LAURA ASHLEY

ANNUAL REPORT 2017

Contents

Corporate Information

Board of Directors

Tan Sri Dr Khoo Kay Peng*‡	*Chairman*
Mr David Walton Masters*†	*Deputy Chairman*
Mr Ng Kwan Cheong	*Chief Executive Officer*
Mr Wong Nyen Faat†	

* Member of Remuneration Committee
‡ Member of Nomination Committee
† Member of Audit Committee

Chief Financial Officer & Joint Chief Operating Officer

Mr Seán Anglim

Joint Chief Operating Officer

Mr Nick Kaloyirou

Company Secretary

Mr Jonathan Gwilt

Registered Office

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Fulham
London SW6 2QA
Tel: 020 7880 5100

Registered Number

1012631

Country of Incorporation

England and Wales

Website

www.lauraashley.com

Principal Banker

Barclays Bank plc
1 Churchill Place
London E14 5HP

Auditor

Crowe Clark Whitehill LLP
Chartered Accountants
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Stockbrokers

Cantor Fitzgerald Europe
1 Churchill Place
Canary Wharf
London E14 5RB

Registrar and Transfer Office

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
Tel: 0370 707 1110

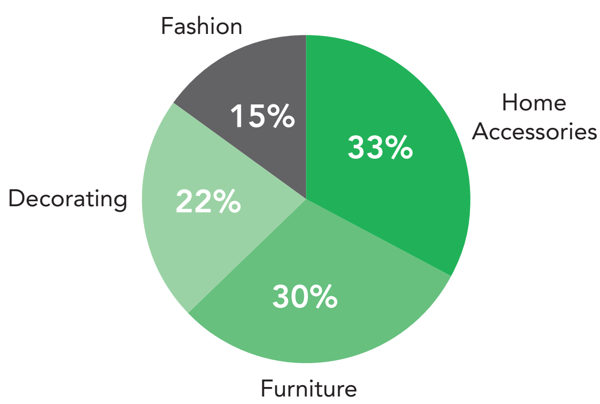
Summary

- Profit before tax and exceptional items** of £8.4m (2016: £24.7m – 74 week period).
- Profit before tax of £6.3m (2016: £22.8m – 74 week period).
- Total like-for-like* retail sales down 3.1%.
- Total Group sales of £277.0m (2016: £400.9m – 74 week period).
- Online revenue of £57.3m (2016: £73.5m – 74 week period).
- Online sales up by 5.6% on a like-for-like* basis.
- Hotel revenue of £2.5m (2016: £3.5m – 74 week period).
- The board is not recommending payment of a final dividend. Interim dividend of 0.5p per share already paid (2016: total dividend 2.5p per share – 74 week period).

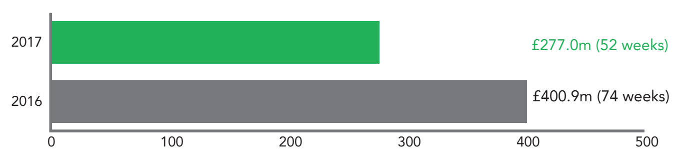
* References to like-for-like refer to a comparison of the 52 week period to 30 June 2017 with the 52 week period to 30 June 2016. Stores comparisons only include those that have traded throughout the full 2 year period to 30 June 2017.

** See page 10 for reconciliation of Profit before tax and exceptional items and Profit before taxation.

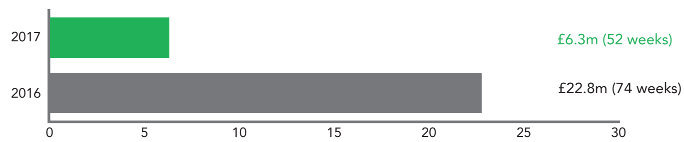
UK Retail Category Breakdown



Total Group Sales



Profit Before Taxation




fashion


home accessories


decorating
LAURA ASHLEY
HOME
Fine Quality Paint
Silver White
LAURA ASHLEY
HOME
Slate
MATT EMULSION
5 Litres
HOME
Dark Slate


furniture


hotels

Chairman's Statement

Overview

Total Group sales for the 52 weeks to 30 June 2017 were £277.0m compared with £400.9m for the 74 week period to 30 June 2016. Like-for-like* sales fell by 3.1%. E-Commerce sales were £57.3m (2016: £73.5m – 74 weeks). Like-for-like* e-Commerce sales grew by 5.6%.

Group profit before taxation was £6.3m (2016: £22.8m – 74 weeks). This is stated after a charge of £2.8m in respect of the impairment in the value of the property in Singapore following a recent independent valuation.

Operating expenses of £98.3m were recorded for the year (2016: £145.8m – 74 weeks).

Cash Flow and Statement of Financial Position

As at 30 June 2017, bank borrowings stood at £21.6m and the net cash overdraft balance was £10.7m. Inventory of £57.7m was in line with requirements. The bank borrowings reflect the balance of the loan due in respect of the property in Singapore which was acquired in 2015.

Dividend

The Board is not recommending payment of a final dividend. The total dividend paid for the year to 30 June 2017 remains at 0.5p, having already paid an interim dividend (period ended 30 June 2016, 2.5p – 74 weeks).

UK Retail

As at 30 June 2017, the property portfolio in the UK comprised 167 stores (June 2016: 192). The portfolio is as follows: 114 Mixed Product stores, 48 Home stores, 3 Concession stores, 1 Gifts & Accessories store and 1 Clearance outlet. During the reporting period, twenty five stores were closed and none opened, reducing total selling space by 6.5% to 681,000 square feet. Twenty two of the store closures were Homebase concession stores following the takeover of Homebase by the Australian Wesfarmers Group.

Over the coming year, we will open two new stores and close three stores as we optimise store profitability.

Total UK retail sales of £252.0m were recorded during the 52 weeks to 30 June 2017 (2016: £363.2m – 74 weeks). UK retail sales were affected by the closures of mainline stores and Homebase concessions.

Total e-Commerce sales of £57.3m were recorded during the 52 weeks to 30 June 2017 (2016: £73.5m – 74 weeks). On a like-for-like* basis, sales grew by 5.6%.

Product

The UK business is split into four main categories. For the year ended 30 June 2017, the relative split of UK sales was as follows: Home Accessories 33%, Furniture 30%, Decorating 22% and Fashion 15%.

Home Accessories

The Home Accessories product category includes lighting, gifts, bed linen, rugs, throws, cushions and children's accessories.

Home Accessories sales for the year to 30 June 2017 increased by 1.3% over the same period last year with like-for-like* performance up by 3.7%. Now our largest category, its continued growth is based on new, relevant and innovative products as well as an ever improving seasonal offering. As always, these products are designed to complement our decorating and furnishing themes.

Furniture

The Furniture product category includes upholstered and cabinet furniture, beds and mirrors.

Furniture sales for the year to 30 June 2017 decreased by 7.2% over the same period last year with like-for-like* sales down by 5.3%. Furniture is our most price sensitive category and we are reviewing the end to end supply chain to ensure that good value, as well as our rich and diverse depth of choice, enables the furniture business to flourish. New products have been added to enhance our comprehensive range.

Decorating

This category includes fabric, curtains, wallpaper, paint and decorative accessories.

Decorating sales for the year to 30 June 2017 fell by 5.9% with like-for-like* sales down 4.0%. While the performance of decorating has been below expectation, we remain confident that our combination of heritage and contemporary classic designs have broad and enduring appeal to both our existing and new customers.

Fashion

This category includes adult fashion, fashion accessories and perfumery.

Fashion sales for the year to 30 June 2017 decreased by 12.2% over the same period last year with like-for-like* sales down 10.4%. This performance has been disappointing and we have been working hard to remedy this. We have restructured our fashion team and appointed a new Head of Fashion, who joined us in

July 2017. We are confident that the building blocks are now in place to stabilise and grow our fashion business.

Hotel

The Laura Ashley hotel recorded sales of £2.5m for the year (2016: £3.5m – 74 weeks). Like-for-like performance was flat year on year. We continue to partner under license with a hotel in the Lake District (Laura Ashley Hotel, The Belsfield).

In June 2017 we opened our first Tea Room. Located in The Regency Hotel, Solihull, it has been met with both customer and media acclaim. Further Tea Rooms may be opened as we refine and develop the model.

International Operations

Contributing 7.4% of total Group revenue, our international Franchise and Licensing channels are an important and strategic part of our business. As at 30 June 2017, there were 243 franchised stores (252 as at 30 June 2016) in 29 territories worldwide.

Franchise and Licensing revenue of £20.6m was recorded during the year to 30 June 2017 (2016: £30.7m – 74 weeks). Like-for-like performance was down 1.1%.

We will continue to work closely with our partners and are confident that the Franchise and Licensing businesses will grow and develop.

We are pleased that we have signed a new licence partner, The Future Group, for the territory of India; the first stores will be opening in September 2017. We are continuing to grow and develop our online presence in China having launched a website there in November 2016. Progress has already been made in both of these territories. We are also in discussions with a number of potential partners in other territories in the Far East.

Current Trading and Outlook

Trading for the eleven weeks to 16 September 2017 is performing in line with management expectations.

Laura Ashley is known worldwide for high quality, beautifully designed products. With 33% of our sales coming from products manufactured in the UK, we are confident that the enduring nature and heritage of this much-loved British Brand will help position the Group's growth and development over the years to come.

Acknowledgements

The success of the Group is due, in no small part, to the hard work and commitment of the staff, management and my fellow board members. For this, I wish to convey my gratitude and appreciation.

For their continued support and loyalty to the Group, I would like to thank our customers, shareholders and suppliers.

Tan Sri Dr Khoo Kay Peng
Chairman

19 September 2017

Group Strategic Report

Business Overview

Laura Ashley is an international lifestyle brand which specialises in retailing furniture, home accessories, decorating and fashion products. The Group has retail stores based in the UK, Republic of Ireland and France and Franchise operations located across the world in 29 territories. Laura Ashley also has a number of Licensing partners manufacturing and supplying products such as fitted kitchens, carpets, window shutters, bed linen, tiles and cookware in the UK, Europe, Japan, America and Australia.

The Group owns a hotel in the UK, Laura Ashley The Manor Hotel, located in Elstree, Hertfordshire. It also has a licensing agreement with Corus Hotels Limited, which manages and is a major shareholder of Laura Ashley Hotel The Belsfield on the shores of Lake Windermere in the UK. Both hotels are showcases for Laura Ashley's product, design service and Brand.

Financial Performance

The Group's financial performance for the year has been adversely impacted by a number of factors, several of which have been outside of the Group's control.

Foreign currency exchange rate movements

Approximately two-thirds of the products sold by the Group are bought in the Far East and Europe and are paid for in US Dollars and Euros. The average exchange rates of Sterling against these currencies prevailing during the current and previous financial periods have depreciated by 15.2% and 13.8% respectively. As explained in note 20, a 1% depreciation in Sterling against the average rates for these currencies for a full twelve months could reduce the Group's profit by approximately £1.1m. Whilst it has been possible to offset some of these adverse movements by agreeing with suppliers to absorb certain amounts of the resulting increases, it has not been possible to pass on the additional Sterling costs to customers at the same rate at which they have been incurred and nor has it been possible to reduce direct and indirect costs sufficiently to mitigate the resulting impact on operating profit.

UK employment costs & legislative changes

As set out in the Directors' Remuneration Report on page 26, salaries and wages have risen by between 3% and 5% during the year primarily as a result of statutory increases in the levels of the National Living Wage and the National Minimum Wage. The impact of these increases has been mitigated where possible by increased focus on operational efficiencies.

Impairment

As shown in notes 12 and 13, an impairment charge of £2.8m on the value of the Singapore freehold property has been reflected in Group profit before tax.

Homebase concessions

The 22 Homebase concessions were closed during the financial period. Annual revenue and profits normally generated over a 52 week period would have been £14m and £1.4m respectively. To mitigate the on-going impact of these closures, customers have been actively encouraged to shop online, to visit neighbouring stores and, in some cases, new stores will be opened to provide continuity of presence. Our customers have responded well to these initiatives.

Impact of Brexit

The Group is monitoring the Brexit negotiations with a view to understanding how they may impact the business and will endeavour to take appropriate action where necessary.

Financial Position and Liquidity

The two most pronounced movements in the Group's financial position and liquidity during the year have been the increase in the value of inventories and the reduction in cash balances.

The increase in the value of inventories has primarily arisen from the impact of adverse movements in the value of Sterling against foreign currencies, particularly the US Dollar in which approximately half of the Group's stock purchases are made. Stock volumes held at the beginning and end of the financial period have remained relatively stable.

The reduction in balances of cash and cash equivalents has been due to a number of factors including costs of goods and dividend payments. Following a reduction in the Group's year on year profits, dividends awarded this period have been reduced accordingly.

Markets and Trends

The continued and improved performance of the Group's worldwide business depends on the management of the Brand, ensuring that it remains relevant and highly respected in an ever changing consumer environment.

Traditional marketing channels continue to be complemented by online marketing and social media. Facebook, Instagram, Pinterest, Twitter and other social media channels have become increasingly important in raising brand awareness.

The Group is committed to delivering a well-designed, high quality product range that is appropriate to each market. Product is selected and designed to reflect both the Brand handwriting and relevance to an eclectic customer base.

Product price and positioning are regularly reviewed to take account of consumer appetite and confidence as well as the margin requirements of the business.

Business Model

The Laura Ashley Lifestyle Brand, with its breadth of designs and products, is based on high standards of quality and value. We are proud of our British heritage, which dates back over 60 years, and we continue to build on this. Over 33% of our home furnishing sales are from products manufactured in the UK. Management ensures that products attain high standards of design and quality that are appropriate in all its international markets.

From traditional retail stores, to mail order catalogues, a stylish website and interior design consultancy service, we seek to offer a wide range of ways for people to purchase and be inspired by our products.

The Group trades in 412 stores worldwide, 169 of which are located in the UK, Ireland and France, with the remaining 243 being Franchise stores situated across the world. We operate five main store types comprising: mixed product stores (selling all product categories), home stores (selling home products only), home concession stores, fashion concession stores, gift and accessories stores and a clearance outlet. The Group will continue to review its store portfolio and positioning as the retail industry continues to evolve.

Direct business, encompassing e-Commerce and Mail Order, is a key part of the Group's multi-channel retail strategy and Laura Ashley delivers its full product range throughout the UK, France, Germany, Austria, Italy, Switzerland, Hungary, the Czech Republic and the Benelux countries. The online experience is constantly evolving and we regularly review and monitor our website to keep pace with the market.

