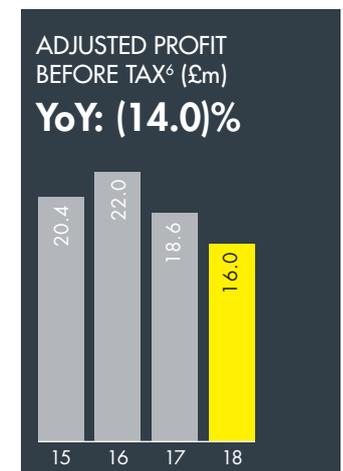
Statutory Measures



Adjusted Measures



+ Read more information in the **Financial Review** on pages 19 to 23



Adjusted items are detailed in the notes opposite and in the adjusted measures section of the financial review. These include trading losses from the Parkside business while we go through an initial two-year phase of investing in growth plus other items which are either one off in nature or can fluctuate significantly from year to year (such as some property-related items).

FINANCIAL SUMMARY

- Strong free cash flow of £17.9 million (2017: £4.2 million) due to improved operational cash flow, and more targeted investments;
- Net debt reduced by £11.3 million year-on-year to £16.2 million with a £35.0 million loan facility now in place to June 2021;
- Final dividend maintained at 2.3 pence per share (2017: 2.3 pence per share), making a total for the year of 3.4 pence per share (2017: 3.4 pence per share);
- Like-for-like sales were flat for the year;
- The Group has continued to deliver industry-leading adjusted gross margins of 61.3% (2017: 61.1%) primarily as a result of sourcing gains;
- Adjusted profit before tax of £16.0 million (2017: £18.6 million), the profit reduction being due to additional costs as a result of new stores and inflationary pressures;
- The Parkside commercial business generated £2.1 million of sales and, as expected, a £1.1 million trading loss;
- Statutory profit before tax of £12.7 million (2017: £17.0 million), reflecting a £2.6 million fall in adjusted pre tax profit, £1.1 million investment in growth of the Parkside commercial business and a net increase in property-based provisions.

NOTES

- Adjusted revenues are defined as total Group revenues excluding Parkside.
- Adjusted gross margin is defined as Group gross margin excluding Parkside.
- Like-for-like sales revenues are defined as sales from online and stores that have been trading for more than 52 weeks. In 2018 sales in like-for-like stores were £208.9 million (2017: £208.9 million), with an average of 354 stores included in the weekly calculation.
- Adjusted earnings per share is adjusted for the items highlighted above plus the impacts of corporation tax.
- Free cash flow is defined as net cash from operating activities less net cash used in investing activities.
- Adjusted profit before tax excludes several items which are either one off in nature or fluctuate significantly from year to year (such as some property related items). These are set out as follows:

	2018 £m	2017 £m
Adjusted pre-tax profit	16.0	18.6
Vacant property costs	(0.2)	(0.4)
Costs related to acquisition during the period	nil	(0.2)
Impairment of plant, property and equipment and movement in onerous lease provision	(2.2)	(1.2)
Gains on disposal of freehold or long leasehold properties	0.7	0.2
Historic adjustment to refunds provision	(0.5)	nil
Parkside trading loss	(1.1)	nil
Statutory pre-tax profit	12.7	17.0

- Net debt is defined as bank loans, before amortised issue costs (note 18) and less cash and cash equivalents.

STRATEGIC & OPERATIONAL SUMMARY

Group

- The UK's leading tile specialist with a core purpose to *inspire customers through our love of tiles*;
- Competitive advantage as a result of specialist focus, buying scale and expertise across both retail and commercial businesses:
 - 25 new ranges launched and further 10 ranges relaunched over the year;
 - 90% of range is own brand or exclusive to the Group in the UK;
- Further investment in Group Learning and Development to enhance colleague capability and engagement;
- Focus on programme of simplifying business processes to improve colleague and customer experience.

Retail

- Strategy of "Out-specialising the Specialists" remains our key focus in the retail tile market, where consumer behaviour is changing;
- Digital experience continues to grow in importance as part of our multi-channel offering;
- Almost all of our customers come to store and experience the world class specialist service provided by colleagues in our 368 retail stores;
- We can also refer customers to a professional fitter and now have more than 85,000 active members (2017: 55,000) on our Trade Rewards+ loyalty programme;
- While a nationwide store presence remains critical we continue to review the efficiency of our portfolio and have a high degree of flexibility (average unexpired lease term of 3.4 years excluding strategically important stores) to respond to changing consumer needs over time.

Commercial

- Entry into commercial market through the Parkside acquisition has approximately doubled the size of the Group's addressable UK market whilst maintaining our specialism in tiles;
- Development of commercial infrastructure on track - good progress being made with recruitment of talented sales teams with over 275 years of combined experience and establishing central capability;
- Commercial customer response to Group's tile specialism has been very positive;
- Commercial showrooms opened in Chelsea and Leicester during the year, with a plan to open two more in the year ahead;
- Strategy is to disrupt the commercial tile market and construct a new market leader over the medium term.

Current Trading and Outlook

- In the first eight weeks of the new financial period, Group revenues, stated on a like-for-like basis, decreased by 1.9% (2017: increase of 3.2%)

Chairman's Statement

Our overarching goal

for the Group is to drive profitable sales growth



DARREN SHAPLAND | CHAIRMAN

Introduction

A very warm welcome to the Topps Tiles 2018 Annual Report. This year has again delivered some challenging trading conditions but I am pleased to report that we have responded well and continued to make good progress with both our Retail and Commercial strategies whilst also strengthening the financial position of the business.

Purpose, Goal and Strategy

The core purpose for the Group is to *inspire customers through our love of tiles*. This purpose also helps to give the Group great strategic clarity in that any opportunities we pursue should seek to leverage our core specialism.

Our overarching goal for the Group is to drive profitable sales growth. Within our retail business, Topps Tiles, we are focused on the UK retail tile market where our strategy of "Out-specialising the Specialists" continues to serve us well and remains key for driving long-term profitable growth. At the end of the prior year we expanded into the UK commercial tile market through our acquisition of Parkside and this year has been one of both developing a deeper understanding of the commercial market and also investing for longer term growth. This exciting expansion approximately doubles the size of our addressable market in the UK whilst maintaining the Group's core specialism within tiles and staying true to our core purpose.

Trading and Financial Performance

The market has continued to be challenging this year and, whilst we have ultimately seen some impact on our financial performance I am pleased with how the business has responded. The challenging market has been driven primarily by weakened consumer demand which is linked predominantly to lower levels of consumer confidence. This has resulted in a modest level of sales growth but this was not sufficient to offset the external pressures on our cost base over the period (which are detailed in the financial section of this report). Our adjusted profit before tax was £16.0 million (2017: £18.6 million), with statutory profit before tax of £12.7 million (2017: £17.0 million).

Dividend

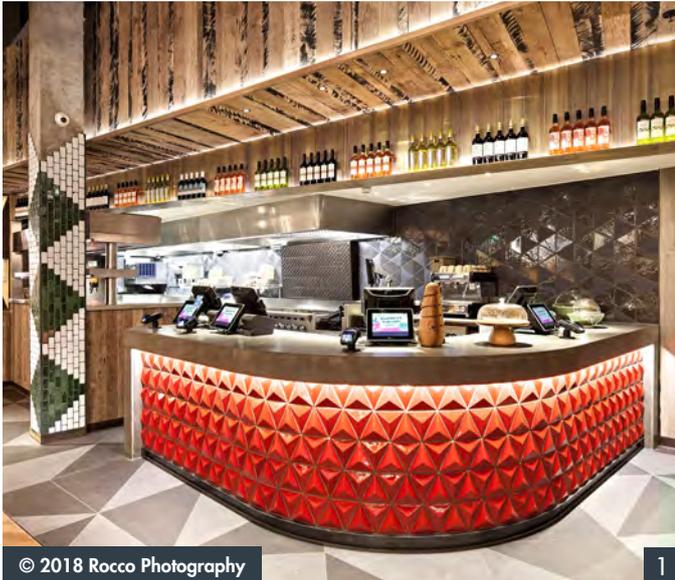
Our dividend cover has been reducing over the last three years with a broad target of achieving two times cover such that approximately 50% of our annual post tax adjusted earnings are remitted back to shareholders. We have achieved this in the current financial year and now intend to continue at this level of dividend cover moving forwards.

As a result, the Board is recommending a final dividend for the year of 2.3 pence per share (2017: 2.3 pence per share). This will bring the total dividend for the year to 3.4 pence per share (2017: 3.4 pence per share). As a consequence, dividend cover for the year on an adjusted earnings per share basis is 1.95x (2017: 2.25x).

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. We have continued to make further progress on our control environment and evaluating risks and opportunities to the business. In particular, we have spent more time on forward-looking items such as the commercial market, changes to the property market, opportunities in our digital proposition and the possible implications of Brexit. In line with last year I am pleased to confirm that all Non-Executive Directors are independent and the Board is fully compliant with the Corporate Governance code. We have benefited from very good stability on the Board with all Directors having completed at least three years of service and the combined Board having nearly 50 years of experience with the Group in total.

We have continued to assess the performance of the Board and the committees, including my own performance as Chairman. These reviews concluded that, overall, the Board is operating effectively and there are some further minor improvements that we will implement in the year ahead.



© 2018 Rocco Photography

1

“

This year has again delivered some challenging trading conditions but I am pleased to report that we have responded well and continued to make good progress with both our Retail and Commercial strategies whilst also strengthening the financial position of the business.

Our People

As a customer service-based business, our people are at the heart of our organisation and this is a key aspect of the Group's success. We provide a major focus on our training and development programmes for all colleagues and clear and open communication across the business. On behalf of the Board I would like to extend my sincere thanks to all colleagues for their hard work, commitment and dedication.

The Future for Topps Tiles

In the retail UK tile market, Topps Tiles' retail 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. Our expansion into the UK commercial tile market provides an excellent opportunity to leverage the Group specialism in tiles and represents an important source of future growth for the Group. The Board is confident that this focus on UK expansion, whilst maintaining our core specialism, is the right strategy for the Group.

DARREN SHAPLAND | CHAIRMAN

PICTURED

- 1: Parkside: Nando's, Stevenage – design by Harrison
- 2: Mora Herringbone Oak Mosaic Cameo
- 3: Abrasio Steel and Basalt

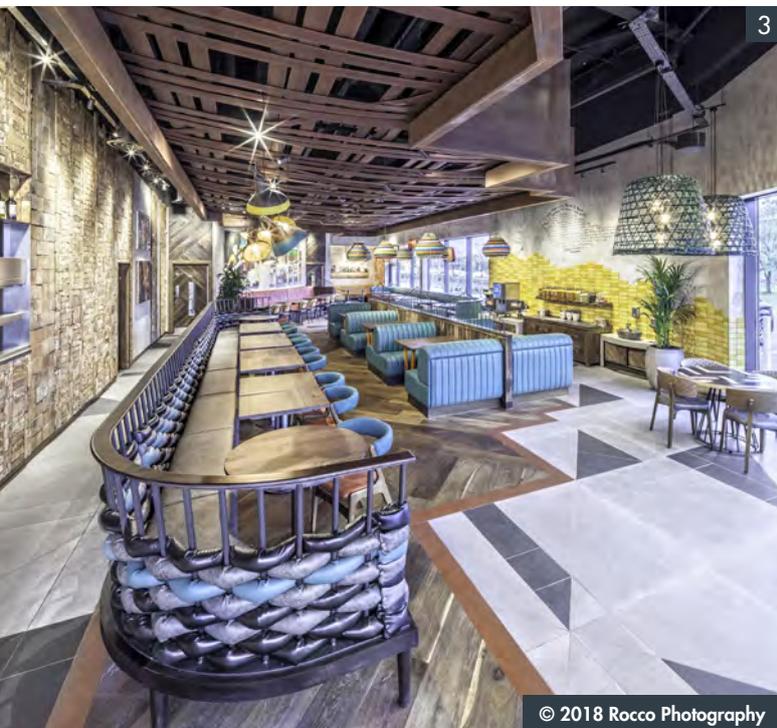




Strategic Report

CONTENTS

Marketplace	08
Business Model 2018	10
Our Strategy	12
Leading Range	13
Great People, Great Company	14
Retail	15
Commercial	16
Key Performance Indicators	18
Financial Review	19
Risks and Uncertainties	24
Corporate Social Responsibility	30



© 2018 Rocco Photography



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



PICTURED

- 1: Astrea Fern Green and Mora Walnut
- 2: Apini and Speculo Lagoon
- 3: Parkside: Nando's, Craigavon – design by Harrison
- 4: Elura Beige and Matrix Fern Green
- 5: Parkside: Radisson Blu, Stansted – design by Trevillion Interiors

Strategic Report: Marketplace

The UK tile market

has an approximate value of £700 million at retail selling prices. The market splits into two broad sectors – retail, accounting for around 55% of the market and commercial, accounting for the remaining 45%.

The UK Tile Market and Performance of the Business

The UK tile market has an approximate value of £700 million at retail selling prices. The market splits into two broad sectors – retail, accounting for around 55% of the market and commercial, accounting for the remaining 45%. The retail market includes the renovation, maintenance and improvement of residential properties and the commercial market includes commercial building projects in their many and varied forms, as well as new build residential property.

The annual tile industry report published by MBD covers the whole of the UK tile market (retail & commercial) and is based on manufacturer and supplier data. Growth of the entire market in 2017 was 1.3% on a value basis and -1.9% on a volume basis. MBD has estimated that volume growth in 2018 will be 1.1% and our view is that this growth will have been driven by the commercial side of the UK tile market, in particular new build residential housing (note – MBD does not provide a value forecast growth estimate).

The Board recognises that Brexit could have a number of implications for the Group – these would include disruption to the flow of imported goods resulting in supply issues, a reduction in consumer confidence resulting in lower sales and a reduced labour pool resulting in staffing issues. Our response to these concerns is detailed in the risks section of the Annual Report but will primarily focus on increasing stock levels of our key selling lines ahead of March 2019.

Retail Tile Market

Due to the discretionary nature of retail market spending, consumer confidence remains a key driver of its performance. During 2018 the average level of consumer confidence was -9.3, which compares to -7.3 in 2017. Whilst the index was negative across the year, there was a modest improvement from -10.2 in the first half to -8.5 in the second half (source: GFK). The consumer confidence index has remained negative since the EU referendum result in June 2016 and we will continue to monitor this measure closely, in particular as we progress through the UK's planned exit from the EU during 2019.

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. During this financial year housing transactions have remained broadly flat at around 1.2 million (Source: HMRC).

We also consider UK house price data to be a useful indicator of the relative health of our market. House prices are both a good reflection of the housing market itself and also tend to reflect consumer confidence, as home owners 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 £214,922, an increase of 2.0% on the previous year (Source: Nationwide).

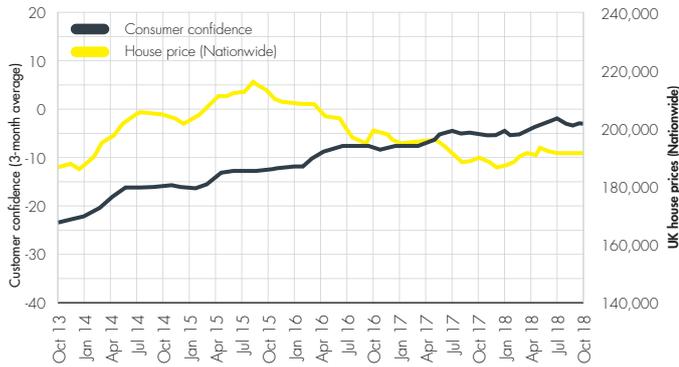
+ Read more information on **Retail** on page 15

Commercial Tile Market

The UK commercial tile market is quite fragmented with only a very small number of scale competitors. The smaller competitors tend to specialise in certain areas of the market – examples being casual dining, automotive, leisure, offices or high end residential. Customers in this market can be categorised into two general groups - those that require specialist advice and design input and those that require more commoditised products, generally in large quantities but also at low prices. The focus for our business is on commercial customers in the former category, where we can leverage our tile specialism and design credentials.

+ Read more information on **Commercial** on page 16

UK HOUSE PRICES AND CONSUMER CONFIDENCE



Source: Consumer confidence = GFK, UK house price = Nationwide

UK 12-MONTH HOUSING TRANSACTIONS – HMRC



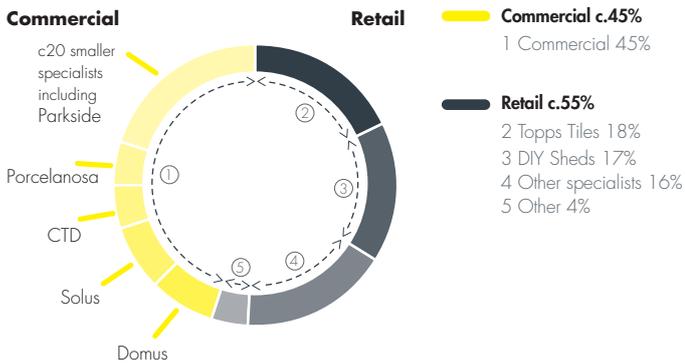
Source: Housing transactions = HMRC

UK CONSTRUCTION COMMERCIAL OUTPUT*

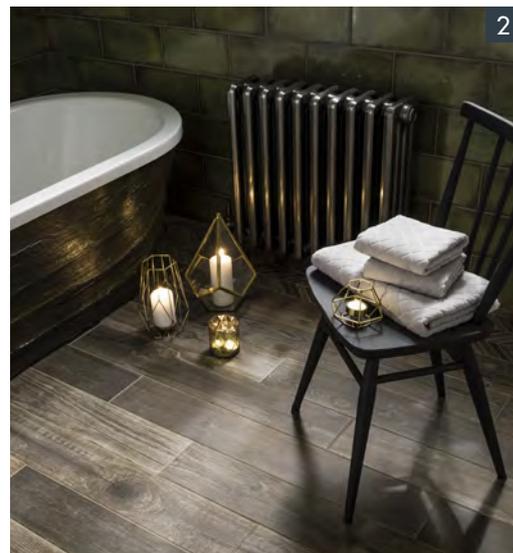


* UK construction output is based on ONS data for new private housing, other new work private, other new work public sector & non housing repair & mtlce

UK TILE MARKET – RETAIL VS COMMERCIAL
UK Tile Market estimated at c. £700m @ RSP



Source: MBD and Company estimates



PICTURED

1. Parkside: Chelsea Showroom

2. Mora Walnut and Catania Green

Strategic Report: Business Model 2018

We are a specialist

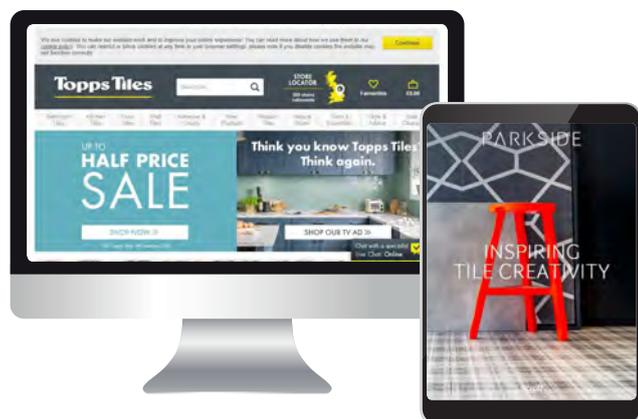
in the field of tiles, with a competitive advantage in sourcing differentiated products from around the world which we can access on an exclusive basis.

Topps Tiles is the leading specialist supplier of tiles in the UK market. Historically the business has focused on the retail tile market for the supply of tiles into the refurbishment of residential housing, which it has served through the retail channel. Over the last year the business has diversified and expanded into the commercial tile market. The commercial market includes tiles supplied for both new build and refurbishment of commercial premises across all sectors such as education, leisure, transport, retail and office buildings, plus new build residential housing. This expansion for the Group does not, however, change the fundamentals of our business model. We are a specialist in the field of tiles, with a competitive advantage in sourcing differentiated products from around the world which we can access on an exclusive basis.

Supply Chain

We source our products directly from manufacturers on a global basis, with a focus on building long-term strategic relationships with our manufacturing partners. Owning as much of the post-manufacture supply chain as possible is a key aspect of our business model and an important source of competitive advantage. Our buying scale and customer reach allow us to develop product ranges with leading tile manufacturers that are genuinely innovative and to source them on an exclusive basis. Our investment in our supply chain also includes our 150,000 sq ft warehouse in Leicester and a fleet of 28 commercial vehicles. This gives us an unrivalled control over our inventory and delivery capability.

Topps Tiles and Parkside websites



Product Innovation

We inspire all of our customers with a market-leading product range, 90% of which is exclusive to us. We achieve both of these aspects by working collaboratively with our key suppliers to develop new ranges; with Topps Tiles providing the customer insight into emerging style trends and the manufacturer providing the technical knowledge and production 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. We have made full use of these new technologies in recent years to further enhance the breadth and quality of our market-leading tile range.

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 high quality advice on their tiling projects and to do this successfully we need highly engaged specialist teams in-store and in our direct sales force 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 training our people every year.

Channels

We operate multiple channels to market to provide all our customers with access to our market-leading product range and service in the most convenient format for them.

For our retail business, stores remain our primary channel to market and almost all of our customers will visit a store at some point during their purchase. We operate in excess of 365 stores across the UK with an average footprint of 5,000 sq ft; however, the inherent flexibility in our operating model enables us to trade successfully from 1,000 sq ft up to 10,000 sq ft. This flexibility means Topps Tiles stores can be found in a wide variety of locations including high streets, retail parks, trade parks and on main arterial roads on routes to larger shopping destinations. Our store portfolio operates predominantly on a leased basis with an average unexpired lease term of just under five years.

Retail customers also very often choose 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 purchase journey with us.

Trade customers – independent tile fitters contracted by customers to complete their domestic tiling projects – are a vital sales channel for our retail business. Our trade customers now account for 56% of our retail sales. 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 the basis of our specialist credentials; our ability to provide excellent technical knowledge; and a range of specialist products which ensures we cater for all of our traders' needs.

In the commercial market we serve the customer through our team of high-quality sales people. These colleagues will often have historic relationships with architects and designers based on high levels of mutual trust, established over a sustained period through successful delivery of projects together.

Brand

The tile market has very few recognised product brands and in the absence of these pointers for customers, the business brand becomes very important.

In retail, Topps Tiles is the UK's leading specialist tile retailer with 85% prompted awareness with consumers who have recently purchased or who are about to purchase tiles. Topps Tiles' focus is on driving consideration with the tile decision maker and building this metric successfully 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.

In Commercial, we are building the Parkside brand, which, over time, we believe could ultimately become the market leader.

Value for Customers

We deliver value to our customers by combining differentiated products with excellence in customer service. This is combined with competitive pricing to ensure that all of our customers receive great value.

The Topps Tiles Group 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.



PICTURED

1: Syren (all colours) and Dartrey Black

2: Amberley

3: Galaxy Granite and Diamante Pastel Mist

Strategic Report: Our Strategy



MATTHEW WILLIAMS | CHIEF EXECUTIVE OFFICER

The business has an overarching goal to profitably grow sales. In 2017 we identified an opportunity to expand into the commercial tile market and as a result of this new focus, 2018 has been a year of transition for the Group. We have made great progress with both developing our understanding of the commercial market, growing our Parkside business and also continued to strengthen our Topps Tiles retail business. Both divisions are supported by our Group “Leading Range” initiative and by other Group functions through our “Great People, Great Company” strategy.

Profitable Sales Growth

RETAIL 

OUTSPECIALISING THE SPECIALISTS

COMMERCIAL 

DISRUPT AND CONSTRUCT

LEADING RANGE 

GREAT PEOPLE, GREAT COMPANY 

LEADING RANGE

The Group's core purpose is to *inspire customers through our love of tiles* and this objective is reflected in our "Leading Range" initiative. Our specialism in tiles is our key source of competitive advantage. We are experts in the ranging, sourcing and procurement of tiles on a global basis and we work with carefully selected partners around the world to develop and produce differentiated products that are innovative, high quality and exclusive. We robustly protect the intellectual property and design assets we create through partner exclusivity and design registration and, if necessary, legal enforcement. Ultimately, it is this Group specialism that we leverage through our business divisions into the retail and commercial markets.

Progress and Outlook

Our pace and iterative cycle of product introduction continues to set us apart from our competitors. In the period we launched over 35 tile ranges, 80% of which were developed in-house. We have also more than doubled our portfolio of high impact branded exclusive accessories to meet the needs of our trade customers. Several resourcing initiatives have been completed, optimising cost, quality and lead times that will provide material gross profit improvements in 2019. Ninety per cent of the products we sell are now either own brand or exclusive and are sourced directly by our team of expert tile and accessory buyers from more than 20 countries around the world.

We have a relentless focus on product differentiation and it is our mission to lead on product design, quality and innovation. We are committed to investing in unique partner relationships with key influencers of tile design and technology that are increasingly upstream in the product development cycle. This enables us to utilise our deep manufacturer collaborations to maximum effect and this sets us apart from our competitors.



What our customers are saying

"I shopped around A LOT for wood effect tiles and out of all the retailers I could find I kept coming back to the Mora Oak tiles. Now they've been laid in my kitchen I am so pleased I chose them – everyone thinks they are real wood. Also need to mention that Topps Tiles service in my local store was fantastic they are all so knowledgeable, helpful and very efficient. Honestly can't rate them and their product highly enough."

GRACE



PICTURED

- 1: Catania Violet
- 2: Stadia Storm and Andira Smokey Brown

Strategic Report: Our Strategy

GREAT PEOPLE, GREAT COMPANY



This element of our strategy encompasses all of our Group support functions, including finance, property, logistics, HR, IT and legal.

The Group's success is underpinned by industry-leading levels of customer service and this applies equally to both our Retail and Commercial businesses. This means that we are very focused on our colleagues who deliver this service, with their capability and engagement levels being absolutely key. We believe our people represent a major source of competitive advantage and through our great people we strive to continue to build a great company.

Progress and Outlook

In October 2018, our annual survey recorded our best all colleague engagement score from the last four years which we consider to be a real endorsement of the success of our people strategy. Of particular note was the highest score we have received in terms of colleague wellbeing which has also been a key area of focus over the last 18 months.

In the prior period we launched a new online Learning Management System, "theHub". This continues to be a very popular method of learning for colleagues and we have prioritised investment and resource into developing materials for theHub and less into face-to-face training in order to drive efficiencies in this area.

When we recruit at a store management level 60% of these roles are filled internally which presents an excellent opportunity for internal progression and also allows us to retain strong technical skill sets.

We continue to invest in a programme of simplifying business processes to either improve the customer experience or the colleague experience, but ideally both. This is delivering significant results which we believe are helping to improve colleague engagement and customer satisfaction.



What our customers are saying

"Love these tiles. We used the same dark grout and matching tile trim as in the catalogue and they look stunning. Have had loads of compliments on them. Really pleased. Nick and all the other staff at the Halifax store were a great help, from choosing the tiles to loading them in our car for us."

JULIE | HALIFAX

RETAIL OUT-SPECIALISING THE SPECIALISTS

Our retail strategy for the retail market of “Out-specialising the Specialists” continues to be very effective. This strategy is focused on providing both our retail and trade customers a truly inspirational experience – both online and in store.

Progress and Outlook

Our digital platforms continue to go from strength to strength. Our website is industry-leading and was ranked in the top 25 for retail websites in the UK (source: Internet Retailing). The majority of our customers will utilise our website as the first step of their shopping journey with us – often as part of the research phase. We have continued to grow our understanding of the relationship between web and store visits and as a result we have continued to increase our investment into digital marketing, resulting in a sustained increase in online traffic. Our visualiser continues to be a major source of inspiration for customers and a key tool for colleagues to use in stores.

Our colleagues offer our customers a world-class experience within store. We are continuing the roll-out of our all-store improvement programme which includes new initiatives such as a design advice area. This provides a space in store for colleagues to interact with customers in a more consultative way, really understanding their needs and providing bespoke design solutions. The majority of our customers shop infrequently for tiles which means that when they do they need lots of advice and expertise. Our customer satisfaction scores are very important to us and in the year ahead we will launch a new “voice of the customer” feedback program that will enable us to listen to our retail and trade customers’ feedback in real time, allowing us to learn and adapt to their needs.

What our customers are saying

“I wanted to create a wooden floor effect in part of my conservatory and ordered a sample of this tile as I liked the look and colour. I was delighted when I saw how robust it was and how good the effect looked. I ordered the tiles and have now laid them. They look fabulous and have enhanced the area significantly. Highly recommended.”

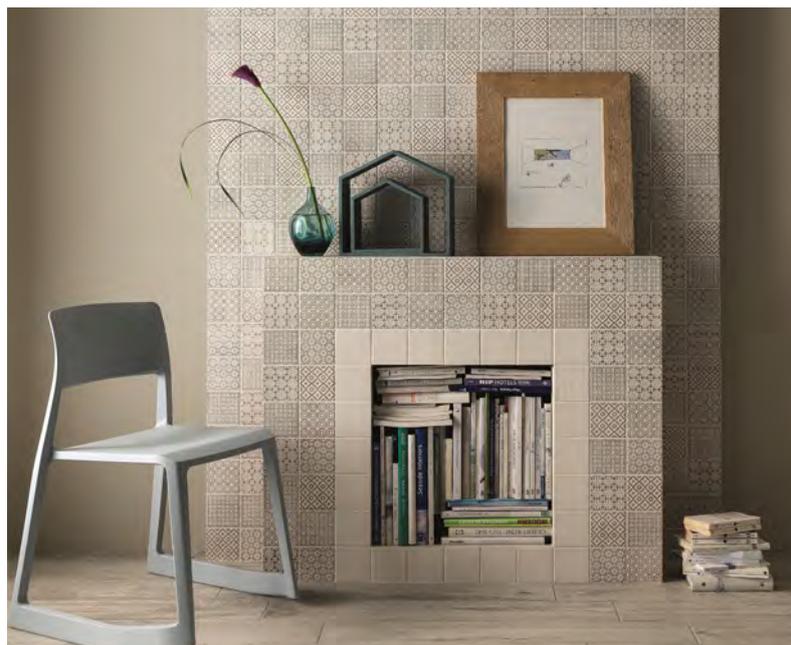
HEIDI | HAMPSHIRE

PICTURED

Batik Beige

The size of our store portfolio is also a key source of competitive advantage as this makes us very convenient for the majority of the UK population. At the period end we had 368 stores (2017: 372 stores) and we expect to see continued movement in the portfolio through active portfolio management based on openings, closures and relocations. The optimum size of the portfolio for the UK will continue to be reviewed based on changing customer needs over time. Critically, the average unexpired lease term to the next break opportunity is 4.1 years (2017: 4.3 years) and if we remove stores which are strategically important (where we have proactively taken longer terms to secure our tenure) the average unexpired lease term to break falls to 3.4 years (2017: 3.8 years) – the flexibility this provides is a key strength of the business.