The Group's Franchise business is built on the solid foundation of the Laura Ashley Brand which has enabled us to attract new Franchisees and increase the presence of the Brand around the world.

The Group has a number of Licensing partners who are selected for their product expertise and unique local knowledge. They provide the Group with the opportunity to enhance the Laura Ashley Brand and expand its Lifestyle product offering.

The Laura Ashley Design Service is available in the UK, Ireland and France. The Design Service team comprises more than 45 designers who offer bespoke and unique interior design solutions for our discerning customers.

Objectives and Strategies

The primary financial objective is the delivery of sustainable and satisfactory long-term return for our shareholders. We aim to achieve this through pursuit of the following strategies:

- Continuous improvement of customer service and customer satisfaction.
- Increasing Brand awareness.
- On-going improvement and development of our product ranges.
- Managing our store portfolio effectively.
- Expansion of our Franchising business in existing and new international markets.
- Ensuring Licensed products enhance the Laura Ashley Brand and expand our Lifestyle offer.
- Managing our gross and net margins through efficient sourcing of products, stock management and cost control.
- Multi-channel marketing strategy to maintain and grow our customer base.

In line with these strategies, the main initiatives that have been implemented during the year include:

- Recruitment of a Franchise partner for India.
- Appointment of a new Head of Fashion and a restructuring of the design team.
- Negotiation of a new internet service provider agreement in order to provide a more comprehensive multi-channel online experience.

Key Performance Indicators

The Group measures progress against clear targets and key performance indicators such as customer satisfaction and service, profit before tax, like-for-like sales growth, international expansion, product quality and growth of Brand exposure both in the UK and internationally.

UK Store Sales

Laura Ashley UK and Republic of Ireland has 167 stores as at 30 June 2017 compared to 192 as at the end of the last financial period. Total UK store sales for the 52 weeks ended 30 June 2017 were £196.0m (74 weeks ended 30 June 2016: £291.3m).

The performance of each store is reviewed and monitored on a weekly basis. Store performance is also measured on a like-for-like basis which provides an indicator of organic sales growth.

Like-for-like UK store sales for the 52 weeks to 30 June 2017 were down by 5.6%.

Store selling space

	30 June 2017	30 June 2016	% Change
Store numbers	**167**	192	(13.0%)
Square Feet ('000)	**681**	728	(6.5%)

Store selling space is defined as the trading floor area of a store, excluding stockroom, administration and other non-trading areas. UK store selling space decreased by 47,000 square feet in the 52 weeks ended 30 June 2017. The ongoing implementation of our store portfolio management strategy resulted in no stores being opened and 25 stores being closed during the year. Closures included 22 Concessions which ceased following the termination of the concession licence agreement with Homebase which took effect from 19 October 2016.

Gross Margin

The gross margin rate measures, in percentage terms, the total gross margin, which represents total revenue less cost of sales, over total revenue.

Gross margin rates decreased by 3.5% in the 52 weeks ended 30 June 2017 compared to the 74 weeks ended 30 June 2016 (3.5% on a like-for-like basis).

Direct Business

Our e-Commerce and Mail Order channels are vital parts of our multi-channel retail strategy. Total e-Commerce and Mail Order sales for the 52 weeks ended 30 June 2017 account for 22.4% of total UK retail sales.

With our various catalogues, our Mail Order remains an important marketing channel for Laura Ashley. We are preparing for a move to a new e-Commerce platform in early 2018. The total number of unique customer registrations on the Laura Ashley website reached 1,605,139 by 30 June 2017, an increase of 177,478 (12.4%) on the position at the start of the financial year. The totals reported in previous years were based on numbers of unique email addresses rather than separate individuals.

Franchising

Our international Franchising operations are an important part of the Laura Ashley business and provide a route to increased recognition of our Brand around the world. As at 30 June 2017 there were 243 (2016: 252) Franchised stores in 29 (2016: 29) territories worldwide.

Franchise revenue for the 52 weeks ended 30 June 2017 was £17.3m (74 weeks ended 30 June 2016: £25.7m). A number of international markets have been challenging in recent years and continue to be so. Issues which have impacted our Franchise operations during the year were, the continuing effects of a sluggish economy in Japan, on-going political turmoil in Ukraine and Russia, the continued slowdown of certain Eurozone economies and our former Australian partner going into administration. A new Australian partner has subsequently been appointed.

Licensing

Licensing income for the 52 weeks ended 30 June 2017 was £3.3m (74 weeks ended 30 June 2016: £5.0m). Laura Ashley has 74 licensing partners globally. During the year new licensing agreements were established for a ceramic tabletop collection and a range of outdoor planters. Existing licensed collections continue to perform well with significant sales increases from our licensed shutters and blinds, bathrooms and fitted kitchens.

Review of the Business

Home Accessories products registered positive like-for-like sales growth of 3.7%. Decorating, Furniture and Fashion registered like-for-like sales decreases of 4.0%, 5.3% and 10.4% respectively.

The Group's share of the results of its associate company, Laura Ashley Japan Co. Limited, was a loss of £1.4m (2016: loss of £1.9m).

During the 52 weeks ended 30 June 2017, as a percentage of revenue, operating expenses decreased to 35.5% from 36.4% in the previous period.

Financial Summary

	52 weeks to 30 June 2017 £m	74 weeks to 30 June 2016 £m
Revenue	**277.0**	400.9
Gross profit	**109.2**	171.9
Operating expenses	**98.3**	145.8
Profit before exceptional items	**8.4**	24.7
Profit before taxation	**6.3**	22.8
Earnings per share (excluding exceptional items)	**0.84p**	2.40p
Capital expenditure	**0.8**	41.2
Retirement benefit liabilities	**13.8**	16.2
Cash and cash equivalents	**(10.7)**	5.0

Reconciliation of Profit before tax and exceptional items and Profit before taxation

In this report, references are made to "Profit before tax and exceptional items" in order to provide a more meaningful measure of the underlying trading performance of the Group. A reconciliation of Profit before tax and exceptional items and Profit before taxation is given in the table below:

	2017 £m	2016 £m
Profit before tax and exceptional items	8.4	24.7
Exceptional items (see note 33)		
Impairment of Singapore Property (see notes 12 and 13)	(2.8)	–
Gains/(losses) on disposals of stores	0.8	(0.1)
Non-store redundancy costs	(0.1)	–
Bad debt provision	–	(1.3)
Back-dated tax charge	–	(0.5)
	(2.1)	(1.9)
Profit before taxation	6.3	22.8

Results

Revenue for the 52 weeks ended 30 June 2017 was £277.0m (74 weeks ended 30 June 2016: £400.9m) and total gross profit for the 52 weeks ended 30 June 2017 was £109.2m (74 weeks ended 30 June 2016: £171.9m).

Profit before taxation is the preferred and principal indicator of the profitability for the Group. Profit before taxation for the 52 weeks ended 30 June 2017 was £6.3m (74 weeks ended 30 June 2016: £22.8m).

There was a net exceptional loss in the 52 weeks ended 30 June 2017 of £2.1m (74 weeks ended 30 June 2016: loss of £1.9m).

The Group recorded a decrease in the pension liability provision of £2.4m. This was primarily due to positive returns on the Scheme's investments over the period and contributions paid in to the Scheme. These positive items were partially offset by the fall in corporate bond yields, resulting in a 2017 discount rate of 2.6% (2016: 3.05%).

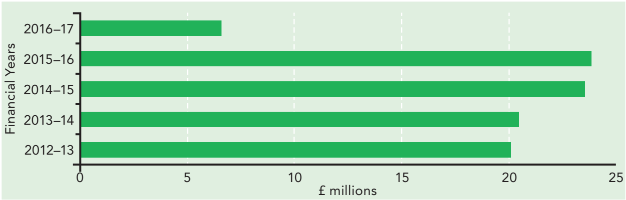
Revenue and Operating Results

Total retail sales for the 52 weeks ended 30 June 2017, including e-Commerce and Hotel, were £255.8m (74 weeks ended 30 June 2016: £368.3m). UK retail store sales densities inclusive of VAT for 52 weeks ended 30 June 2017 were £332 per square foot compared to £330 per square foot in the previous 74 week financial period on a pro-rata basis. Non-retail sales amounted to £21.2m for the 52 weeks ended 30 June 2017 (74 weeks ended 30 June 2016: £32.6m).

Total store revenue for the 52 weeks ended 30 June 2017 for the UK, Ireland and France amounted to £196.0m (74 weeks ended 30 June 2016: £291.3m). Total direct sales for the 52 weeks ended 30 June 2017 were £57.3m (74 weeks ended 30 June 2016: £73.5m).

Operating expenses for the 52 weeks ended 30 June 2017 were £98.3m (74 weeks ended 30 June 2016: £145.8m).

Profit Before Taxation – 5 year summary



Profit before taxation for the 2015/16 period has been restated.

Taxation

The taxation charge for the period comprises taxation for the Group and the associate entity on current and prior periods' taxable profits.

The effective tax rate for the current period is higher than the rate of UK Corporation tax as a result of the decrease in the Group's overall deferred tax asset. This reduction was due to the reduction in the UK tax rate and the increase in unrecognised deferred tax assets arising in the overseas subsidiaries.

In the previous period, the effective tax rate was higher than the rate of UK Corporation tax primarily due to the decrease in the Group's overall deferred tax asset due to the reduction in the UK tax rate and non-relievable losses arising in Japan.

Net Assets

Net assets of the Group as at 30 June 2017 amounted to £35.4m, a decrease of £8.5m compared to the net assets for the previous period as re-stated (decrease of £11.5m compared to the net assets for the previous period as previously reported).

The Group had a net negative cash positon of £10.7m at the year-end (2016: positive £5.0m) and a clean inventory position.

Store Portfolio

Changes to the Group's store portfolio during the financial period were as follows:

Number of Stores	UK and Ireland	France	Total
June 2016	192	2	194
Opened	–	–	–
Closed	(25)	–	(25)
June 2017	**167**	**2**	**169**

Net Square Footage ('000)	UK and Ireland	France	Total
June 2016	728	4	732
Opened	–	–	–
Closed	(47)	–	(47)
June 2017	**681**	**4**	**685**

Cash and Banking

The Group's net cash flow during the period is shown below:

	2017 £m	2016 £m
Operating activities	**(12.9)**	(4.0)
Investing activities	**(0.8)**	(41.2)
Financing activities	**(2.0)**	22.4
Net cash (outflow)	**(15.7)**	(22.8)

The Group's cash balances decreased during the period as follows:

	2017 £m	2016 £m
Opening net funds	**5.0**	27.8
Total cash (outflow)	**(15.7)**	(22.8)
Closing net (overdrafts)/funds	**(10.7)**	5.0

The Company paid dividends amounting to £14.5m to shareholders in the 52 weeks ended 30 June 2017. Total capital expenditure for the financial period ended 30 June 2017 was £0.8m (2016: £41.2m, which included the acquisition of a building in Singapore in June 2015).

We are optimistic that the Group will continue to generate cash inflow from its operations for the foreseeable future. Subject to thorough review, surplus cash will be invested in the long-term interests of the business and that of its shareholders.

Treasury

The Group's treasury strategy is controlled through a Treasury Committee, chaired by the Chief Executive Officer. The Committee meets regularly throughout the period. The Treasury function arranges funding for the Group and all operating units. The Committee's objectives are to review and control cash flow, control interest costs and minimise foreign exchange exposure.

Principal risks and uncertainties

A robust assessment of the Group's risks and uncertainties is undertaken by the Board. The Board is informed at every meeting of the principal risks and uncertainties of activities across the Group, which could have a material impact on the Group's long and short term performance and action plans to mitigate these risks. The Group's risk assessment process is designed to identify, manage and mitigate business risks. The key principal risks and the actions taken to mitigate the risks and uncertainties identified by the Group are set out on page 12.

The Board considers that these are the most significant risks in achieving the Group's business goals. The risks listed do not comprise all those associated with the Group and are not set out in any order of priority. There could be additional risks and uncertainties which are not presently known to management or currently deemed to be less material, which may also have an adverse effect on the business. The Group's risk management policies and procedures are also discussed in the Report on Corporate Governance.

Risk Management

The Management Committee monitors the internal risk management function across the Group and advises on all relevant risk issues. There is regular communication with internal departments and external advisory bodies and regulators. It also has access to external support, where required, in order to ensure that standards are maintained and the issues raised are discussed and, where necessary, addressed. The Group's policies on financial instruments and the risks pertaining to those instruments are set out in the accounting policies on page 41 and note 20 to the financial statements.

Business Continuity

The Business Continuity Plan is regularly updated and implemented throughout the Group. A regular audit of the plan is undertaken to ensure that management teams are kept informed of any changes that will have an impact on their respective areas of operations.

Principal risks and mitigating activities

Issue	Risk	Mitigating Activities
Retail Strategy Failure of the Home and Fashion business to meet sales and margin targets.	Adverse effect on financial results.	New and innovative product offering, exploiting areas of strength of the Brand to ensure products meet the expectations of our customers.
Failure to maintain or increase market share.	Loss of market share and customer loyalty.	Review promotional strategies to drive trade.
Failure to optimise store portfolio.	Impact of unprofitable locations on Group profitability.	Continuous review of store locations.
Failure to develop innovative product ranges.	Loss of credibility as a niche retailer.	Continue to enhance the customer experience. Use of third party design resource. Continuous product sourcing review to remain competitively priced.
People Failure to attract, develop and retain talent with the correct skills and capability for further development as part of our succession policy.	Inability of the team to perform duties efficiently, develop and execute business plans due to lack of experience and the right skills. Competitive disadvantage.	Continued review of staff in key positions. Continue to train actively new team members. Maintain employee communication.
e-Commerce Failure to deliver sales growth online by failing to meet customer expectations or through failure of the website.	Adverse effect on financial results. Loss of market share and customer loyalty.	Continue to invest in the Group's digital platform to meet consumers' needs. Focus on improved order fulfilment and customer service.
Franchise & Branding Failure to grow our international business successfully through Franchise and Licensing partnerships.	Adverse effect on financial results. Damage to the Brand.	Continue to grow the Brand internationally by looking for appropriate partners in new territories. Forge strong relationships with key partners and Licensees.
Finance Failure to maintain cost efficient funding and generate sufficient cash flow.	Adverse effect on financial results and inability to pay suppliers and other third parties on time.	Stringent cash flow management including daily cash monitoring. Active negotiation with suppliers to reduce impact of vagaries of foreign exchange. Foreign exchange hedging as required.
Information Technology Failure of central computer servers that manage points of sale, contact centre or website.	Inability of staff or customers to place and process orders, leading to loss of revenue and consumer confidence.	Regular upgrade and constant checks of existing software and hardware.
The risk of loss of staff, customer or corporate data.	Loss of trust in the Company/Brand. Loss of revenue to the Group.	Invoke full disaster recovery plan with priorities set for each application. Systems security regularly updated. IT suppliers/partners thoroughly vetted.