Our trade customer base represents more than half of our sales. This provides a vital link to those homeowners who prefer to transact through their fitter rather than with us direct. In the UK there is a sustained trend away from “Do It Yourself” towards “Do It For Me” which means that this channel is increasingly important for us, is an area of the business we focus on very hard and is one which we believe provides us with a further source of competitive advantage. Sales through our trade channel account for 56% of total sales (2017: 55%). Our trade loyalty scheme leads our market place – with 85,000 traders registered and earning points (2017: 55,000). During the year we have refined this scheme to make it more relevant across our entire trade base, which has been very positively received, with double the number of traders now collecting points.



Strategic Report:

Our Strategy

COMMERCIAL Disrupt and Construct



As described in the market section of this report, the commercial tile market represents approximately 45% of the overall UK tile market. Historically, the Group had a very small representation in this part of the market through commercial sales made in its retail stores, but in 2017 we identified commercial as an opportunity for expansion and profitable growth and acquired the Parkside business.

Progress and Outlook

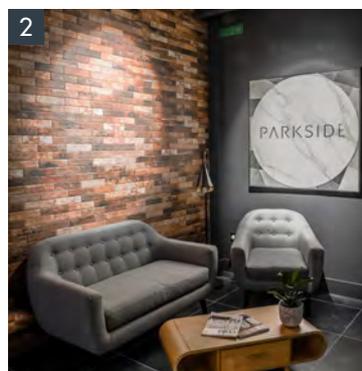
2018 has been a year of consolidation, learning and investment for Parkside. We have streamlined the business down from a mixed retail, distribution and commercial operation into a purely commercial player. We have been developing our strategic insight into this new market and have been pleased by how well the Group's entry into commercial has been received by clients, with our access to exclusive and differentiated ranges seen as a particular strength. Our strategy of "disrupt and construct" means that we plan to disrupt the existing competitive landscape and, over time, construct a new market leader. Our size and scale as a Group is central to this plan – giving us the resources to recruit a talented sales team and invest in market-leading pricing. During the period we expanded the commercial sales team and improved the infrastructure to give a base for future growth. Our current team of sales people has a combined 275 years of experience in the commercial tile market.

The commercial market works on lead times that can often extend to 12–24 months and building a pipeline of project leads is a vital first step. During 2018 we have been busy establishing our presence and growing our potential order book. As expected, trading losses for the period have been £1.1 million and we envisage this continuing into the following financial year at a similar level as we invest in future growth. These losses have been treated as a longer term investment and as such have been excluded from the adjusted financial position of the Group for this year; they will also be excluded next year. We remain open to further growth through acquisition and will continue to review such opportunities as they arise.

What our customers are saying

"I would just like to personally thank yourself and the team for helping me out with the recent material I required. Please extend my regards to the Parkside office who were extremely helpful. Your combined assistance has put Parkside in great stead for our next hotel upcoming at Gatwick."

CHRIS | LONDON



PICTURED

1. Parkside: Clerkenwell Design Week
2. Parkside: Informal meeting space in Leicester Showroom



PICTURED

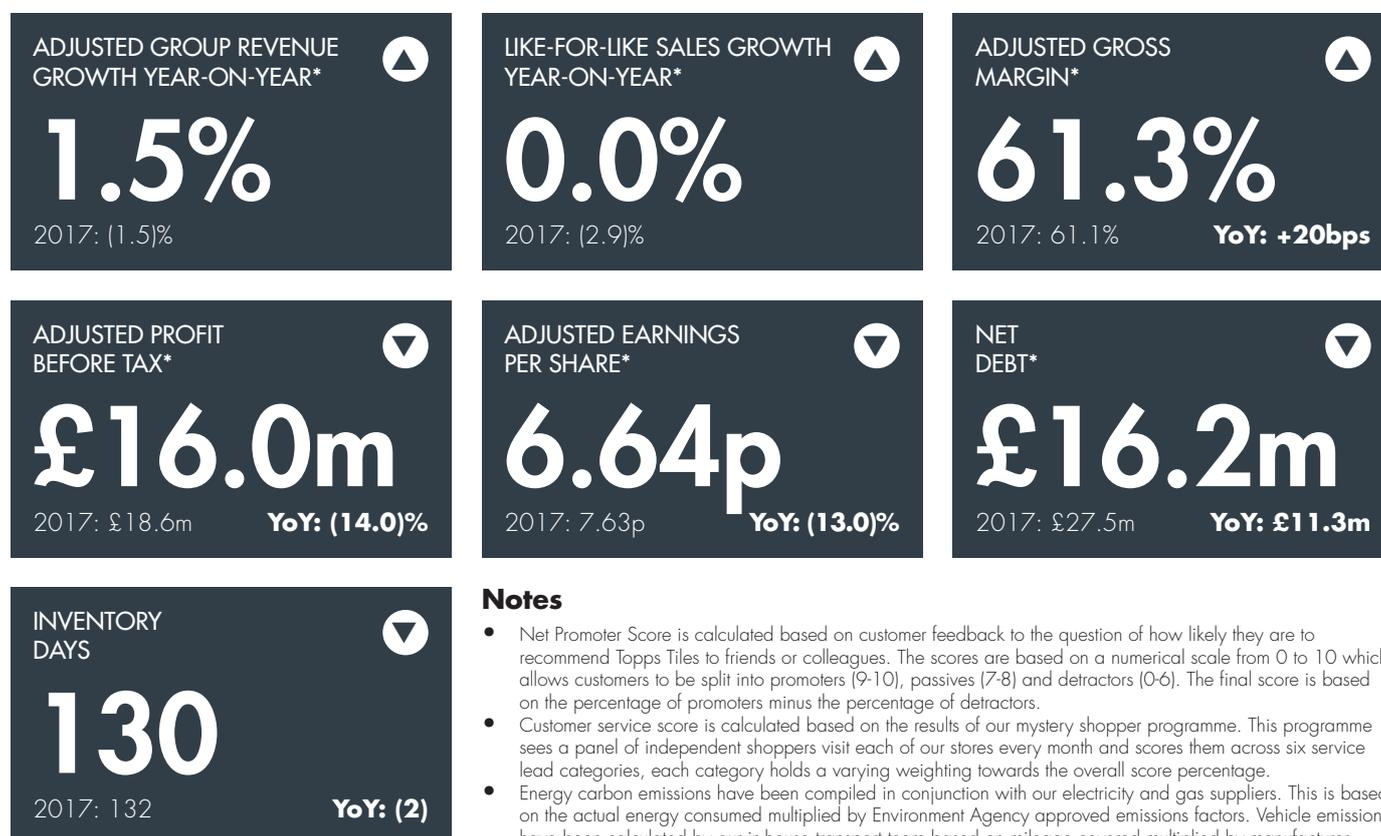
Berkeley Essence Sky, Spaces Hamble Nimbus and Black Split Face

Strategic Report:

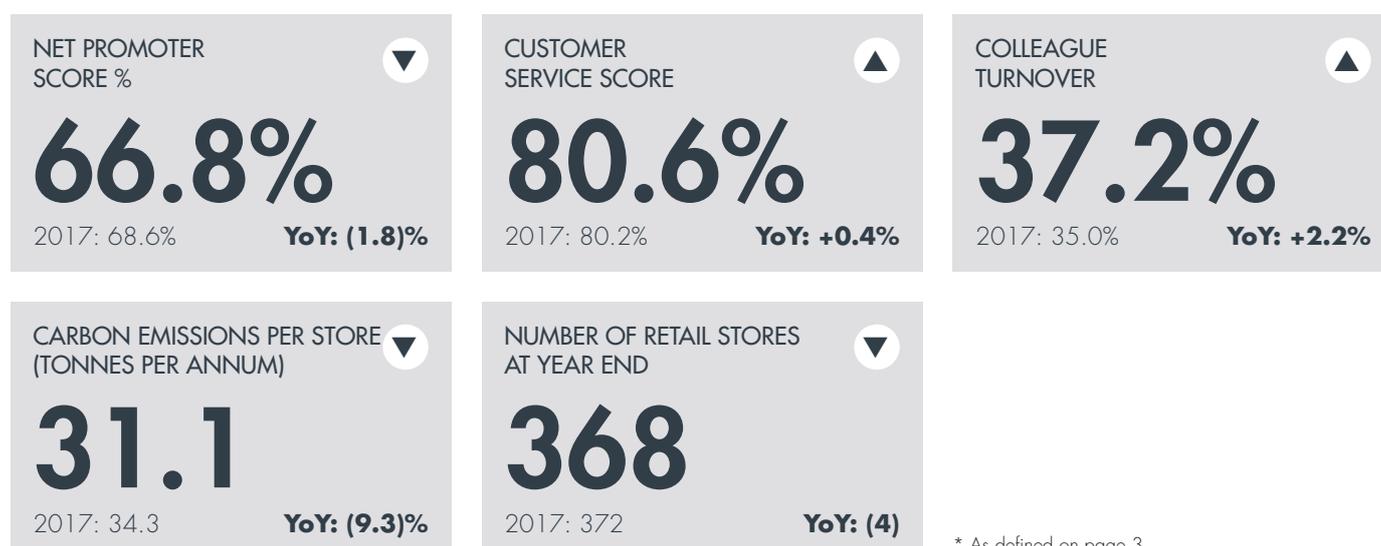
Key Performance Indicators

The Board monitors a number of financial and non-financial metrics and KPIs both for the Group and by individual store. This information is reviewed and updated as the Directors feel appropriate. Specific measures include:

Financial KPIs



Non-financial KPIs



* As defined on page 3.

Strategic Report:

Financial Review



ROB PARKER | CHIEF FINANCIAL OFFICER

Financial Objectives

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

- Primary focus on increasing revenues and cash generation, maintaining cost disciplines and optimising gross margins;
- Capital structure and net debt – the Board is focused on having a strong balance sheet that can also provide the business with financial flexibility; the business remains strongly cash generative and the Board expects net debt to continue to fall; and
- Maximising earnings per share and shareholder returns, including biannual review of our dividend policy. The Board has previously communicated its intention to target a dividend policy of approximately two times cover which we have achieved during this financial period and plan to maintain moving forwards.

“

Against a challenging market backdrop, the Group delivered a robust trading performance for the year with flat like-for-like sales and market-leading gross margins in retail, and the foundations laid for significant sales growth in commercial in the year ahead.

Adjusted Measures

The Group's management uses adjusted performance measures, to plan for, control and assess the performance of the Group. Adjusted Group Revenue and Gross Margin differ from statutory by the exclusion of the Parkside business to allow the Group to understand Topps Tiles' retail performance on a more comparative basis.

Adjusted profit before tax differs from the statutory profit before tax as it excludes the effect of one-off or fluctuating items, allowing the Group to understand results across years in a more consistent manner. For the current year the following items have been excluded:

- Losses relating to the Parkside business of £1.1 million (2017: £nil million) – recognising that 2018 and 2019 will be two years of investment in longer term growth;
- Losses related to movement in property-related provisions (including onerous lease movements and provision against fixed assets in loss-making stores) of £2.2 million (2017: £1.2 million);
- Gain from disposal of four freehold properties of £0.7 million (2017: £0.2 million);
- Losses from a one-off increase to the accrual for refunds following a review of provisions in advance of IFRS 15 implementation of £0.5 million (2017: £nil);
- Vacant property costs of £0.2 million (2017: £0.4 million) for buildings closed as part of Parkside reorganisation and the historic closure of Tile Clearing House business; and
- In the prior year the Group also excluded costs relating to the acquisition of Parkside of £0.2 million.

Strategic Report:

Financial Review

Profit and Loss Account

Revenue

Total revenue for the period ended 29 September 2018 increased by 2.4% to £216.9 million (2017: £211.8 million).

Adjusted revenue increased by 1.5% to £214.8 million (2017: £211.7 million). Like-for-like store sales were flat when compared to the prior year, which consisted of a 0.6% increase in the first half of the financial period and a 0.6% decrease in the second half. We believe that the sales performance represents an outperformance of our market and is an endorsement of our strategy.

Gross Margin

Total gross margin held flat at 61.1%, with the addition of Parkside providing a 20 bps dilution in overall margin.

Adjusted gross margin increased to 61.3% compared with 61.1% in the previous financial period. Over the first half of the period adjusted gross margin was 60.5%, and we delivered a gross margin of 62.1% in the second half of the period. Gross margin has benefited from sourcing gains and new ranges with improved margins. For the year ahead we anticipate delivering a small gross margin improvement which will be derived from similar activities to this year, assuming broadly stable sterling exchange rates.

Operating Expenses

Total operating costs increased from £111.5 million to £118.7 million, an increase of 6.5%. Costs as a percentage of sales were 54.7% compared to 52.6% in the prior period. When adjusting items (detailed on page 3) are excluded, operating costs were £114.6 million (2017: £109.9 million), an increase of 4.3%. Adjusted costs as a percentage of adjusted sales were 53.4% compared to 51.9% in the previous period.

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

- The average number of UK stores trading during the financial period was 372 (2017: 361), which generated an increase in costs of approximately £2.6 million;
- Inflation at an average of approximately 1.7% increased our cost base by around £1.8 million;
- Regulatory costs impacts, including the National Living Wage, accounted for £0.5 million of additional costs;
- Depreciation increased by £0.3 million due to higher levels of investment in the store estate over recent years;
- Employee profit share costs increased by £1.3 million, with the prior year seeing a reversal of a number of long-term incentive charges due to previous lower level of financial performance compared to plan; and
- Other savings across the business accounted for £1.8 million; these were primarily generated from store labour following a series of simplification initiatives.

For the year ahead we expect the adjusted operating costs for the business to be between £116 million and £117 million.

Other Gains and Losses

During the period we disposed of four properties and recognised a gain of £0.7 million.

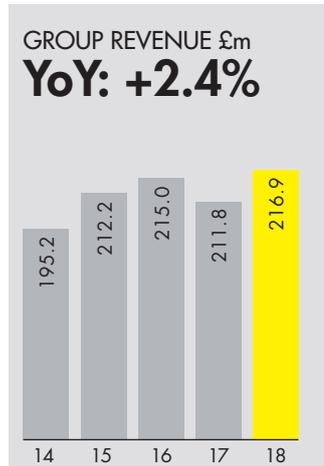
During the year we purchased the freehold on a previously leased office building and have recognised a loss of £0.4 million. This purchase has allowed the group to exit an onerous lease, the freehold has been reported as an investment property, the purchase price of £2.9 million has been written down to £1.2 million (see note 13b on page 101), which results in a £0.4 million loss after transferring previously held onerous lease provision.

In the prior period we disposed of one long leasehold property and recognised a gain of £0.2 million.

Financing

The interest charge for the year was £1.0 million (2017: £0.9 million). There has been a small increase in the interest charge due to the write-down of the remaining loan arrangement fee from 2014 which occurred as a result of commencing a new loan facility.

Net interest cover was 23.0 times (2017: 29.0 times) based on adjusted profit before interest and tax, depreciation and amortisation of £7.1 million (2017: £6.5 million) and adjusting items of £3.3 million (2017: £2.0 million).

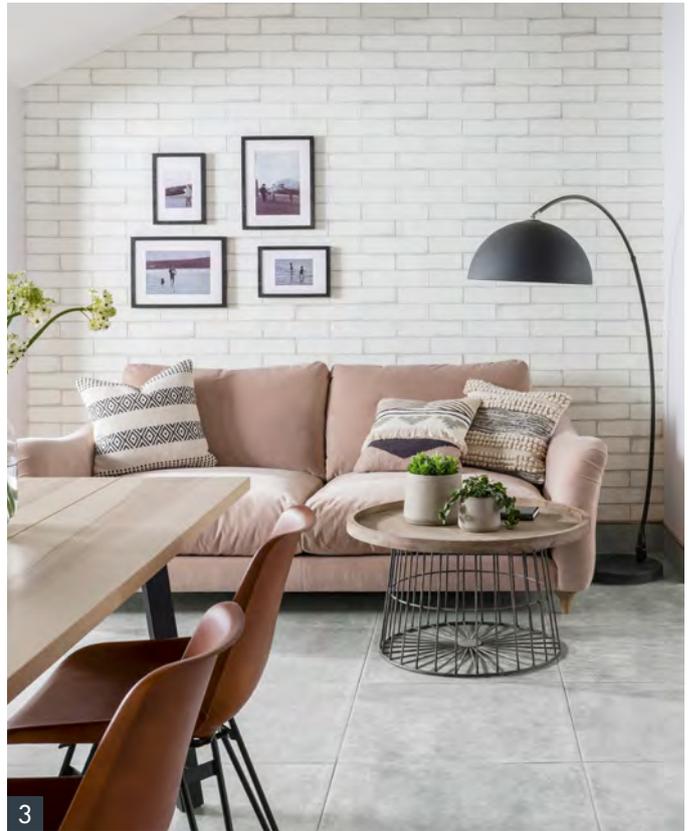


NOTES

1. Adjusted revenues are defined as total Group revenues excluding Parkside.
2. Adjusted gross margin is defined as Group gross margin excluding Parkside.



1



3



2



5



4

PICTURED

- 1: Staunton Graphite and Putty Mosaic
- 2: Variato Blonde
- 3: Lampas Cloud and Abrasio Steel
- 4: Busca Bronze Flat and Abrasio Basalt
- 5: Bistro Black

Strategic Report: Financial Review

Profit Before Tax

Profit Before Tax (PBT) was £12.7 million (2017: £17.0 million). The Group PBT margin was 5.9% (2017: 8.0%).

Excluding the adjusting items detailed on page 3, PBT was £16.0 million (2017: £18.6 million). The Group adjusted PBT margin was 7.4% (2017: 8.8%).

Tax

The effective rate of Corporation Tax for the period was 23.9% (2017: 21.0%).

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

Earnings Per Share

Basic earnings per share were 5.00 pence (2017: 6.98 pence).

Diluted earnings per share were 4.93 pence (2017: 6.86 pence).

Excluding the adjusting items detailed on page 3, adjusted earnings per share were 6.64 pence (2017: 7.63 pence).

Dividend and Dividend Policy

The Board has previously indicated that it intended to pursue a dividend cover policy and that it would target approximately two times as a sustainable level. This has been achieved in the period with a cover of 1.95x the Adjusted Earnings Per Share.

The Board is recommending to shareholders a final dividend of 2.3 pence per share (2017: 2.3 pence per share). This will cost £4.4 million (2017: £4.4 million). The shares will trade ex-dividend on 20 December 2018 and, subject to approval at the Annual General Meeting, the dividend will be payable on 4 February 2019.

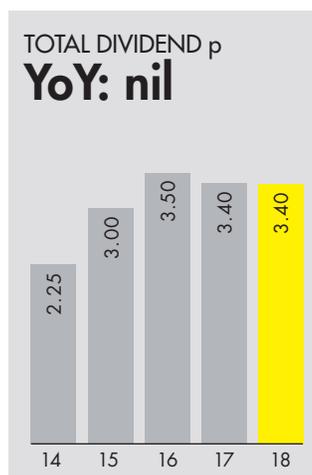
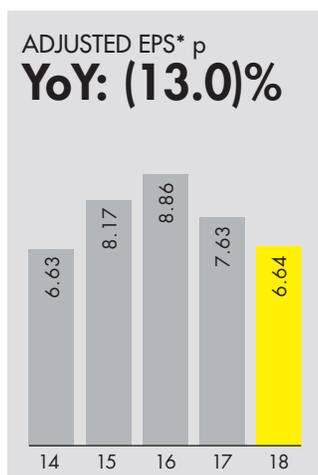
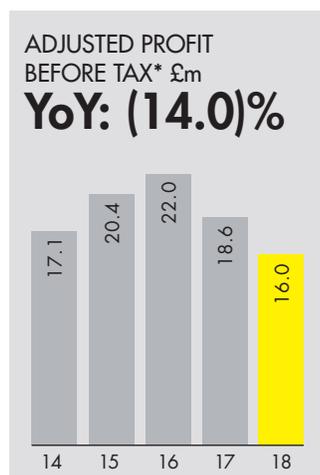
This will maintain the total dividend for the year at 3.4 pence per share (2017: 3.4 pence per share).

Moving forwards, the policy for the interim dividend will be to pay one third of the prior full year dividend.



PICTURED

Botella Indian Peacock



* As defined on page 3

Balance Sheet

Capital Expenditure

Capital expenditure on tangible fixed assets and investment properties in the period amounted to £7.9 million (2017: £10.2 million), a decrease of 22.5%.

Key investments are as follows:

- New stores £1.5 million — nine new openings (2017: £4.9 million);
- All store improvement programme £1.8 million (2017: £0.3 million);
- Freehold and leasehold investments £0.2 million (2017: £0.8 million);
- Investment Property purchase £2.9 million (2017: £nil);
- Other expenditure of £1.5 million (2017: £1.7 million); and
- In the prior period we also spent £2.5 million on store refits.

The Board expects capital expenditure in the year ahead to be between £6 million and £7 million. This is based on a continuation of current levels of activity and does not include any strategic acquisitions that the Group may consider as part of its growth plans in the commercial tile market.

At the period end the Group held six freehold or long leasehold sites, including two warehouse and distribution facilities and an office building, with a total carrying value of £14.2 million (2017: 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 and, in the case of the investment property, a fair value adjustment.

Acquisitions and Disposals

During the period we acquired one freehold property for a consideration of £2.9 million (see above and see note 13b on page 101) and disposed of four freehold properties for a consideration of £3.9 million. In the prior year we acquired one freehold for a consideration of £0.8 million and disposed of one long leasehold property for a consideration of £0.3 million.

Intangible Assets and Goodwill

During the year, and within the hindsight period, we noted additional provisions required of £0.4 million relating to the acquisition balance sheet of Parkside, increasing the previously recognised value of goodwill of the Parkside business to £1.2 million (2017: £0.8 million). In addition to Parkside we hold goodwill relating to historic acquisitions of £0.2 million (2017: £0.2 million). Intangible assets, relating to the Parkside business, were amortised by £0.1 million to a new holding value of £0.3 million (2017: £0.4 million).

Inventory

Inventory at the period end was £30.2 million (2017: £29.5 million) representing 130 days turnover (2017: 132 days turnover). The increase in the absolute level of inventory is driven by extended levels of overseas sourcing and a longer supply chain as a result, the majority of which is offset by increased creditor terms. Days cover has reduced as we have consolidated in the Parkside commercial business which typically holds less stock; days cover in the retail business has been maintained year on year.

Capital Structure and Treasury

Cash and cash equivalents at the period end were £13.8 million (2017: £7.5 million) with borrowings of £30.0 million (2017: £35.0 million).

This gives the Group a net debt position of £16.2 million (2017: £27.5 million).

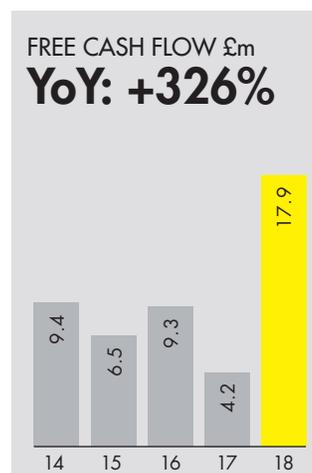
Cash Flow

Operational cash flow was £21.9 million, compared to £15.2 million in the prior year period, an increase of £6.7 million. The improvement in operational cash flow was due to improved working capital flows, reduced tax and interest (due to one-off payments in FY17), which were partially offset by lower profits.

Free cash flow was £17.9 million (2017: £4.2 million), an increase of £13.7 million year on year. This increase was driven by the improved operational cash flow highlighted above plus reduced capital expenditure and the changes in freehold and investment properties.

Current Trading and Market Conditions for the Year Ahead

In the first eight weeks of the new financial year, the challenging trading conditions seen in the prior financial year are still in evidence and like-for-like sales in this initial period decreased by 1.9% against a strong prior year comparator. Whilst being watchful of market conditions in the year ahead, we remain confident that our expansion into the commercial tile market, coupled with the continued strength of our market-leading retail operations, gives us a solid platform for future growth.



**PICTURED**

Cini White and Black Honed Slate

Strategic Report:

Risks and Uncertainties

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; and
- A quarterly update in the Board pack which includes a summary of the key risks identified, combined with mitigants and agreed actions

Risk	Impact	Mitigation	Status
Brexit – General Economic and Consumer Confidence			
The general economic climate and specifically consumer confidence are important to Topps Tiles and events that may affect these factors present a financial risk to the business. In the period post the UK voting to leave the European Union consumer confidence has been weaker and this has impacted our market.	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. The full impact of the decision of the UK to leave the EU remains unclear and this is likely to continue to create some uncertainty in the outlook over the short term.	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. During the year we have again kept a tight control on costs and have increased focus on taking market share from competitors along with our diversification into the commercial tile market. Longer term we consider that the UK housing market remains attractive and we believe there remains significant upside from a sustained economic recovery.	←
Brexit – 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. Every 1 cent change in Euro and US\$ (combined) has a £0.22 million impact on cost of goods over a full year of purchases, (excluding the impact of Topps Tiles' policy of hedging forward for six months).	We are proactive in managing this risk and we have proven historically that we are able to mitigate material amounts of the impact of adverse foreign exchange rates through activities such as supplier negotiation or sourcing management with a number of lines being re-sourced.	←
Brexit – Supply Chain Disruption			
In the event of a "Hard Brexit" there is a possibility that we could see disruption at ports which would slow the importation of goods into the UK and this could adversely affect our business.	We source around 50% of our cost of goods from outside the UK. Any material slow down in our supply chain could materially impact our stock availability and hence our sales performance.	The key mitigation is to ensure we have sufficient stock to provide stability through a period of disruption. Over the first half of our new financial year we plan to increase stockholding of our key selling lines in order to provide customers with greater continuity through any period of disruption.	N

Strategic Report:

Risks and Uncertainties

Risk	Impact	Mitigation	Status
Appropriate Business Strategy			
Our business strategy will not be successfully delivered. The expansion of the Group into the commercial tile market has increased strategic risk slightly.	<p>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> <p>Our refreshed strategy includes diversification into the commercial tile market which will include some risk around successful delivery of acquisitions (where relevant) and management distraction away from our core business.</p>	The strategy is reviewed annually, updated as required and approved by the Board. Biannual communication events and regular updates are provided to all colleagues on our progress towards our goals.	
Threat from Competitors			
Competitors eroding our market share. A greater competitive threat could come from a new or existing competitor introducing a new point of differentiation to our market such as operational standards, range, service, use of technology, etc.	Loss of market share leading to reduced sales and profitability.	<p>We regularly review our competitor set but at the same time we are clear on our primary source of competitive advantage and how we strengthen this over time – namely our specialist focus and leading range.</p> <p>During the financial year approximately 150 stores have been subject to a programme of improvements which will further differentiate us from our competitors. This programme will continue into the new financial year.</p> <p>We continue to invest in digital marketing and actively monitor social media platforms. We also work closely with tile manufacturers to ensure we are driving innovation in our market.</p>	
Attracting and retaining talent			
<p>The failure to attract and/or retain key individuals could impact on the ability of the business to deliver its objectives.</p> <p>The loss of technical knowledge in stores through high levels of colleague turnover could have a negative impact on our customer service levels.</p>	Reduced levels of customer service or lack of key individuals to deliver the business objectives would result in lower levels of sales and profits for the Group.	<p>We are very focused on colleague engagement and colleague turnover is closely monitored. 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>We have a detailed succession plan for each key executive and non-compete clauses for senior colleagues.</p>	

Risk	Impact	Mitigation	Status
<p>Store portfolio</p> <p>Optimum property strategy for the UK market along with the risk of losing key performing stores which contribute a material amount of Group earnings.</p>	<p>A larger store presence across the UK than is required to maximise the profitability of the Group.</p> <p>Loss of a multiple number of top performing stores or stores in the wrong areas could cause a material impact on the company's profitability.</p>	<p>During the year analysis was completed by a third party with regards to the optimum store network for the UK and new store locational opportunities. We will continue to review customer trends to ensure our estate remains optimised to best serve their needs.</p> <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 proactively re-gear leases on high value stores to ensure we always have at least several years of security.</p>	←
<p>Loss of a Key Supplier</p> <p>The loss of a key supplier could impact on our ability to trade in some areas of or range.</p> <p>We consider that the risk has probably reduced when compared to the prior year due to the diverse nature of our supply chain and successful resourcing of product we have done in recent years.</p>	<p>The loss of a key supplier could lead to disruption in supply of key selling products leading to loss of sales and profits.</p>	<p>Our supply chain is diverse and due to our scale we can source products directly from manufacturers anywhere in the world. Resourcing ranges from one manufacturer to another is something to which we are accustomed.</p>	↓
<p>Financing</p> <p>The Group has a £35 million revolving credit facility in place which was refinanced in July 2018 and expires in July 2021 (with an opportunity to extend at the end of the first and second years for a further year, so a potential full term of five years ending July 2023). The loan facility contains financial covenants which are tested on a biannual 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 an equity fundraising.</p>	<p>Loan renewal discussions are conducted well in advance in order to allow sufficient time to cater for different scenarios and would include both existing and new banks to gauge interest.</p> <p>Having completed refinancing negotiations in 2018, we have seen the financing risk level fall, aided by strong cash inflow in the financial year just completed.</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 proactive discussions with lenders.</p>	↓

Strategic Report:

Risks and Uncertainties

Risk	Impact	Mitigation	Status
<p>Cyber Security</p> <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 adversely affect 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 disaster recovery server provision is in place and the majority of our servers now operate on virtualised technology. The Company has partnered with the National Computer Centre (NCC) as cyber security specialists to ensure the appropriate technology and controls are in place to protect data assets. Customer data sources are catalogued and the Company has undertaken a process of data minimisation to remove unnecessary instances of high value customer data.</p>	
<p>Major Reputational Damage</p> <p>The Topps Tiles 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>We have developed during the year a critical incident response process which would be invoked in the event of a business crisis.</p> <p>Supply chain is of particular significance and we believe in long-term strategic relationships with our key suppliers. We have in place a 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>	

Risk	Impact	Mitigation	Status
<p>Fitter availability</p> <p>The housebuilders association are predicting a significant shortfall in available tilers by 2021. This may be further influenced by the uncertainty of EU economic migrants and the shortfall in people training in tiles.</p>	<p>A reduction in available qualified tilers could have a negative impact on sales across the tile retail market.</p>	<p>We have developed the trader champion programme to both retain our existing trader base and to encourage new traders to shop with Topps Tiles. The programme focuses on:</p> <ul style="list-style-type: none"> • Offering the best loyalty programme in the sector • Added value trader services • Better pricing • Trader referral scheme known as TNP • Supplier-supported trader training • Trader profiles online via the Topps store micro site 	<p>N</p>

Key:

↑ Risk has increased

↓ Risk has decreased

← No change

N New risk

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.

Strategic Report:

Corporate Social Responsibility

Our Community and Charity Work

Colleagues across the Topps Tiles Group are both proactive and enthusiastic supporters of our charity partnerships.

At a national level we are at the start of the final year of a five-year partnership with Macmillan Cancer Support, which has been widely embraced by colleagues in our nationwide network of stores, our Leicester support office and our commercial arm Parkside.

During 2019 we will hold a company vote to either continue our existing charity partnership or select a new charity with which to partner.

Our support office has also agreed to continue our relationship with Leicestershire Cares, which seeks to work with local businesses to support charity initiatives.

Macmillan Cancer Support

MACMILLAN CANCER SUPPORT

Since the 2015 start of Topps Tiles' partnership with Macmillan Cancer Support, the Company has raised in excess of £530,000 – beating the company five-year target of £500,000 a year early.

Around two thirds of this has come via the Pennies digital charity box scheme, where customers in stores can donate small change to Macmillan by rounding up their purchase to the nearest pound (the average donation is 38p). Our Chief Executive Officer Matthew Williams also sits on the Pennies advisory board.

The total raised through Pennies in 2018 was nearly £200,000, up nearly 60% on the previous year's donations, with the one millionth donation made in August 2018.

Colleagues have also taken part in a variety of traditional fundraising events including bake sales, a summer barbecue, Christmas raffle and dress-up events, raising almost £56,000 in the past financial year. This included three cycling events: the marketing team cycled the equivalent miles from our most northern to most southerly store – Inverness to Penzance – in one day at a local gym. Members of our property team took on a charity ride around the picturesque Rutland Water, while the inaugural "Tour de Topps" saw 11 colleagues cycle together from our Enderby store to our Skegness store – 100 miles – in fewer than eight hours.



PICTURED

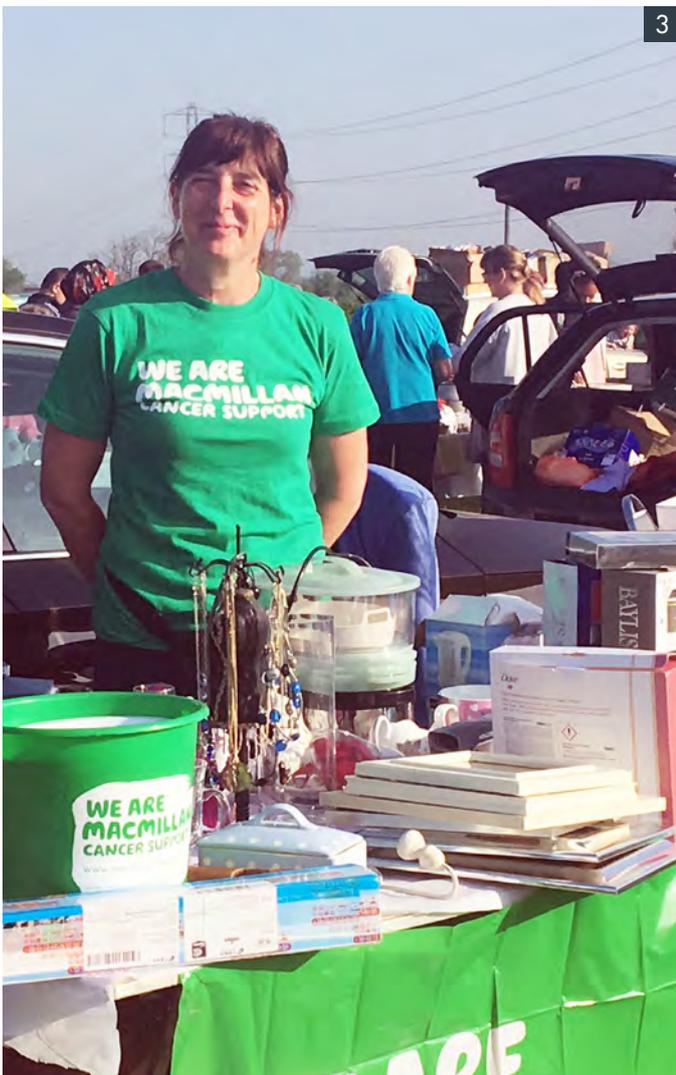
Colleagues from Topps Tiles and Parkside setting off on their 100-mile cycle ride from the Enderby store to the Skegness store.



1



2



3



4



5

PICTURED

- 1: Colleagues at Topps Tiles Bishops Stortford fundraising for the World's Biggest Coffee Morning.
- 2: The marketing department cycling the equivalent miles from Inverness to Penzance.
- 3: Julie Cox from the finance team at a fundraising car boot sale.
- 4: Store fundraising on "go green for Macmillan" day.
- 5: The winning entry in the Winter Tile challenge completed by stores to raise funds for Macmillan.

Strategic Report:

Corporate Social Responsibility

Leicestershire Cares

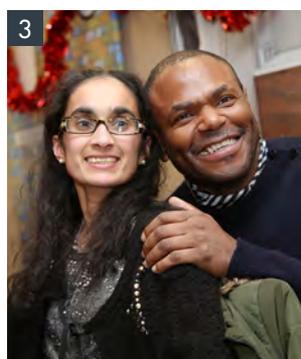


We continue to work alongside Leicestershire Cares, a charity organisation local to our Leicester support office, offering staff time out to take part in a range of initiatives to support local good causes.

Last year we achieved many successes including:

- A Christmas party for disadvantaged and homeless people, providing a festive buffet, gifts and fun quiz as well as a visit from former X Factor finalist Anton Stephans;
- Support office colleagues collected more than 250 Easter eggs for children at hostels for families who were either homeless or escaping domestic abuse;
- Area and regional managers from Regions 1 and 3 cleared and renovated an overgrown garden area at a centre which supports young adults and their families;
- Fourteen finance colleagues undertook an environmental challenge at Bradgate Park, protecting new saplings from local deer by removing, repairing and building wooden tree frames;
- Six logistics colleagues took on weeding and harvesting crops with Saffron Acres Allotments, which works with community groups, including to build life skills; and
- Eight colleagues from the IT team cleared out communal gardens and laid a gravel area at a sheltered housing scheme.

These challenges give everyone at Topps Tiles the opportunity to give something back to the local community as part of their working day and their own personal development, and enable the Company to showcase its brand as a proactive part of the community in Leicestershire and Rutland.



PICTURED

1: Guests from Leicestershire Cares at a festive lunch.

2: More than 250 Easter Eggs collected and donated to Leicestershire Cares by support office colleagues.

3: X Factor finalist Anton Stephans entertained guests at the charity festive lunch.



PICTURED

1: Area and regional managers undertaking a garden renovation project in Leicestershire.

2: Members of the IT team clearing communal gardens at a sheltered housing project.

3: Some of the logistics team at an environmental team challenge, including weeding and harvesting crops.

Strategic Report:

Corporate Social Responsibility

Tiles4Smiles

The Tiles4Smiles scheme offers community groups and charities the opportunity to request donations of tiles – either for premises renovations, improvements to their kitchen or bathroom areas, or for art projects.

In the past financial year more than 18,000 tiles at a retail value of almost £55,000 have been donated to nearly 40 community and charity projects. These have included an ongoing scheme to renovate the historic Byrne Avenue baths in Birkenhead, the redecoration of a Watford café to provide work experience for people with learning disabilities, tile-based artworks at several schools and various projects to improve home facilities for children with life-changing conditions.

We have also donated tiles to projects highlighted by television programmes, taking part in two Love Your Garden shows, hosted by Alan Titchmarsh, and three episodes of Nick Knowles' DIY SOS for families and projects based in Arundel, Hull and Torquay.



1



2



3

PICTURED

1: Pilgrims Way School 50th year celebrations.

2 and 3: Kingsley Hall Community Centre memorial mosaic.



Youth Sport

At Topps Tiles, 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 become more active through our youth sport sponsorship.

We donated funds to 176 teams throughout the UK during 2018. The majority of teams were football teams (89%), followed by rugby (10%) and the remainder netball and hockey.



PICTURED

1 to 3: Tresco School, Penzance.

4 and 5: Pilgrims Way School.

6: Mosaic bench in progress for the Chessington Community Sensory Garden for SEN Pupils.

7: Arfon Celts Netball Club, sponsored by Topps Tiles.



Strategic Report:

Corporate Social Responsibility

Transport

This year has seen a focus on improvements within the transport facility in both people and fleet.

We have completed a full change programme in two areas of our fleet, resulting in the upgrade of 23 MAN tractor units and five MAN rigid body vehicles to newer, more modern engines, which should bring in further fuel efficiencies in future years.

All trucks have now been fitted with 360-degree cameras which will not only help ensure the integrity of our drivers in the unfortunate event of an accident, but also gives us greater transparency and accuracy in monitoring our safety standards.

We continue to use Microlise on-board fleet technology to drive higher standards throughout the driver team, with an aim to produce better fuel consumption and minimise our accident rate.

Our Warehouse to Wheels programme has also seen a successful year, with three warehouse colleagues undertaking training for and obtaining their HGV licences, becoming full-time drivers for the business. This is fast becoming an important source of trained drivers in what is an increasingly competitive market.

Supply Chain

We source products across the globe to bring the latest trends, cutting edge designs and advanced technologies to the UK to retain our position as market leader.

As a trusted retailer our customers expect our products to be ethically sourced and therefore we look beyond our internal operation and ask for complete transparency across our supply base. Our supply chain can be complex but we are committed to ensuring all our suppliers adhere to the highest standards of ethics, able to demonstrate safe working conditions, and are treating workers with dignity and respect.

All our suppliers are required to comply with the Topps Responsible Sourcing code. This code has been designed to be ethical, auditable, achievable and is in place to promote good working practices with our suppliers. The Code represents the Company's fundamental expectations of its supply partners in relation to responsible sourcing. Topps Tiles will not knowingly work with any supplier who does not comply and requires all suppliers to acknowledge this Code and confirm their acceptance of its provisions. Compliance is underpinned by way of contractual obligation and audit process. Suppliers applying this code are expected as a minimum to comply with national and other applicable laws.



PICTURED

Topps Tiles marking Remembrance Day on its fleet.

As part of our auditing process, all of our suppliers this year have had to complete a Social and Ethical Self-assessment document to identify if there are any product or geographical risks. To address any possible concerns, our buyers, buying agents and technical manager conduct regular surveillance visits and factory tours to ensure that our products are sourced ethically. As part of our due-diligence, we are rolling out a third-party auditing programme across our supply base over the next 18 months with specific emphasis on factories where any specific risks have been identified.

In 2015, the Modern Day Slavery Act came into 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 toppstilesplc.com under Corporate Responsibility.

Environment

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 and repairable wooden pallets. Not content with just recycling more in our distribution centre, we are now also collecting waste from some 368 stores and sorting into different waste categories.

This year has seen the introduction of our third mill-sized cardboard baler, capable of compacting one tonne bales to allow us to increase the revenue earned from this waste stream. Fifty-eight tonnes of cardboard is currently being recycled through our operation. We are also recycling 61 tonnes of polythene, 15 tonnes of nylon strapping and 12 tonnes of paper.

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

We collect broken tiles from our entire estate and in partnership with Green4life and Lafarge we are now recycling 82% of our tile waste at a local quarry, where the tiles are crushed and converted into a composite of aggregate. This is a market-leading initiative based on our principle of reducing waste to landfill.

At our Leicester support office we have set up recycling points and adopted a "no bin policy" at desks which has saved c.25,000 polythene bags per annum.

The Company is a member of the On-pack Recycling Label scheme which delivers a simple, consistent and UK-wide recycling message. As members of the scheme, all our suppliers will place these specific clear recycling symbols on all of our own-brand products. This enables our customers to recycle more packaging correctly. It also enables local authorities to recycle more and in turn will minimise our environmental footprint.

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.

At the very least we expect our 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, water, the efficient use of energy and also minimising the amount of waste as a result of the supply chain and manufacturing process.

All new, relocated and refitted stores are installed with LED lighting and we are currently undertaking a project to investigate and trial the case for roll installation of LEDs to all remaining stores. We also monitor our water chargers closely in order to be able to identify, investigate and manage any leaks.

Carbon emissions per store have reduced from 34.3 to 31.1 tonnes per annum (-9.3%), compiled in conjunction with our electricity and gas suppliers and our in-house transport team. This 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.

The Tile Association

For the past two years we have been working with The Tile Association (TTA), a trade association whose mission it is to promote professionalism and technical standards in the tiling industry across tiling contractors, fixers, distributors, retailers and manufacturers.

The TTA is the leading body contributing to the formation of British Standards in Tiles and a member of Build UK. Our commercial managing director Brian Linnington also sits on the board of directors of the TTA.

We aim to work with the association on improving industry standards, training and offering support in encouraging best practises throughout the industry.

In 2018 we were also honoured by TTA with the Excellence in Multiple Retailing award in recognition of excellent customer service, outstanding product offering and innovation within a store setting.



PICTURED

Berkeley Essence Sky, Diamante Blue and Mora Oak Mosaic

Strategic Report

Non-Financial Information Statement

Companies within the scope of s414CB must include a non-financial information statement in their strategic report. This requirement should be met through a title and a series of cross-references, so as to maintain the coherence of the strategic report, rather than replicating information located elsewhere in the strategic report within this statement.

Group plc has complied with the requirements of s414CB of the Companies Act 2006 by including certain non-financial information within the Strategic Report. This can be found as follows:

- Group plc's business model is on page 10.
- Information regarding the following matters, including policies, the due diligence process implemented in pursuance of the policies and outcomes of those policies, can be found on the following pages:
 - Environmental matters on page 37;
 - Employees on page 14;
 - Social matters on page 30;
 - Respect for human rights on page 36; and
 - Anti-corruption and anti-bribery matters on pages 30 to 35.
- Where principal risks have been identified in relation to any of the matters listed above, these can be found on pages 24 to 29, including a description of the business relationships, products and services which are likely to cause adverse impacts in those areas of risk, and a description of how the principal risks are managed.
- All key performance indicators of the Group, including those non-financial indicators, are on page 18.
- The Business Performance section on pages 19 to 23 includes, where appropriate, references to, and additional explanations of, amounts included in the entity's annual accounts.

Going Concern

When considering the going concern assertion the Board review several factors including a detailed review of risks and uncertainties, the Group's forecast covenant and cash headroom against lending facilities 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 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 three years for the following reasons:

- This is the basis on which the current strategic financial plans have been 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 of the Group's prospects has been made with reference to the Group's current position, which has been strengthened by the refinance of loan facilities concluded in the period and the principal risks facing the Group, as detailed in the Strategic Report.

In assessing the viability of the Group, the Board considers that the key risks to the delivery of its financial plans relate to Brexit-driven reduction in consumer confidence and major reputational damage from cyber security attacks, both of which would be expected to lead to a reduction in sales. In addition, there are key risks such as currency fluctuations and supply chain disruption driven by the uncertainty related to Brexit which could lead to a weakening in the Group's gross margin.

As a result, the Board has reviewed a number of sensitivities based on a reduction in sales and gross margin over the viability period of three years. 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 the sustained reduction in levels of consumer spending and rising margin costs through the next three years.

The Board has also considered the Group's current banking facilities which include a non-amortising revolving credit facility that expires in June 2021 (with the opportunity to extend by a further year in June 2019 and June 2020).

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

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 that, 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 29 September 2018 will be held on 30 January 2019 at 10.00 a.m. at the Marriott Hotel, Smith Way, Grove Park, Enderby, Leicestershire, LE19 1SW.

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

27 November 2018



PICTURED

Mora Walnut Mosaic





Our Governance

CONTENTS

Board of Directors	42
Executive Team	43
Corporate Governance Statement	44
Directors' Report	50
Directors' Remuneration Report	54



© 2018 Rocco Photography



PICTURED

1. Astrea White and Regal Reflections Cottesmore Bathroom Cameo
2. Parkside: Leicester showroom
3. Parkside: Nando's, Sheffield – design by Harrison
4. Hartley White and Minton Hollins Country Rustic White
5. Oparo Onyx and White Arabesque

Board of Directors



DARREN SHAPLAND | **D**
NON-EXECUTIVE CHAIRMAN

Darren joined the Board in March 2015 and has over 30 years of retail and consumer experience, having held senior financial and operational positions within the Burton Group, Arcadia and Kingfisher. Darren was Chief Financial Officer at J Sainsbury 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 Officer of Carpetright plc from 2012 to 2013.

Darren is currently Non-Executive Director and Chairman of the Audit Committee at Ferguson plc.



MATTHEW WILLIAMS |
CHIEF EXECUTIVE OFFICER

Matt joined Topps Tiles 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 Board in 2006, he was a key member of the team that established Topps Tiles 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 and sits on the Pennies Retail Hospitality Advisory Board.



ROB PARKER |
CHIEF FINANCIAL OFFICER

Rob joined the Board 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 accountable for all aspects of finance, human resources, logistics, property, IT, and company legal matters.



KEITH DOWN | **C D E**
NON-EXECUTIVE DIRECTOR

Keith joined the Board in February 2015. Keith is a chartered accountant and is currently the Group Finance Director of Selfridges Group, having held this post since July 2018. He was previously the Chief Financial Officer of Dunelm Group plc, Go-Ahead Group plc and JD Wetherspoons plc.



CLAIRE TINEY | **B D F H**
NON-EXECUTIVE DIRECTOR

Claire joined the Board 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.



ANDY KING | **E G H**
NON-EXECUTIVE DIRECTOR

Andy joined the Board in January 2012. Formerly Chief Executive Officer of Evans Cycles, prior to that Managing Director of Dobbies Garden Centres and prior to that Chief Executive of Notcutts Garden Centres. Andy has also held director roles at The Body Shop, Mothercare, W H Smith and Boots The Chemists.

A Secretary of the Audit, Nomination and Governance and Remuneration Committees

B Senior Independent Director

C Chairman of Audit Committee

D Member of Nomination and Governance Committee

E Member of Remuneration Committee

F Chairman of Remuneration Committee

G Chairman of Nomination and Governance Committee

H Member of Audit Committee

Executive Team



MATTHEW WILLIAMS* |
CHIEF EXECUTIVE OFFICER

* Matthew Williams and Rob Parker also serve on the Board of Directors



ROB PARKER* |
CHIEF FINANCIAL OFFICER



TIM TATLOCK |
BUYING DIRECTOR

Tim is responsible for all our product assets and leads Creative, Sourcing, Technical and Inventory. He has over 20 years of tile industry experience and prior to joining Topps Tiles held senior leadership positions with UK tile distributors and multinational tile manufacturers and has an exceptional track record for leading product development and sales strategies that significantly improve results. His expert knowledge, innovative approach to product and global sourcing experience have seen him ascend through the Topps organisation since first joining as Buyer in 2005. Tim was appointed as Group Buying Director in April 2018.



BRIAN LINNINGTON |
MANAGING DIRECTOR OF COMMERCIAL

A chemistry graduate and MBA, Brian has many years of 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, before being appointed Product and Marketing Director at Vision Express. Brian joined Topps Tiles in 2012 to take responsibility for buying, marketing and online, before being appointed Managing Director of Commercial in April 2018.



RICHARD CARTER |
MANAGING DIRECTOR OF RETAIL

Richard is an experienced retailer who has worked for both blue chip retailers and 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 Tiles in 2010 to take responsibility for retail operations, supply chain and the trade customer division, before being appointed Managing Director of Retail in April 2018.



ALISTAIR HODDER | **A**
COMPANY SECRETARY AND SECRETARY
OF BOARD OF COMMITTEES

Alistair joined Topps Tiles as Head of Legal & Company Secretary in June 2018. A solicitor, with in-house and in private practice experience, formerly Head of Legal at NHBC.

The Company

Topps Tiles plc

Registration Number
3213782

Registered Office
Thorpe Way, Grove Park
Enderby, Leicestershire
LE19 1SU

Secretary
Alistair Hodder

London Stock Exchange Symbol
TPT

The Group
Comprises Topps Tiles plc and all subsidiary companies.

Our Advisers

Auditor
Deloitte LLP
2 Hardman Street
Manchester, M3 3HT

Bankers
Barclays Bank PLC
3 Hardman Street, Spinningfields
Manchester, M3 3HF

Registrars
Link Asset Services
Bourne House
34 Beckenham Road
Beckenham, Kent
BR3 4TU

Solicitors

Osborne Clark LLP
One London Wall
London, EC2Y 5EB

Financial PR Advisers

Citigate Dewe Rogerson
3 London Wall Buildings
London, EC2M 5SY

Brokers

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

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

Corporate Governance Statement



DARREN SHAPLAND | CHAIRMAN

Dear Shareholder

The Company is committed to complying with the principles of corporate governance contained in the UK Corporate Governance Code issued by the Financial Reporting Council (the "Code") for which the Board is accountable. The 2016 edition of the Code is applicable to the period covered by this Annual Report (the "Period"). The Board is mindful of the new UK Corporate Governance Code, which was published earlier this year, and has started to consider the implications of the new Code for the Company.

The Board has reviewed the contents of this Annual Report and considers it fair, balanced, understandable and an accurate representation of the Company's current position, performance, business model and strategy. The basis for this view is that the Directors are furnished with the requisite information to perform their duties and have access to 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 received a report from the Audit Committee in relation to the financial results and based on that, has approved the final accounts for the period. Having gained a thorough understanding of the business, each member of the Board has also had the opportunity to review and influence this report and as such have concluded in line with the statement above.

Statement of Compliance with the 2016 UK Corporate Governance Code

Throughout the period, the Company has complied with the principles set out in the 2016 Code, including both the Main Principles and the supporting principles, as reported.

More on how the Main Principles have been applied are set out below and in the Strategic Report, Directors' Remuneration Report and Audit Committee Report.

“

The Board has reviewed the contents of this Annual Report and considers it fair, balanced, understandable and an accurate representation of the Company's current position, performance, business model and strategy.

The Board conducts an annual internal evaluation of its own performance and that of the Audit, Remuneration and Nomination and Governance Committees and as a result, minor adjustments will be made to the Board's timetable and tabling of business. In addition, an annual internal evaluation of the Chairman's performance was carried out.

Matthew Williams, as Chief Executive Officer ("CEO"), does not sit on any of the Audit, Remuneration or Nomination and Governance Committees, although he may attend by invitation of the relevant Chairperson. There is a clear division of responsibilities between his role as the CEO and that of the Chairman.

The Board currently comprises six members, of which four are considered independent, in line with the 2016 Code. 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 42. The Board meets twelve times a year. Certain defined matters are reserved for the Board including:

- investor relations;
- approval of Financial Statements and circulars;
- approval of operating and capital expenditure budgets;
- approval of the strategy and business plan;
- approval of corporate transactions and changes to capital structure, core activities or listing status;
- key policies including Ethical Trading, Anti-Bribery and Health and Safety;
- directors' appointments;
- corporate governance;
- key external and internal appointments; and
- pensions and employee incentives.

During the Period, the Board reviewed the matters reserved for the Board and those delegated to Committees and is satisfied that they are appropriate.

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 the economy, the market and development in remuneration practice.

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. The Board also has regular contact with individual Heads of Departments by way of Board presentations in relation to specific departmental initiatives and areas of responsibility.

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 address 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 2016 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 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 Period 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. Williams		R. Parker		C. Tiney		A. King		K. Down	
Board of Directors	12	12	12	12	12	12	12	12	12	12	11	12 †
Audit Committee	*		*		*		3	3	3	3	3	3
Remuneration Committee		*		*		*	3	3	3	3	2	3 †
Nomination and Governance Committee	2	2		*		*	2	2	2	2	2	2

■ Meetings attended ■ Possible meetings

* May attend by invitation of the Chair of the committee.

† Unable to attend one meeting due to an unavoidable prior commitment.

The Role of the Board of Directors

The Board of Directors has overall responsibility for determining the Company's purpose, values and strategy and for ensuring high standards of governance. The primary aim of the Board is to promote the long-term sustainable success of the Company,

generating value for shareholders and contributing to wider society. Stakeholders include employees, shareholders, suppliers, customers and creditors of the business.

Corporate Governance Statement

Board Committee Areas of Responsibility

AUDIT COMMITTEE

- Financial reporting
- Narrative reporting (fair, balanced and understandable)
- Internal controls and risk management systems
- Compliance, whistleblowing and fraud
- Internal audit
- External audit

 Read more below

NOMINATION AND GOVERNANCE COMMITTEE

- Board structure
- Board evaluation
- Board, committee and senior executive appointments
- Board committee and senior executive succession plans

 Read more on page 47

REMUNERATION COMMITTEE

- Chairman and Executive Director's remuneration
- Senior management remuneration
- Share incentive plans
- Employee benefits structures

 Read more on page 54

BOARD COMPOSITION

EXECUTIVE **33.3%**



NON-EXECUTIVE **66.6%**



BOARD TENURE

0-3 YEARS **0** | 3-6 YEARS **2**



6 YEARS+ **4**



GENDER DIVERSITY

MALE **83.3%**



FEMALE **16.6%**



Applying the Principles of the 2016 Code

The Company has applied the principles of the 2016 Code as reported above. How the 2016 Code has been applied in connection with Directors' remuneration is set out in the Remuneration Report.

Audit Committee

The Audit Committee comprises independent Non-Executive Directors, Keith Down (Chairman), Claire Tiney and Andy King. Their qualifications are detailed on page 42. The Chairman has relevant experience, being a qualified Chartered Accountant, a former Chief Financial Officer of a listed company and a serving Chief Financial Officer of a non-listed company. The Chief Executive Officer, Chief Financial Officer and the Chairman of the Board may attend meetings by invitation.

The Audit Committee considers the nature and scope of the audit process (both internal and external to ensure that the programme is aligned to key risks and where necessary any particular risk areas) and its effectiveness. It also monitors, reviews and approves the internal audit programme, and receives reports from the internal audit team on a regular basis to review the effectiveness of its work. The Committee meets with the external auditor and considers

the Annual and Interim Financial Statements before making its recommendations to the Board. The Committee reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process.

The Committee is responsible for ensuring that 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 to its business model, future performance, solvency and liquidity. This process is performed by the Committee in conjunction with a number of senior operational managers. The Committee reviews the strategic risk schedule on a quarterly basis to ensure that any actions that have been identified are being progressed. It also reviews the Group's system of internal control by reference to an Internal Controls Framework assessment and reports its findings quarterly to the Board.

During the Period, the Committee has considered and updated the Topps Tiles Group Tax Strategy, which is published on the Company's website.

The Audit Committee Chairman in conjunction with the Company Secretary conducts an annual internal evaluation of the Committee's processes during the Period. The conclusion was that the Committee is functioning well, in accordance with its Terms of Reference and corporate governance practice providing appropriate assurance to the Board.

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 risks 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's management to present 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 considers what appropriate mitigating effects should be implemented.
-  Read more information in the **Strategic Report** on pages 08 to 39
- 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. The Audit Committee also reviews progress towards these plans at the following review. The Audit Committee also reviews and approves the discount rate calculations used to discount these provisions. Provisions are made to the extent that the poor performing store leases are considered onerous.
 - Dilapidations are provided for across the entire store portfolio. Management provides an estimate of the required provision based on an assessment of the expected exit period for the current portfolio and average dilapidation cost incurred historically. The Audit committee reviews the inputs in the provision at each reporting period and approves the inputs and provision included within the Annual Report.
 - 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. The Audit Committee reviews the output of these reviews and approves the provisions included in the Annual Report.
 - Going concern & long-term viability statement – the Chief Financial Officer provides an assessment of the Company's ability to continue to trade on both a 12-month look-forward test basis and a 3-year look-forward basis. The conclusion of those reviews is included in the Strategic Report.

The Audit Committee also reviews the independence of the Company's external auditor, Deloitte LLP.