Other Considerations

Environment

The Group continues to place a high level of importance on environmental considerations and has a responsibility to manage the impact of its business on the environment. Key focus areas continue to be: energy and water use as well as emissions from stores, warehouses, distribution centres and offices; fuel emissions from the transportation of products to either stores or customers' homes; waste created in stores, warehouses, distribution centres and offices. A summary of the Group's greenhouse gas emissions is available on page 14 within the Directors' Report.

Viability Assessment

The Directors have assessed the prospects of the Group by reference to its financial position, recent and historical financial performance, current forecasts and the principal risks and mitigating factors described above. In addition, the Board regularly reviews the financing position of the Group and its projected funding position and requirements. The Group is financially strong and over recent years has shown ability to generate both profits and cash. The Directors review forecast income statements and cash flow projections on a regular basis. In addition, the likelihood and impact of severe but plausible scenarios in relation to the principal risks are assessed, both individually and collectively, taking into consideration mitigating actions that might be undertaken in particular situations. In looking at different scenarios Directors have assessed the sensitivities of outcomes to changes in the underlying assumptions.

The principal risks are regularly assessed as to the likely impact on the business over a 3 year period. The viability of the business is not seen to be at risk at this time. The Directors are confident during this period that the Group will grow and will be able to meet its liabilities as they fall due.

In our viability assessment we have assumed that the current weakness of Sterling will continue until the Brexit negotiations are concluded. In mitigation of this, we are continuing to develop the online business and expansion in to overseas territories.

Employees

The Group values and respects its employees and endeavours to engage their talents and abilities fully. It aims to be a good employer and provide personal development, training and equality of opportunity. It also aims to achieve high standards in employment practices and has a comprehensive suite of employment policies and procedures. These policies include procedures covering grievance resolution, bullying and harassment and equal opportunities.

The table below shows the number of employees by gender in the Group as at 30 June 2017.

	Group 2017		Company 2017	
	Female	Male	Female	Male
Directors, including Non-Executive Directors	2	4	2	4
Senior managers	2	2	–	–
Other employees	2,525	661	–	–

Corporate Social Responsibility

As the Group expands both globally and online, we endeavour to ensure that our product ranges are manufactured and transported in both a socially responsible and ethical fashion. The Group is committed to positive change, taking responsibility for the impact we make as we grow.

Health & Safety

The health and safety of our employees and those who enter our premises are protected by managed systems in all our places of work. The health and wellbeing of our employees are supported by providing a range of health services to employees throughout the Group. The Group's objectives are to manage its business in a safe manner and to take suitable measures to ensure that its activities do not harm our employees, customers or others entering the premises.

The Group operates a Health and Safety Policy and all areas are risk assessed and audited to ensure adherence. During the period, we continued our programme of annual audit reviews and the updating of risk assessments to ensure continued compliance.

Social, Ethical & Environmental Matters

The Group is committed to addressing social, ethical and environmental matters in a way that aims to bring value to all our stakeholders. The Group continues to strive to improve in these areas by acting in an ethical manner, developing positive relationships with our suppliers and taking responsibility for our impact on the environment. Through contributions to charities and community organisations, the Group actively seeks to improve the quality of life for those in the community who are less fortunate.

By Order of the Board

Jonathan Gwilt

Company Secretary

19 September 2017

Directors' Report

The Directors present their annual report and audited financial statements for the financial period ended 30 June 2017.

Results for the financial period and Business Review

The Group's results for the financial period ended 30 June 2017, business review of the Group and description of the principal risks and uncertainties facing the Group have been set out in the Chairman's Statement on pages 5 to 6 and the Group Strategic Report on pages 7 to 13. The Directors confirm that they have reviewed the proposed budgets and forecasts for at least 12 months from the date of signing the annual financial statements for the financial period ended 30 June 2017.

The Board is not recommending payment of a final dividend. Having already paid an interim dividend on 15 March 2017, the total dividend paid for the 52 weeks ended 30 June 2017 will remain at 0.5p per share (74 weeks ended 30 June 2016: 2.5p per share).

Capital structure

Details of the ordinary shares of the Company, authorised and issued, are shown in note 23. The Company has only one class of ordinary shares of 5 pence per share, which carry no right to fixed income. Each holder of ordinary shares is entitled to receive the Company's Annual Report and audited financial statements, to attend and speak or appoint proxies and to exercise voting rights at the general meetings of the Company.

The Company's Articles of Association (the "Articles") do not have any specific restrictions on the transfer of shares, restrictions on voting rights nor are there limitations on the holding of such shares. 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. Shareholders with significant interests are disclosed on page 16.

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

Under its Articles, the Company has authority to allot ordinary shares up to an aggregate nominal value of £12,309,583.57 representing 33% of the issued share capital as at 22 August 2017.

The appointment and replacement of Directors and powers of the Directors are governed by the Company's Articles, the UK Corporate Governance Code, the Companies Act 2006 and related legislation. The powers of Directors are described in the main Board terms of reference, copies of which are available on request, and in the Report on Corporate Governance on pages 19 to 22.

Global Greenhouse Gases (GHG) emissions for the reporting period 1 July 2016 – 30 June 2017

We are reporting on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports Regulations 2013) which fall within our consolidated financial statements.

This report has been prepared in compliance with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), and emissions have been calculated using the conversion factors published in the UK Government Defra's GHG Conversion Factors for Company Reporting 2016 (V1.0).

GHG emissions for the Group for the financial period ending 30 June 2017 were 18,269 tonnes of carbon dioxide equivalent (tCO_2e) at an intensity ratio of 65.95 tCO_2e per £m sales.

GHG emissions for period: Emission sources	2016-2017 (July 16 – June 17) Tonnes CO_2e
Fuel combustion (stationary)	2,392
Fuel combustion (mobile)	7,057
Electricity, heat, steam and cooling	8,821
Total (tCO_2e)	**18,269**
Intensity ratio (tCO_2e per £m sales)	65.95

Methodology and emission factors

These emissions were calculated using the methodology set out in the updated greenhouse gas reporting guidance, Environmental Reporting Guidelines (ref. PB 13944), issued by the Department for Environment Food and Rural Affairs in June 2013. Defra's 2016 emissions factors were used.

Emissions from F-gas (refrigerant leaks) are not included as this data was not available.

Future developments

The Chairman's Statement and Group Strategic Report include developments intended for the Group in the foreseeable future.

Board of Directors

The names of the Directors of the Company are shown on page 2.

In accordance with the Company's Articles, Mr Wong Nyen Faat, whose service contract expires on 8 January 2018, will offer himself for re-election as Director of the Company at the Annual General Meeting ("AGM"). In addition to the requirements of the Company's Articles, Mr Walton Masters, whose current service contract expires on 18 May 2019 will offer himself for re-election at the AGM in accordance with the UK Corporate Governance Code.

Details of the current Directors are as follows:

Tan Sri Dr Khoo Kay Peng, 78, Non-Executive Chairman, joined the Board in February 1999. He is the Chairman and Chief Executive of Malayan United Industries Berhad and MUI Properties Berhad. He is also the Chairman of Pan Malaysian Industries Berhad, Metrojaya Berhad, West Synergy Sdn Bhd and Corus Hotels Limited, United Kingdom. He is presently a trustee of Regent University, Virginia, USA, a board member of Northwest University, a Council Member of the Malaysian-British Business Council, the Malaysia-China Business Council and the Asia Business Council. He was the Chairman of the then Tourist Development Corporation (now known as the Malaysia Tourism Promotion Board) and Vice Chairman of Malayan Banking Berhad (Maybank). He was previously a Director of SCMP Group Limited (South China Morning Post) and The Bank of East Asia Limited, Hong Kong and a trustee of the National Welfare Foundation. Tan Sri Dr Khoo was conferred an Honorary Doctor of Letters by the Curtin University of Technology, Perth, Australia in 1993, Honorary Doctor of Law by Northwest University, Kirkland, Seattle, USA in 2000 and Doctor of Philosophy in Business Management (Honoris Causa) by UCSI University, Malaysia in 2011. In 1985, he was awarded the Manager of the Year by the Harvard Business School Alumni Club of Malaysia and he was also honoured with the Entrepreneur of the Year Award by the Asian Institute of Management Graduates' Association of Malaysia and the Association of Banks, Malaysia. In 2012, he was awarded the Lifetime Achievement Award for 'Leadership in Global Business' by the Asian Strategy & Leadership Institute at the World Chinese Economic Forum. In 2013, he was awarded the Lifetime Achievement Award for entrepreneurship by Enterprise Asia and the BrandLaureate Premier Brand ICON Leadership Award. Also in 2013, he was conferred a medal by the United States Commission on International Religious Freedom, a Commission established by the United States Congress. In February 2015, he was awarded Chairman of the Year by the BrandLaureate Brand Leadership Awards 2014-2015. Tan Sri Dr Khoo is the Chairman of the Nomination Committee and the Remuneration Committee.

Mr David Walton Masters, 73, Non-Executive Deputy Chairman of the Company, joined the Board in March 1998. He is Chairman of the Audit Committee and a member of the Remuneration Committee. Mr Walton Masters was formerly a managing partner at stock brokers Phillips & Drew, in charge of the International Department; Chief Executive of County NatWest Securities; Managing Director of Morning Star Investment Management Limited Hong Kong; Executive Deputy Chairman of Corus Hotels Limited; Executive Chairman of City of London Group plc and previously a director of other quoted and unquoted companies. He is currently a Non-Executive Director of Perenco International Ltd, and Non-Executive Director of Asprey International Limited.

Mr Ng Kwan Cheong, 69, was appointed Chief Executive Officer and Executive Director on 5 January 2012. He was formerly the Chief Executive Officer of the Company from 1999 to 2003 and a Non-Executive Director of the Board from 26 March 2008. Mr Ng is currently on the boards of Laura Ashley Inc., Laura Ashley (North America) Inc., Regent Corporation Inc. and Corus Hotels Limited. He was also the former President of Laura Ashley Inc. and Regent Corporation Inc. and the former Managing Director of Metrojaya Berhad, the retailing arm of the MUI Group.

Mr Wong Nyen Faat, 60, was appointed to the Board as a Non-Executive Director on 9 January 2012. He is a member of the Audit Committee. Mr Wong is the Chief Operating Officer of the MUI Group and the Executive Director of Pan Malaysian Corporation Berhad. He also sits on the Board of Pan Malaysia Industries Berhad, Pan Malaysia Holdings Berhad, Pan Malaysia Capital Berhad, Metrojaya Berhad and Corus Hotels Limited. He previously served as Executive Director of Morning Star Resources Limited in Hong Kong. He holds a First Class Honours Bachelor's Degree in Science (Mathematics) with Education from University of Malaya and a Masters degree in Business Management from the Asian Institute of Management.

Other Directors

Three further Directors served during the period since 1 July 2016 and have subsequently resigned. Ms Joyce Sit resigned on 2 May 2017 and Ms Sally Kealey resigned on 10 August 2017. Ms Kwa Kim Li resigned as Independent Non-Executive Director on expiration of her term on 6 September 2017.

Directors' interests

As disclosed in note 29 to the financial statements and the Executive Directors' service contracts, none of the Directors has, or have had during the financial year, a material interest in any contract of significance relating to the business of the Company or its subsidiaries. The table on page 24, which shows the Directors' interests in the shares of the Company, forms part of this Report.

Directors' indemnity

The Group maintains Directors and Officers liability insurance, which gives appropriate cover against any legal action that may be brought against them.

Auditor

The Group appointed Crowe Clark Whitehill LLP as auditors on 26 April 2017. A resolution proposing the re-appointment of Crowe Clark Whitehill LLP as auditors to the Company and to authorise the Directors to determine the audit fee will be put to the forthcoming AGM.

Disclosure of information to auditor

In the case of each of the Directors who were Directors at the date this Report was approved:

- So far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- Each of the Directors has taken all the steps that he or she ought to have taken, as a Director, in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Communications

The Company places a great deal of importance on communication with its shareholders. The Company publishes concise financial statements for its half-year results and a full report for its full year results. Shareholders may elect to receive both reports by mail or to receive notification of their availability on the Company's website at www.lauraashley.com. Shareholders also have direct access to the Company via its free shareholder information telephone service (see page 79).

All shareholders have the opportunity to ask questions and make suggestions at the Company's AGM.

Significant interests

The Directors are not aware of any other interest amounting to 3% or more of the issued share capital of the Company other than those listed below, as disclosed to the Company pursuant to the Disclosure and Transparency Rules.

As at 22 August 2017	Number of Ordinary Shares	Percentage of Issued Share Capital[3]
MUI Asia Limited	255,938,185	35.17%
ABB Nominee (ASING) Sdn Bhd[1]	108,725,000	14.94%
Bonham Industries Limited[2]	79,120,822	10.87%
Ruffer	37,347,723	5.13%
Aeon Co	35,220,606	4.84%

[1] Bonham Industries Limited has granted a charge over 108,725,000 ordinary shares in favour of ABB Nominee (ASING) Sdn. Bhd. Bonham Industries Limited remains the beneficial owner of all of the ordinary shares which are subject to the charge.

[2] KKP Holdings Sdn. Bhd., Soo Lay Holdings Sdn. Bhd. and Tan Sri Dr Khoo Kay Peng are each interested in these shares.

[3] Excluding 18,272,500 treasury shares.

Going concern

The Board is of the opinion that the Group will have sufficient funding to meet its working capital needs. The Group operates with limited overdraft from time to time and continues to review any possible uncertainties in the current economic climate which may give cause to additional funding requirements.

The Group's business activities, together with the factors likely to affect its further development, performance and financial position, are also set out in the Chairman's Statement and the Group Strategic Report. The financial position of the Group, its cash flow and its liquidity position are contained in the Notes to the Financial Statements. These include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of financial instruments and exposures to credit risk, interest rate risk, foreign currency risk and liquidity risk.

The Group has adequate financial resources to meet the obligations of its commitments to customers and suppliers across different geographic areas and industries. As a consequence, the Directors are confident that the Group is well placed to manage its business risks successfully despite the current challenging economic outlook.

Since the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Other disclosures

Listing Rules 9.8.4 prescribes specific information to be included in the Annual Report and Accounts. The information required is provided or cross-referenced to other sections of the Annual Report as follows.