Deloitte has been the external auditor for the Group since September 2003. Audit partner Damian Sanders' first period of signing was the financial period ended 27 September 2014. In line with independence requirements, the financial period ended 29 September 2018 will be his last period as Senior Statutory Auditor. Given the requirement for a new audit partner, and with the aim of appointing a locally based partner, the Company conducted a competitive audit tender process. PricewaterhouseCoopers LLP were selected and a resolution will be proposed at the Annual General Meeting to appoint PricewaterhouseCoopers LLP as the Auditor from the conclusion of the meeting.

The Company has a policy for the provision of non-audit services, which is published on the Company's website. In accordance with the policy, the external auditor has not provided non-audit services to the Company during the Period, with the exception of the performance of an interim review.

The audit fee for the statutory audit of the Company's consolidated financial statements and audit related services for the Period is £160,000 (2017: £142,500).

Nomination and Governance Committee

The Nomination and Governance Committee comprises independent Non-Executive Directors Andy King (Chairman), Darren Shapland, Keith Down and Claire Tiney. The Committee is responsible for making recommendations to the Board for appointments of Directors and other senior management and for diversity, on which our policy is included in the Strategic Report.

The Committee, in conjunction with the Chief Executive, has reviewed succession planning in relation to senior management within the Company and development plans for senior management development and diversity.

Corporate Governance Statement

Remuneration Committee

+ See pages 54 to 69

All Committee Terms of Reference can be found within the Investors section of the Company's website Toppstilesplc.com.

Dialogue with Institutional Shareholders

The Directors build on a mutual understanding of objectives between the Company and its institutional shareholders, with annual presentations and regular communications over the year. In addition, I write to major shareholders each year and meet with many of them to discuss the Company and its governance. Financial information is published on the Company's website Toppstilesplc.com. The chairs of the Audit, Remuneration and Nomination and Governance Committees make themselves available at the AGM to answer shareholders' questions.

Modern Slavery

The Board is committed to ensuring that acts of modern day slavery and human trafficking do not occur in relation to the Company, or its supply chain. To meet this commitment, the Company introduced The Topps Tiles Code of Conduct for Suppliers, which is explained in our Modern Slavery Statement on the Company's website. This is 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.

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 this process. The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. This 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 2016 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 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

27 November 2018



PICTURED

Tile of the Year for 2019 Lampas Peacock (wall) with Stadia Storm (floor)

Directors' Report

The Directors of Topps Tiles plc (the "Directors" or the "Board") present their Annual Report on the affairs of the Group (comprising Topps Tiles plc and its subsidiary companies) together with the Financial Statements and Auditor's Report, for the 52-week period ended 29 September 2018. The Corporate Governance Statement set out on pages 44 to 48 forms part of this report.

Principal Activity

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

Strategic Review

The Company 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 29 September 2018 and of the position of the Group at the end of that financial period. The Company is also required to set out a description of the principal risks and uncertainties facing the Group. The information is in the Chairman's Statement on page 04, the Strategic Report on pages 08 to 39, and the Corporate and Social Responsibility ("CSR") statement on pages 30 to 37, which form part of the Directors' Report.

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

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

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

Results and Dividends

The audited Financial Statements for the 52-week period ended 29 September 2018 are set out on pages 80 to 121. The Group's profit for the period from continuing operations, after taxation, was £9,659,000 (2017: £13,431,000).

During the interim period, a dividend of 1.1 pence per share was declared and paid (2017: interim dividend of 1.1 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 2.3 pence per share, totalling £4,447,000 (2017: 2.3 pence per share, totalling £4,425,000).

Directors

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

D. Shapland
Non-Executive Chairman

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 2016 UK Corporate Governance Code, 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 board and general meetings. Copies are available upon request and are displayed on the Company'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 Corporate Governance Statement on pages 44 to 48. The Articles of Association can be amended by a special resolution of the Company's shareholders.

Voting on resolutions at the Annual General Meeting is by show of hands for members present taken together with proxy votes, in line with the Company's Articles of Association. The results of the proxy votes cast in advance are disclosed to the members present. In the event that the 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 54 to 69.

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 21 to the Financial Statements.

The Company has one class of ordinary shares in issue, which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

The Company imposes no 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 company law. 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.

Carbon Reporting

As detailed in the Corporate Social Responsibility statement of this report on page 37, our primary energy consumption is electricity used across our store estate. Energy for in-store lighting is a significant source of carbon emissions. We continue to invest in new technology, including low energy lighting, to minimise carbon emissions.

	2018		2017	
	CO ₂ (Tonnes)	CO ₂ (Tonnes)/Store	CO ₂ (Tonnes)	CO ₂ (Tonnes)/Store
Electricity	5,486	14.8	6,424	17.8
Gas and oil	2,520	6.8	2,554	7.1
Commercial fleet	3,204	8.6	3,074	8.5
Company cars	348	0.9	340	0.9
Total	11,558	31.1	12,392	34.3

The above carbon emissions data covers the Period of this Annual Report. It has been compiled from data from our energy suppliers (based on the energy consumed multiplied by Environment Agency approved emissions factors) and for vehicle emissions, from our in-house transport team (based on mileage covered multiplied by manufacturer's published emissions data).

Charitable and Political Contributions

The Group has designated charitable partners, the Macmillan Trust and Leicestershire Cares. 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 and no political contributions.

Substantial Shareholdings

In addition to the Directors' shareholdings noted on page 66, as at 29 September 2018, 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.

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 in the event of a change of control of the Company. Should any counterparties choose to exercise their rights under such agreements on a change of control, these arrangements may have to be renegotiated or replacement suppliers, or premises, be found. None of these is considered 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 that 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.

	Number	% held
Williams S K M Esq	20,593,950	10.5
Aberforth Partners LLP	19,367,054	10.0
AXA Investment Managers SA	19,213,670	9.9
BlackRock Investment Mgt (UK)	11,256,019	5.8
Clients of Woodford	9,810,000	5.1
Invesco Asset Management	9,790,934	5.1
FMR plc	9,702,900	5.0
Schroder Investment Mgt	9,300,541	4.8
Miton Group	8,920,893	4.7
Standard Life	7,783,246	4.0

In addition to the above shareholdings, between 29 September 2018 and 27 November 2018 we have not been notified of any changes in shareholdings.

Directors' Report

Corporate Social Responsibility

The Company has a long-standing Corporate Social Responsibility (CSR) agenda covering Community, Charity, the Environment and Our People. Details of our current CSR activities are on pages 30 to 39. We take the impact of our business on our environment extremely seriously and have included a range of environmental metrics above and we pay particular attention to labour standards and factory conditions.

Diversity

The Nomination and Governance Committee reviews the balance of skills, knowledge and experience on the Board regularly. The Board recognises the importance and benefits of diversity across all levels in our organisation. We appoint on merit, against objective criteria and with due regard for the benefits of diversity. During the year, we have seen a small improvement in overall gender diversity but also recognise that our senior manager population currently lacks diversity.

Our workforce at the period end date comprises:

	2018			2017		
	Male	Female	Total	Male	Female	Total
Directors	5	1	6	5	1	6
Senior managers	11	2	13	11	2	13
Other employees	1,479	489	1,968	1,506	473	1,979
Total employees	1,495	492	1,987	1,522	476	1,998
% of total	75%	25%		76%	24%	

Equal Opportunities

The Board is committed to promoting equal opportunities and ensuring that we hire on potential, promote on talent and reward on success. We aim to promote equality of opportunity in employment and welcome applications from people of all backgrounds, regardless of age, disability, gender reassignment, marriage or civil partnership status, pregnancy, maternity, race, religion or belief and sex.

Colleague Consultation

The Board values the views of employees and recognises the importance of keeping employees informed of matters affecting them and the Group. This is achieved through formal and informal meetings, electronic announcements, the Company magazine and 'TEAM Talk', a company-wide forum for colleagues to discuss matters that affect them and the Company. Regular forums are held at local and national levels to ensure that employee representatives are consulted quarterly on matters affecting them.

Financial Risk Management, Objectives and Policies

The Group is exposed to interest rate risk, currency risk and credit risk. Information regarding our approach to managing these risks is contained in note 19 to the Financial Statements. The Group's approach to risk management is explained in the Strategic Report on pages 24 to 29.

Human Rights

All directly employed colleagues are based in the UK and covered by UK employment law. The Modern Slavery Act 2015 came into effect in 2015 and the Board is committed to ensuring that acts of modern day slavery and human trafficking do not occur in relation to the Company, or its supply chain. For more on this see page 36.

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 14,506,987 (2017: 13,027,913).

As described in note 29, employee share purchase plans are open to almost all employees and provide for employees to purchase Ordinary Shares at a purchase price equal to the daily average market price over the three days preceding the start of the offer period, less 20%. The offer period fell between 5 January 2018 and 20 January 2018 and the offer price to employees was 0.70 pence.

Details of Directors' share options are provided in the Directors' Remuneration Report on page 66.

Information Given to the Auditor

Each of the Directors at the date of approval of this Annual Report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have 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 appoint PricewaterhouseCoopers LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting. This follows the planned retirement of the Deloitte audit partner and an audit tender process to select new auditors for the Group.

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
- assess 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

27 November 2018

Directors' Remuneration Report



CLAIRE TINEY | CHAIRMAN OF THE REMUNERATION COMMITTEE

Statement from the Chairman of the Remuneration Committee

Dear Shareholder

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the 52 weeks ended 29 September 2018.

This report has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the UKLA Listing Rules and the UK Corporate Governance Code. The report is divided into three parts:

1. The annual statement by the Chair of the Remuneration Committee.
2. A summary of the Directors' remuneration policy, which was subject to a binding vote at the AGM in January 2017 and will apply for three years from the date of approval. A summary of the policy can be found on pages 55 to 62.
3. The annual report on remuneration which sets out payments made to the Directors and details the link between Company performance and remuneration for the 52 weeks ended 29 September 2018. The annual report on remuneration is subject to an advisory shareholder vote at the 2019 AGM.

“

The objective of the Remuneration Committee is to ensure that the Executive Directors are fairly and appropriately rewarded for their contribution towards the delivery of the business strategy and the company's financial results. In doing so we also aim to make the various elements of the remuneration package, transparent, easy to communicate and simple to operate.

Performance in 2018/19 and Remuneration Outcomes

The year under review presented some challenging market conditions; despite this, the business continued to make strategic investments in line with the business plan and retains its market leading position in the retail tile market. Additionally, the development of the commercial business has progressed at pace since the acquisition of Parkside in September 2017.

Reflecting the financial performance of the Group, the annual bonus payment was 14% of the maximum. This was based on achieving stage one of the financial targets which were linked to delivery of Adjusted PBT of £16 million. The remainder of the bonus was linked to delivery of the strategic targets and performance against these was partially met as outlined on page 64.

The long-term plan awards granted in December 2015 were based upon performance over the three financial years to September 2018. The awards required cumulative adjusted earnings per share (EPS) over the period to be at least 27.29p for 25% vesting, increasing to 29.42p for full vesting of the awards. Actual cumulative EPS was 23.13p; therefore, no payments will be made in respect of the LTIP.

Remuneration Decisions for 2018/19

During the period, the Committee reviewed the base salary levels for the Executive Directors. It was decided to leave the salary level for the CEO and Non-Executive Directors unchanged, but to award an increase of £10,000 to the CFO to reflect expanded responsibilities, effective from 1 October 2018.

We continue to monitor executive remuneration to take account of evolving market practice and remain committed to taking a responsible approach. Accordingly, the fundamental structure of the package remains largely unchanged.

New UK Corporate Governance Code

The Committee is mindful of the new UK Corporate Governance Code, which was published earlier this year, and is considering the implications of the new Code for the Company's Remuneration Report for the next year.

Annual General Meeting

On behalf of the Board, I would like to thank shareholders for their continued support and I look forward to meeting you at the Annual General Meeting on 30 January 2019.

In the meantime, I am always happy to hear from the Company's shareholders. You can contact me via the Company Secretary if you have any questions on this report or more generally in relation to the Company's remuneration.

CLAIRE TINEY | CHAIRMAN OF THE
REMUNERATION COMMITTEE

27 November 2018

Directors' Remuneration Policy

This part of the report sets out the Company's Directors' Remuneration Policy which was subject to a binding shareholder vote at the Annual General Meeting in January 2017 and remains in force for a 3-year period from that date.

Executive Directors

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary	Core element of fixed remuneration set at a market competitive level with the aim to attract and retain Executive Directors of the calibre required.	Salaries are usually reviewed annually taking into account: <ul style="list-style-type: none"> • underlying Group performance; • role, experience and individual performance; • competitive salary levels and market forces; and • pay and conditions elsewhere in the Group. 	<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.

Directors' Remuneration Report

Executive Directors

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Benefits	Fixed element of remuneration set at a market competitive level with the aim to attract and retain Executive Directors of the calibre required.	Executive Directors receive benefits in line with market practice, and these include principally life insurance, income protection, private medical insurance, company car or car allowance and fuel allowance and, where relevant, relocation expenses. 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. Any reasonable business related expenses (including the tax thereon) can be reimbursed.	While 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.
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. 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.

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 straight-line vesting between threshold and maximum performance.</p>

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 adjusted 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.

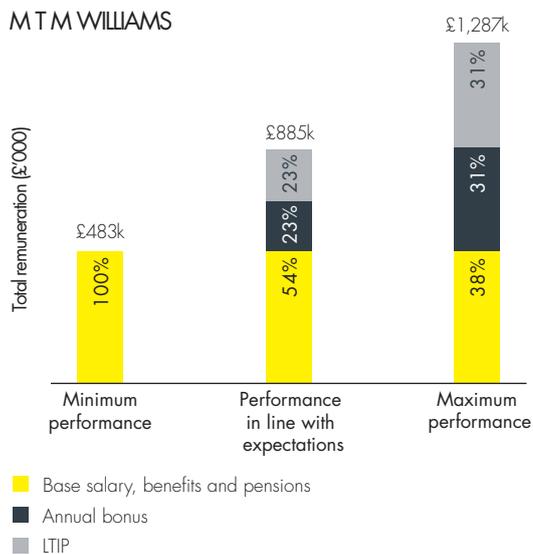
Long-term performance measures are chosen by the Committee to provide a robust and transparent basis on which to measure the Company's performance over the longer term and to provide alignment with the business strategy. They are selected to be aligned with the interests of shareholders and to drive business performance while 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.

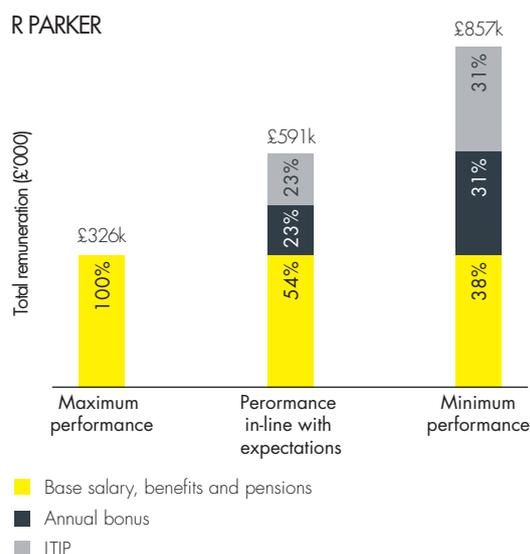
Awards and options may be adjusted in the event of a variation of share capital in accordance with the rules of the LTIP.

Illustrations of Application of Remuneration Policy for 2018/19

M T M WILLIAMS



R PARKER



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

	Fixed pay	Annual bonus	LTIP*
Minimum performance	Fixed elements of remuneration only – base salary (being the salary as at 1 October 2018), benefits as disclosed in the single figure table on page 63 for the year 2017/18 and pension of 12.5% of salary.	No bonus.	No LTIP 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.
Maximum performance		100% of salary awarded for achieving maximum performance.	100% of maximum award vesting (equivalent to 100% of salary) for achieving maximum performance.

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

Non-Executive Directors

Purpose and link to strategy

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.

Approach of the Company

Fees are normally reviewed annually.

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):

- 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.

Overall fees paid to Non-Executive Directors will remain within the limits set by the Company's Articles of Association.

Non-Executive Directors cannot participate in any of the Company's share option 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.

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 "buy out" 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 prorated 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>

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.

Directors' Remuneration Report

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 29 September 2018 and the 52 week period ended 30 September 2017.

	Salary and fees £'000	Benefits £'000	Annual bonus £'000	LTIP £'000	Pension £'000	Total remuneration £'000
2017/18						
Executive Directors						
M T M Williams	402	31	56	–	49	538
R Parker	256	27	36	–	28	347
Non-Executive Directors						
D Shapland	126	3	–	–	–	129
A King	44	1	–	–	–	45
K Down	44	–	–	–	–	44
C Tiney	45	1	–	–	–	46
2016/17						
Executive Directors						
M T M Williams	394	31	35	256	49	765
R Parker	250	26	23	158	27	484
Non-Executive Directors						
D Shapland	124	2	–	–	–	126
A King	43	–	–	–	–	43
K Down	43	–	–	–	–	43
C Tiney	44	–	–	–	–	44

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 (paid as cash in lieu in respect of Rob Parker).
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 64.
LTIP	<p>The LTIP figure for the period 2017/18 represents the awards granted on 16 December 2015. The awards were based on cumulative EPS performance over three financial years to 29 September 2018 and will not vest.</p> <p>The LTIP figure stated for the period 2016/17 represents the value of awards granted under the Topps Tiles plc 2013 Long Term Incentive Plan on the 12 December 2014. The awards were based on cumulative EPS performance over three financial years to 30 September 2017 and vested at 86.7% on 28 November 2016. The estimated value of the vested shares is based on a share price of 82.17 pence being the market value of the Company's shares for the last quarter of the 52 week period ended 1 October 2017.</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 2018:

	Base salary 1 October 2017	Base salary 1 October 2018	% increase
M T M Williams	£402,030	£402,030	0%
R Parker	£255,616	£265,616	4%

The base salary increase for Matthew Williams awarded in 2018 was in line with the range of salary increases across the Group; and the base salary increase for Rob Parker was in line with expanded responsibilities.

The Non-Executive Directors' fees are reviewed annually with any changes effective from 1 October. Details of the current fee policy for the Non-Executive Directors are set out in the table below. No change to the fee policy is currently anticipated for 2018/19.

	Fees 1 October 2017	Fees 1 October 2018	% increase
Chairman's fee	£126,720	£126,720	0%
Non-Executive Directors' Basic fee	£38,561	£38,561	0%
Additional fees			
Senior Independent Director/Chair of Remuneration Committee	£6,462	£6,462	0%
Chair of the Nomination and Governance Committee	£5,385	£5,385	0%
Chair of the Audit Committee	£5,385	£5,385	0%

Directors' Remuneration Report

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 29 September 2018, 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 2017/2018 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%	£16.0 million	£21.0 million	£16.0 million	3%
Strategic objectives ² :					
Improving Average Transaction Value	4%	£70.80	£72.30	£70.86	1%
Improving Customer Service	4%	69.1%	70.6%	66.8%	0%
Reducing Working Capital	4%	>£1m	>£4m	£2.5m	2%
Improving Colleague Engagement	4%	+2pts	+8pts	21.6pts	4%
Other strategic initiatives ³	4%	n/a	n/a		4%
Total bonus earned					14%

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

2. Adjusted PBT of £16.0 million or higher for 2017/18 must be achieved for any bonus to be payable under the strategic objectives. This requirement was achieved.

3. The other strategic initiatives related to delivery of a trade credit solution (achieved), refitting at least 115 stores as part of the "All Store Improvement Programme" of store improvements (achieved), completing our "faster systems" programme (achieved), and generating theoretical store hours savings of at least 3,000 hours as part of our simplification initiative (achieved). Each initiative accounted for 1% of the overall bonus.

The bonuses were paid in cash in November 2018.

Annual Bonus for 2018/19

The maximum annual bonus opportunity for the 2018/19 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 2018/19 are based on improvements in customer service, a shared buying initiative, working capital reductions, delivery of a simplification programme and a range of people based measures including the delivery of a new HR and payroll system.

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 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 2015 were based on cumulative adjusted EPS targets over the three financial years to 29 September 2018. The performance targets for the awards were as follows:

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. Cumulative EPS over the three year period was 23.13p pence. This resulted in 0% of the award vesting.

Awards Granted During the Financial Year

(Audited Information)

For the 52 week period ended 29 September 2018 the following awards were granted to Executive Directors on 14 December 2017:

	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%	556,443	402,030	25%	3 years
R Parker	Nil-cost option	100%	353,794	255,616	25%	3 years

1. Valued using a share price of 72.25 pence based on the average three-day share price ending on 6 October 2017.

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

Cumulative Adjusted EPS for the period 2017/18 to 2019/20	Percentage of the award that will vest
23.52 pence	25%
Greater than 23.52 pence but less than 25.37 pence	Determined on a straight-line basis between 25% and 100%
25.37 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 2016/17 out-turn 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 2018/19

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 2018/19 out-turn for 25% vesting and c.11% for 100% vesting. The Remuneration Committee considers that both the threshold and stretch targets are challenging in the light of the growth environment and current business expectation.

Cumulative Adjusted EPS for the period 2018/19 to 2020/21	Percentage of the award that will vest
22.04 pence	25%
Greater than 22.04 pence but less than 23.76 pence	Determined on a straight-line basis between 25% and 100%
23.76 pence	100%

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

All Employee Share Plans

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

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

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

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

Directors' Remuneration Report

The following SAYE options were granted to the Executive Directors during the financial year ended 29 September 2018:

	Type of award ¹	Number of shares	Face value at grant ²
M T M Williams	3yr Discounted share option	5,625	5,063
R Parker	3yr Discounted share option	5,625	5,063

- In accordance with the scheme rules, the options are granted with an exercise price set at a discount of up to 20% to the market value of a share when the invitations to acquire the option are issued. For the awards granted in 2017/18 the share price at the date of invitation was 90 pence and the exercise price is 64 pence per share. In accordance with the scheme rules, the exercise of the options is not subject to any performance condition.
- 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 90 pence for these options granted on 29 January 2018).

Statement of Directors' Shareholding and Share Interests

(Audited Information)

In order to further align the Executive Directors' long-term interests with those of shareholders and in accordance with the Remuneration Policy, the Committee introduced new shareholding guidelines, effective from the 2017 AGM, which required that Executive Directors build up a shareholding or 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 29 September 2018:

	Shareholding guidelines	Current shareholding (as % of salary)
M T M Williams	200%	448
R Parker	150%	227

The interests of each Executive Director of the Company as at 29 September 2018 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 29 September 2018
Executive Directors							
M T M Williams	Shares	2,023,231					2,023,231
	LTIP shares		0	1,517,613	1,471,680		2,989,293
	SAYE options	n/a	n/a	n/a	n/a	18,325	18,325
R Parker	Shares	417,893	n/a	n/a	n/a	n/a	417,893
	LTIP shares	n/a	0	616,063	935,714	n/a	1,551,777
	SAYE options	n/a	n/a	n/a	n/a	23,049	23,049
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 closely associated persons where relevant.

There have been no changes in the Directors' shareholdings between 29 September 2018 and the date of this report; except as follows:

- R Parker, purchase of 35,000 shares on 3 October 2018
- M Williams, 483 shares through SAYE

Payments Made to Former Directors During the Period

(Audited Information)

There have been no payments to former Directors during the period.

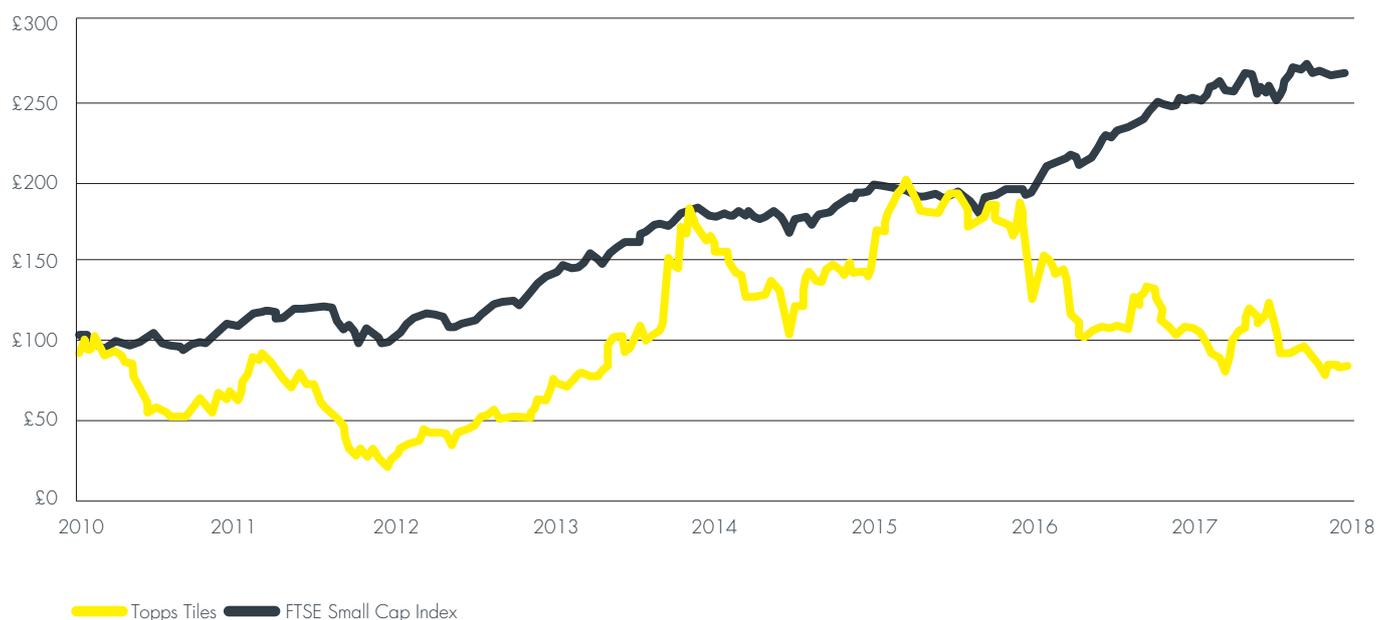
Payments for Loss of Office Made During the Period

(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 nine years to 29 September 2018. For the purposes of the graph, TSR has been calculated as the percentage change during the nine-year period in the market price of the shares, assuming that dividends are reinvested. The graph shows the value, by the end of the 2017/2018 financial year, of £100 invested in the Group over the last nine financial years compared with £100 invested in the FTSE Small Cap Index, which the Directors believe is the most appropriate comparative index.



Directors' Remuneration Report

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 nine financial years.

	Total remuneration £'000	Annual bonus as a % of maximum opportunity	LTIP as a % of maximum opportunity
52 week period ended 29 September 2018	538	14%	0%
52 week period ended 30 September 2017	765	9%	86.7%
52 week period ended 2 October 2016	1,180	67%	100%
53 week period ended 3 October 2015	2,027	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
52 week period ended 1 October 2010	515	40%	n/a

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

Percentage change	CEO	Wider workforce
Salary	0%	1.5%
Taxable benefits	0%	6.8%
Annual bonus	60%	20%

Executive Director's remuneration from non-executive roles

Matthew Williams is a non-executive director of The Original Factory Shop. Remuneration of approximately £35,000 was retained during the period ending 29 September 2018.

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 29 September 2018	52 week period ended 1 October 2017	Percentage change
Dividends and share buybacks	3.4 pence per share	3.4 pence per share	0%
Overall expenditure on pay	£54,909,000	£50,548,000	8.6%

Consideration by the Directors of Matters Relating to Directors' Remuneration

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

The role of the Committee is to:

- Set and keep under review the remuneration policy for the Executive Directors and Chairman;
- Determine the remuneration of the Executive Directors and Chairman, including short-term and long-term incentives, in line with the Remuneration Policy;
- Recommend and monitor the level and structure of remuneration for senior management;
- Approve the design of and determine targets for performance-related pay schemes and approve the payments made under them;
- Review the design of all share incentive plans and for those in place and determine what awards will be made; and
- Oversee any major changes in employee benefits structures throughout the company or group.

Advisers

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

New Bridge Street has been appointed as its independent adviser. 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 29 September 2018
New Bridge Street	Appointed by the Committee in March 2016	£18,153 (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 31 January 2018:

Resolution	Votes for	% of vote	Votes against	% of vote	Discretion	% of vote	Votes withheld
Approve Remuneration Report	127,523,612	96.58%	4,507,286	3.41%	8,099	0.01%	1,254,655

The following table sets out the actual voting in respect of the resolution to approve the Directors' Remuneration Policy at the Company's Annual General Meeting on 26 January 2017:

Resolution	Votes for	% of vote	Votes against	% of vote	Discretion	% of vote	Votes withheld
Approve Directors' Remuneration Policy	117,880,410	94.81%	6,434,637	5.18%	6,889	0.01%	5,913,837

Approval

This report was approved by the Board on 27 November 2018 and signed on its behalf by:

CLAIRE TINEY | CHAIRMAN OF THE REMUNERATION COMMITTEE

27 November 2018





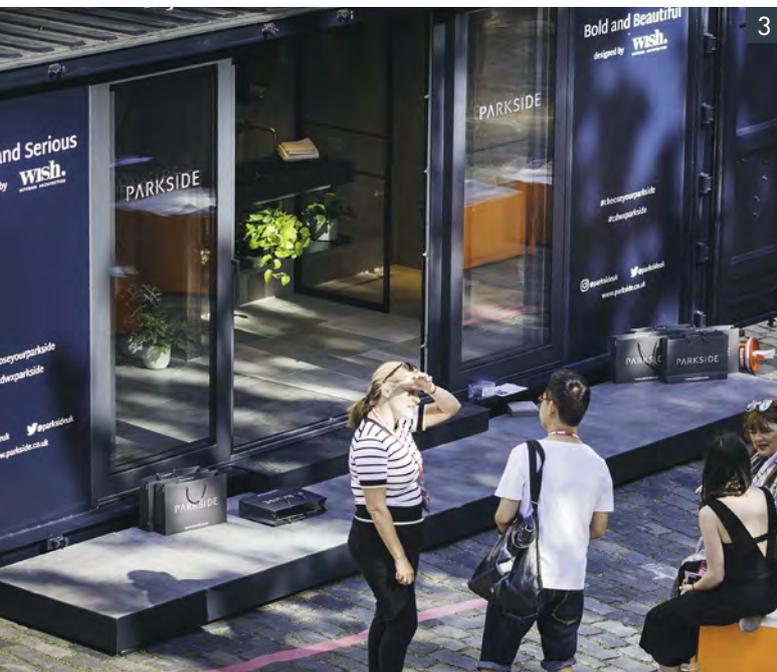
2

© 2018 Rogier van Zevener

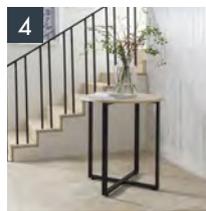
Our Financials

CONTENTS

Independent Auditor's Report	72
Consolidated Statement of Financial Performance	80
Consolidated Statement of Comprehensive Income	80
Consolidated Statement of Financial Position	81
Consolidated Statement of Changes in Equity	82
Consolidated Cash Flow Statement	83
Notes to the Financial Statements	84
Company Balance Sheet	114
Company Statement of Changes in Equity	115
Notes to the Company Financial Statements	116



3



4



5

PICTURED

1. Syren Nordic Blue and Arabescato
2. Parkside: The Brass, Dubai – design by Harrison
3. Parkside: Clerkenwell
4. Standard Travertine and Parkway
5. Matrix Rainforest Green, Penteli and Hexmix Carrara

Independent Auditor's Report to the Members of Topps Tiles Plc

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Topps Tiles plc (the "parent company") and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 29 September 2018 and of the Group's profit for the 52 weeks 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 Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the Consolidated Statement of Financial Performance;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated Cash Flow Statement;
- the Parent Company Balance Sheet; and
- the related notes 1 to 30 of the Consolidated Financial Statements and the related notes 1 to 7 of the Parent Company Financial Statements.