Details of the Executive Directors' long-term incentive scheme are available in the Directors' Remuneration Report on page 23.

The Group has entered into a Continuing Relationship Agreement with the largest shareholder, details of which can be found within the Report on Corporate Governance on page 19.

Details of the Directors' interests in the shares of the Company are available within the Directors' Remuneration Report on page 24.

Details of significant interests in the Company are available within the Directors' Report on page 16. No changes in significant interest have been disclosed to the Company between the financial year-end and 14 September 2017.

The Directors have provided a statement that they consider the business is a going concern in the section above.

At the AGM held in October 2016, The Company was authorised by shareholders to make market purchases of up to 10% of its issued share capital as permitted under the Company's Articles. No shares have been bought back under this authority during the year ended 30 June 2017. The authority expires at the conclusion of the 2017 AGM of the Company when the Directors will seek to renew this authority.

Details of how the Group has applied the Main Principles of the UK Corporate Governance Code are available in the Report on Corporate Governance, pages 19 to 22.

Details of Directors proposed for election or re-election are provided on page 15 within the Director's Report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under the law, the Directors have elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year, and of the total statement of comprehensive income, statement of financial position and cash flows of the Group for that period. In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Group and Parent Company Financial Statements respectively; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions, and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect 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. The Directors are aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors will be advised by the Company Secretary of any new requirements and provisions as they come into force. The Directors believe that compliance with regulatory requirements will complement their overall duty to ensure the success of the Company in meeting its objectives.

The Directors consider that the Annual Report and Financial Statements for the year ended 30 June 2017, taken as a whole, to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

Directors' responsibility statement pursuant to the Disclosure and Transparency Rules, Section 4 (DTR 4)

Each of the Directors confirms to the best of their knowledge that:

(a) The Group and Company financial statements in this Report have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the Group taken as a whole; and

(b) A fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face have been set out in the Strategic Report.

Annual General Meeting

You will find enclosed a Form of Proxy for use by each shareholder at the AGM. Whether or not you intend to be present at the meeting, you are requested to complete and sign the Form of Proxy in accordance with the instructions thereon, and to return it as soon as possible but, in any event, so as to arrive at the Company's Registrars by 10am on 17 October 2017. The completion and return of a Form of Proxy will not preclude you from attending the AGM and voting in person should you so wish.

By Order of the Board

Jonathan Gwilt

Company Secretary

19 September 2017

Report on Corporate Governance

Compliance

The Board endorses the UK Corporate Governance Code (the "Code"). During the financial year ended 30 June 2017, the Group has complied with the provisions set out in the Code, except to the extent disclosed below.

The Board

The Board comprises three Non-Executive Directors, including the Chairman and Deputy Chairman, and one Executive Director being the Chief Executive Officer of the Group. As noted on page 15, three other Directors have served during the period.

The Board has five scheduled meetings a year, but meets more frequently when business requires, and has full and timely access to all relevant information to enable it to carry out its duties.

The Board is responsible for the overall performance of the Group, which includes the broad strategic direction, development and control of the Group. The policies and strategies of the Group are formulated by the Board. More detailed considerations to do with the running of the day-to-day business of the Group are delegated to the Management Committee under the leadership of the Chief Executive Officer. The Board governs the Management Committee by regularly monitoring the implementation of strategy and policy decisions to ensure that the operation of the Group is at all times in line with the Group's objectives.

The Board has regular contact with the Company Secretary for his service and advice. The Company Secretary is responsible for advising the Board on corporate governance matters and ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board decides on the appointment and removal of the Company Secretary. The Board also has access to professional advice within the Group and externally. The Group purchases appropriate insurance cover in respect of legal action against its Directors and Officers.

The Chairman's main function is to manage the Board so that the Group is run in the best interests of its stakeholders. It is also the Chairman's responsibility to ensure the Board's integrity and effectiveness. Since his original appointment in 1999, the Chairman has been re-elected by the shareholders at the AGM. The Chairman holds meetings with the Non-Executive Directors without the Executive Director present.

Non-Executive Directors/Board independence

The Group is fortunate in having the services of its Non-Executive Directors who provide an important contribution to the strategic development of the Group.

The Non-Executive Directors have access to the Chairman if they wish to discuss specific issues regarding the performance of the Executive Directors. Where required, meetings between Non-Executive Directors without the presence of the Chairman or the Executive Directors can be easily convened.

Under the provisions of the Code on small companies, the Group must have at least two independent Non-Executive Directors on the Board. The Board is of the view that Mr David Walton Masters is an independent Non-Executive Director and, accordingly, is able to provide an independent view on matters discussed and decisions taken at Board level. The Board is also of the opinion that Mr David Walton Masters' judgement as independent Non-Executive Director is not affected notwithstanding the fact that he has served the Board for more than nine years since his first election. He will retire in accordance with provision B.7.1 of the Code and will seek re-election as an independent Non-Executive Director at the AGM. In addition, the Board recognises Mr David Walton Masters as the Senior Independent Non-Executive Director. Ms Sally Kealey served as independent Non-Executive Director until her resignation on 10 August 2017. Ms Kwa Kim Li resigned as Independent Non-Executive Director on expiration of her term on 6 September 2017. The Board are currently in the process of searching for new independent Non-Executive Directors.

As part of a subscription exercise that was undertaken in May 1998, a Continuing Relationship Agreement was entered into between the Group, Malayan United Industries Berhad ("the MUI Group") and MUI Asia Limited (a 100% subsidiary of the MUI Group). The Board confirms that the Company has complied with the Continuing Relationship Agreement and, so far as they are aware, the controlling shareholders have also complied with the Continuing Relationship Agreement. The Continuing Relationship Agreement gives the MUI Group the right to appoint Directors to the Board. The MUI Group is currently entitled to appoint three Directors and their replacements. Tan Sri Dr Khoo Kay Peng and Mr Wong Nyen Faat are the current MUI appointed Directors.

Directors' attendance

The attendance of Directors at meetings convened between 17 August 2016 and 22 August 2017 is set out below:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	Number of Meetings Convened	Number of Meetings Attended	Number of Meetings Convened	Number of Meetings Attended	Number of Meetings Convened	Number of Meetings Attended	Number of Meetings Convened	Number of Meetings Attended
Tan Sri Dr Khoo Kay Peng	5	5	–	–	3	3	2	2
Mr David Walton Masters†	5	5	5	5	3	3	–	–
Mr Ng Kwan Cheong	5	5	–	–	–	–	–	–
Mr Wong Nyen Faat	5	5	5	5	–	–	–	–
Ms Kwa Kim Li†	5	5	–	–	3	3	2	2
Ms Sally Kealey**†	5	4	5	4	–	–	2	2
Ms Joyce Sit Meng Poh*	5	2	–	–	–	–	–	–

* Ms. Joyce Sit Meng Poh resigned as the Director of the Company with effect from 2 May 2017.

** Ms. Sally Kealey resigned as the Director of the Company with effect from 10 August 2017.

† Independent Director

Directors' elections

Any new Director appointed during the financial year is required, under the provisions of the Company's Articles, to retire and seek election by shareholders at the next AGM. The Articles also requires that one-third of the Directors retire by rotation each year and seek re-election at that AGM. The Directors required to retire will be those in office longest since their previous re-election and this will usually mean that each Director retires at least once in every three years, although there is no absolute requirement to this effect. In order to fully comply with the Code, it is the Group's policy that every Director should submit themselves for re-election at least once in every three years, wherever possible.

Directors' powers

As resolved at last year's AGM, the Directors have the power to allot shares with an aggregate nominal value up to an amount equal to £3,730,176.84 representing 10% of the issued share capital of the Company. In addition, the Directors have the power to make market purchases of the Company's shares up to 10% of the issued share capital of the Company.

The Directors who will be seeking re-election at the AGM this year have had their performance appraised by the Chairman of the Company, who believes that these persons have contributed effectively to the Board and are committed to the best interests of the Company. The performance evaluation of the Chairman was led by the Senior Independent Non-Executive Director taking into account the views of all Directors.

Board performance evaluation

During the year ended 30 June 2017, the Board undertook an evaluation of its own performance and its individual Directors including the Chairman.

The results of the evaluation were satisfactory. It was concluded that the Board and its Committees, having the right mix of knowledge and skills, operated effectively with a sound corporate governance and risk management framework. The Board communicated well and gave useful feedback to the senior management of the Group who, in turn, provided timely information of the right length and quality to the Board. The Board members also agreed that the Board and Committee meetings were of the appropriate length to enable thorough consideration of issues.

Board committees

The Board has delegated specific responsibilities to the Audit, Nomination and Remuneration Committees. The Board considers that all the members of each Committee have the appropriate experience and none of them has interests which conflict with their positions on the Committees. All Board Committees have their own terms of reference, which are available from the Company Secretary upon request.

Nomination Committee

The Nomination Committee, the membership and quorum of which is a majority of Non-Executive Directors, meets as required to decide and give recommendations to the Board on all matters relating to the selection, number, appointment and removal of Executive and Non-Executive Directors to the Board. The recommendations of the Nomination Committee are put to the full Board, which considers them before any appointment is made. The members of the Nomination Committee during the financial year were Tan Sri Dr Khoo Kay Peng (Chairman), Ms Sally Kealey and Ms Kwa Kim Li.

The Nomination Committee ensures that the Group has adequate policies and procedures in place to maintain equality of opportunity for all.

Remuneration Committee

The Remuneration Committee meets at least once a year and is responsible for advising on the remuneration policy for Directors only. The Remuneration Committee considers any remuneration package before it is offered to a potential appointee. It does not set or monitor the level or structure of remuneration for members of senior management.

Members of the Remuneration Committee during the financial year were Tan Sri Dr Khoo Kay Peng (Chairman), Mr David Walton Masters and Ms Kwa Kim Li. Mr David Walton Masters and Ms Kwa Kim Li are independent Non-Executive Directors. The Chairman lends his considerable managerial and sector expertise to the committee.

Details of the level and composition of the Directors' remuneration are disclosed in the Directors' Remuneration Report on pages 23 to 29.

Audit Committee

The Audit Committee has four scheduled meetings a year. The Chief Executive Officer, Joint Chief Operating Officers, Chief Financial Officer, Internal Audit Manager and the Company's external auditor attend the meetings of the Committee at the invitation of the Committee's Chairman.

The members of the Audit Committee during the financial year were Mr David Walton Masters (Chairman), Ms Sally Kealey and Mr Wong Nyen Faat. Mr David Walton Masters and Ms Sally Kealey were independent Non-Executive Directors. These Directors have been chosen for their recent and relevant financial and retail sector experience.

The Audit Committee undertakes a number of duties to ensure the satisfactory discharge of its responsibilities. It is the duty of the Committee to ensure that the integrity of the financial statements of the Company is duly monitored. This involves the review of all financial statements relating to the Company's performance. It assists the Board in ascertaining that the Group's financial systems provide accurate information on its financial performance and that its published financial statements represent a true and fair reflection of this position. During the review of the financial statements, the Committee focused on the following significant areas. They were discussed and addressed with the management and external auditors, and no significant differences arose.

a. During the period the Committee reviewed the pension scheme funding position and the actuarial assumptions underlying the calculations. The Group's statement of financial position shows a net deficit of £13.8m, compared with the net deficit of £16.2m in the previous year. The Committee was satisfied that the assumptions were reasonable and consistently applied.

b. During the period the Committee reviewed the need for general accounting estimates, including those in respect of stock valuation, sales returns rates, royalty income and dilapidations with reference to what is generally considered appropriate for the retail sector. The Committee was satisfied that the estimates remain appropriate and reasonable.

The Committee is aware of the new IFRS 16 'Leases' accounting standard which is due for implementation for accounting periods commencing on or after 1 January 2019. The standard requires lessors to account for all leased assets as finance leases. As the Group has significant operating lease expenditures, adopting the standard is likely to have a material impact on the accounts by increasing both assets and liabilities. The undiscounted amount of future lease commitments as at 30 June 2017 was £76m. The Board is continuing to assess the impact that this new Standard is likely to have at the date of first adoption (financial year beginning 1 July 2019).

The Committee is also responsible for regularly reviewing the effectiveness of the Group's internal controls. The Committee has regular dialogues with the Internal Audit Manager and is involved in the assessment and implementation of any internal audit plan.

The Committee has the primary responsibility for making a recommendation to the Board on the appointment, re-appointment and removal of the external auditor. In making the recommendation for re-appointment, the Audit Committee will assess cost effectiveness, independence and objectivity of the external auditor. The Board will include a resolution in the next AGM proposing re-appointment of the external auditor and authorising the Board to determine the audit fee. The Audit Committee has considered the guidance in relation to rotation including the transition rules which will be considered when recommending the appointment of the auditor in future years. Crowe Clark Whitehill LLP was appointed as auditor in 2017 following the resignation of Moore Stephens LLP as auditors in 2017.

The Committee meets regularly with the external auditor to discuss matters relating to the financial reporting and internal controls of the Group as well as topical items on which the Committee has chosen to focus. It also assists the Board in ensuring that appropriate accounting policies, internal controls and compliance procedures are in place. During the period under review, specific issues considered by the Committee included prior period adjustments and the key audit matters identified by the external auditors (covered in their audit report on page 31).

The Audit Committee Chairman reports to the Board on the main issues arising from any Audit Committee meeting held immediately prior to a Board meeting. The finalised Audit Committee meeting minutes are circulated to Board members for their information.

Crowe Clark Whitehill LLP was appointed as auditor during the year and, given that this is their first year as auditors, we will conduct an effectiveness review of their audit in due course and report on this in next year's Annual Report.

Internal control

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that it has carried out a review of the effectiveness of the Group's systems of internal controls covering financial, operational, compliance and other controls.

The Board monitors the headline issues of health and safety, environment, ethics and risk management.

The Directors have sought to establish clear operating procedures, lines of responsibility and delegated authority. In particular, procedures exist for:

- Monthly financial reporting, within an annual budgeting and annual forecasting process;
- Maintaining day-to-day financial control of operations within a framework of defined financial policies and procedures on key business activities;
- Business wide risk management policy and standards;
- Planning, approving and monitoring major projects; and
- Regular performance monitoring with remedial action taken where necessary.

In addition, the Board also takes the necessary steps to ensure that reviews are carried out on the various systems of internal control that are currently in place throughout the Group. The Group has a whistle-blowing policy in place, which has been communicated to all Group employees. This policy enables employees to raise any concerns that they have, in confidence, on methods of financial reporting or on any other matters.

At regular intervals, both the Board and the Audit Committee consider a risk management update report, which gives an assessment on whether internal control elements for risk management have been met. The Board believes that the information provided in such updates is in accordance with Internal Control and related Financial and Business Reporting.

Necessary actions are taken to remedy significant failings or weaknesses arising from internal control reviews.

Relations with Shareholders

The Company continues to maintain good communications with shareholders. The Laura Ashley website provides up-to-date information on the Group. The Company despatches the Notice of AGM at least 21 days before the meeting.

The Board considers the AGM to be an opportunity to meet and communicate with investors, giving shareholders the opportunity to raise any issues or concerns they may have. The Chairmen of the Audit, Nomination and Remuneration Committees will be available at the AGM to answer any queries raised. In accordance with the provisions of the Code, the Company will provide an indication at the AGM of the level of proxies lodged on each resolution. Registered shareholders have direct access to the Company and receive a copy of the Annual Report, which contains the full financial statements of the Company. At the Company's AGM, shareholders are given the opportunity to express their views and ask questions pertaining to the Company and its businesses.

Directors' Remuneration Report

Remuneration Committee Chairman's Statement

On behalf of the Board, I am pleased to present our Directors' Remuneration Report for the year ended 30 June 2017. Shareholders will be invited to approve the Remuneration Report for the year ended 30 June 2017 (which will be a non-binding advisory vote) at the Company's AGM on 19 October 2017.

The Directors' Remuneration Report has been prepared on behalf of the Board by the Remuneration Committee in accordance with the requirements of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

Membership of the Remuneration Committee comprises entirely Non-Executive Directors. The current members of the Remuneration Committee are Tan Sri Dr Khoo Kay Peng (Chairman of the Remuneration Committee) and Mr David Walton Masters. Ms Kwa Kim Li served during the period up to her resignation on 6 September 2017.

The Remuneration Committee determines the remuneration of each Director. During the year ended 30 June 2017, the Remuneration Committee considered that the current level of remuneration of Board members was satisfactory.

It is envisaged that the remuneration components for Executive Directors for the period ending 30 June 2018 will be very similar to those in place for the year ended 30 June 2017, as shown in the components table on page 27.

On behalf of the Board,

Tan Sri Dr Khoo Kay Peng

Chairman

19 September 2017

Directors' Remuneration

The 'single figure' table below represents the Directors' remuneration during the period ended 30 June 2017 and period ended 30 June 2016 (1 February 2015 to 30 June 2016) and relates to the period of each Director's membership of the Board. Such emoluments are normally paid in the same financial year, except for bonus payments, which relate to the previous financial year.

	Salaries & Fees		Benefits[1]		Annual Bonus		Long Term Incentive		Pension Benefits[2]		Total	
	2017 £000	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000	**2017 £000**	2016 £000
Executive Directors												
Mr Ng Kwan Cheong	**185**	262	**46**	66	**–**	–	**–**	–	**19**	26	**250**	354
Ms Joyce Sit Meng Poh[3]	**129**	165	**11**	11	**–**	–	**–**	–	**–**	–	**140**	176
Sub-total	**314**	427	**57**	77	**–**	–	**–**	–	**19**	26	**390**	530
Non-Executive Directors												
Tan Sri Dr Khoo Kay Peng	**200**	283	**–**	–	**–**	–	**–**	–	**–**	–	**200**	283
Mr David Walton Masters	**50**	71	**–**	–	**–**	–	**–**	–	**–**	–	**50**	71
Ms Sally Kealey	**30**	43	**–**	–	**–**	–	**–**	–	**–**	–	**30**	43
Ms Kwa Kim Li	**30**	43	**–**	–	**–**	–	**–**	–	**–**	–	**30**	43
Mr Wong Nyen Faat	**30**	43	**–**	–	**–**	–	**–**	–	**–**	–	**30**	43
Sub-total	**340**	483	**–**	–	**–**	–	**–**	–	**–**	–	**340**	483
Total*	**654**	910	**57**	77	**–**	–	**–**	–	**19**	26	**730**	1,013

1 Benefits paid to Mr Ng Kwan Cheong, CEO, include a car allowance, housing allowance and private medical expenses.

2 Mr Ng Kwan Cheong receives a pension benefit equivalent to 10% of basic salary paid to his nominated private pension scheme.

3 Ms Sit was President of Laura Ashley (Asia) Pte Ltd, Singapore until her resignation on 2 May 2017 and her remuneration was borne by that company.

* All figures are rounded to the nearest £1,000. Figures shown for 2016 are for the 74 weeks ended 30 June 2016.

Payments to Past Directors

No payments were made during the period ended 30 June 2017 (2016: nil) to any past Directors of the Company.

Payments for Loss of Office

Ms Joyce Sit Meng Poh resigned as Executive Director during the period ended 30 June 2017. No payments in respect of compensation for loss of office were paid to, or were receivable by, any Director (2016: nil).

Directors' Shareholdings

There is no requirement for any Director to own shares in the Company.

The interests of the Directors in the shares of the Company are shown below:

	Financial year ended 30 June 2017	Financial period ended 30 June 2016
Tan Sri Dr Khoo Kay Peng	**187,845,822***	187,845,822*
Mr David Walton Masters	**1,000,000**	1,000,000
Ms Sally Kealey	**775**	775

* Bonham Industries Limited, KKP Holdings Sdn. Bhd. and Soo Lay Holdings Sdn. Bhd. are each interested in these shares. 108,725,000 shares owned by Bonham Industries Limited are charged to ABB Nominee (ASING) Sdn. Bhd. and Bonham Industries Limited remains the beneficial owner of these shares.

There were no changes in Directors' Shareholdings between the financial year-end and 22 August 2017.

All interests in share capital were held as beneficial interests. Mr Ng Kwan Cheong, Ms Kwa Kim Li, Mr Wong Nyen Faat, and Ms Joyce Sit Meng Poh did not have any interest in the issued share capital of the Company at any time during the financial year.

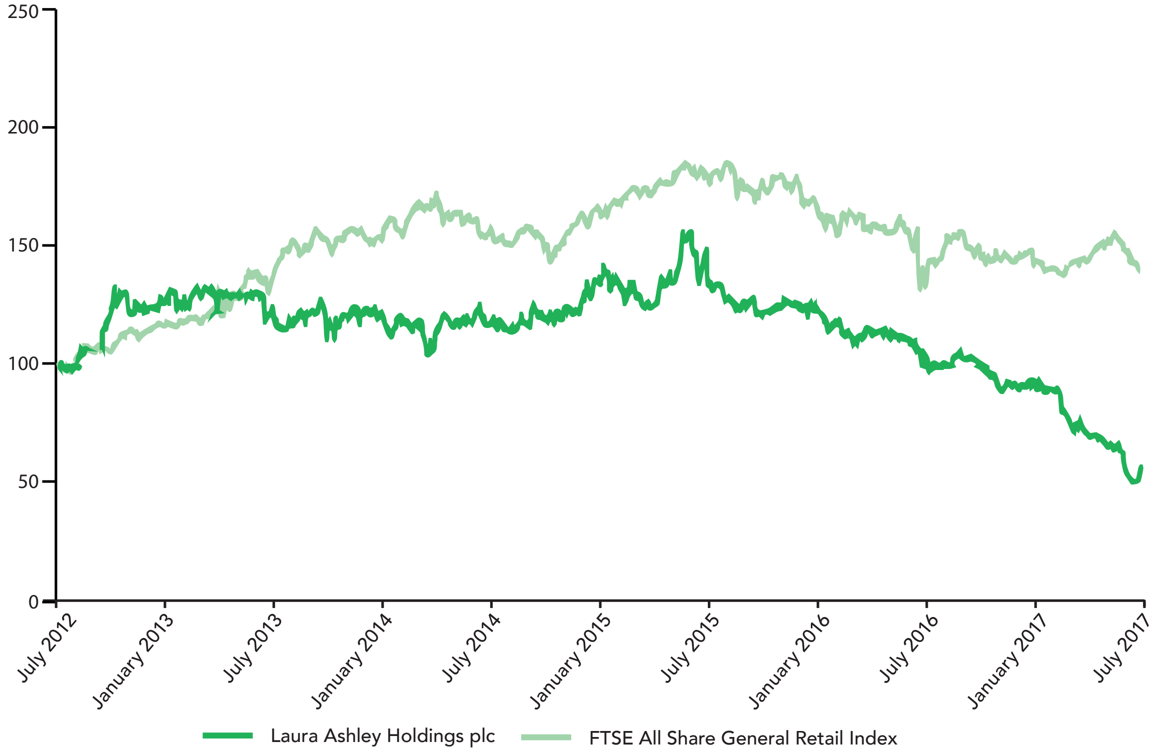
Audited Information

Details of the remuneration and Directors' shareholding interests for the financial year ended 30 June 2017 disclosed on page 23 and above have been audited by the Group's external auditor, including payments to past directors and payments for loss of office.

Total Shareholder Return

The graph below illustrates the Company's performance, measured by total shareholder return, compared with the performance of the FTSE General Retailer Index for the period 31 July 2012 to 31 July 2017. The FTSE 350 General Retailers Index is a suitable comparative index to benchmark the Company's performance because it comprises public-listed entities that the Company considers as its direct and indirect competitors in the industry.

Total Shareholder Return Performance



The above graph shows the value, by 30 June 2017, of £100 invested in Laura Ashley Holdings plc on 31 July 2012 compared with the value of £100 invested in the FTSE All-Share General Retailers Index, and assuming application of any benefit in cash, at the time it becomes available, in the purchase at their market value of shares of the same kind which are added to the holding.

Table of Historical Data

Year	Chief Executive Officer	Total remuneration £000*	Annual bonus payout £000*	Annual bonus payout as a % of total that could have been paid[2]
2017	Mr Ng Kwan Cheong	250	–	–
2016	Mr Ng Kwan Cheong[1]	354	–	–
2015	Mr Ng Kwan Cheong	250	–	–
2014	Mr Ng Kwan Cheong	250	–	–
2013	Mr Ng Kwan Cheong	250	–	–
2012	Mr Ng Kwan Cheong	18	–	–
	Ms Lillian Tan Lian Tee	281	40	N/A
2011	Ms Lillian Tan Lian Tee	283	35	N/A
2010	Ms Lillian Tan Lian Tee	234	–	–

[1] Remuneration received from 1 February 2015 to 30 June 2016.

[2] The Company did not have a long-term incentive plan or formal bonus scheme in place during the seven-year period reported on above. Any bonus payments were determined at the discretion of the Remuneration Committee.

* All figures are rounded to the nearest £1,000.

Percentage Change in Remuneration of Chief Executive Officer

The table below shows the percentage change in annual salary, benefits and annual bonus earned between the period ended 30 June 2016 and the year ended 30 June 2017 for the Chief Executive Officer compared to the average paid to all Laura Ashley employees each year.

	Salary[1] %	Benefits[2] %	Annual Bonus %
Chief Executive Officer	–	0.03	–
Employees – non-minimum wage	3.11	3.08	0.07
Employees – minimum wage	4.88	1.36	–

[1] Salary is an average based on the National Minimum Wage increase in October 15 and the National Living Wage increase for those over 25 in April 16.

[2] The benefits have increased due to an increase in the private medical premium for all employees who have private medical cover.

Relative Importance of Spend on Pay

The table below shows the total pay for all employees compared with distributions to shareholders.

	Year ended 30 June 2017 £m	Period ended 30 June 2016 £m	Change[2] %
Employee costs[1]	55.3	75.6	3.6
Ordinary dividends	14.5	14.5	–

[1] Total employee costs includes wages and salaries, social security costs, benefits and pension costs.

[2] Adjusted for differing lengths of financial periods.

Statement of Voting at AGM

The table below shows the percentage of votes cast for, votes against and votes withheld at the AGM held on 12 October 2016, in relation to the ordinary resolutions to approve the Directors' Remuneration Report for the period ended 30 June 2016.

	Percentage of Votes cast for	Percentage of Votes Against	Number of Votes Withheld
Directors' Remuneration Report	99.92%	0.08%	145,186

Directors' Remuneration Policy

The Policy on remuneration of Directors for the next three years set out on pages 27 to 29 will be put forward for shareholders' approval at the Company's AGM on 19 October 2017 and will apply until shareholders next consider and vote on the Policy.

Main components of remuneration

The main components of Executive Directors' remuneration for the period from 19 October 2017 and beyond (the Policy period), as well as for the period ended 30 June 2017, are summarised in the table below:

Component	Purpose and link to strategy	Operation (including maximum levels)	Framework used to assess performance and provisions for recovery of sums paid
Base salary	The provision of the core reward for the role at a sufficient level to attract and retain skilled individuals of the necessary calibre to execute the Group's strategy.	Base salaries are normally reviewed annually. Salaries are typically set after considering information from independent sources on salary levels for similar posts, the responsibilities of the role, the individual's performance and their experience. Pay awards to Executive Directors take account of prevailing market and economic conditions. Salaries may be adjusted and any increase will ordinarily be in line with the wider employee group in percentage terms. Increases above those granted to the wider workforce may be awarded in certain circumstances, e.g. where there is an increase in responsibility and performance. The salary level for Chief Executive Officer for the financial period ended 30 June 2017 (1 July 2016 – 30 June 2017) was £185,000 (2016: £262,083 – 74 weeks).	The Remuneration Committee considers individual salaries at the appropriate Remuneration Committee meeting each year after having due regard to the factors noted in operating the salary policy. No recovery provisions apply to salary.
Benefits	Benefits are offered to Executive Directors as part of a competitive remuneration package.	Benefits comprise private medical expenses, housing allowance and car allowance. The cost to the Company of providing private medical expenses may change from year to year depending on the cost of providing the benefit. The Chief Executive Officer received a car, housing allowance and medical benefits totaling £46,000 for the period ended 30 June 2017 (1 July 2016 – 30 June 2017) (2016: £65,900 – 74 weeks).	Not applicable. No recovery provisions apply to benefits.
Annual bonus	The annual bonus rewards the achievement of annual financial and operational goals.	Maximum opportunity is 100% of salary for Executive Directors payable in cash. All bonus payments are at the discretion of the Committee.	Bonuses are based on key financial and operational performance indicators (e.g. profit before tax) set and assessed by the Committee at its discretion. Bonus payments are subject to recovery at the discretion of the Remuneration Committee in the event of a misstatement of results for the year to which the bonus relates, or an error in the determination of the bonus within three years of the payment of the bonus.
Incentive schemes	To incentivise and realise execution of the business strategy over the longer term. Rewards strong financial performance and sustained increase in shareholder value.	Incentive schemes are not considered appropriate for the Company.	Not applicable. No recovery provisions are applicable.
Pension benefit	To reward sustained contribution and encourages retention.	Executive Directors are offered a fixed salary supplement, calculated as a percentage of base salary, payable to a nominated private pension scheme.	Not applicable. No recovery provisions apply to pension benefits.