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, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> • Inventory valuation; • Onerous leases and store impairment; and • Dilapidation provisions <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior period identified with .</p>
Materiality	The materiality that we used for the Group financial statements was £700,000 which was determined on the basis of 5% of profit before tax adjusted for the loss in relation to Parkside.
Scoping	Our full scope audit procedures covered 99.0% of revenue, 108.2% of profit before tax, offset by losses on consolidation elsewhere in the Group and 102.6% of net assets, offset by net liabilities elsewhere in the Group.
Significant changes in our approach	<p>In the prior period we determined our materiality as 5% of statutory profit before tax. In the current period we have adjusted this benchmark for the loss in relation to Parkside given it is in year 1 of a start-up phase.</p> <p>In the current year we have separated within this report key audit matters in relation to onerous leases and store impairment and dilapidations provisions, which were previously shown under the heading "property provisions".</p>

Conclusions relating to going concern, principal risks and viability statement

Going concern

We have reviewed 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 and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

Principal risks and viability statement

Based solely on reading the directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the directors' assessment of the Group's and the company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to:

- the disclosures on pages 25 to 29 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation on page 29 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; or
- the directors' explanation on page 38 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 are also required to report whether the directors' statement relating to the prospects of the Group required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

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.

In the current year we have separated within this report key audit matters in relation to onerous leases and store impairment and dilapidations provisions, which were previously shown under the heading "property provisions" as such these key audit matters are considered consistent with the prior period.

Independent Auditor's Report to the Members of Topps Tiles Plc

Report on the audit of the financial statements

Inventory valuation

Key audit matter description



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. There are also judgements involved in determining the provisions required for inventory loss from retail stores based on the average value of inventory loss and time from most recent full inventory count. In addition, judgement exists in relation to the type and percentage of overhead costs to be capitalised into inventory.

Given the size of the inventory balance, with inventory of £30.2 million (2017: £29.5 million) and the judgements noted above, we identified this as a key audit matter.

Inventory valuation policy is included with note 2 to the accounts and reviewed by the Audit Committee as disclosed on page 47.

How the scope of our audit responded to the key audit matter



We challenged management's assumptions in relation to the future sales prices of discontinued lines, as well as the calculation methodology, involved in calculating the inventory provisions for obsolete and aged stock. We have also reviewed historical levels of write-offs and compared this to provision levels at period end.

We also performed analytical procedures over the overheads absorption method and tested a sample of overheads absorbed to determine whether the types of costs and value of overheads capitalised in inventory is appropriate. Substantive testing was performed on the accuracy and completeness of the information used in calculating the provisions, as well as in assessing the accuracy and level of overheads absorbed into inventory.

Key observations



Based on the work performed we have concluded that the inventory provisions related to obsolete and aged stock are appropriate and that the level of overheads absorbed in inventory is reasonable.

Onerous leases and store impairment

Key audit matter description



The onerous leases and potential store impairment relate to the Group's retail store portfolio. The appropriateness and completeness of onerous lease provisions of £1.8m (2017: £1.7m) and the potential impairment of the fixed assets in relation to those stores is judgemental as they include an assessment of the likely future profitability of the retail stores, and an assessment of the impact of the current economic retail environment. There is also judgement in the assessment of the periods for which leasehold properties may be vacant.

Due to the size of the Group's property portfolio and the sensitivity of the assumptions, onerous leases and store impairment were considered one area for potential fraud and one which had the most significant impact on the audit; we therefore identified it as a key audit matter.

Onerous leases and retail store impairment are included within the key sources of estimation uncertainty within note 2, the balance sheet provisions are disclosed in note 20, and reviewed by the Audit Committee on page 47.

How the scope of our audit responded to the key audit matter



We assessed the appropriateness and completeness of onerous lease provisions by challenging management's principal assumptions in identifying and providing for the onerous lease and related fixed assets of the Group's at-risk stores, as well as the overall policy applied to the provisions.

Our audit team included property specialists who assisted us in evaluating management's estimates, for example, those relating to the length of time anticipated to exit onerous lease arrangements on vacant or loss-making stores as well recalculating provisions required on a sample basis.

We also challenged management's assumptions in relation to the calculation of onerous leases at loss-making retail 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.

Key observations



Based on the work performed we have concluded that the provisions held at year end and accelerated depreciation charged in relation to onerous leases and retail store impairment are reasonable.

Dilapidations

Key audit matter description



The dilapidations provisions arise from the Group's portfolio of 368 retail stores (2017: 371 retail stores). The appropriateness of dilapidation provisions of £2.7 million (2017: £2.2 million) in relation to those retail 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.

Due to the size of the Group's property portfolio and the sensitivity of the assumptions, dilapidations provisions were considered to be another area for potential fraud and one which had the most significant impact on the audit; we therefore identified it as a key audit matter.

Dilapidations provisions are included within the key sources of estimation uncertainty within note 2, the balance sheet provisions are disclosed in note 20 and reviewed by the Audit Committee on page 47.

How the scope of our audit responded to the key audit matter



We assessed the appropriateness and completeness of dilapidations provisions by challenging management's principal assumptions in identifying and providing for the Group's properties, as well as the overall policy applied to the provision.

Furthermore, we challenged management's assumptions regarding the calculation of the dilapidations provision, including validating property information back to the original lease documentation and agreeing dilapidation charges historically incurred to third party source.

We also independently recalculated the potential provision based on recent dilapidation charges incurred based on square footage of the property portfolio.

Key observations



Based on the work performed we have concluded that the provisions held at year end in relation to dilapidations are reasonable.

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.

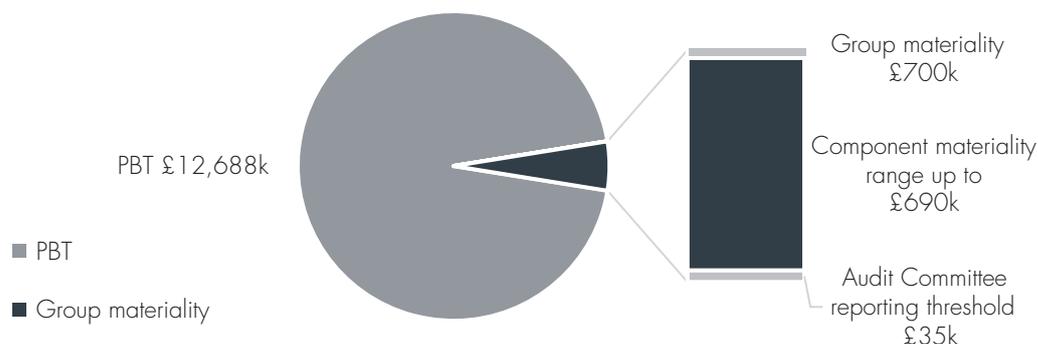
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£700,000 (2017: £867,000)	£690,000 (2017: £858,000)
Basis for determining materiality	5% of adjusted pre-tax profit. Pre-tax profit has been adjusted to exclude the loss made by the Parkside subsidiary as disclosed on page 19.	Parent company materiality equates to 1.3% of net assets, which is capped at 99% of Group materiality.
Rationale for the benchmark applied	Pre-tax profit is a key performance measure of the business for users of the financial statements. The Parkside loss has been excluded given it is in the first year of start-up trading, and will be excluded from the Directors' adjusted profit before tax measure in the current period and next period.	As a holding company, net assets is the key performance measure of the business for users of the financial statements.

Independent Auditor's Report to the Members of Topps Tiles Plc

Report on the audit of the financial statements

Our application of materiality



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £35,000 (2017: £43,000), 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 by assessing the risks of material misstatement at the Group level.

We performed a full scope audit over the Group's principal trading entity, treating it as a single component. We also performed full scope audits over other subsidiaries that conduct intra-group trading activities and performed specified audit procedures over Parkside Ceramics Limited, which was acquired on 31 August 2017. All work was carried out by the group audit team.

Our full scope audit procedures covered 99.0% of revenue (2017: 99.9%), 108.2% of pre-tax profit, offset by losses on consolidation elsewhere in the Group (2017: 100.2%) and 102.6% of net assets offset by net liabilities elsewhere in the Group (2017: 97.7%).

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than Group materiality and went up to £690,000 (2017: up to £858,000).

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 17 (2017: 16) 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- *Fair, balanced and understandable* – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- *Audit committee reporting* – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- *Directors' statement of compliance with the UK Corporate Governance Code* – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.1OR(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Topps Tiles Plc

Report on the audit of the financial statements

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

- In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:
- enquiring of management, internal audit, and the audit committee, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team and involving relevant internal specialists, including tax, IT and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: onerous lease provisions and store impairment, dilapidations provisions, and the potential for management override of controls; and
- obtaining an understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules and The National Minimum Wage (Amendment) Regulations 2018.

Audit response to risks identified

As a result of performing the above, we identified onerous leases and store impairment and dilapidations as key audit matters. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the audit committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinions 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.

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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 in respect of these matters.

Other matters

Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board on 1 August 2003 to audit the financial statements for the period ending 27 September 2003 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 16 years, covering the periods ending 27 September 2003 to 29 September 2018.

Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

Use of our report

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.

DAMIAN SANDERS BA FCA | SENIOR STATUTORY AUDITOR

For and on behalf of Deloitte LLP
 Statutory Auditor
 Manchester, UK
 27 November 2018

Consolidated Statement of Financial Performance

For the 52 weeks ended 29 September 2018

	Notes	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Group revenue – continuing operations	3	216,887	211,848
Cost of sales		(84,464)	(82,473)
Gross profit		132,423	129,375
Employee profit sharing		(6,268)	(4,972)
Distribution and selling costs		(82,572)	(80,006)
Other operating expenses		(9,480)	(7,724)
Administrative costs		(15,575)	(14,254)
Sales and marketing costs		(4,793)	(4,530)
Group operating profit		13,735	17,889
Investment revenue	7	25	24
Finance costs	7	(1,072)	(914)
Profit before taxation	5	12,688	16,999
Taxation	8	(3,029)	(3,568)
Profit for the period attributable to equity holders of the Company	27	9,659	13,431
Earnings per ordinary share from continuing operations	10		
– Basic		5.00p	6.98p
– Diluted		4.93p	6.86p

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 29 September 2018

	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Profit for the period and total comprehensive income	9,659	13,431
Total comprehensive income for the period attributable to equity holders of the Parent Company	9,659	13,431

Consolidated Statement of Financial Position

As at 29 September 2018

	Notes	2018 £'000	Restated (see note 4) 2017 £'000
Non-current assets			
Goodwill	11	1,461	1,461
Intangible assets	12	339	429
Property, plant and equipment	13a	47,953	54,342
Investment properties	13b	1,233	–
		50,986	56,232
Current assets			
Inventories		30,154	29,502
Trade and other receivables	15	8,712	6,502
Cash and cash equivalents	16	13,842	7,501
		52,708	43,505
Total assets		103,694	99,737
Current liabilities			
Trade and other payables	17	(38,648)	(32,500)
Current tax liabilities		(2,923)	(2,375)
Provisions	20	(1,197)	(1,535)
		(42,768)	(36,410)
Net current assets		9,940	7,095
Non-current liabilities			
Bank loans	18	(29,851)	(34,923)
Deferred tax liabilities	20	(1,017)	(1,071)
Provisions	20	(3,395)	(3,780)
Total liabilities		(77,031)	(76,184)
Net assets		26,663	23,553
Equity			
Share capital	21	6,548	6,548
Share premium	22	2,490	2,487
Own shares	23	(3,750)	(4,411)
Merger reserve	24	(399)	(399)
Share-based payment reserve	25	3,945	3,921
Capital redemption reserve	26	20,359	20,359
Accumulated losses	27	(2,530)	(4,952)
Total equity		26,663	23,553

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

The financial statements of Topps Tiles Plc, registered number 3213782, on pages 80 to 83 were approved by the Board of Directors and authorised for issue on 27 November 2018. They were signed on its behalf by:

MATTHEW WILLIAMS | DIRECTOR

ROB PARKER | DIRECTOR

Consolidated Statement of Changes in Equity

For the 52 weeks ended 29 September 2018

	Share capital £'000	Share premium £'000	Own shares £'000	Merger reserve £'000	Share-based payment reserve £'000	Capital redemption reserve £'000	Accumulated losses £'000	Total equity £'000
Balance at 2 October 2016	6,539	2,473	(4,411)	(399)	4,280	20,359	(11,296)	17,545
Profit and total comprehensive income for the period	–	–	–	–	–	–	13,431	13,431
Issue of share capital	9	14	–	–	–	–	–	23
Dividends	–	–	–	–	–	–	(6,924)	(6,924)
Own shares purchased in the period	–	–	(8)	–	–	–	–	(8)
Own shares issued in the period	–	–	8	–	–	–	(8)	–
Debit to equity for equity-settled share-based payments	–	–	–	–	(359)	–	3	(356)
Deferred tax on share-based payment transactions	–	–	–	–	–	–	(158)	(158)
Balance at 30 September 2017	6,548	2,487	(4,411)	(399)	3,921	20,359	(4,952)	23,553
Profit and total comprehensive income for the period	–	–	–	–	–	–	9,659	9,659
Issue of share capital	–	3	–	–	–	–	–	3
Dividends	–	–	–	–	–	–	(6,566)	(6,566)
Own shares issued in the period	–	–	661	–	–	–	(661)	–
Credit to equity for equity-settled share-based payments	–	–	–	–	24	–	12	36
Deferred tax on share-based payment transactions	–	–	–	–	–	–	(21)	(21)
Balance at 29 September 2018	6,548	2,490	(3,750)	(399)	3,945	20,359	(2,529)	26,663

Consolidated Cash Flow Statement

For the 52 weeks ended 29 September 2018

	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Cash flow from operating activities		
Profit for the period	9,659	13,431
Taxation	3,029	3,568
Finance costs	1,072	914
Investment revenue	(25)	(24)
Group operating profit	13,735	17,889
Adjustments for:		
Depreciation of property, plant and equipment	6,983	6,544
Amortisation of intangible assets	90	–
(Gain)/loss on disposal of property, plant and equipment	(421)	151
Impairment of property, plant and equipment	958	438
Decrease in fair value of investment properties	1,651	–
Share option charge/(credit)	24	(359)
(Increase)/decrease in trade and other receivables	(2,241)	324
Increase in inventories	(652)	(3,587)
Increase in payables	5,419	752
Cash generated by operations	25,546	22,152
Interest paid	(1,109)	(1,985)
Taxation paid	(2,543)	(5,015)
Net cash from operating activities	21,894	15,152
Investing activities		
Interest received	25	24
Purchase of property, plant and equipment	(5,052)	(10,160)
Purchase of investment property	(2,884)	–
Proceeds on disposal of property, plant and equipment	3,921	303
Acquisition of subsidiary, net of cash acquired	–	(1,137)
Net cash used in investment activities	(3,990)	(10,970)
Financing activities		
Dividends paid	(6,566)	(6,924)
Proceeds from issue of share capital	3	15
Drawdown of bank loans	–	5,000
Repayment of bank loans	(5,000)	(5,000)
Net cash used in financing activities	(11,563)	(6,909)
Net increase/(decrease) in cash and cash equivalents	6,341	(2,727)
Cash and cash equivalents at beginning of period	7,501	10,228
Cash and cash equivalents at end of period	13,842	7,501

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

1 General Information

Topps Tiles Plc is a public company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 45. The nature of the Group's operations and its principal activity are set out in the Directors' Report on page 50.

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.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 (Annual Improvements to IFRSs: 2014–16 Cycles)

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

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

Clarifications to IFRS 15 (Apr 2016) – Clarifications to IFRS 15 Revenue from Contracts with Customers

IFRS 16 Leases

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Amendments to IFRS 2 (Jun 2016) Classification and Measurement of Share-based Payment Transactions

Amendments to IFRS 4 (Sept 2016) Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

Amendments to IAS 40 (Dec 2016) Transfers of Investment Property

Annual Improvements to IFRSs: 2014–16 Cycle (Dec 2016) – Annual Improvements to IFRSs: 2014–16 Cycle – IFRS 1 and IAS 28 Amendments

Annual Improvements to IFRSs: 2015–17 Cycle (Dec 2017) – Annual Improvements to IFRSs: 2015–17 Cycle – IFRS 3, IFRS 11, IAS 12 and IAS 23 Amendments

Amendments to IFRS 10 and IAS 28 (Sept 2014) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

IFRIC 23 Uncertainty over Income Tax Treatments

Amendments to IFRS 9 (Oct 2017) Prepayment Features with Negative Compensation

Amendments to IAS 28 (Oct 2017) Long-term Interests in Associates and Joint Ventures

IFRS 17 Insurance Contracts

Amendments to IAS 19 Plan Amendment, Curtailment or Settlement

Amendments to IFRS 3 – Clarification of definition of a business

Amendments to IAS 1 – Amendments regarding the definition of material

Amendments to IAS 8 – Amendments regarding the definition of material

1 General Information continued

IFRS 9 "Financial Instruments" was issued in July 2014 to replace IAS 39 "Financial Instruments: Recognition and Measurement" and has been endorsed by the EU. The standard is effective for accounting periods beginning on or after 1 January 2018 and will be adopted by the Group in the period ended 28 September 2019. The standard is applicable to financial assets and financial liabilities, and covers the classification, measurement, impairment and de-recognition of financial assets and financial liabilities. The standard also revises the requirements for when hedge accounting can be applied and introduces a new impairment model for financial assets.

The Group has reviewed its financial assets and liabilities and does not expect the new guidance to affect their classification and measurement. In addition, the Group does not account for derivatives under hedge accounting and therefore, the IFRS 9 requirements for hedge accounting are not applicable. IFRS 9 introduces an expected credit loss model when calculating impairment losses on its trade and other receivables. This will result in greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of provisions. In applying IFRS 9 the Group must consider the probability of a default occurring over the life of its trade receivables on initial recognition of those assets.

The Group has completed an assessment of the impact of IFRS 9 and it is expected that adoption will not have a material impact on the Consolidated Statement of Financial Performance or Consolidated Statement of Financial Position.

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and subsequent amendments, "Clarifications to IFRS 15" were issued in April 2016; both have been endorsed by the EU. IFRS 15, as amended, is effective for accounting periods beginning on or after 1 January 2018 and will be adopted by the Group in the period ended 28 September 2019. The standard establishes a principles-based approach for revenue recognition and is based on the concept of recognising revenue for performance obligations only when they are satisfied and the control of goods or services is transferred. In doing so, the standard applies a five-step approach to the timing of revenue recognition and applies to all contracts with customers, except those in the scope of other standards.

The Group has completed its assessment of the impact of IFRS 15 and based on the nature of the Group's revenue streams with the recognition of revenue at the point of sale and the absence of significant judgement required in determining the timing of transfer of control, the adoption of IFRS 15 will not have a material impact on the timing or nature of the Group's revenue recognition.

Under IFRS 15, the Group should recognise revenue net of estimated returns, whereby it recognises revenue for the sold products, reduced for estimated returns (with a corresponding refund liability) and an asset initially measured at the carrying amount of the inventory less costs of recovery (with a corresponding adjustment to cost of sales). Estimates are already made of anticipated returns, however the adoption of IFRS 15 will mean this amount is split into the amount relating to the sale of the returns and the associated cost of the goods being returned. The impact of this will not impact the Group's profit or net assets.

IFRS 16 "Leases" was issued in January 2016 to replace IAS 17 "Leases" and has been endorsed by the EU. The standard is effective for accounting periods beginning on or after 1 January 2019 and will be adopted by the Group in the period ending 3 October 2020.

All of the Group's operating leases, apart from those leases captured under the low value and short-term lease exemptions (note 28), will be recognised on the Statement of Financial Position, which will give rise to the recognition of an asset representing the right to use the leased item and an obligation for future lease payables. Lease costs will be recognised in the form of depreciation of the right to use asset and interest on the lease liability, resulting in a higher interest expense in the earlier years of the lease term. The total expense recognised in the Consolidated Statement of Financial Performance over the life of the lease will be unaffected by the new standard. However, IFRS 16 will result in the timing of lease expense recognition being accelerated for leases which would be currently accounted for as operating leases. Rental costs, currently included in distribution and selling costs in the Consolidated Statement of Financial Performance, will be replaced by interest and depreciation charges and therefore, IFRS 16 will impact the Group's profit each period.

From the work performed to date it is anticipated that implementation of the new standard will have a significant impact on the reported assets and liabilities of the Group. In addition, the implementation of the standard will impact the Consolidated Statement of Financial Performance and classification of cash flows. Management have concluded that the most significant items that are currently classified as operating leases that will be recognised in the financial statements in accordance with the new standard are the Group's property leases.

Material judgements are required in identifying and accounting for leases. The most significant judgement areas are expected to be around the determination of the lease term and discount rate. The lease term includes extension periods where it is reasonably certain that a lease extension option will be exercised or that a lease termination option will not be exercised. The discount rate should best represent the rate implicit in the lease or the incremental borrowing rate in order to determine the present value of future lease commitments.

The Group is continuing to assess the impact of the accounting changes on its existing lease portfolio of approximately 370 property leases and other contracts and cannot yet reasonably quantify the impact.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

1 General Information continued

Work performed to date includes consideration of the transition approaches available under the accounting standard and collection of relevant data from different areas of the business. The Group has invested in a new property management system to prepare for the adoption of the new standard. The Group intends to apply the modified retrospective approach on transition and will not restate the comparative information. Under this transition route, any difference between asset and liability is recognised in opening retained earnings at the transition date. The lease liability is calculated using a discount rate at the date of transition, rather than at the lease commencement date.

Given the complexities of IFRS 16 and the material sensitivity to key assumptions, such as discount rates, it is not yet practicable to fully quantify the effect of IFRS 16 on the financial statements of the Group. The Group will continue to monitor the practical interpretation of the new leasing standard within the retail sector prior to full implementation.

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.

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 and investment property. 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 assertion, the Board reviews 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. Further details of the assumptions, sensitivities and procedures performed are given in the Strategic Report. 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) Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-on date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquisition and the equity interest issued by the Group in exchange for control of the acquisition. Acquisition-related costs are recognised in the profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- assets that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Contingent consideration is recognised at fair value at the date of acquisition. Subsequent changes in contingent consideration which has been classified as an asset or liability which does not result from a measurement period adjustment is accounted for in accordance with IAS 39 where the asset or liability is a financial instrument, and in accordance with IAS 37 in all other cases.

D) 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.

2 Accounting Policies continued

E) 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 2018 mean "at 29 September 2018" or the 52 weeks then ended; references to 2017 mean "at 30 September 2017" or the 52 weeks then ended.

F) 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.

G) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods 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, being the date goods are collected from store or received by the customers;
- 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 management's best estimate is provided for.

Sales of goods that result in award credits for customers, under the Company's Trader Loyalty Scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value being the amount for which the award credits should be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction, but is deferred and recognised as revenue when the award credits are redeemed and the Company's obligations have been fulfilled.

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.

H) Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at the fair value at the acquisition date (which is regarded as their cost).

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

2 Accounting Policies continued

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at costs less accumulated amortisation.

Separately identifiable intangible assets are amortised over their useful economic lives which are disclosed in note 12.

I) Property, Plant and Equipment

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

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

Freehold buildings	2% per annum on cost on a straight-line basis
Short leasehold land and buildings	over the period of the lease, up to 50 years on a straight-line basis
Fixtures and fittings	over ten years, except for the following: four years for computer equipment or five 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.

J) Impairment of Tangible and Intangible Assets

At each period end, the Group reviews the carrying amounts of its tangible and intangible 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.

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.

K) 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 average 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.

L) 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.

2 Accounting Policies continued

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, 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.

M) Foreign Currency

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

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of financial performance for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the 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).

N) 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.

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.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

2 Accounting Policies continued

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 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.

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, 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.

2 Accounting Policies continued

Cash and Cash Equivalents

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

Derecognition of Financial Assets

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

Financial Liabilities and Equity Instruments

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 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.

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.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

2 Accounting Policies continued

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 Sharesave scheme. The Group records an expense, based on its estimate of the 20% discount related to shares expected to vest, on a straight-line basis over the vesting period.

S) Trade Payables

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

T) Operating Profit

Operating profit is stated after charging/(crediting) restructuring costs but before 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) Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Investment properties are not depreciated.

The Group obtains independent valuations for its investment properties, and at the end of the reporting period, the fair value of each property is updated, taking into account the most recent independent valuation. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Directors consider information for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

X) 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 Directors have concluded that there are no critical areas of accounting judgement in the application of the Group's accounting policies in the current period.

2 Accounting Policies continued

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:

Onerous Lease Provision and Loss-making Stores/Store Impairment

During the period, the Group has continued to review the performance of its store portfolio, which has resulted in six further stores being exited before its lease terms had expired (2017: one store). 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 sub-lease. The Group has further reviewed any trading loss-making stores and provided for those leases considered to be onerous, and have considered whether the net book value of the assets in relation to those stores are impaired. The key estimates involved relate to the forecast future cash flows of the stores identified as potentially loss-making. These estimates are based upon available information and knowledge of the property market and retail market. Given the commercial sensitivity in relation to potentially loss-making stores a sensitivity of this estimation has not been provided. However, it is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the related tangible fixed assets (note 13a) or the onerous lease provision (note 20).

Dilapidations Provision

The Group has estimated its likely dilapidation charges for its store portfolio and provided accordingly. The key estimate involves an assessment of 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. A decrease or increase in the average expected exit period of three years would have a material impact on the provision.

3 Revenue

An analysis of Group revenue is as follows:

	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Revenue from the sale of goods	216,887	211,848
Total revenue	216,887	211,848

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 is from one class of business.

4 Acquisition of Subsidiaries

The Group acquired 100% of the issued share capital of Parkside Ceramics Limited on 31 August 2017. The acquisition of Parkside Ceramics Limited gives the Group greater coverage in the commercial tile market and allows the Group to utilise economies of scale to create additional value and further synergies.

The Group performed a purchase price allocation exercise on Parkside Ceramics Limited to restate assets and liabilities at their fair value. Intangible assets were recognised in relation to the Parkside Ceramics brand and customer relationships.

In line with IFRS 3, the Group made hindsight adjustments of £365,000 in the current period, in relation to onerous lease and dilapidation provisions (see note 20), with a corresponding increase in the value of goodwill (see note 11).

The contingent consideration was estimated based on performance conditions in place for Parkside Ceramics Limited over the 12 months post acquisition. During the year, Parkside Ceramics Limited did not meet the performance conditions and therefore, the contingent consideration was not paid. The release of this contingent consideration is included within administrative expenses and the Parkside loss within adjusted items. The amount is shown within the movements in payables within the reconciliation of operating profit to cash generated from operations within the cash flow statement.

The Group incurred £169,000 of costs in relation to acquisition activity during the year of acquisition.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

4 Acquisition of Subsidiaries continued

The fair value of the net assets acquired and liabilities assumed at the acquisition date were:

	Restated Fair value of net assets required £'000
Property, plant and equipment	45
Inventories	248
Trade and other receivables	117
Trade and other payables	(347)
Other financial liabilities	(12)
Corporation tax	11
Deferred tax	(35)
Cash and cash equivalents	128
Brand valuation	229
Customer relationships valuation	200
Provisions	(365)
Fair value of assets acquired	219
Cash consideration	1,265
Contingent consideration*	170
Total consideration	1,435
Goodwill	1,216

* Contingent consideration was valued at fair value based on forecast attainment of performance conditions associated with the payment of the contingent consideration.

The above table has been restated to reflect the IFRS 3 hindsight adjustments.

The net cash outflow in the cash flow statement in the year of acquisition was as follows:

	£'000
Cash consideration	1,265
Cash acquired	(128)
Net cash outflow in the cash flow statement	1,137

Since the date of control, the following amounts have been included within the Group's financial statements for the prior period:

	£'000
Revenue	124
Loss before tax	38

Had the acquisition been included from the start of the prior period, £2,238,000 of revenue and £172,000 of loss before tax would have been included in the Group's financial statements in the prior period.

There were no contingent liabilities acquired as a result of the above transaction.

5 Profit Before Taxation

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

	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Depreciation of property, plant and equipment	6,983	6,544
Impairment of property, plant and equipment	958	438
(Gain)/loss on disposal of property, plant and equipment	(421)	151
Decrease in fair value of investment properties recognised as an expense	1,651	–
Property-related provisions (credited)/charged	(723)	349
Staff costs (see note 6)	54,909	50,548
Operating lease rentals	25,489	24,762
Write-down of inventories recognised as an expense	3,031	3,177
Cost of inventories recognised as an expense	81,433	79,296

During the year the business disposed of four freehold properties (2017: one freehold property disposal).

Analysis of the auditor's remuneration is provided below:

	52 weeks ended 29 September 2018 £'000	Restated 52 weeks ended 30 September 2017 £'000
Fees payable to the Company's auditor with respect to the Company's annual accounts	40	46
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	90	67
Total audit fees	130	113
Audit-related assurance services	30	30
Total non-audit fees	30	30
Total fees payable to the Company's auditor	160	143

Audit-related assurance services relate to the fee payable for the interim review performed.

The 2017 fee split has been restated to reflect the correct allocation of fee for the interim review performed. The total fees payable to the Company's auditor has not changed.

A description of the work of the Audit Committee is set out on page 48 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

6 Staff Costs

The average monthly number of persons employed by the Group in the UK during the accounting period (including Executive Directors) was:

	52 weeks ended 29 September 2018 Number employed	Restated 52 weeks ended 30 September 2017 Number employed
Selling	1,900	1,837
Administration	214	201
	2,114	2,038

The 2017 average monthly number of persons employed by the Group has been restated to reflect the correct comparative position.

The average monthly number of persons (full-time equivalents) employed by the Group in the UK during the accounting period (including Executive Directors) was:

	52 weeks ended 29 September 2018 Number employed	52 weeks ended 30 September 2017 Number employed
Selling	1,792	1,734
Administration	208	195
	2,000	1,929
	2018	2017
	£'000	£'000

Their aggregate remuneration comprised:

Wages and salaries (including LTIP, see note 29)	49,782	45,967
Social security costs	4,209	3,719
Other pension costs (see note 28b)	918	862
	54,909	50,548

Details of Directors' emoluments are disclosed on pages 63 to 71. The Group considers key management to be the Directors only. Employee profit sharing of £6.3 million (2017: £5.0 million) is included in the above and comprises sales commission and bonuses.

7 Investment Revenue and Finance Costs

	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Investment revenue		
Bank interest receivable	25	24
	25	24
Finance costs		
Interest on bank loans and overdrafts	(1,028)	(868)
Other interest	(44)	(46)
	(1,072)	(914)

No finance costs have been capitalised in the period, or the prior period.

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

8 Taxation

	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Current tax – charge for the period	3,115	3,504
Current tax – adjustment in respect of previous periods	(11)	(104)
Deferred tax – (credit)/charge for the period (note 20)	(94)	125
Deferred tax – adjustment in respect of previous periods (note 20)	19	43
	3,029	3,568

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

	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Continuing operations:		
Profit before taxation	12,688	16,999
Tax at the UK corporation tax rate of 19.0% (2017: 19.5%)	2,411	3,315
Expenses that are not deductible in determining taxable profit	55	57
Chargeable gains	77	–
Difference between IFRS 2 and corporation tax relief	48	67
Reduction in UK corporation tax rate	21	8
Non-taxable income relating to goodwill revaluation	(22)	–
Tangible fixed assets which do not qualify for capital allowances	431	182
Adjustment in respect of prior periods	8	(61)
Tax expense for the period	3,029	3,568

In the period, the Group has recognised a corporation tax credit directly to equity of £11,899 (2017: £3,254) and a deferred tax debit to equity of £21,184 (2017: £157,921) in relation to the Group's share option schemes.

9 Dividends

Amounts recognised as distributions to equity holders in the period:

	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Final dividend for the period ended 30 September 2017 of £0.023 (2016: £0.023) per share	4,439	4,808
Interim dividend for the period ended 29 September 2018 of £0.011 (2017: £0.011) per share	2,127	2,116
	6,566	6,924
Proposed final dividend for the period ended 29 September 2018 of £0.023 (2017: £0.023) per share	4,447	4,425

The proposed final dividend for the period ended 29 September 2018 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

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.

	52 weeks ended 29 September 2018	52 weeks ended 30 September 2017
Weighted average number of issued shares for basic earnings per share	196,439,403	196,367,310
Weighted average impact of treasury shares for basic earnings per share	(3,292,316)	(4,038,495)
Total weighted average number of shares for basic earnings per share	193,147,087	192,328,815
Weighted average number of shares under option	2,746,297	3,487,211
For diluted earnings per share	195,893,384	195,816,026

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

	Restated £'000
Cost	
At 2 October 2016	245
Acquisition of Parkside Ceramics Limited (note 4)	851
IFRS 3 hindsight adjustment (note 4)	365
At 30 September 2017 (restated)	1,461
At 29 September 2018	1,461
Accumulated impairment losses	
At 2 October 2016	–
Impairment losses in the period	–
At 30 September 2017	–
Impairment losses in the period	–
At 29 September 2018	–
Carrying amount	
At 29 September 2018	1,461
At 30 September 2017 (restated)	1,461

The balance of goodwill remaining is the carrying value that arose on the acquisition of Surface Coatings Limited in 1998 and Parkside Ceramics Limited in 2017. The balance relates to two (2017: two) Cash Generating Units (CGUs). Goodwill of £245,000 (Surface Coatings Limited) relates to one CGU, with the balance of £1,216,000 (Parkside Ceramics Limited) relating to another CGU.

In line with IFRS 3, the Group made hindsight adjustments of £365,000 in the current period, in relation to onerous lease and dilapidation provisions, with a corresponding increase in the value of goodwill, and as such prior year goodwill has been restated.

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 14.3% (2017: 13.2%).

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 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.

No impairment has been identified in the current period as a result of the annual test for impairment.

12 Intangible Assets

	Brand £'000	Customer relationships £'000	Total £'000
Cost			
At 2 October 2016	–	–	–
Additions	229	200	429
At 30 September 2017	229	200	429
Additions	–	–	–
At 29 September 2018	229	200	429
Accumulated amortisation and impairment			
At 2 October 2016	–	–	–
Amortisation charge for the period	–	–	–
At 30 September 2017	–	–	–
Amortisation charge for the period	23	67	90
At 29 September 2018	23	67	90
Carrying amount			
At 29 September 2018	206	133	339
At 30 September 2017	229	200	429

The intangible assets additions occurred on the acquisition of Parkside Ceramics Limited on 31 August 2017.

The brand is amortised over its estimated useful life of 10 years, and customer relationships are amortised over their estimated useful lives of three years. Amortisation is included within administrative costs within the Consolidated Statement of Financial Performance.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

13a Property, Plant and Equipment

	Land and buildings				Total £'000
	Freehold £'000	Short leasehold £'000	Fixtures and fittings £'000	Motor vehicles £'000	
Cost					
At 2 October 2016	18,560	2,047	82,029	63	102,699
Additions	801	88	9,225	–	10,114
Disposals	(231)	–	(413)	–	(644)
Reclassification of assets*	(142)	(686)	779	49	–
Acquisition of subsidiary undertakings	–	–	31	14	45
At 30 September 2017	18,988	1,449	91,651	126	112,214
Additions	–	160	4,892	–	5,052
Disposals	(3,481)	(5)	(1,416)	(51)	(4,953)
At 29 September 2018	15,507	1,604	95,127	75	112,313
Accumulated depreciation					
At 2 October 2016	2,335	1,697	46,989	59	51,080
Charge for the period	293	53	6,188	10	6,544
Provision for impairment	–	–	438	–	438
Eliminated on disposals	(86)	–	(104)	–	(190)
Reclassification of assets*	(6)	(680)	671	15	–
At 30 September 2017	2,536	1,070	54,182	84	57,872
Charge for the period	267	62	6,644	10	6,983
Provision for impairment	–	–	958	–	958
Eliminated on disposals	(251)	(2)	(1,165)	(35)	(1,453)
At 29 September 2018	2,552	1,130	60,619	59	64,360
Carrying amount					
At 29 September 2018	12,955	474	34,508	16	47,953
At 30 September 2017	16,452	379	37,469	42	54,342

* During the prior period the Group undertook an asset reclassification exercise to reclassify some assets between asset categories.

Freehold land and buildings includes £4,104,000 of freehold land (2017: £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 (2017: £nil). Contractual commitments for the acquisition of property, plant and equipment are detailed in note 28.

During the period, the Group has continued to review the performance of its store portfolio and as the fixtures and fittings within these stores cannot be reused in other locations, the Group has provided for the net book value of the assets in relation to the 11 stores (2017: six) that are impaired. The carrying value of these assets has been fully provided for in the period, with the associated impairment of £958,000 (2017: £438,000) included within other operating expenses.

13b Investment Properties

At fair value	£'000
At 2 October 2016	–
Additions	–
At 30 September 2017	–
Additions	2,884
Fair value adjustment	(1,651)
At 29 September 2018	1,233

Investment properties relate to one freehold office building that is not occupied by the Group. The property was purchased to allow the Group to exit an onerous lease. The investment property is carried at fair value, and a fair value loss of £1,651,000 (2017: £nil) was recognised in the Consolidated Statement of Financial Performance in the period.

Since acquisition, the investment property has remained vacant, and as such there are no other amounts recognised in the Consolidated Statement of Financial Performance in relation to rental income or other direct operating expenses.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Group obtains independent valuations for its investment properties, and at the end of the reporting period, the fair value of each property is updated, taking into account the most recent independent valuation. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Directors consider information for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

14 Subsidiaries

A list of all subsidiaries, including the name, country of incorporation and proportion of ownership interest is given in note 4 to the Company financial statements on page 101.

15 Trade and Other Receivables

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Amounts receivable for the sale of goods	899	493
Allowance for doubtful debts	(24)	(37)
Other debtors and prepayments		
– Rent and rates	4,530	4,192
– Other	3,307	1,854
	8,712	6,502

The Directors consider that the carrying amount of trade and other receivables at 29 September 2018 and 30 September 2017 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 29 September 2018 amounted to £0.9 million (2017: £0.5 million). These amounts mainly relate to sundry trade account generated sales. In relation to these sales, the average credit period taken is 48 days (2017: 49 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 £nil (2017: £70,000) 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.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

15 Trade and Other Receivables continued

Ageing of past due but not impaired receivables:

	2018 £'000	2017 £'000
Greater than 60 days	–	70

The allowance for doubtful debts was £24,000 by the end of the period (2017: £37,000). 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 £10,000 relating to individually impaired trade receivables (2017: £24,000) 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.

16 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:

	2018 £'000	2017 £'000
Sterling	11,349	5,232
US dollar	1,819	919
Euro	674	1,350
Total cash and cash equivalents	13,842	7,501

17 Other Financial Liabilities

Trade and Other Payables

	2018 £'000	2017 £'000
Amounts falling due within one year		
Trade payables	20,791	18,330
Other payables	4,172	3,641
Accruals	12,449	9,636
Deferred income	1,236	893
	38,648	32,500

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 59 days (2017: 53 days). No interest is charged on these payables.

The Directors consider that the carrying amount of trade payables at 29 September 2018 and 30 September 2017 approximates to their fair value on the basis of discounted cash flow analysis.

18 Bank Loans

	2018 £'000	2017 £'000
Bank loans (all sterling)	29,766	34,807
	2018 £'000	2017 £'000
The borrowings are repayable as follows:		
On demand or within one year	–	–
In the second year	–	35,000
In the third to fifth year	30,000	–
	30,000	35,000
Less: total unamortised issue costs	(234)	(193)
	29,766	34,807
Issue costs to be amortised within 12 months	85	116
Amount due for settlement after 12 months	29,851	34,923

The Directors consider that the carrying amount of the bank loan at 29 September 2018 and 30 September 2017 approximates to its fair value since the amounts relate to floating rate debt.

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

	2018 %	2017 %
Loans	2.27	1.78

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

The following is a reconciliation of changes in financial liabilities to movement in cash from financing activities:

	Long term borrowings £'000	Unamortised issue costs £'000
As at 2 October 2016	35,000	(309)
Drawdown of bank loan	5,000	–
Repayment of bank loan	(5,000)	–
Amortisation of issue costs	–	116
As at 30 September 2017	35,000	(193)
Repayment of bank loan	(5,000)	–
Issue costs incurred in the year	–	(255)
Amortisation of issue costs	–	214
As at 29 September 2018	30,000	(234)

During the year the Group renewed its revolving credit facility for £35.0 million expiring in 29 June 2021. The Group also negotiated an Accordion Option for £15.0 million. As at the financial period end, £30.0 million of this was drawn (2017: £35.0 million). The loan facility contains financial covenants which are tested on a biannual basis. The Group did not breach any covenants in the period.

At 29 September 2018, the Group had available £5.0 million (2017: £15.0 million) of undrawn committed banking facilities.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

19 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 2017. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents disclosed in note 16 and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in notes 21 to 27.

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	
	2018 £'000	2017 £'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	14,717	7,957
Fair value through profit and loss	168	–
Financial liabilities		
Fair value through profit and loss	–	124
Amortised cost	50,642	53,377

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	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Euro	686	1,357	3,891	3,139
US dollar	1,822	927	1,453	866

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, based on historic volatility. 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.

19 Financial Instruments continued

	2018 £'000	2017 £'000	2016 £'000
Profit or loss movement on a 10% strengthening in sterling against the euro	291	162	205
Profit or loss movement on a 10% strengthening in sterling against the US dollar	34	6	45
Profit or loss movement on a 10% weakening in sterling against the euro	(356)	(198)	(250)
Profit or loss movement on a 10% weakening in sterling against the US dollar	(41)	(7)	(55)

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:

	2018 £'000	2017 £'000
Forward foreign exchange contracts	10,582	10,142

These arrangements are designed to address significant exchange exposures for the first half of 2019 and are renewed on a revolving basis as required.

At 29 September 2018, the fair value of the Group's currency derivatives is a gain of £167,699 within other debtors and prepayments (note 15) (2017: loss of £124,417 within accruals (note 17)). These amounts are based on the market value of equivalent instruments at the balance sheet date.

Gains of £291,845 are included in cost of sales (2017: £466,064 loss).

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.

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	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
(Loss) or profit	(164)	(181)	164	181

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 have 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 sundry trade accounts; further information is provided in note 15.

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.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

19 Financial Instruments continued

Liquidity Risk Management

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

Liquidity and Interest Risk Tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows (and on the assumption that the variable interest rate remains constant at the latest fixing level of 2.266031% (2017: 1.73681%) 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.

	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Total £'000
2018					
Non-interest bearing	24,963	–	–	–	24,963
Variable interest rate instruments	74	151	30,377	–	30,602
	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Total £'000
2017					
Non-interest bearing	21,971	–	–	–	21,971
Variable interest rate instruments	58	114	512	35,454	36,138

The Group is financed through a £35 million (2017: £50 million) revolving credit facility, of which £30 million (2017: £35 million) was utilised. At the balance sheet date the total unused amount of financing facilities was £5 million (2017: £15 million). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

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

	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	5+ years £'000	Total £'000
2018						
Foreign exchange forward contracts payments	(1,885)	(3,945)	(4,753)	–	–	(10,582)
Foreign exchange forward contracts receipts	1,969	4,016	4,764	–	–	10,749
	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	5+ years £'000	Total £'000
2017						
Foreign exchange forward contracts payments	(2,128)	(3,884)	(4,130)	–	–	(10,142)
Foreign exchange forward contracts receipts	2,141	3,837	4,040	–	–	10,018

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 (2017: 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).

20 Provisions

	2018 £'000	Restated 2017 £'000
Onerous lease provision	1,777	1,812
Business simplification provision	128	1,078
Dilapidations provision	2,687	2,425
	4,592	5,315
Current	1,197	1,535
Non-current	3,395	3,780
	4,592	5,315

	Business simplification provision £'000	Onerous lease provision £'000	Dilapidations provision £'000	Total £'000
At 1 October 2017 (restated)	1,078	1,812	2,425	5,315
Created in the year	9	1,367	295	1,671
Utilisation of provision	(279)	(402)	(33)	(714)
Release of provision in the period	(680)	(1,000)	–	(1,680)
At 29 September 2018	128	1,777	2,687	4,592

In line with IFRS 3, the Group made hindsight adjustments of £365,000 in the current period, in relation to onerous lease provision (£115,000) and dilapidation provisions (£250,000), with a corresponding increase in the value of goodwill, and as such prior year provisions numbers have been restated.

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 lease term of the various properties. 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 lease term of the various properties. 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. The provision is expected to be utilised over the lease term of the remaining property. The discount rate used to calculate the present value of property provisions is 5% (2017: 7%). A 10% reduction in discount rate would lead to an increase in property provisions of £60,000 (2017: £75,000).

The movements in the business simplification provision and onerous lease provision are shown within "Impairment of property, plant and equipment and movement in onerous lease provision" in the Highlights section of these financial statements.

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	Stock provisions £'000	Intangible assets £'000	Total £'000
As at 2 October 2016	1,493	(784)	–	–	709
(Credit)/charge to income	(55)	181	–	–	126
Charge in respect of previous periods	43	–	–	–	43
Charge to equity	–	158	–	–	158
Recognised on acquisition of subsidiary	–	–	(38)	73	35
As at 30 September 2017	1,481	(445)	(38)	73	1,071
(Credit)/charge to income	(242)	155	–	(7)	(94)
Charge in respect of previous periods	19	–	–	–	19
Charge to equity	–	21	–	–	21
As at 29 September 2018	1,258	(269)	(38)	66	1,017

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

20 Provisions continued

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 29 September 2018 has been calculated based on these rates.

21 Called-Up Share Capital

	2018 Shares	2017 Shares	2018 £'000	2017 £'000
Issued and fully paid ordinary shares of 3.33p (2017: 3.33p)				
At the start of the period	196,437,298	196,153,770	6,548	6,539
Issued in the period	3,673	283,528	–	9
At the end of the period	196,440,971	196,437,298	6,548	6,548

During the period the Group issued 3,673 (2017: 283,528) ordinary shares with a nominal value of £122 (2017: £9,441) under share option schemes for an aggregate cash consideration of £3,560 (2017: £15,631).

During the period £nil (2017: £8,468) of shares were purchased by Topps Tiles Employee Benefit Trust on behalf of the Group.

22 Share Premium

	2018 £'000	2017 £'000
At start of the period	2,487	2,473
Premium on issue of new shares	3	14
At end of the period	2,490	2,487

23 Own Shares

	2018 £'000	2017 £'000
At start of the period	(4,411)	(4,411)
Acquired in the period	–	(8)
Disposed of on issue in the period	661	8
At end of the period	(3,750)	(4,411)

A subsidiary of the Group holds 3,090,030 (2017: 4,038,495) shares with a nominal value of £3,749,570 acquired for an average price of £1.21 per share (2017: £4,410,840 acquired for an average price of £1.09 per share) and therefore these have been classed as own shares.

24 Merger Reserve

	2018 £'000	2017 £'000
At start and end of the period	(399)	(399)

The merger reserve arose on pre-2006 acquisitions. The Directors do not consider this to be distributable as at 29 September 2018 (2017: same).

25 Share-based Payment Reserve

	2018 £'000	2017 £'000
At start of the period	3,921	4,280
Credit/(debit) to equity for equity-settled share-based payments	24	(359)
At end of the period	3,945	3,921

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 29 September 2018 (2017: same).

26 Capital Redemption Reserve

	2018 £'000	2017 £'000
At start and end of the 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 29 September 2018 (2017: same).

27 Accumulated Losses

	£'000
At 2 October 2016	(11,296)
Dividends	(6,924)
Deferred and current tax on Sharesave scheme taken directly to equity	(155)
Own shares issued in the period	(8)
Net profit for the period	13,431
At 30 September 2017	(4,952)
Dividends	(6,566)
Deferred and current tax on Sharesave scheme taken directly to equity	(9)
Own shares issued in the period	(661)
Net profit for the period	9,659
At 29 September 2018	(2,529)

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

28 Financial Commitments

A) Capital Commitments

At the end of the period there were capital commitments contracted of £nil (2017: £nil).

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 £918,000 (2017: £862,000). At the period end, the Group holds outstanding contributions of £143,485 (2017: £142,669).

C) Lease Commitments

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 £25,489,488 (2017: £24,762,316) which includes property service charges of £911,000 (2017: £852,000).

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:

	2018		2017	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
– Within 1 year	23,116	1,572	22,793	1,319
– Within 2–5 years	75,500	2,775	76,434	2,093
– After 5 years	44,756	15	49,189	194
	143,372	4,362	148,416	3,606

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 ten years (2017: ten) and rentals are fixed for an average of five years (2017: five).

Minimum future sub-lease payments expected to be received under non-cancellable sub-leases amount to £2,187,000 (2017: £2,509,000).

29 Share-based Payments

The Group operates six (2017: 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 three or five-year period.

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

	2018		2017	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
Outstanding at beginning of the period	3,533,394	0.91	3,080,615	1.14
Issued during the period	2,130,588	0.64	2,105,117	0.70
Expired during the period	(1,784,001)	1.16	(1,623,808)	1.07
Exercised during the period	(3,673)	0.98	(28,530)	0.54
Outstanding at end of the period	3,876,308	0.78	3,533,394	0.91
Exercisable at end of the period	353,507	0.92	378,847	0.98

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

Three-year plan

Weighted average share price	— pence	90.00
Weighted average exercise price	— pence	64.00
Expected volatility	— %	31.10
Expected life	— years	3.00
Risk-free rate of interest	— %	0.81
Dividend yield	— %	3.78

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years (2017: three 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.

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:

	2018		2017	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
Outstanding at beginning of the period	6,433,257	—	5,064,089	—
Issued during the period	3,099,142	—	1,752,568	—
Expired during the period	(610,085)	—	(128,402)	—
Exercised during the period	(948,465)	—	(254,998)	—
Outstanding at end of the period	7,973,849	—	6,433,257	—
Exercisable at end of the period	2,526,034	—	2,228,385	—

During the financial period, the Group granted 36,762 share options under the existing share option scheme due to vest in December 2018. The Group granted 11,659 of these shares in December 2017 with a fair value of £8,902.

Notes to the Financial Statements

For the 52 weeks ended 29 September 2018

29 Share-based Payments continued

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

Weighted average share price	— pence	79.95
Weighted average exercise price	— pence	nil
Expected volatility	— %	34.62
Expected life	— years	1.00
Risk-free rate of interest	— %	0.36
Dividend yield	— %	4.51

The Group granted 25,103 share options in July 2018 with a fair value of £16,858.

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

Weighted average share price	— pence	68.50
Weighted average exercise price	— pence	nil
Expected volatility	— %	33.74
Expected life	— years	0.4
Risk-free rate of interest	— %	0.52
Dividend yield	— %	4.96

During the financial period, the Group granted 181,141 share options under the existing share option scheme due to vest in December 2019. 34,055 of these shares were granted in December 2017 with a fair value of £24,814.

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

Weighted average share price	— pence	79.75
Weighted average exercise price	— pence	nil
Expected volatility	— %	32.22
Expected life	— years	2.00
Risk-free rate of interest	— %	0.43
Dividend yield	— %	4.51

The Group granted 147,086 share options in July 2018 with a fair value of £93,995.

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

Weighted average share price	— pence	68.50
Weighted average exercise price	— pence	nil
Expected volatility	— %	33.71
Expected life	— years	1.40
Risk-free rate of interest	— %	0.62
Dividend yield	— %	4.96

During the financial period, the Group granted 2,881,329 share options under the existing share option scheme due to vest in December 2020.

The Group granted 224,839 of these shares in June 2018 with a fair value of £136,053.

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

Weighted average share price	— pence	68.50
Weighted average exercise price	— pence	nil
Expected volatility	— %	32.27
Expected life	— years	2.50
Risk-free rate of interest	— %	0.72
Dividend yield	— %	4.96

29 Share-based Payments continued

The Group granted 2,656,402 share options in December 2017 with a fair value of £1,850,167.

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

Weighted average share price	— pence	79.75
Weighted average exercise price	— pence	nil
Expected volatility	— %	30.19
Expected life	— years	3.00
Risk-free rate of interest	— %	0.52
Dividend yield	— %	4.51

Expected volatility for the additional share options was determined by calculating the historical volatility of the Group's share price over the previous one, two and three years (2017: three and five 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.

2020 Long Term Incentive Plan

Under the 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:

	2018		2017	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
Outstanding at beginning of the period	3,061,262	—	2,603,747	—
Issued during the period	—	—	955,217	—
Expired during the period	(404,432)	—	(497,702)	—
Exercised during the period	—	—	—	—
Outstanding at end of the period	2,656,830	—	3,061,262	—
Exercisable at end of the period	—	—	—	—

In total, the Group recognised a total expense of £23,531 (2017: £358,502 revenue) relating to share-based payments.

30 Related Party Transactions

S.K.M. Williams is a related party by virtue of his 10.5% shareholding (20,593,950 ordinary shares) in the Group's issued share capital (2017: 10.5% shareholding of 20,593,950 ordinary shares).

At 29 September 2018, S.K.M. Williams was the landlord of two properties leased to Multi Tile Limited, a trading subsidiary of Topps Tiles Plc, for £119,000 (2017: two properties for £114,000) per annum.

No amounts were outstanding with S.K.M. Williams at 29 September 2018 (2017: £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 IAS 24.

The remuneration of the Board of Directors, who are considered key management personnel of the Group, was £1.1 million (2017: £1.5 million) including share-based payments of £nil (2017: £0.4 million). Further information about the remuneration of the individual Directors is provided in the Remuneration Report on pages 54 to 69.

The Group's defined contribution pension scheme is administered by Legal and General. During the year the Group made contributions of £918,000 (2017: £862,000) and at year end the Group has outstanding contributions of £143,485 (2017: £142,669).

Company Balance Sheet

As at 29 September 2018

	Notes	52 weeks ended 29 September 2018 £'000	52 weeks ended 30 September 2017 £'000
Fixed assets			
Investments	4	3,420	3,396
Current assets			
Debtors due within one year	5	75,954	51,106
Cash at bank and in hand		–	1,083
Creditors: amounts falling due within one year	6	(15,804)	(1,268)
Net current assets		60,150	50,921
Net assets		63,570	54,317
Capital and reserves			
Called-up share capital	7	6,548	6,548
Share premium		2,490	2,487
Share-based payment reserve		4,479	4,455
Capital redemption reserve		20,359	20,359
Other reserve		6,200	6,200
Profit and loss account		23,494	14,268
Equity shareholders' funds		63,570	54,317

The Company made a profit after tax for the financial period ended 29 September 2018 of £15,792,000 (2017: £15,447,000).

The financial statements of Topps Tiles Plc, Companies House number 3213782, were approved by the Board of Directors on 27 November 2018 and signed on its behalf by:

MATTHEW WILLIAMS | DIRECTOR

ROB PARKER | DIRECTOR

Company Statement of Changes in Equity

For the 52 weeks ended 29 September 2018

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
Balance at 2 October 2016	6,539	2,473	4,814	20,359	6,200	5,745	46,130
Profit for the period	–	–	–	–	–	15,447	15,447
Dividend paid to equity shareholders	–	–	–	–	–	(6,924)	(6,924)
Issue of new shares	9	14	–	–	–	–	23
Debit to equity for equity-settled share-based payments	–	–	(359)	–	–	–	(359)
Balance at 30 September 2017	6,548	2,487	4,455	20,359	6,200	14,268	54,317
Profit for the period	–	–	–	–	–	15,792	15,792
Dividend paid to equity shareholders	–	–	–	–	–	(6,566)	(6,566)
Issue of new shares	–	3	–	–	–	–	3
Credit to equity for equity-settled share-based payments	–	–	24	–	–	–	24
Balance at 29 September 2018	6,548	2,490	4,479	20,359	6,200	23,494	63,570

At 29 September 2018, the Directors consider the other reserve of £6,200,000 to remain non-distributable.

The Directors consider £nil (2017: £nil) of profit and loss account reserves to be not distributable at 29 September 2018.

Notes to the Company Financial Statements

For the 52 weeks ended 29 September 2018

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 (FRS 101) 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.

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(a)(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.

The financial statements have been prepared under the historical cost convention. Comparative data is for the period ended 30 September 2017.

2 Accounting Policies

The principal accounting policies adopted are set out below.

A) Going Concern

When considering the going concern assertion, the Board reviews several factors including a detailed review of the above risks and uncertainties, and management's current expectations. Further details of the assumptions, sensitivities and procedures performed are given in the Strategic Report. As a result of this review, the Board believes that the Company will continue to meet all of its financial commitments as they fall due and will be able to continue as a going concern. Therefore, the Board considers it appropriate to prepare the financial statements on the going concern basis.

B) 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 2018 mean "at 29 September 2018" or the 52 weeks then ended; references to 2017 mean "at 30 September 2017" or the 52 weeks then ended.

2 Accounting Policies continued

C) 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 Company'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, except where the Company 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 Company intends to settle its current tax assets and liabilities on a net basis.

D) Foreign Currency

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

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of financial performance for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of financial performance for the period.

Notes to the Company Financial Statements

For the 52 weeks ended 29 September 2018

2 Accounting Policies continued

E) Investments

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

F) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company 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.

Loans and 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 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.

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.

2 Accounting Policies continued

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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities and Equity Instruments

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 Company after deducting all of its liabilities. Equity instruments issued by the Company 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 is designated as at FVTPL. The Company 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 Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Notes to the Company Financial Statements

For the 52 weeks ended 29 September 2018

2 Accounting Policies continued

G) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company'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 Directors have concluded that there are no critical areas of accounting judgement or key sources of estimation uncertainty in the application of the Company's accounting policies in the current period.

3 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 29 September 2018 of £15,792,000 (2017: £15,447,000).