The Remuneration Committee sets the overall policy on remuneration and other terms of employment of Directors. It does not set or monitor the level or structure of remuneration for members of senior management. The Remuneration Committee aims to ensure that the remuneration packages offered are competitive and designed to attract, retain and motivate Directors of the right calibre.

Remuneration for Non-Executive Directors consists of fees for their services in connection with Board and Committee meetings. These fees are to be determined by the Remuneration Committee without the involvement of the Non-Executive Directors concerned. Non-Executive Directors do not participate in any Group pension, bonus or share option schemes.

The Remuneration Committee takes account of remuneration and benefits information in the marketplace when assessing pay and benefits of the Directors within the Group. The Remuneration Committee also considers general pay, benefits and employment conditions of all employees within the Group when assessing the level of salaries and remuneration packages of Executive Directors and Non-Executive Directors.

When appointing new Executive Directors, they will be eligible for the same remuneration components as current Executive Directors, as set out in the Main Components of Remuneration table on page 27.

Bonus payments are awarded at the discretion of the Remuneration Committee.

On appointment, new Non-Executive Directors will be eligible for the same remuneration components as the current Non-Executive Directors. The fees paid are intended to reflect the scope of the Board's work and the responsibility related to serving on the Board.

Service Contracts/Letters of Appointment for Directors:

a. Non-Executive Directors do not have service contracts with the Company, but have letters of appointment for a period of two to three years.

b. The Company is obliged to reimburse all Non-Executive Directors for all reasonable expenses and independent legal advice incurred in carrying out their duties.

c. The Company is obliged to ensure that all Non-Executive Directors are covered with appropriate liability insurance during their tenure.

d. The Company recognises that its Directors are likely to be invited to become Non-Executive Directors of other companies and that exposure to such non-executive duties can broaden their experience and knowledge which will benefit the Group. Executive and Non-Executive Directors are therefore, subject to approval of the Company's Board, allowed to accept non-executive appointments, as long as these are not with competing companies and are not likely to lead to conflicts of interest. Executive and Non-Executive Directors are allowed to retain the fees paid.

Payments for loss of office

The Company is entitled to terminate the services of any Non-Executive Director without any notice period and the services of any Executive Director with three (3) months' notice. In that event, the Non-Executive Director or Executive Director is not entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of appointment in question. There is no pre-determined compensation on termination of the service contracts of any Executive Director.

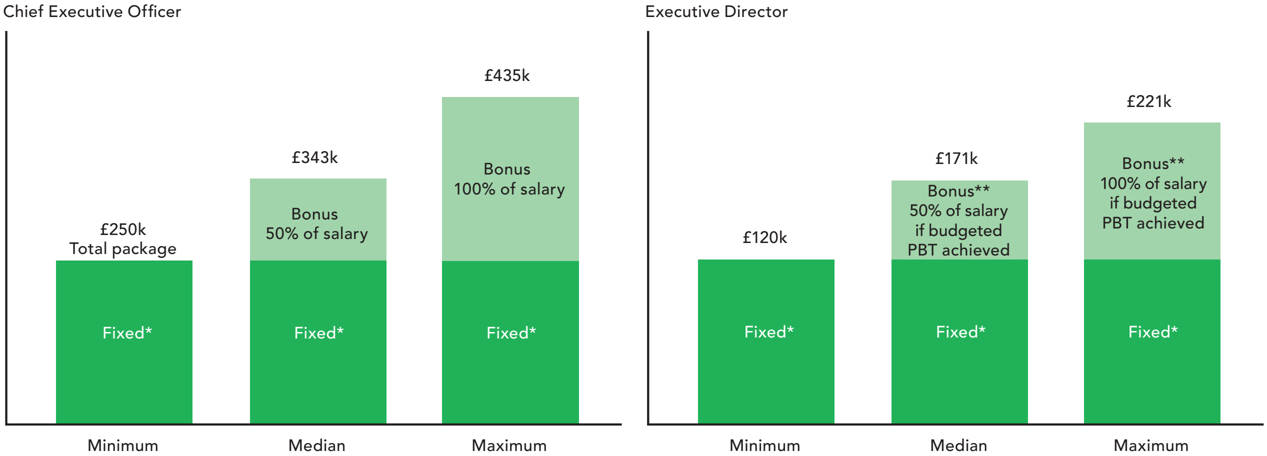
Loss of office payments and their component parts are determined and awarded at the discretion of the Committee.

Unexpired Service Contract

Mr Wong Nyen Faat and Mr Walton Masters will both offer themselves for re-election as Directors at the forthcoming AGM of the Company. Their respective service contracts expire on 8 January 2018 and 18 May 2019.

Value of the remuneration package for the Chief Executive Officer

The chart below provides an indication of the amount receivable by the Company's Executive Directors under the remuneration policy for the period ending 30 June 2017.



* Fixed remuneration includes base salary, cash benefits and pension benefit, and uses the values for 2016/17, as shown in the 'single figure' table on page 25.

* Fixed remuneration includes base salary, cash benefits and medical benefits.

**Bonus is earned on the incremental increase in profit before tax, excluding exceptional items.

Consideration of employment conditions elsewhere in the Group

When determining the remuneration policy and arrangements for Directors, the Remuneration Committee considers the pay and employment conditions elsewhere in the Group. The Remuneration Committee does not consult with employees when drawing up the Remuneration Policy and no remuneration comparison measurements were used in its preparation.

Consideration of shareholder views

Any views in respect of Directors' remuneration expressed to the Company by shareholders are considered at each meeting convened by the Remuneration Committee.

Resolutions

A resolution to approve the Directors' Remuneration Report will be put forward to shareholders at the AGM on 19 October 2017.

On behalf of the Board,

Tan Sri Dr Khoo Kay Peng

Chairman

19 September 2017

Independent Auditor's Report

to the members of Laura Ashley Holdings plc

We have audited the financial statements of Laura Ashley Holdings plc (the "Parent Company") and its subsidiaries (the "Group") for the 52 week period ended 30 June 2017 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Cash Flow Statements and the related notes numbered 1 to 37.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 June 2017 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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.

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.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on page 11 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 11 in the annual report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement set out on pages 16 and 17 in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group and the Parent 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;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 13 in the annual report 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 their period of assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

In relation to the principal risks and viability statement, our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit. (Listing Rules).

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.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	
Revenue is recognised in accordance with the accounting policy set out in the financial statements. The accounting policy contains a number of judgements including the level of retail sales returns.	We performed substantive testing to determine whether the accounting policy had been correctly applied, taking into consideration the treatment of returns and gift cards. We tested a sample of transactions from the point of origin to the financial statements, covering retail, licensing and franchising revenues. We tested the process of reconciliation between cash/card receipts and revenue. We identified that managements accounting policy for gift cards was not in line with IFRS and management made an appropriate correction. We assessed the appropriateness of the related disclosures on page 40 and in note 1 of the Group financial statements, and consider them to be reasonable.
Inventory valuation	
Inventory represents a significant asset on the Group's Statement of Financial Position and is carried at the lower of cost and net realisable value ("NRV"). Significant judgement is required to estimate the NRV of old and slow moving stock lines.	We tested the inputs to the provision calculation, including the classification of inventory. We considered and challenged the basis and methodology for inventory provisions with a particular focus on the areas for which no provision had been made. We examined the sales history of previously unprovided inventory to assess whether the methodology adopted was reasonable. We identified that the Group did not include an appropriate adjustment to remove profit arising on intragroup sales where these items were held in inventory at the year end. We assessed the appropriateness of the related disclosures on page 44 and in note 16 of the Group financial statements, and consider them to be reasonable.
Defined benefit pension scheme	
The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Having taken professional advice, Management estimates these factors in determining the net pension obligation in the statement of financial position.	We reviewed and benchmarked the assumptions used in the valuation of pension scheme liabilities. We performed substantive testing to assess whether the inputs, such as contributions, were correctly accounted for. We obtained and tested supporting information in relation to the scheme assets. The results of our testing were satisfactory. We assessed the appropriateness of the related disclosures in note 28 of the Group financial statements, and consider them to be reasonable.

Independent Auditor's Report continued

to the members of Laura Ashley Holdings plc

Our application of materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Our original materiality was set at £2m based on the expected results for the year. On review of the draft results we considered it appropriate to reduce the level of materiality. In setting the final level of materiality, we considered a range of benchmarks, including 0.75% of revenue and 8% of profit before tax and exceptional items. We also considered the impact of the reduced profitability in the year. In our professional judgement, we considered overall materiality for the Group financial statements as a whole to be £1.4m.

We conducted our audit of particular groups of balances or transactions at a reduced level of materiality in certain cases where we evaluated the risk having regard to the internal control environment to be less than the level of overall materiality. We refer to this as 'performance materiality'.

We agreed with the Audit Committee to report to it all identified errors in excess of £0.05m. Errors below that threshold would also be reported to it if, in our opinion as auditors, disclosure was required on qualitative grounds.

An overview of the scope of our audit

The Group and its material subsidiaries are accounted for from one central operating location. Our audit was conducted from the main operating location and all material subsidiary companies were within the scope of our audit testing.

A member firm of the Crowe Horwath International network in Singapore (the 'component auditor') undertook specified audit procedures on Laura Ashley (Asia) Pte. Ltd. under our direction. We reviewed the work of the component auditor and discussed matters with management and the component auditor.

The Group's associate, Laura Ashley Japan Co., Limited, was subjected to analytical procedures.

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. 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.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair balanced and understandable** set out on page 18 – 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 performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** set out on pages 21 to 22 – 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** set out on page 19 – 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 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the Parent Company.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 17 and 18. 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 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.

Independent Auditor's Report continued

to the members of Laura Ashley Holdings plc

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.

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.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 26 April 2017 to audit the Group and Parent Company financial statements for the year ended on 30 June 2017 and subsequent financial periods. This is the first period of our engagement.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit. We confirm that we have not provided any non-audit services to the Group or Parent Company.

Our audit opinion is consistent with the additional report to the audit committee.

Richard Baker

Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

19 September 2017

Group Statement of Comprehensive Income

For the Financial Period ended 30 June 2017

	Notes	52 weeks to 30 June 2017 £m	Restated 74 weeks to 30 June 2016 £m
Revenue	1	277.0	400.9
Cost of sales		(167.8)	(229.0)
Gross profit		109.2	171.9
Operating expenses	2	(98.3)	(145.8)
Impairment of property	33	(2.8)	–
Gains/(losses) on disposal of stores	33	0.8	(0.1)
Profit from operations	3	8.9	26.0
Share of operating loss of associate	14	(1.4)	(1.9)
Finance costs	6	(1.2)	(1.3)
Profit before taxation		6.3	22.8
Taxation	10	(2.3)	(6.9)
Profit for the financial period*		4.0	15.9
Other comprehensive income:			
Actuarial gain/(loss) on defined benefit pension schemes		1.9	1.1
Deferred tax effect		(0.4)	(0.2)
Total that will not be subsequently reclassified to profit and loss		1.5	0.9
Exchange differences arising on re-translation of foreign operations		–	(0.4)
Other reserve movement		0.5	–
Total that may be subsequently reclassified to profit and loss		0.5	(0.4)
Other comprehensive income/(loss) for the period net of tax		2.0	0.5
Total comprehensive income for the period		6.0	16.4
*Earnings per share – basic and diluted – calculated based on profit for the financial period	9	0.55	2.18
Adjusted earnings per share (excluding exceptional items)	9	0.84	2.40

The Group's results shown above are derived entirely from continuing operations.

The notes to the financial statements are on pages 45 to 71.

Statement of Financial Position

As at 30 June 2017

Group

	Notes	2017 £m	Restated 2016 £m	Restated 2015 £m
Non-current assets				
Intangibles	11	**1.9**	2.4	2.0
Property, plant and equipment	12	**47.5**	52.0	21.2
Investment property	13	**3.5**	3.9	–
Deferred tax asset	22	**2.6**	3.2	3.6
Investment in associate	14	**1.3**	2.6	3.7
Investment in subsidiaries	15	**–**	–	–
		56.8	64.1	30.5
Current assets				
Inventories	16	**57.7**	51.1	50.4
Trade and other receivables	17	**19.1**	17.2	22.1
Cash and cash equivalents	25	**–**	5.0	27.8
		76.8	73.3	100.3
Total assets		**133.6**	137.4	130.8
Current liabilities				
Current tax liabilities		**1.0**	3.0	2.1
Trade and other payables	18	**50.9**	50.5	68.0
Short-term borrowings	19	**12.0**	1.3	–
		63.9	54.8	70.1
Non-current liabilities				
Retirement benefit liabilities	28	**13.8**	16.2	17.8
Deferred tax liabilities	22	**0.1**	0.2	0.2
Long-term borrowings	34	**20.3**	21.7	–
Provisions and other liabilities	21	**0.1**	0.6	0.7
		34.3	38.7	18.7
Total liabilities		**98.2**	93.5	88.8
Net assets		**35.4**	43.9	42.0
Equity				
Share capital	23	**37.3**	37.3	37.3
Share premium		**86.4**	86.4	86.4
Own shares		**(3.2)**	(3.2)	(3.2)
Treasury shares		**(4.6)**	(4.6)	(4.6)
Retained earnings		**(80.5)**	(72.0)	(73.9)
Total equity		**35.4**	43.9	42.0

The notes to the financial statements are on pages 45 to 71.