The auditor's remuneration for services to the Company was £46,000 for audit-related work (2017: £46,000 for audit-related work). Fees relating to non-audit work totalled £nil (2017: £nil); see note 5 to the Group financial statements for further details.

The Company had no employees other than the Directors (2017: same), whose remuneration is detailed on page 63.

4 Fixed Asset Investments

	£'000
Cost and carrying amount at 1 October 2017	3,396
Movement in share options granted to employees	24
Cost and carrying amount at 29 September 2018	3,420

The following were subsidiaries that the Company has investments in, both as at 29 September 2018 and 30 September 2017:

Subsidiary undertaking	% of issued shares held	Principal activity
Topalpha Limited*	100%	Property management and investment
Topalpha (VWarehouse) 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
Parkside Ceramics Limited*	100%	Retail and wholesale of ceramic tiles, wood flooring and related products

* Held directly by Topps Tiles Plc.

The investments are represented by ordinary shares.

All undertakings are incorporated in Great Britain and are registered and operate in England and Wales.

The registered address of all of the above entities (excluding Parkside Ceramics Limited) is Thorpe Way, Grove Park, Enderby, Leicestershire, LE19 1SU, United Kingdom.

The registered address of Parkside Ceramics Limited is 51 Highmeres Road, Thurmaston, Leicester, LE4 9LZ.

5 Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	75,677	51,080
Prepayments and accrued income	277	26
	75,954	51,106

6 Creditors: Amounts falling due within one year

	2018 £'000	2017 £'000
Bank loans and overdrafts	14,706	–
Trade and other creditors	–	106
Amounts owed to subsidiary undertakings	64	65
Accruals and deferred income	1,034	1,097
	15,804	1,268

7 Called-up share capital

	2018 £'000	2017 £'000
Issued and fully paid 196,440,971 (2017: 196,437,298) ordinary shares of 3.33p each (2017: 3.33p)	6,548	6,548

During the period nil shares were purchased by Topps Tiles Employee Benefit Trust on behalf of the Group (2017: 254,998 shares – £8,491).

During the period the Group issued and allotted 3,673 (2017: 283,528) ordinary shares with a nominal value of £122 (2017: £9,441) under share option schemes for an aggregate cash consideration of £3,560 (2017: £15,631).





2

Additional Information

CONTENTS

Five Year Record	124
Notice of Annual General Meeting	125
Explanatory Notes to the Notice of Annual General Meeting	128
The Team	133
Store Locations	145



3



4



5

PICTURED

1. Flat White and Abrasio Basalt
2. Parkside, Chelsea
3. Lampas Peacock
4. Simply Whites Geometric Decor and Inara Concrete
5. Diamante Blue

Five Year Record

Unaudited

	52 weeks ended 27 September 2014 £'000	53 weeks ended 3 October 2015 £'000	52 weeks ended 1 October 2016 £'000	52 weeks ended 30 September 2017 £'000	52 weeks ended 29 September 2018 £'000
Group revenue	195,237	212,221	214,994	211,848	216,887
Group operating profit	18,186	18,883	21,073	17,889	13,735
Profit before taxation	16,691	17,019	19,982	16,999	12,688
Shareholders' funds	843	10,798	17,545	23,553	26,663
Basic earnings per share	6.49p	6.75p	8.05p	6.98p	5.00p
Dividend per share	1.65p	2.34p	3.50p	3.40p	3.40p
Dividend cover	3.93x	2.88x	2.30x	2.05x	1.47x
Average number of employees	1,794	1,915	1,977	2,030	2,114
Share price (period end)	105.0p	148.75p	112.25p	75.50p	62.90p

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 30 January 2019 at 10.00 a.m. for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following resolutions 1–11 (inclusive) which will be proposed as Ordinary Resolutions:

1. To receive the Company’s Annual Report and Financial Statements for the financial period ended 29 September 2018 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 2.3 pence per ordinary share for the financial period ended 29 September 2018 payable on Monday 4 February 2019 to shareholders who are on the register of members of the Company on 21 December 2018.
3. To approve the Directors’ Remuneration Report for the financial period ended 29 September 2018 as set out on pages 54 to 69 of the Company’s Annual Report and Financial Statements for that period (excluding the Directors’ Remuneration Policy set out on pages 55 to 62).
4. To re-elect Matthew Williams as a Director of the Company.
5. To re-elect Robert Parker as a Director of the Company.
6. To re-elect Darren Shapland as a Director of the Company.
7. To re-elect Claire Tiney as a Director of the Company.
8. To re-elect Andrew King as a Director of the Company.
9. To re-elect Keith Down as a Director of the Company.
10. To appoint PricewaterhouseCoopers LLP as the auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next general meeting at which the Annual Report and Financial Statements are laid before the Company.
11. To authorise the Directors to determine the remuneration of the auditor.

Special Business

To consider and, if thought fit, to pass the resolutions set out below which, in the case of resolution 12 will be proposed as an Ordinary Resolution and, in the case of resolutions 13, 14, 15 and 16, will be proposed as Special Resolutions:

12. THAT, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be and they are generally and unconditionally authorised pursuant to section 551 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 £2,160,851 (such amount to be reduced by the nominal amount of any allotments or grants made under paragraph (b) below in excess of £2,160,851; and further:
 - b. to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £4,321,701 (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.

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 empowered to allot equity securities (as defined in section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by resolution 12 above (in accordance with section 570(1) of the Act) and/or by way of a sale of treasury shares (in accordance with section 573 of the Act), in each case as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

- a. the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 12, by way of a rights issue only):
 - i. in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and
 - ii. to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- b. the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities up to an aggregate nominal value equal to £324,128; 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.

14. THAT, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, in addition to the authorities and powers granted to the Directors pursuant to resolution 13, the Directors be and they are empowered to allot equity securities (as defined in section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by resolution 12 above (in accordance with section 570(1) of the Act) and/or by way of a sale of treasury shares (in accordance with section 573 of the Act), in each case as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be:

- a. limited to the allotment of equity securities up to an aggregate nominal value equal to £324,128; 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.

15. THAT, the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 3.33p each in the capital of the Company ("**Ordinary Shares**") provided that:

- a. the maximum number of Ordinary Shares hereby authorised to be purchased is 19,644,097 (representing 10% of the Company's issued Ordinary Share capital);
- b. the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is 3.33p;
- c. the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share shall be an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased; and

this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the date falling 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.

16. THAT, a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Dated: 19 December 2018

Registered Office:

Thorpe Way

Grove Park

Enderby

Leicestershire

LE19 1SU

Registered Number: 3213782

By order of the Board

ALISTAIR HODDER

Company Secretary

Notice of Annual General Meeting

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 28 January 2019 or, in the event that the meeting is adjourned, close of business on such date being not more than two 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 28 January 2019 or, in the event that the meeting is adjourned, after two 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. If you propose to attend the AGM in person, please detach and bring with you the attendance slip attached to the Form of Proxy. You will be asked to show this at the entrance and not having it available could delay your admission. Shareholders and participants may also be required to provide proof of identity.
3. 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, Link 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 28 January 2019 (or, in the event that the meeting is adjourned, no later than two working days before the time of any adjourned meeting).
4. 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.
5. 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.
6. As an alternative to completing the hard copy proxy form, a shareholder may appoint a proxy or proxies electronically by logging onto www.signalshares.com. Full details of the procedures are given on that website. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 10.00 a.m. on 28 January 2019 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). Any electronic communication sent by a shareholder to the Company or Link Asset Services which is found to contain a virus will not be accepted by the Company but every effort will be made by the Company to inform the shareholder of the rejected communication.
7. If you submit your proxy form via the internet it should reach the registrar by 10.00 a.m. on 28 January 2019. Should you complete your proxy form electronically and then post a hard copy, the form that arrives last will be counted to the exclusion of instructions received earlier, whether electronic or posted. Please refer to the terms and conditions of the service on the website.
8. The notes to the proxy form include instructions on how to appoint a proxy by using the CREST proxy appointment service.
9. You may not use any electronic address provided either in this Notice of AGM or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
10. As at the close of business on 5 December 2018, the Company's issued share capital comprised 196,440,971 ordinary shares of 3.33p each. Each ordinary share carries the right to one vote at a general meeting of the Company. No ordinary shares were held in treasury but the Company's employee benefit trust holds 1,518,694 ordinary shares to which it has waived its voting rights. Accordingly, the total number of voting rights in the Company as at the close of business on 5 December 2018 is 194,922,277.
11. 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.
12. 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).
13. 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).
14. 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.
15. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in notes 2 to 8 above); or by a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provision of the Companies Act 2006.
16. Link 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 Link Asset Services.
17. Members have the right to ask questions at the meeting in accordance with section 319A of the Act.
18. 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 Auditor's 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.
19. 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.
20. Information regarding the meeting, including the information required by section 311A of the Act, is available from the Company's website – toppstilesplc.com.

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 30 January 2019 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 29 September 2018 (the "Annual Report and Financial Statements").

Resolution 2

Declaration of Final Dividend

A final dividend of 2.3 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 21 December 2018. Subject to approval by the Ordinary Shareholders at the Annual General Meeting, the dividend will be paid on 4 February 2019. An interim dividend of 1.1 pence was declared which means the total dividend level will be 3.4 pence per Ordinary Share for the 52 weeks prior to 29 September 2018.

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. Accordingly, resolution 3 seeks the approval of the Directors' Remuneration Report which is set out on pages 54 to 69 of the Annual Report and Financial Statements (excluding the Directors' Remuneration Policy).

Resolutions 4 to 9

Re-election of Directors

The Company's Articles of Association require that at every annual general meeting one-third of the Directors for the time being shall retire and submit themselves for re-election. Although not required by the Company's Articles, the Directors will, in the interests of good corporate governance under the UK Corporate Governance Code, retire voluntarily and offer themselves for re-election. Brief biographical details about all the Directors appear on pages 42 and 43 of the Annual Report and Financial Statements.

Resolution 10

Appointment of Auditor

This resolution concerns the appointment of PricewaterhouseCoopers LLP (to succeed Deloitte LLP) as auditor until the conclusion of the next general meeting at which accounts are laid, that is, the next Annual General Meeting.

Resolution 11

Auditor's Remuneration

This resolution authorises the Directors to fix the auditor's remuneration.

Special Business

Resolution 12

Directors' Power to Allot Shares

This resolution complies with guidance issued by the Investment Association and will, if passed, authorise the Directors to allot:

- relevant securities up to a maximum nominal amount of £2,160,851 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 12 in excess of 2,160,851; 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 £4,321,701 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 12.

Therefore, the maximum nominal amount of relevant securities (including equity securities) which may be allotted under this resolution is £4,321,701.

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 13 and 14

Directors' Power to Issue Shares for Cash

Resolution 13 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 £324,128 representing approximately 5% of the nominal value of the issued ordinary share capital of the Company as at 5 December 2018, being the latest practicable date before publication of this notice.

Resolution 14 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 13 and is being sought in accordance with the Pre-Emption Group's Statement of Principles, is limited to a maximum nominal amount of £324,128 which represents approximately 5% of the nominal value of the issued ordinary share capital of the Company as at 5 December 2018, 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% 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.

Explanatory Notes to the Notice of Annual General Meeting

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 13 and 14 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 13 and 14 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 13 and 14 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.

Resolution 15

Authority to Purchase Shares (Market Purchases)

This resolution authorises the Board to make market purchases of up to 19,644,097 ordinary shares (representing approximately 10% of the Company’s issued ordinary shares as at 5 December 2018, 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 3.33p, being the nominal value of an ordinary share. The maximum price that can be paid is 5% over the average of the middle market prices for an ordinary share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased.

The Directors intend to exercise this right only when, in light of the market conditions prevailing at the time and taking into account all relevant factors (for example, the effect on earnings per share), they believe that such purchases are in the best interests of the Company and shareholders generally. 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 5 December 2018, 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 14,506,987 ordinary shares in the capital of the Company, representing 7.4% 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 8.2% of the Company’s issued ordinary share capital following the repurchase of shares.

Resolution 16

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 Barber
 Aaron Clarkson
 Aaron Lonie
 Aaron Turner
 Abby Tween
 Abigail Cole
 Abigail Harris
 Abigail Routley
 Abigayle Shipley
 Adam Chapman
 Adam Cherryman
 Adam Clarke
 Adam Crowe
 Adam Devine
 Adam Din
 Adam Etienne
 Adam Gaymer
 Adam Gilkes
 Adam Godfrey
 Adam Groves
 Adam Hogg
 Adam Hunt
 Adam Jolly
 Adam Nuttall
 Adam Payne
 Adam Phillips
 Adam Rous
 Adam Shearsmith
 Adam Simpson
 Adam Ward
 Adam Woollam
 Addam Marsh
 Adel Benyoucef
 Adel Tazi
 Adele McMahan
 Adrian Gower
 Afrim Mensah
 Aidan Monahan
 Akash Bisht
 Akinyemi Orekoya
 Akshey Vadgama
 Alan Clague
 Alan Haji
 Alan Lamb
 Alan Saunders
 Alan Sinclair
 Alan Smalley
 Alan Sproston
 Aleksandrs Gulenkovs
 Alex Bell
 Alex Bennet
 Alex Fleet
 Alex Jones
 Alex Moore
 Alex Spencer
 Alex Whitmore

Alexander Bennett
 Alexander Drew
 Alexander Findley
 Alexander Ford
 Alexander Gaffney
 Alexander Hall
 Alexander Marks
 Alexander Miles
 Alexander Walton
 Alexander Williams
 Alexandra Tuckley
 Alfie Hogan
 Ali Rizvi
 Alice Cairns
 Alice Mullen
 Alicia George
 Alicija Romanovska-Stefanovic
 Alisha Millward
 Alison Hunt
 Alison Mazzei-Foster
 Alistair Hodder
 Allan Busby
 Allan Harper
 Allysha Byrne
 Alnavaz Nuralah
 Amanda Brogan
 Amanda Green
 Amanda Hullett
 Amanda Lyon
 Amanda Plumb
 Amanda Samuel
 Amardeep Sanghera
 Amelia Foster
 Amin Ali
 Amy Buttle
 Amy Mitchell
 Amy Partridge
 Amy Smith
 Amy Swanson
 Amy Wirtz
 Ananthan Sivanesan
 Andre Osei
 Andrea Moon
 Andrew Baldock
 Andrew Bond
 Andrew Collins
 Andrew Costen
 Andrew Cox
 Andrew Davis
 Andrew Gilmour
 Andrew Habbick
 Andrew Hawker
 Andrew Haynes
 Andrew Holbourne
 Andrew King
 Andrew Lerwill
 Andrew Loudon
 Andrew Middleton

Andrew Oliver
 Andrew Riley
 Andrew Roseby
 Andrew Ross
 Andrew Sansum
 Andrew Scorgie
 Andrew Sharkey
 Andrew Shaw
 Andrew Taylor
 Andrew Tibbetts
 Andrew Warne
 Andrew Waterfield
 Andrew Wathan
 Andrew Wilkinson
 Andrew Woodier
 Andrew Young
 Andrius Matusevicius
 Aneta Kleczek
 Angela Capp
 Angela George
 Anna Hibberd
 Anna Martin
 Anna-Marie Putt
 Anna-Marie Wells
 Annie Dickson
 Annmarie Malone
 Anthony Christopher
 Anthony Connor
 Anthony Daly
 Anthony Davies
 Anthony Dedman
 Anthony Dolan
 Anthony Dunsmore
 Anthony Gibby
 Anthony Gilbert
 Anthony Hollick
 Anthony Lyth
 Anthony Molyneux
 Anthony Saunders
 Anthony Tarr
 Anthony Taylor
 Anthony White
 Antony Belham
 Antony Miles
 Anub Varghese
 Anwar Marshall
 Arjun Bisht
 Aron Hoff
 Arthur Ebbs
 Aruna Mistry
 Ashley Cutler
 Ashley Hegarty
 Ashley Humphreys
 Ashley Kiffin
 Ashley Murray
 Ashley Rivett
 Ashley Somerville
 Asteraya Engdayehu

The Team

Astone Davids
Atul Patel
Audrius Kolojanskas
Augustine Chinenye
Augustus Hagan
Aurimas Lenkauskas
Azim Ahmed

B

Barbara Connor
Barbara Smith
Barend Fourie
Barri Barnes
Barry Beaver
Barry Hanlon
Barry Jones
Barry Stratford
Barry Theobald
Bartosz Pawelczyk
Ben Bain
Ben Barraclough
Ben Bright
Ben Holloway
Ben Howard
Ben Richmond
Benjamin Gillings
Benjamin Goodey
Benjamin Hale
Benjamin Matthews
Benjamin Rich
Benjamin Wood
Berek K-Caesar
Bethany Brame
Bethany Richardson
Beverley Begley
Beverley Head
Beverley Orton
Bianca Gradinaru
Bill Vincent
Billie Stringer
Billy Stout
Billy Taylor
Bolaji Adeyanju
Bonita Flinthill
Bradley Favre
Bradley Gomes
Bradley Riches
Bradley Webster
Brandon Abels
Brendan Farrell
Brendan Flynn
Brett Goulden
Brett Hookway
Brett O'Harrow
Brian Cook
Brian Edwards
Brian Linnington
Brian Morris

Bruce Fielding
Bruce Garrod
Bruno Bernasconi
Bryan Taylor
Bryony Benson
Byron Tree

C

Cain Walsh
Caitlin Pipes
Callum Evans
Callum Phillips
Callum Shield
Calum Neviitt
Calvin Christopher
Campbell Marr
Carl Ainsworth
Carl Courtney
Carl Cumberbatch
Carl Fraser
Carl Hermitt
Carl Whatley
Carl Willshee
Carley Brown
Carlos Alford Maestre
Carlos Chowdhury
Carol Beattie
Carol Hawkes
Carole Hawken
Caroline Bailey
Caroline Bray
Caroline Macro
Caroline May
Caroline Vernon-Sutton
Carolynn Remington-Hobbs
Carrie Peckston
Catherine Britton
Catherine Doulton
Catriona Bennell-Cook
Catriona Green
Chanel Sanganoo
Chantal Searle
Chantelle Lord
Charjuan Knight
Charlene Smith
Charlene Walpole
Charles Branson
Charles Davis-Alexis
Charles Robbins
Charles Rollins
Charles Snell
Charles Taylor
Charley Leat
Charlie Truscott
Charlotte Fitzgerald
Charlotte Lammin
Chelsea Battle
Chelsea Cragg

Chelsey Robson
Cherie Ahmet
Cheryl Vearncombe
Cheyanne Brown
Chloe Andrews
Chloe Jackson
Chloe Kemp
Chloe Singleton
Chris Darley
Chris Foster
Chris Mcquade
Christelle Armstrong
Christian Banham
Christine Berry
Christine Hickling
Christine Taylor
Christine Thistlethwaite
Christopher Bailey
Christopher Beeson
Christopher Bentley
Christopher Bowden
Christopher Butler
Christopher Carey
Christopher Collins
Christopher Cooper
Christopher Curtis
Christopher D'Arts
Christopher Edwards
Christopher Goodacre
Christopher Harbutt
Christopher Harrison
Christopher Heyes
Christopher Holland
Christopher Howe
Christopher Johnson
Christopher Leach
Christopher Markham
Christopher Miskelly
Christopher Moore
Christopher Nicholls
Christopher Nottle
Christopher Potter
Christopher Robertshaw
Christopher Samuel
Christopher Sansby
Christopher Senior
Christopher Simpson
Christopher Turley
Christopher Wells
Cieran Armstrong
Clair Jeffries
Claire Chaffe
Claire Harris
Claire Herridge
Claire Lees
Claire Ralphs
Claire Stanley
Claire Steele

Claire Tiney
 Clare Barden
 Clare Long
 Clare Miles
 Clare Shepherd
 Clifford Tomlinson
 Clive Harlow
 Clive Lehmann
 Colin Clarke
 Colin Griffiths
 Colin Harvey
 Colin Markham
 Colin Petch
 Colin Rymer
 Colin Skinner
 Colin Taylor
 Connell Smyth
 Conner Ockenden
 Connor Armstrong
 Conrad Cassidy
 Conrad Harrup
 Constantin Pavelescu
 Cora Morrison
 Cory Handford
 Cosmin Zaharia
 Craig Dolling
 Craig Johnson
 Craig Jones
 Craig Matthews
 Craig Murphy
 Craig Reed
 Cristian Olaru
 Cristina Cole
 Curtis Lee
 Curtis McCabe
 Czeslaw Majorek

D

Damian Mentel
 Damian Merritt
 Damiano Seresini
 Damiean Godfrey
 Dan Bevan
 Danial Holloway
 Daniel Angel
 Daniel Baker
 Daniel Brain
 Daniel Calderwood
 Daniel Chambers
 Daniel Cheyne
 Daniel Colk
 Daniel Cox
 Daniel Cross
 Daniel Danks
 Daniel Fairless
 Daniel Fallows
 Daniel Fordham
 Daniel Geoghegan

Daniel Gillett
 Daniel Hawkins
 Daniel Hubble
 Daniel Jenkins
 Daniel Jibb
 Daniel Jones
 Daniel Lawrie
 Daniel Little
 Daniel McLean
 Daniel Milner
 Daniel Moyses
 Daniel Musguin
 Daniel O'Callaghan
 Daniel Poile
 Daniel Pratt
 Daniel Reynolds
 Daniel Saltmarsh
 Daniel Sheppard-Brown
 Daniel Thornley
 Daniel Watts
 Daniel Whitehead
 Daniel Willows
 Daniel Wright
 Daniella Winstone
 Danielle Kirby
 Danielle Noyes
 Danielle O'Mara
 Dannielle Carlton
 Dannique Prince
 Danny McInnes
 Danny Ostler
 Danny Wilson
 Darius Bright
 Darnelle Riley
 Darran Wood
 Darren Allcock
 Darren Barker
 Darren Black
 Darren Doughty
 Darren Harper
 Darren Jones
 Darren Mencarini
 Darren Mitchell
 Darren Morgan
 Darren Rose
 Darren Shapland
 Darren Square
 Darren Wagg
 Darren Young
 Darroll Watts
 Darron Kerr
 Darron Soos
 Darryl Ferry
 Dave Elliott
 David Augustus
 David Beasley
 David Bowler
 David Carpenter

David Clare
 David Clark
 David Coupland
 David Cressey
 David Fisher
 David Fletcher
 David Green
 David Hamer
 David Hatton
 David Henderson
 David Hicks
 David Hill
 David Hillier-Reynolds
 David Hirst
 David Hope
 David Houston
 David Hussey
 David Jackson
 David Jobling
 David Kershaw
 David Kettlewell
 David Knight
 David Lane
 David Macartney
 David Matthews
 David Medlam
 David Meers
 David Miller
 David Murray
 David Oliver
 David Rendall
 David Sheehy
 David Shewan
 David Simms
 David Sinclair
 David Stott
 David Thomas
 David Thomasson
 David Thompson
 David Townsley
 David Webb
 David Wilson
 David Yallop
 Davina Vitles
 Dawn Gale Curtis
 Dean Kay
 Dean Marshall
 Dean Newell
 Dean Titchen
 Dean Woolley
 Deane Rhone
 Deborah Fitzpatrick
 Debra Bandghiree
 Declan Baker
 Declan Speede
 Deena Mistry
 Deesha Bhatt
 Deividas Jonkaitis

The Team

Deividas Korsakas
 Denis O'Brien
 Denise Chalmers
 Dennis Jovellanos
 Denzil Johns
 Derek Sim
 Dermott Reilly
 Deryn Shipley
 Devias Gudka
 Devindren Govender
 Dilawar Ali
 Dipak Chauhan
 Dipal Parikh
 Dmitrijs Nahodkins
 Dolton Gordon
 Dominic D'Souza
 Dominic Gray
 Dominic Hall
 Dominic Reilly
 Dominick Mccann
 Donald Magullian
 Donna Douglas
 Donna Murphy
 Donovan Robinson
 Douglas Bingham
 Douglas Gracia
 Douglas Nicol
 Dwain Mensah
 Dylan Bradley
 Dylan Roberts

E
 Eamonn Clancy
 Elaina Waterhouse
 Elaine Peacock
 Elizabeth Lee
 Elizabeth Sutton
 Ellen Colchester
 Elliot Musk-Cooper
 Elliott Brown
 Elliott Davis
 Elliott Sully
 Elsie Bird
 Emely Bjorkman-loney
 Emily Connelly
 Emily Gardiner
 Emily Hunter
 Emily Lenton
 Emily Mansell
 Emily Sneller
 Emily Tuttlebury
 Emma Anderson
 Emma Bray
 Emma Dudley
 Emma Gotch
 Emma Hilton
 Emma Jordan
 Emma Macfarlane

Emma Spellacey-Perry
 Emmanuel Melford-Rowe
 Emran Mannan
 Enam Ali
 Eren Ucmun
 Erikas Mazeikis
 Ermiyas Girma
 Erwan Vauconsant
 Esme Sparrow
 Euhuan Lumsden
 Ezra Deans

F
 Faizar Ali
 Fardowsa Mohamed
 Fatima Pereira
 Faye Henderson
 Fayzur Rahman
 Felipe West
 Fiona Oakes
 Fitz Martin
 Fouche Lubbe
 Frances Aylward
 Francesca Wright
 Frank Hibbert
 Frank Smith
 Fraser Lockley
 Fred Therme

G
 Gabriel Iacob
 Gabriela Olszowska
 Gabriella Carvalho
 Gail Kitson
 Gail Knight
 Gareth Camplin
 Gareth Davies
 Gareth Fogden
 Garry Crichton
 Garry Hardy
 Gary Bloomfield
 Gary Curtis
 Gary Davies
 Gary Fellows
 Gary Gear
 Gary Gee
 Gary Gledhill
 Gary Heath
 Gary Marshall
 Gary Mayo
 Gary Nash
 Gary Roberts
 Gary Tipler
 Gary West
 Gary Woolmore
 Gavin Bennett
 Gavin Collins
 Gavin Magwood

Gavin Winter
 Geeta Makwana
 Gemma Davies
 Gemma Farnan
 Gemma Kirk
 Gemma Stephens
 Gemma Wademan
 Genya Hutchins
 Geoffrey Greenwood
 Geoffrey Thomas
 Geordie Stock
 George Allen
 George Astill
 George Birkley
 George Dewis
 George Hopper
 Georgia Miles
 Geraint Griffiths
 Geraint Thorne
 German Ramirez Marin
 Gillian Grace
 Glendale Canoville
 Glenn Cottrell
 Glenn Elgy
 Glenn Smith
 Gokhan Karadogan
 Gordon Shennan
 Graham Cooper
 Graham Foster
 Graham Hancock
 Graham Hitchin
 Graham Jones
 Graham Livingstone
 Graham Mansfield
 Graham Vance
 Gregory Jeffs
 Gregory McHugh
 Gregory Smith
 Grenville Davies
 Gurinder Chana

H
 Halima Awad
 Hannah Kings
 Hannah Lee
 Hannah Pritchard
 Hannah Sayers
 Hannah White
 Hanz Nelson
 Haroon Younus
 Harriet Goodacre
 Harry Biggs
 Harry Kay
 Hayden Inman
 Hayden Mason
 Hayley Hopwood
 Hazel Millington
 Helen Gosling

Helen Hughes
Helen Walker
Helen Washington
Henry Povey
Hitesh Chanana
Holly Bishop
Holly Dawson
Holly Vincent

I
Iain Arnott
Ian Aikman
Ian Bloomfield
Ian Croton
Ian Fraser
Ian Hughes
Ian Marshall
Ian Mattacola
Ian McNeish
Ian Noon
Ian Paterson
Ian Smithson
Ian Sykes
Ian Tivendale
Ibrahim Ali
Iftexhar Parvez
Igor Koselevs
Ilars Skabeikis
Inzamam Akram
Ismail Spence
Ivan Paitoo

J
Jaasir Wazir
Jacek Skubisz
Jacek Zebrowski
Jack Allardyce
Jack Bennett
Jack Bogg
Jack Coker
Jack Ellis
Jack Finlay
Jack Flannigan
Jack Hill-Jones
Jack Jorden
Jack Maddison
Jack Millman
Jack Ockenden
Jack O'Neill
Jack Relfe
Jack Swain
Jack Thompson
Jack Wheeler
Jacob Allan
Jacob Powell
Jacob Stuart
Jacqueline Dadge
Jacqueline Desborough-Morehead

Jacqueline Farnan
Jade Girgensons
Jagraj Dhothar
Jahtal Nisa Roberts-Joseph
Jailuene Witterick Peake
Jake Carter
Jake Shopland
Jake Woods
Jamal Khanum-Muhammad
Jamarion King
James Beasley
James Beaumont
James Biesty
James Brophy
James Cameron
James Carpenter
James Cheung
James Clifford
James Comber
James Fox
James Hawker
James Heard
James Henshaw
James Hollis
James Howard
James Kew
James Lobb
James MacCallum
James McGuigan
James Morgan
James O'Driscoll
James Pannett
James Patston
James Pilfold
James Robertson
James Rolfe
James Saunders
James Snuggs
James Taylor
James Tuvey
James Walker
James White
James Williams
James Worden
Jamie Broadhurst
Jamie Calow
Jamie Evans
Jamie Kelly
Jamie Mears
Jamie Ormrod
Jamie Rose
Jamie Sia
Jamie Wenborn
Jamie Wilson
Jamie Lee McCann
Jamyne Walker
Jan Reddi
Janaka Alahapperuma