The financial statements on pages 35 to 39 were approved and authorised for issue by the Board on 22 August 2017 and signed on its behalf by:

David Walton Masters *Deputy Chairman*
Seán Anglim *Chief Financial Officer*

Registered Number
1012631

Statement of Financial Position

As at 30 June 2017

Company

	Notes	2017 £m	Restated 2016 £m	Restated 2015 £m
Non-current assets				
Intangibles	11	**–**	–	–
Property, plant and equipment	12	**1.3**	1.3	1.3
Investment property	13	**–**	–	–
Deferred tax asset	22	**–**	–	–
Investment in associate	14	**0.8**	0.8	0.8
Investment in subsidiaries	15	**99.7**	99.7	99.2
		101.8	101.8	101.3
Current assets				
Inventories	16	**–**	–	–
Trade and other receivables	17	**23.8**	23.0	38.2
Cash and cash equivalents	25	**3.6**	7.5	7.6
		27.4	30.5	45.8
Total assets		**129.2**	132.3	147.1
Current liabilities				
Current tax liabilities		**–**	–	–
Trade and other payables	18	**2.5**	2.4	2.3
Short-term borrowings	19	**–**	–	–
		2.5	2.4	2.3
Non-current liabilities				
Retirement benefit liabilities	28	**–**	–	–
Deferred tax liabilities	22	**0.2**	0.2	0.2
Long-term borrowings	34	**–**	–	–
Provisions and other liabilities	21	**–**	–	–
		0.2	0.2	0.2
Total liabilities		**2.7**	2.6	2.5
Net assets		**126.5**	129.7	144.6
Equity				
Share capital	23	**37.3**	37.3	37.3
Share premium		**86.4**	86.4	86.4
Own shares		**(3.2)**	(3.2)	(3.2)
Treasury shares		**(4.6)**	(4.6)	(4.6)
Retained earnings		**10.6**	13.8	28.7
Total equity		**126.5**	129.7	144.6

The profit after taxation for the Company for the 52 weeks ended 30 June 2017 was £10.6m.

The notes to the financial statements are on pages 45 to 71.

The financial statements on pages 35 to 39 were approved and authorised for issue by the Board on 22 August 2017 and signed on its behalf by:

David Walton Masters *Deputy Chairman*
Seán Anglim *Chief Financial Officer*

Registered Number
1012631

Statement of Changes in Shareholders' Equity

For the Year ended 30 June 2017

Group

	Share Capital £m	Share Premium £m	EBT Shares £m	Treasury Shares £m	Retained Earnings £m	Total Equity £m
Balance as at 31 January 2015 – previously reported	37.3	86.4	(0.8)	–	(79.0)	43.9
Prior period adjustments	–	-	(2.4)	(4.6)	5.1	(1.9)
Balance as at 31 January 2015 – restated	37.3	86.4	(3.2)	(4.6)	(73.9)	42.0
Profit for the period – previously reported	–	–	–	–	17.0	17.0
Prior period adjustment	–	–	–	–	(1.1)	(1.1)
Profit for the period – restated	–	–	–	–	15.9	15.9
Dividends paid	–	–	–	–	(14.5)	(14.5)
Other comprehensive income	–	–	–	–	0.5	0.5
Balance as at 30 June 2016 – restated	37.3	86.4	(3.2)	(4.6)	(72.0)	43.9
Profit for the period	–	–	–	–	4.0	4.0
Dividends paid	–	–	–	–	(14.5)	(14.5)
Other comprehensive income	–	–	–	–	2.0	2.0
Balance as at 30 June 2017	**37.3**	**86.4**	**(3.2)**	**(4.6)**	**(80.5)**	**35.4**

Company

	Share Capital £m	Share Premium £m	EBT Shares £m	Treasury Shares £m	Retained Earnings £m	Total Equity £m
Balance as at 31 January 2015 – previously reported	37.3	86.4	(0.8)	–	21.7	144.6
Prior period adjustments			(2.4)	(4.6)	7.0	–
Balance as at 31 January 2015 – restated	37.3	86.4	(3.2)	(4.6)	28.7	144.6
Profit for the period	–	–	–	–	(0.4)	(0.4)
Dividends paid	–	–	–	–	(14.5)	(14.5)
Balance as at 30 June 2016 – restated	37.3	86.4	(3.2)	(4.6)	13.8	129.7
Profit for the period	–	–	–	–	10.6	10.6
Other comprehensive income	–	–	–	–	0.7	0.7
Dividends paid	–	–	–	–	(14.5)	(14.5)
Balance as at 30 June 2017	**37.3**	**86.4**	**(3.2)**	**(4.6)**	**10.6**	**126.5**

The notes to the financial statements are on pages 45 to 71.

Share Premium represents the excess of proceeds received over the nominal value of shares issued.

EBT Shares relates to the cost of the Company's own shares acquired and held by the Employee Benefit Trust.

Treasury Shares relates to the cost of the Company's own shares held by the Company in treasury.

Statements of Cash Flows

For the Financial Period ended 30 June 2017

	Note	Group 52 weeks to 30 June 2017 £m	Group 74 weeks to 30 June 2016 £m	Company 52 weeks to 30 June 2017 £m	Company 74 weeks to 30 June 2016 £m
Operating activities					
Cash generated from operations	24	5.8	16.3	(0.6)	(0.1)
Corporation tax paid		(4.2)	(5.8)	–	–
Dividends paid		(14.5)	(14.5)	(14.5)	(14.5)
Dividends received		–	–	11.2	14.5
		(12.9)	(4.0)	(3.9)	(0.1)
Investing activities					
Purchase of property, plant and equipment		(0.5)	(39.5)	–	–
Purchase of intangible assets		(0.3)	(1.7)	–	–
		(0.8)	(41.2)	–	–
Financing activities					
Bank loan received		–	24.1	–	–
Repayment of bank loan		(1.3)	(1.1)	–	–
Interest expense		(0.7)	(0.6)	–	–
		(2.0)	22.4	–	–
Net decrease in cash and cash equivalents		(15.7)	(22.8)	(3.9)	(0.1)

Reconciliation of Net Cash Flow to Movement in Net Funds

For the Period ended 30 June 2017

	Note	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Net (decrease) in cash and cash equivalents		(15.7)	(22.8)	(3.9)	(0.1)
Net funds at the beginning of the financial year		5.0	27.8	7.5	7.6
Net funds at the end of the financial year	25	(10.7)	5.0	3.6	7.5

The statement of financial position shows a nil amount of cash and cash equivalents and short term borrowings of £12.0m which includes a bank overdraft of £10.7m. Therefore, the above reconciliation shows the net decrease in funds during the financial year.

The notes to the financial statements are on pages 45 to 71.

Accounting Policies

Basis of Accounting and Consolidation

The financial statements of the Group for the 52 weeks ended 30 June 2017 and the comparative information for 74 weeks ended 30 June 2016 have been prepared under International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and Article 4 of the International Accounting Standards (IAS) Regulation.

The financial statements of the Group include the results of Laura Ashley Holdings plc and its subsidiaries and associated company. The results of any subsidiary companies acquired or disposed of during the reporting period are included in the Group Statement of Comprehensive Income from the effective date of acquisition to the date of disposal. All inter-company transactions and balances between Group enterprises are eliminated on consolidation.

The acquisition of subsidiary companies is accounted for using the purchase method. The cost of acquisition is measured at the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, plus any costs directly attributable to the acquisition. The acquirer's identifiable assets, liabilities and contingent liabilities are recognised at their fair value at the acquisition date, except for non-current assets that are held for resale, which are recognised and measured at fair value less costs to sell.

Implementation of New Accounting Standards

There have been no new International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) or amendments to existing standards requiring implementation by the Group in the period ended 30 June 2017.

Impact of standards issued but not yet applied

Standard	Effective Date
IFRS 9 – Financial Instruments	1 January 2018
IFRS 15 – Revenue from Contracts with Customers	1 January 2018
IFRS 16 – Leases	1 January 2019

As the Group has significant operating lease expenditures, the adoption of IFRS 16 is likely to have a material impact on the accounts by increasing both assets and liabilities. The undiscounted amount of future lease commitments as at 30 June 2017 was £76m.

The Group do not anticipate a material impact from the adoption of IFRS 9 and IFRS 15 to arise but continues to evaluate these standards and will provide an update on their likely impact in the interim report for the 6 month period ending 30 December 2017.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods, services, royalties and other similar income provided in the normal course of business, net of expected returns, staff discounts and the cost of loyalty scheme points, and is stated net of value added tax and other sales related taxes.

Sales of goods are recognised when goods are despatched and title has passed. The Group sells its products to customers with a right of return. Past experiences are used to estimate and provide for such returns at the time of sale.

Royalty income is recognised in line with sales reported by the Group's Franchise partners and Licensees. It is accounted for on an accruals basis to the extent that the expectation of such income can be reasonably quantified.

Hotel revenue represents amounts receivable for completed night stays as well as other goods and services provided in the normal course of hotel business, net of discounts, value added tax and other sales-related taxes.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend Distribution

A final dividend distribution to the Company's shareholders is recognised as a liability in the Company's and Group's financial statements in the period in which the dividends are approved by the Company's shareholders and recognised in the statement of changes in shareholders' equity. Interim dividends are recognised when paid.

Exceptional Items

Exceptional items are events or transactions, which arise from normal trading but, by virtue of their size or nature, have been disclosed in order to improve the reader's understanding of the financial statements.

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.

a) Financial assets

Financial assets are classified into the following specified categories:

'Available for sale' (AFS) financial assets and 'loans and receivables'. They are initially measured at cost, including transaction costs. For AFS investments, gains or losses arising from changes in fair value are recognised in the Other Comprehensive Income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are carried at amortised cost.

b) Investments

Investments in subsidiary companies are stated at cost less provision for any impairment value in the accounts of the parent company.

Investments in associated companies are stated at the Group's share of net assets less provisions. Since the accounting policies of the associated company do not necessarily conform in all respects to those of the Group, adjustments are made on consolidation where the amounts involved are material to the Group.

c) Trade receivables

Trade receivables are stated at amortised cost less provisions for impairment. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The movement in the provision is recognised in the Group Statement of Comprehensive Income.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand, bank deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The bank deposits have an original maturity rate of 3 months or less.

e) 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. The Company's holding in its own equity instruments, including ordinary shares, is classified as treasury shares and is shown as deductions from shareholders' equity at cost.

Finance charges are calculated using the effective interest rate method.

f) Trade payables

Trade payables, defined as financial liabilities in accordance with IAS 39, are recognised initially at fair value. All trade payables are non-interest bearing.

g) Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to exchange rate risk. 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 statement of financial position date. The resulting gain or loss is recognised in the Other Comprehensive Income.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. 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.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Statement of Changes in Shareholders' Equity, notes 23 and 25.

Currency Translation

The statements of comprehensive income of subsidiary companies operating outside the United Kingdom are translated into Sterling using average rates of exchange for the period, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction. The net assets of such companies are translated into Sterling at the rates of exchange prevailing at the statement of financial position date.

Exchange differences that relate to the translation of net assets of overseas companies and to foreign currency borrowings to the extent that these provide a statement of financial position hedge, together with any tax thereon, are taken directly to other comprehensive income and accumulated in equity.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the statement of financial position date. Transactions denominated in foreign currencies are translated into the respective functional currency at average monthly rates.

All transactional exchange differences are taken to Other Comprehensive Income.

Leased Assets

Rentals payable under operating leases are charged to the Group Statement of Comprehensive Income on a straight-line basis over the lease term.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Unless these conditions are met, no provision is recognised.

Intangible Assets

Intangible assets are held at cost less accumulated amortisation and any provision for impairment.

Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset.

Internally generated software costs, where it is clear that the software developed is technically feasible and will be completed and will generate economic benefit, are capitalised as an intangible asset. Capitalised software costs include external direct costs of goods, services and related costs for employees who are directly associated with the project.

Capitalised software and software development costs are amortised on a straight-line basis over their expected economic lives, normally five years. Computer software under development is held at cost less any recognised impairment loss.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost. Depreciation is calculated at rates estimated to write off the cost of the relevant assets, less any estimated residual value, on a straight-line basis over their expected useful lives.

The principal lives used are:	
Freehold buildings and long leasehold property	50 years
Short leasehold property	Period of lease
Leasehold improvements	Period of lease
Plant and machinery	10 years
Vehicles	5 years
Fixtures, fittings and equipment:	
Computer systems	5 years
Shop fixtures and fittings	5 years
Other equipment, fixtures and fittings	3 to 10 years

Investment Property

Investment property is calculated on the cost method. Depreciation for the building is calculated on a straight-line basis over 50 years.

Payments on Account and Assets Under Construction

In the course of capital projects where costs are incurred for payments on account and assets under construction or installation of equipment, they are not subject to depreciation until they are reclassified after their completion.

Reverse Premiums

Reverse premiums received on the inception of lease agreements are released to the Group Statement of Comprehensive Income over the period of the lease.

Impairment Testing

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped by store, cost centre or premises, which is the lowest level for which there are separately identifiable cash flows or cash generating units. Non-financial assets, other than goodwill, that have been impaired are reviewed at each reporting date for possible reversal of the impairment.

Inventories

Inventories are valued at the lower of cost and net realisable value using the average cost method.

The cost of Group manufactured products includes attributable overheads based on normal levels of activity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished state.

Taxation

The tax charge comprises current period tax payable and deferred tax. The tax charge for the period represents an estimate of the amount payable to tax authorities in respect of the Group's taxable profits based on interpretation of existing and applicable tax laws.

Deferred tax is provided in full, using the liability method, on material temporary differences arising from differences between the tax base and the accounting base of assets and liabilities. If deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred tax is determined using tax rates that have been enacted or substantially enacted at the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to the Group Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity via Other Comprehensive Income.

Pensions

The Group operates various pension schemes for its permanent employees. For the UK defined benefit scheme, an independent actuary completes a valuation every three years and, in accordance with their recommendations, contributions are paid to the trustees of the scheme so as to secure the benefits as set out in the rules. Changes arising from the tri-annual valuation are implemented in the year following the year in which the valuation is undertaken. The operating and financing costs of the scheme are recognised in the Other Comprehensive Income. The shortfall in the fair value of the plan assets as compared to the benefit obligation is recognised in full in the statement of financial position in line with the requirements of IAS 19.

Payments to defined contribution retirement benefit schemes are charged as expenses as they fall due.

Sources of Estimation and Uncertainty

The preparation of the financial statements requires the Group to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Significant Judgements

The Group believes that the most significant judgement areas in the application of its accounting policies are the defined benefit pension scheme assumptions, which are set out in note 28, the inventory provisioning and revenue recognition. Inventory provisioning on slow moving and obsolete stock is designed to ensure that stock is valued accurately and is assessed with reference to selling prices, historical sales patterns and post year end trading performance. Revenue recognition contains a number of judgements including the level of sales returns. Past experiences are used to estimate and provide for such returns at the time of the sale.