Janet Lee
Jarmila Weller
Jasbir Singh
Jasmine Dogertz
Jason Barker
Jason Bloxham
Jason Coupland
Jason Darcy
Jason Ealden
Jason Knox
Jason Pratt
Jason Rose
Jaspreet Sandhu
Jasvinder Rehal
Javeed Parkar
Jawan Pantin
Jay Billings
Jay Franklin
Jay Gale
Jay King
Jay Strawford
Jayaprakash Paragjee
Jayne Young
Jeannette Hastie
Jedrzej Politowski
Jeffrey Armstrong
Jennie Kane
Jennifer Gregory
Jennifer Seabrook
Jennifer Thompson
Jennifer Wall
Jenny Inkson
Jeremy Long
Jeremy Naphthine
Jessica Gurski
Jessica Ling
Jessica McCarthy
Jessica Rowlands
Jessica Thiari
Joanne Cox
Joanne Elton
Joanne White
Jodie Jones
Joe Dwyer
Joe Mathews
Joe Raynsford
Joe Smith
Joel Barker
Joel Bray
Joel Fothergill
Jogendra Kalicharan
John Bourke
John Bryant
John Conley
John Cook
John Crawshaw
John Ellis
John Fawkes

The Team

John Field
 John Gardner
 John Harris
 John Harrison
 John Hesp
 John Hughes
 John McLaren
 John Moat
 John Murphy
 John Page
 John Scatchard
 John Shaw
 John Smith
 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 Kirk
 Jonathan Morgan
 Jonathan Stearman
 Jonathan Stone
 Jonathan Wallace
 Jonathan Williams
 Jonathan Woodroff
 Jonathon Turner
 Jon-Paul Hughes
 Jordan Abraham
 Jordan Bannister
 Jordan Edghill
 Jordan Fox
 Jordan Huston
 Jordan Lindsay
 Jordan Lowes
 Jordan Macdonald
 Jordan Scarbrow
 Jordan Stephens
 Jordan Vinluan
 Josef Kinski
 Joseph Cox
 Joseph Daly
 Joseph De Matos
 Joseph Gregorace
 Joseph Haynes
 Joseph Heath
 Joseph Lewis
 Joseph Morton
 Joseph Walsh
 Joseph Whittaker
 Josephina Lane
 Josh Wood

Joshua Anderson
 Joshua Bradley
 Joshua Brown
 Joshua Burgess
 Joshua Darby
 Joshua Dunford
 Joshua Elliott
 Joshua Hastings
 Joshua Higgs
 Joshua Hubbard
 Joshua Hughes
 Joshua Lambert
 Joshua Paton-Rolls
 Joshua Rapley
 Joshua Stenhouse
 Joshua Wright
 Josiah Everitt
 Josie Colehan
 Jude McGuigan
 Judith Duncan
 Juginder Gill
 Julia Kerr
 Julian Myles
 Julie Bird
 Julie Brachtvogel
 Julie Cox
 Julie Fewings
 Julie Mitchell
 Jullah Jabbi
 Juris Kalnins
 Justin Coyle
 Justin Marlow
 Justin Morgan
 Justinas Pelakauskas
 Justine Bowman
 Juttinder Diggpal
 Jyoti Kaur

K

Kacper Dadel
 Kajetan Marcinek
 Kamaljit Atkar
 Kamaljit Thandi
 Kamil Janas
 Kamlesh Shah
 Karen Dodds
 Karis Hall
 Karl Aran
 Karl English
 Karl Lippiatt
 Karl Mullaney
 Karl Reeves
 Karl Stephens
 Karl Turner-Talmage
 Karl White
 Kashan Riley
 Kashif Zaman
 Kastriot Kelani

Katarzyna Roberts
 Kate Burden
 Kate Flitton
 Katherine Blitz
 Katherine Jackson
 Kathryn Finch
 Kathryn Pell
 Kathryn Van-Kleef
 Katie Brindley-Hughes
 Katie Johnson
 Katie Lunn
 Katy Todd
 Kayla Thomas
 Kayleigh Barnes
 Kayleigh Clemson
 Kayley Coldham
 Kazi Miah
 Keaton Bayliss
 Keely Powell
 Keiran Williams
 Keith Alexander
 Keith Ambrose
 Keith Bearman
 Keith Down
 Keith Fitzpatrick
 Keith Murphy
 Keith Rudkin
 Kelly Dalby
 Kelly Goodacre
 Kelly Savile
 Kelly Weyman
 Kelly-Anne O'Connor
 Kelvin Sam Junior Lansdowne
 Kenneth Ostler
 Kenneth Owen
 Kenneth Westley
 Kerri Atkinson
 Kerrie Burcham
 Kerry Hurst
 Kerry-Ann Smith
 Kevan Richardson
 Kevin Atherton
 Kevin Baker
 Kevin Bingham
 Kevin Bowtle
 Kevin Da Silva
 Kevin Fox
 Kevin Frampton
 Kevin Gunn
 Kevin Hailes
 Kevin Hardy
 Kevin Hartley
 Kevin Nicol
 Kevin Rowe
 Kevin Smart
 Kevin Smith
 Kevin Thorne
 Keziah Bryant

Khai Shaw
 Khan Khan
 Khawar Mahmood
 Kiaran Wingham
 Kie Mitchell
 Kieran Barnes-Warden
 Kieran Corben
 Kieran Fleet
 Kieran Gardiner
 Kieran Hansard
 Kieran Hudson
 Kieran Reeves
 Kieron Clarke
 Kim Liddle
 Kim Moriarty
 Kirandeep Kaur
 Kirk Irvine
 Kirk Taylor
 Kirsten Cummings
 Kirstie Leonard
 Kirstie McDowell
 Kirsty De-Rose
 Kirsty Graham
 Kirsty Jones
 Kirsty Rice
 Kirti Patel
 Kranthi Billakanti
 Krishna Patel
 Kristal Dickinson
 Kristian Catterall
 Kristian Prosser
 Kristopher Allatson
 Krystle Milan
 Krzysztof Burdajewicz
 Kurt Folkes
 Kurt Hamilton
 Kye Harman
 Kyle Batley
 Kyle Crichton
 Kyle Hardie
 Kyle Manns-Kennedy
 Kyle Markland
 Kyle Welford

L

Lance Cale
 Laura Henry
 Laura Horton
 Laura James
 Laura Madigan
 Laura Racey
 Laura Sansom
 Laura Wilson
 Lauren Holmes
 Lauren Munro
 Lauren Richmond
 Lauren Stanhope
 Laurence Jones

Laurence Pendrill
 Layla Pring
 Leah Humphries
 Leah Westwood
 Leanne Clarke
 Leanne Curry
 Leanne Palmer
 Lee Armstrong
 Lee Butcher
 Lee Carlos
 Lee Clarke
 Lee Cornford
 Lee Dering
 Lee Eagling
 Lee Gadney
 Lee Galloway
 Lee Gibson
 Lee Gladman
 Lee Gleeson
 Lee Harris
 Lee Hutchinson
 Lee Jacovou
 Lee James
 Lee Kent
 Lee McDonnell
 Lee Read
 Lee Wilkinson
 Lee Windram
 Lee Worrard
 Leendert Van Den Berg-Slowey
 Leighton Davies
 Leon Das
 Leon Dyer
 Leon Pryce
 Leona Parker
 Lesley Willcox
 Lewis Adkins
 Lewis Allan
 Lewis Buckley
 Lewis Crossley
 Lewis Elkin
 Lewis Hill
 Lewis Kennedy
 Lewis Rockett
 Lewis Walter
 Lewis Williams
 Leyton Bellamy
 Liam Bantin
 Liam Childs
 Liam Corbett
 Liam Ellis
 Liam Flynn
 Liam Harris
 Liam Hogan
 Liam Hounsell
 Liam Hunt
 Liam Jiggins
 Liam Piper

Lianne Harrison
 Libby Field
 Lindsay Bond
 Lindsey Flint
 Lisa Algar
 Lisa Callan
 Lisa Cullen
 Lisa France
 Lisa Holmes
 Lisa Johnson
 Lisa-Marie Slater
 Lloyd Jackson
 Lois Short
 Lola Halligan
 Loucas Louca
 Louise Bunting
 Louise Groves
 Louise Henbest
 Louise Jeffery
 Louise Marsden
 Louise McComiskey
 Louise Reddell
 Lucy Harper-Thompson
 Lucy Jenner
 Lucy McGennity-Bane
 Lucy Swain
 Lukasz Pirga
 Luke Barefield
 Luke Carson
 Luke Day
 Luke Kerr
 Luke Livermore
 Luke McNally
 Luke O'Connor
 Luke Potiphar-Trigwell
 Luke Saunders
 Luke Watson
 Luke Woodward
 Luke Wright
 Lyndsey Kell
 Lynne Foster
 Lynne Meldrum
 Lynsey Smart

M

Madeline Pipes
 Maeghan Taylor
 Mahdi Hafezpol
 Mahesh Wara
 Mahomad Zubair Saiyed
 Mandy Aidney
 Marc Law
 Marcin Kupczyk
 Marek Kloda
 Margaret Lawrie
 Maria Drozdova
 Maria Thompson
 Maria Williams

The Team

Marie Hayward	Mathew Tapp	Michael Earls
Mariya Hanif	Matt Attwood	Michael Edwards
Mark Alexa	Matt Garwood	Michael Evans
Mark Allman	Matthew Barcas	Michael Fannon
Mark Bianchi	Matthew Bartholomew	Michael Finn
Mark Braithwaite	Matthew Bennett	Michael Foley
Mark Brown	Matthew Birchall	Michael Gee
Mark Burgess	Matthew Clarke	Michael Goodfield
Mark Coe	Matthew Dunne	Michael Hall
Mark Davies	Matthew Ellis	Michael Hopper
Mark Frisby	Matthew Fisher	Michael Humphrey
Mark Fuller	Matthew Foster-Smith	Michael Kessler
Mark Gasson	Matthew Foulger	Michael Lay
Mark Heath	Matthew Gearing	Michael Litster
Mark Hewitt	Matthew Hawley	Michael Lovelock
Mark Hunter	Matthew Haynes	Michael McGarry
Mark Keymer	Matthew Illing	Michael Moss
Mark Lever	Matthew Ingram	Michael Ohare
Mark Maciver	Matthew Jones	Michael Quinn
Mark Matthews	Matthew Lindsay	Michael Rosewall
Mark Owen	Matthew Martin	Michael Sear
Mark Palmer	Matthew McManus	Michael Swanston
Mark Pancott	Matthew Miller	Michael Upton
Mark Penfold	Matthew Moore	Michael Van Sittert
Mark Percival	Matthew Nash	Michael Way
Mark Richardson	Matthew Robinson	Michael Wright
Mark Ridley	Matthew Rowson	Michaela Thomas
Mark Rogers	Matthew Sinclair	Michele Trickett
Mark Sloan	Matthew Stevenson	Michelle Astman
Mark Stephens	Matthew Way	Michelle Coote
Mark Tennant	Matthew Wesson	Michelle le Monnier
Mark Tilley	Matthew Whitlock	Michelle Lisle
Mark Vaughan	Matthew Williams	Michelle Moore
Mark Waldock	Matthew Woodhouse	Mick Wells
Mark West	Matthew Wright	Mihaela Duta
Mark Whitaker	Mattia Galassi	Mike Booth
Mark Williams	Mattia Tosi	Miles Burden
Mark Winder	Max Evans	Miles Turner
Mark Woodyatt	Megan Broadway	Millie Gregory
Mark Wordley	Megan Lyons	Minai Kanabar
Mark Wright	Megan May	Miroslaw Hebda
Marley Wingrove	Megan Wiley	Mkhonto Gumede
Martha Karczewska	Mehmet Asdoyuran	Mo Alhamwi
Martin Brown	Melanie Abbott	Mohamed Patel
Martin Oliver	Melanie Rogers	Mohamed Weheliye
Martin Osborne	Melanie Toole	Mohammad Mukhtar
Martin Pickard	Melissa Wadman	Mohammed Ali
Martin Turner	Melton Thompson	Mohammed Amin
Martin Williams	Melvin Metzger	Mohammed Hoque
Martin Winterburn	Melvyn Chamberlain	Mohammed Jamil
Martina Way	Mervyn Thorne	Mohammed Jimale
Martyn Somerville	Mhairi Wade	Mohammed Khalid
Martyn Spring	Mica Gray	Mohammed Ibad Khan
Mateusz Kosior	Michael Boughton	Molly Throup
Mathew Buckett	Michael Buckley	Mr Topps (retired)
Mathew Lampard	Michael Darroch	Mubashir Uddin
Mathew Mitchell	Michael Dinter	Murdo Martin

Murrin Kennedy
Murshed Ali
Myles Byfield

N

Nancy Jacques
Naomi McKenzie
Narinder Chatha
Nasir Hussain
Natalie McCuaig-Finlay
Natalie Paine
Natalie Ratsavong
Natasha McLeod
Nathan Austin
Nathan Bulleyment
Nathan Coulthard
Nathan George
Nathan Goodhew
Nathan Harry
Nathan Winterton
Nauris Vinkelis
Navdeep Reehal
Nayim Ahmed
Neely Stuart
Neha Shah
Neil Anderson
Neil Brownley
Neil Cato
Neil Homan
Neil Jeremy
Neil Jones
Neil Muckle
Neil Southgate
Neil Topping
Neil Wardlaw
Neil Williams
Nichola Humble
Nicholas Culley
Nicholas Gadd
Nicholas Hargreaves
Nicholas Kent
Nicholas King
Nicholas Lawrence
Nicholas Lodge
Nicholas Peedell
Nicholas Stone
Nicholas Taylor
Nicholaus Buchanan
Nick Meese
Nick Walch
Nick Wardman
Nickola Young
Nicky Glenister
Nicola Brownley
Nicola Fletcher
Nicola Hellett
Nicola Howlett
Nicola McWatt

Nicole Andrews
Nicole Colvin
Nicole Hutchison
Nigel Fleming
Nigel Slaughter
Nikolay Georgiev
Nishit Shah
Noeleen Ryan
Noor Abed
Norman Schwab
Numan Usman
Nuno Pinto Da Costa

O

Oliver Wallis
Olivia Dettmer
Olyvia Offley
Onder Madencioglu
Oscar Cork
Otis Kiananua
Ovidijus Dirzys
Owais Kaleem
Owen Tudor
Oz Masaya

P

Paige Makepeace
Paige Morgan
Pankaj Bhardwaj
Paolo Segagni
Paresh Nagar
Parminder Garcha
Patrick Howlett
Patrick Stoner
Paul Ace
Paul Baxter
Paul Brooks
Paul Burkett
Paul Burrow
Paul Cartledge
Paul Chapman
Paul Cheetham
Paul Clark
Paul Cowen
Paul Cox
Paul Dalby
Paul Fisk
Paul Galvin
Paul Gee
Paul Godefroy
Paul Gooch
Paul Haythorne
Paul Hubbard
Paul Irving
Paul Jenkinson-Finn
Paul Kelling
Paul Kelly
Paul Keymer

Paul Lee
Paul Lester
Paul Logue
Paul Miller
Paul Mills
Paul Nicholls
Paul Noyes
Paul Semple
Paul Smith
Paul Starkey
Paul Sumner
Paul Third
Paul Thomas
Paul Tregaskis
Paul West
Paul Whittington
Paul Whitworth
Paul Wilson
Paul Winter
Pauline Garrow
Pauline Harrison
Pauline Whitaker
Paulo Jorge Freitas Marques
Pawel Pudelko
Pawel Warych
Penny Davis
Perran Kelly
Peter Ambrose
Peter Callan
Peter Carr
Peter Charles
Peter Charters
Peter Clements
Peter Eagles
Peter Goulding
Peter Hanley
Peter Hunt
Peter Ijere
Peter Jackson
Peter Knights
Peter Lees
Peter Little
Peter Sincock
Peter Turtle
Peter West
Peter Wiles
Peter Young
Phil Weaver
Philip Botting
Philip Cranston
Philip Dunn
Philip Gallop
Philip James
Philip Speed
Philip Stocks
Philip Underhill
Philippa Hill

The Team

Phillip Walters
 Phillipa Hewitt
 Phoebe Webb
 Polly McMahon
 Poonam Patel
 Poppy Branch-Tarry
 Poppy Turner
 Portia Boehmer
 Preline Martha
 Przemyslaw Drabinski

Q

Quang Pham

R

Rabinder Gill
 Rachel Fellows
 Radoslaw Doktorski
 Rain Paterson
 Raj Surani
 Rajan Toora
 Rajesh Thanki
 Rajiv Vadgama
 Rajneet Sahota
 Rajnish Gaur
 Ratip Hassan
 Ravi Kalyan
 Rebeca Wallis
 Rebecca Ball
 Rebecca Carne
 Rebecca Cole
 Rebecca Godfrey
 Rebecca Hackett
 Rebecca Love
 Rebecca Mills
 Rebecca Moore
 Rebecca Oblein
 Rebecca Robson
 Reece Brewin
 Reece Brown
 Reece Moss-Matthews
 Reece Thorpe
 Rhiannon Holland
 Rhys Hedges
 Ricardo Paine
 Richard Bickers
 Richard Bleach
 Richard Bourne
 Richard Carter
 Richard Clark
 Richard Davies
 Richard France
 Richard Geare
 Richard Greenwood
 Richard Keane
 Richard Mann
 Richard Oates
 Richard Oldale

Richard Palfrey
 Richard Prescott
 Richard Senior
 Richard Small
 Richie Stephen
 Rickie Byrne
 Ricky Freeman-Roach
 Riley Hayward
 Rob Grassham
 Robbie Perry
 Robel Ghebrewold
 Robert Adams
 Robert Ballantyne
 Robert Beard
 Robert Black
 Robert Brown
 Robert Buckley
 Robert Chawner
 Robert Collins
 Robert Dennis
 Robert Dunn
 Robert George
 Robert Hardie
 Robert Howker
 Robert Keohone
 Robert Knight
 Robert Kweli
 Robert Mitchell
 Robert Moss
 Robert Myers
 Robert Parker
 Robert Prince
 Robert Spencer
 Robert Tsui
 Robert Twiner
 Robert Wyatt
 Roberta De Benedictis
 Robin Perrin
 Robin Stagg
 Robin Williams
 Rocky Bryan
 Rodrigo Bermeo-Rojas
 Rodrigo Branco
 Rodyvik Chineah
 Roger Gridley
 Roger Lazenby
 Roisin Smith
 Romal Williams
 Romans Petuhovs
 Romualdas Maciulevicius
 Ron Woolgar
 Ronnie-Leigh Pews
 Rory Reeves
 Rory Warwick
 Ross Ashbrook
 Ross Farrell
 Ross Langford

Ross Matthews
 Ross McGhee
 Roxanne Daly
 Roxanne Evans
 Russell Cox
 Russell Sell
 Ryah Webster
 Ryan Apark
 Ryan Buston
 Ryan Coleman
 Ryan Dunn
 Ryan Farquhar
 Ryan French
 Ryan Harris
 Ryan Hicks
 Ryan Iazard
 Ryan Randall
 Ryan Rowles
 Ryan White
 Ryhan Weekes
 Rytis Martinkenas

S

Sahibjit Samra
 Sam Attfield
 Sam Davis
 Samantha Davies
 Samantha Gray
 Samantha Leavis
 Samantha Makrygiannis
 Samantha Peters
 Samantha Stewart
 Sameer Jamdar
 Samir Maifi
 Samuel Egerton
 Samuel Gibson
 Samuel Hughes
 Samuel Kirk
 Samuel Knowles
 Samuel Murley
 Samuel Taylor
 Samuel Wheatley
 Samuel White
 Sandra Ramsay
 Sanjeev Pal
 Sara Lloyd
 Sarah Burnard
 Sarah Cassam
 Sarah Cunningham
 Sarah Darby
 Sarah Dobson Da Silva
 Sarah Holey
 Sarah Jordan
 Sarah Kite
 Sarah McLure
 Sarah Phipps
 Sarah Rose
 Sarah Sullivan

Sasha Kataria
 Satvinder Sandhu
 Savio Coutinho
 Saxon Owen
 Sayed Kazmi
 Scott Ahmad
 Scott Birdseye
 Scott Bond
 Scott Cameron
 Scott Carter
 Scott Hopwood
 Scott Johnston
 Scott McCartney
 Scott Ottaway
 Scott Thirlaway
 Scott Vickers
 Sean Brandist
 Sean Cahill
 Sean Dare
 Sean Gee
 Sean Hull
 Sean McClafferty
 Sean McLean
 Sean Speckman
 Sean Taylor
 Seku Brobbey
 Senervirathna Erandika
 Shafeek Mohamed
 Shahid Mahmood
 Shamara Mckenzie-Rochester
 Shana Esworthy
 Shane Bryan
 Shane Lindsay
 Shane Malone
 Shane Mason
 Shane Till
 Shannon Calf
 Shannon Dewdney
 Shannon Oliver
 Sharif Islam
 Shariq Modak
 Sharon Buckley
 Sharon Odum
 Sharon Papantoniou-Barrett
 Shaun Bryan
 Shaun Dodson
 Shaun Gordon
 Shaun Harwood
 Shaun Marshall
 Shaun Owens
 Shaun Pawsey
 Shaun Sargeant
 Sheena Smith
 Shelley Burton
 Shelley Carey
 Shelley Francis
 Shelley Rutter

Sheralyn Tidball
 Shrina Shah
 Shylo Brookes
 Sian Austen
 Sian Hart
 Sian Horrigan
 Silvi Atanasova
 Silvonne McLean
 Simon Beare
 Simon Bodell
 Simon Brookfield
 Simon Chapman
 Simon Chappell
 Simon Chappell
 Simon Felix
 Simon Green
 Simon Grimmett
 Simon Jackson
 Simon Lasham
 Simon Leslie
 Simon Lewis
 Simon Marks
 Simon Morgan
 Simon Neal
 Simon Pitt
 Simon Roberts
 Simon Webb
 Simon Witham
 Sinan Demir
 Sinead Fisher
 Siobhan Ashman
 Siobhan King
 Sion Ellis
 Slavka Georgieva
 Sophie Bishop
 Sophie Daggart
 Sophie Fallon
 Sophie Swann
 Sophie-Anne Farnworth
 Stacey Webb
 Staney Prabhakumar
 Stefan Clark-Carter
 Stefan Haworth
 Stefano Tedeschi
 Stefany Wiso
 Stephanie Bannister
 Stephanie Dinnis
 Stephanie Hogben
 Stephanie Kilner Roberts
 Stephanie Nevet
 Stephanie Shaw
 Stephanie Taylor
 Stephanie Thompson
 Stephen Adams
 Stephen Amos
 Stephen Anthony
 Stephen Boyd

Stephen Brand
 Stephen Carr
 Stephen Clayton
 Stephen Collins
 Stephen Corkett
 Stephen Edmonds
 Stephen Edwards
 Stephen Foote
 Stephen Freeman
 Stephen Gaylor
 Stephen Hall
 Stephen Harrington
 Stephen Johnson
 Stephen Kelly
 Stephen Lacey
 Stephen Lopes
 Stephen Machin
 Stephen Maidment
 Stephen Marshall
 Stephen Nicol
 Stephen Riley
 Stephen Sanders
 Stephen Seymour
 Stephen Smith
 Stephen Stubbs
 Stephen Watson
 Steven Barrowcliffe
 Steven Birch
 Steven Brown
 Steven Dooley
 Steven Dyer
 Steven Gillham
 Steven Higgins
 Steven Howells
 Steven Ives
 Steven Karkari
 Steven Kernot
 Steven Murray
 Steven Presley
 Steven Souter
 Steven West
 Steven Whitehead
 Steven Wood
 Stuart Barrett
 Stuart Clarke
 Stuart Corlett
 Stuart Fletcher
 Stuart Harris
 Stuart Haywood
 Stuart Munton
 Stuart Rees
 Stuart Ross
 Stuart Smith
 Stuart Stevenson
 Stuart Tannock
 Stuart Whitby
 Stuart Williams

The Team

Sukhdev Bains
 Summer Ellison
 Sunil Patel
 Susan Law
 Susan Shields
 Susanna Horwood

T

Tabitha Shipton
 Tahmid Islam
 Talia Blackwell
 Tammie O'Lone
 Tammie Spencer
 Tanya Roberts
 Tara Smith
 Tarik Bensadik
 Tauseef Usman
 Taylor Smith
 Terence Dooley
 Terry Manto
 Terry Prince
 Terry Salisbury
 Thomas Ashmore
 Thomas Caldicott
 Thomas Cunningham
 Thomas Darlaston
 Thomas Evans
 Thomas Johnson
 Thomas Langston
 Thomas Lee
 Thomas Mcgeown
 Thomas Miller
 Thomas Moran
 Thomas Murray
 Thomas Otley
 Thomas Quinn
 Thomas Reilly
 Thomas Ross
 Thomas Ryan
 Thomas Swain
 Thomas Utting
 Thomas Wade
 Thomas Wilkinson
 Tiffany Lambert
 Tim Chatfield
 Tim Hodges
 Tim Richards
 Timea Szabo
 Timothy Bentley
 Timothy Boardman
 Timothy Morgan
 Timothy Stanhope
 Timothy Tatlock
 Timothy Tuff
 Tiyana Duberry
 Toby Vennard
 Todd Routledge
 Tom Newman

Tom Wilson
 Toni Gormley
 Toni Skutela
 Tony Dumbleton
 Tracey Waterman
 Tracy Clewes
 Tracy Wearmouth
 Troy Fearon
 Troy Miller
 Tully Lennon
 Tyler King
 Tyler Lindsay
 Tyler Nossent
 Tyler Osborne
 Tyler Spridgeon
 Tyrone Horne

U

Udo Jungbecker
 Umut Ortac
 Uwais Ghumra

V

Valentin Ivan
 Vania Catanho
 Vaughan Batchelor
 Veronica Evett
 Veronica Zudaire
 Vicky Hall
 Victoria Atkinson
 Victoria Carrington
 Victoria Pearn
 Vi-Dung Luong
 Vilius Meilus
 Vinod Joshi
 Viorica Grapa
 Vishal Handa

W

Waqar Raja
 Warren Bester
 Warren Pettersen
 Wayne Randall
 Wesley Appadoo
 William Bailey
 William Barreda
 William Buxton
 William Foxley
 William Short
 William Stephens
 William Wylie
 Wyn Dunn-Davies

Y

Yaser Yakobi
 Yohannes Getachew
 Yousouf Cadinouche
 Youssef Djeraoui
 Yvonne Burgess
 Yvonne Hardingham

Z

Zachary Sutton
 Zainab Idris
 Zoe Atkinson
 Zoe Cardoo
 Zoe Gilbert
 Zoe Lees Walters
 Zoe Payne
 Zoe Stevens
 Zoe-Louise Speller

Store Locations

London

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

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

Midlands

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

Sheffield Hillsborough
Sheffield Meadowhall
Sheldon
Shrewsbury
Solihull
Spalding
Stoke
Stourbridge
Stratford upon Avon
Tamworth
Telford
West Bromwich
Wolverhampton
Worksop

North

Aintree
Alnwick
Anfield
Barrow
Beverley
Birkenhead
Blackburn
Blackpool
Bolton
Bradford
Bury
Carlisle
Cheadle
Cheetham Hill
Chester
Chorley
Cleveleys
Darlington
Durham Dragonville
Failsworth
Gateshead
Halifax
Harrogate
Huddersfield
Hull
Hyde
Knutsford Boutique
Leeds
Leeds Sheepscar
Macclesfield
Morecambe
Northallerton
Oldham
Ormskirk
Pontefract
Preston
Sale
Salford
Scarborough
Scunthorpe
ShIPLEY
Skegness

Snipe (Audenshaw)
Southport
St Helens
Stockport
Stockton
Sunderland
Tyneside
Wakefield Ings Road
Warrington
Widnes
Wigan
Workington
York Clifton Moor

Scotland and Northern Ireland

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

South

Abingdon
Andover
Amersham
Ashford
Aylesbury
Banbury
Barnstaple
Basildon
Basingstoke
Bath
Bedford Elms
Bexhill
Bicester
Bishops Stortford
Bodmin
Bognor Regis
Borehamwood
Bounds Green
Bournemouth
Bracknell
Braintree

Store Locations

Brentwood
 Bridgwater
 Brighton
 Bristol
 Broadstairs
 Buckingham
 Burgess Hill
 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
 Egham
 Erith
 Evesham
 Exeter Trusham Rd
 Exmouth
 Fareham Topps
 Farnborough
 Farnham
 Folkestone
 Frome
 Gatwick
 Glastonbury
 Gloucester
 Gravesend
 Grays
 Great Yarmouth
 Guildford
 Hailsham
 Harlow
 Harlow Ascent Park
 Havant
 Hedgend
 Hengrove
 Hereford
 High Wycombe
 Horsham
 Huntingdon
 Ipswich

Isle of Wight
 Isleworth
 Kings Lynn
 Launceston
 Letchworth
 Lewes
 Loughton
 Lowestoft
 Luton
 Maidstone
 Maidstone Langley
 Market Harborough
 Martlesham
 Millbrook (Southampton)
 Milton Keynes
 Moreton in Marsh
 Newbury
 Newhaven
 Newton Abbot
 Northampton
 Northampton Brackmills
 Norwich
 Norwich Hall Road
 Norwich Heigham
 Oxford
 Oxford Botley
 Penzance
 Peterborough (Rex Centre)
 Peterborough Boongate
 Plymouth
 Poole
 Portsmouth
 Rayleigh
 Reading
 Reading Rose Kiln Lane
 Ringwood
 Rugby
 Rustington
 Salisbury
 Saltash
 Sittingbourne
 Slough
 Southend
 St Neots
 Stamford
 Stevenage
 Strood
 Stroud
 Sudbury
 Sutton
 Swindon
 Swindon Stratton
 Taunton
 Thetford
 Thurrock
 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
 Haverfordwest
 Llanelli
 Merthyr Tydfil
 Neath
 Newport
 Rhyl
 Swansea Cwmdu
 Swansea Llansamlet
 Wrexham

Parkside Showrooms

Chelsea
 Leicester





Topps Tiles

TOPPS TILES PLC

Thorpe Way, Grove Park
Enderby, Leicestershire
LE19 1SU

www.toppstiles.co.uk