Notes to the Financial Statements

1 Segmental Analysis

2017 (52 weeks)	Retail: Stores £m	Retail: e-Commerce & Mail Order £m	Retail: Hotel £m	Total Retail £m	Total Non-retail £m	Total £m
Revenue	**196.0**	**57.3**	**2.5**	**255.8**	**21.2**	**277.0**
Contribution	**3.9**	**13.8**	**(0.2)**	**17.5**	**11.7**	**29.2**
Share of loss of associate				**–**	**(1.4)**	**(1.4)**
Indirect overhead costs				**(18.2)**	**–**	**(18.2)**
Finance costs				**(1.2)**	**–**	**(1.2)**
Exceptional items				**(2.1)**	**–**	**(2.1)**
Profit before taxation				**(4.0)**	**10.3**	**6.3**

2016 (74 weeks)	Retail: Stores £m	Retail: e-Commerce & Mail Order £m	Retail: Hotel £m	Total Retail £m	Total Non-retail £m	Total £m
Revenue	291.3	73.5	3.5	368.3	32.6	400.9
Contribution	21.6	17.0	(0.3)	38.3	13.5	51.8
Share of loss of associate				–	(1.9)	(1.9)
Indirect overhead costs				(23.9)	–	(23.9)
Finance costs				(1.3)	–	(1.3)
Exceptional items				(1.9)	–	(1.9)
Profit before taxation				11.2	11.6	22.8

	Non-current assets 2017 £m	Non-current assets 2016 £m	Revenue 2017 £m	Revenue 2016 £m
Destination				
UK, Ireland & France	**19.1**	22.4	**260.4**	376.3
Japan	**2.6**	3.9	**9.8**	14.6
Singapore	**35.1**	37.8	**–**	–
Rest of the World	**–**	–	**6.8**	10.0
	56.8	64.1	**277.0**	400.9

The reported segments are consistent with the Group's internal reporting for performance measurement and resources allocation. The Group does not allocate indirect overhead costs between its retail and non-retail segments. As significant elements of the indirect overhead cost arise from the retail segment, it is decided that the entire indirect costs are allocated to this segment.

Retail revenue reflects sales through Laura Ashley's Managed Stores, Mail Order, e-Commerce and Hotel. Non-retail revenue includes Licensing, Franchising and Manufacturing. Contribution is stated after deducting direct operating expenses, buying, marketing and administrative costs.

2 Operating Expenses

	52 weeks to 30 June 2017 £m	74 weeks to 30 June 2016 £m
Distribution costs	**85.7**	127.2
Administrative expenses	**12.6**	18.6
	98.3	145.8

3 Profit from Operations is Stated after Charging/(Crediting)

	52 weeks to 30 June 2017 £m	74 weeks to 30 June 2016 £m
Amortisation of intangibles (note 11)	0.9	1.2
Depreciation on property, plant and equipment (note 12)	2.9	4.6
Depreciation on investment property (note 13)	0.1	0.1
Exchange losses/(gains)	1.4	(2.6)
Loss on disposal of fixed assets	0.4	0.1
Operating lease and hire charges of:		
Property	21.8	32.5
Others	3.0	4.0
Auditor's remuneration	0.1	0.2
Cost of inventories recognised as an expense	140.4	192.6
Including: Provision for inventories obsolescence and stock loss	1.9	3.2

4 Employees

	2017 Number	2016 Number
Average number of employees of the Group on a full-time equivalent basis:		
Manufacturing	178	176
Retail	1,542	1,697
Administrative	379	386
Distribution	251	256
Hotel	42	44
	2,392	2,559

	2017 Number	2016 Number
Average number of employees of the Group on a headcount basis:		
Manufacturing	185	187
Retail	2,506	2,715
Administrative	419	432
Distribution	254	254
Hotel	54	57
	3,418	3,645

	2017 £m	2016 £m
Staff costs for the financial year:		
Wages and salaries	51.3	70.2
Social security costs	3.4	4.7
Other pension costs	0.6	0.7
	55.3	75.6

4 Employees continued

Key Management's Compensation

The Directors have identified 11 (2016: 12) key management personnel whose compensation was as follows:

	2017 £m	2016 £m
Salaries	1.0	1.4
Short-term benefits	0.1	0.1
Pension costs	0.1	0.1
	1.2	1.6

The key management figures above include the Directors. Directors' emoluments are disclosed in the Directors' Remuneration Report on page 23. There were no share-based payments during the financial period ended 30 June 2017 (2016: nil).

5 Directors' Remuneration

	2017 £000	2016 £000
Aggregate emoluments	711	987
Company pension contribution for a private pension	19	26

Details of Directors' pension benefits are set out in the Directors' Remuneration Report on page 23.

During the financial period ended 30 June 2017 and period ended 30 June 2016, there were no share options granted to or exercised by the Directors or amounts received under long-term incentive schemes.

The information required by the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority is contained in the Directors' Remuneration Report on pages 23 to 29.

Directors' Interests

The interests of the Directors in the shares of the Company are disclosed on page 24.

6 Finance Costs

	52 weeks ended 30 June 2017 £m	74 weeks ended 30 June 2016 £m
Pension interest	0.5	0.7
Other interest payable	0.7	0.6
	1.2	1.3

7. Laura Ashley Holdings plc – Statement of Comprehensive Income

In accordance with Section 408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income.

The Company's profit for the 52 week financial period was £10.6m (74 weeks ended 30 June 2016: loss of £0.4m).

8 Principal Exchange Rates

	2017		2016	
	Average	Period end	Average	Period end
US Dollar	1.27	1.30	1.50	1.33
Euro	1.16	1.14	1.35	1.19
Japanese Yen	138	146	176	136

9 Earnings per Share

Earnings per share is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares during the year (excluding treasury shares of 18,272,500).

	52 weeks ended 30 June 2017			74 weeks ended 30 June 2016 (Restated)		
	Earnings £m	Shares million	Pence per share	Earnings £m	Shares million	Pence per share
Basic EPS	4.0	727.8	0.55	15.9	727.8	2.18
Exceptional Items (note 33)	2.1	–	0.29	1.9	–	0.26
Tax impact of exceptional items	–	–	0.00	(0.3)	–	(0.04)
Adjusted EPS	6.1	727.8	0.84	17.5	727.8	2.40

10 Taxation

	52 weeks ended 30 June 2017 £m	74 weeks ended 30 June 2016 £m
UK Corporation tax:		
Current year corporation tax	2.1	6.9
Prior year corporation tax	0.1	(0.2)
	2.2	6.7
Deferred tax movement relating to pension	0.2	0.1
Other deferred tax	(0.1)	0.1
Prior year deferred tax	–	–
Share of associate tax	–	–
Taxation on profit on ordinary activities	2.3	6.9

Tax reconciliation:	52 weeks ended 30 June 2017 £m	74 weeks ended 30 June 2016 £m
Profit before taxation	6.3	22.8
Tax at 19.75% (2016: 20.12%)	1.2	4.8
Expenses not deductible for tax purposes	0.9	1.0
Movement in deferred tax not recognised	–	1.2
Difference in overseas tax rates	0.1	0.1
Prior year deferred tax	–	–
Prior year corporation tax	0.1	(0.2)
Current tax charge for the period	2.3	6.9

11 Intangibles

Group 2017	Total £m
Cost	
At 30 June 2016	15.5
Additions	0.3
Disposals	(0.3)
At 30 June 2017	15.5
Amortisation	
At 30 June 2016	13.1
Charge for the year	0.8
Disposals	(0.3)
At 30 June 2017	13.6
Net Book Value	
At 30 June 2017	1.9

Group 2016	£m
Cost	
At 31 January 2015	14.6
Additions	1.7
Disposals	(0.8)
At 30 June 2016	15.5
Amortisation	
At 31 January 2015	12.6
Charge for the year	1.2
Disposals	(0.7)
At 30 June 2016	13.1
Net Book Value	
At 30 June 2016	2.4

12 Property, Plant and Equipment (excludes Investment Property)

Group 2017	Land and buildings: Freehold £m	Land and buildings: Short leases £m	Plant, machinery and vehicles £m	Fixtures, fittings and equipment £m	Total £m
Cost					
At 30 June 2016	53.8	27.8	3.9	33.0	118.5
Reclassifications	–	(1.4)	–	(0.6)	(2.0)
Additions	–	0.1	0.1	0.3	0.5
Disposals	(0.1)	(1.5)	–	(3.0)	(4.6)
Exchange differences	(0.1)	0.1	–	–	–
At 30 June 2017	**53.6**	**25.1**	**4.0**	**29.7**	**112.4**
Depreciation					
At 30 June 2016	10.8	21.8	3.8	30.1	66.5
Reclassifications	–	(1.4)	(0.1)	(0.5)	(2.0)
Impairment	2.5	–	–	–	2.5
Charge for the year	0.6	1.3	0.1	0.9	2.9
Disposals	–	(1.3)	–	(2.9)	(4.2)
Exchange differences	(0.8)	–	–	–	(0.8)
At 30 June 2017	13.1	20.4	3.8	27.6	64.9
Net Book Value					
At 30 June 2017	**40.5**	**4.7**	**0.2**	**2.1**	**47.5**

Group 2016	Land and buildings: Freehold £m	Land and buildings: Short leases £m	Plant, machinery and vehicles £m	Fixtures, fittings and equipment £m	Total £m
Cost					
At 31 January 2015 (restated)	19.4	30.0	3.7	35.1	88.2
Additions	38.4	0.2	0.1	0.8	39.5
Reclassification (note 14)	(4.0)	–	–	–	(4.0)
Disposals	–	(2.6)	–	(3.0)	(5.6)
Exchange differences	–	0.2	0.1	0.1	0.4
At 30 June 2016	53.8	27.8	3.9	33.0	118.5
Depreciation					
At 31 January 2015 (restated)	9.8	22.0	3.6	31.6	67.0
Charge for the year	1.0	2.1	0.1	1.4	4.6
Reclassification (note 14)	(0.1)	–	–	–	(0.1)
Disposals	–	(2.5)	–	(3.0)	(5.5)
Exchange differences	0.1	0.2	0.1	0.1	0.5
At 30 June 2016	10.8	21.8	3.8	30.1	66.5
Net Book Value					
At 30 June 2016	43.0	6.0	0.1	2.9	52.0

The impairment is based on a valuation of the Singapore property as at 30 June 2017. Please refer to note 13 for further explanation.

12 Property, Plant and Equipment continued

Company 2017	Land and buildings freehold £m
Cost	
At 30 June 2016	1.8
Disposals	–
At 30 June 2017	**1.8**
Depreciation	
At 30 June 2016	0.5
Charge for the year	–
Disposals	–
At 30 June 2017	**0.5**
Net Book Value	
At 30 June 2017	**1.3**

Company 2016	Land and buildings freehold £m
Cost	
At 31 January 2015	1.8
Disposals	–
At 30 June 2016	**1.8**
Depreciation	
At 31 January 2015	0.5
Charge for the year	–
Disposals	–
At 30 June 2016	**0.5**
Net Book Value	
At 30 June 2016	**1.3**

13 Investment property

Group 2017	Total £m
Cost	
At 30 June 2016	4.0
Disposals	–
Exchange differences	–
At 30 June 2017	**4.0**
Depreciation	
At 30 June 2016	0.1
Impairment	0.3
Charge for the period	0.1
Disposals	–
Exchange differences	–
At 30 June 2017	0.5
Net Book Value	
At 30 June 2017	**3.5**

13 Investment property continued

Group 2016	Total £m
Cost	
At 31 January 2015	–
Reclassified	4.0
Disposals	–
Exchange differences	–
At 30 June 2016	**4.0**
Depreciation	
At 31 January 2015	–
Reclassified	0.1
Disposals	–
Exchange differences	–
At 30 June 2016	0.1
Net Book Value	
At 30 June 2016	**3.9**

Floor space in the commercial building in Singapore that is not currently being utilized by the owner, 'Laura Ashley (Asia) Pte Ltd', is being actively marketed for rental. The possible rental portion as per the estimate below has therefore been reclassified as an investment property with cost and depreciation allocated accordingly.

	Sq Ft
Total floor space:	98,254
Rentable area calculated on the following assumptions:	
1st floor + terraces	12,034
4th floor (Unit 04, 05, 06, 07, 08 & 09)	9,612
5th floor	15,199
6th floor	15,199
Total investment area	52,044

The Group's land and buildings in Singapore, including investment properties, were valued on an open market, existing use, basis as at 30 June 2017 by Knight Frank who determined a total value of SGD 61m (£34.1m) at that date. This valuation was below the carrying value of the land and buildings in the financial statements at that date and was considered by the directors to be an indicator of impairment. Following a full impairment review by the directors, the recoverable amount of the land and buildings was determined to be the fair value less costs of disposal of £30.8m with reference to market prices of similar assets and the investment property was determined to have a recoverable amount less costs of disposal of £3.5m. Accordingly an impairment charge of £2.8m has been recognised in the Group Statement of Comprehensive Income.

The pro-rated rental income on the investment property was £18,064 and the direct costs attributable amounted to £36,096.

14 Investment in Associate

	52 weeks ended 30 June 2017 £m	74 weeks ended 30 June 2016 £m
Japan – Laura Ashley Japan Co., Limited		
Revenue	**79.8**	97.0
Profit before taxation	**(5.4)**	(7.1)
Share of loss before taxation	**(1.4)**	(1.9)
Investment in associate:		
Opening balance at 30 June 2016	**2.6**	3.7
Exchange movements	**0.2**	0.8
Dividend received	**–**	–
Share of loss after taxation	**(1.5)**	(1.9)
Closing balance at 30 June 2017	**1.3**	2.6
Aggregated amounts relating to associate		
Total assets	**9.0**	11.3
Total liabilities	**(7.7)**	(8.7)

The Company's investment in Laura Ashley Japan Co., Limited is valued at the cost of acquisition of £0.8m (2016: £0.8m).

The associate has a reporting period end of 30 June 2017. See note 30 for details of associate.

15 Investment in Subsidiaries

Company	Cost £m	Provision £m	Investment £m
At 30 June 2016	147.8	(48.1)	99.7
Additions	–	–	–
At 30 June 2017	147.8	(48.1)	99.7

Company	Cost £m	Provision £m	Investment £m
At 30 June 2016	147.8	(48.1)	99.7

See note 30 for details of subsidiaries.

16 Inventories

	Group	
	2017 £m	2016 £m
Raw materials and consumables	1.9	1.5
Work in progress	0.4	0.4
Finished goods and goods for resale	55.4	49.2
	57.7	51.1

The Company holds no inventories or work in progress (2016: nil).

17 Trade and Other Receivables

	Group		Company	
	2017 £m	2016 £m	2017 £m	2016 £m
Amounts falling due within one year:				
Trade receivables	8.4	7.6	–	–
Amounts owed by subsidiaries	–	–	23.8	23.0
Amounts owed by associate (note 29)	2.2	1.7	–	–
Other debtors	–	–	–	–
Prepayments and accrued income	8.5	7.9	–	–
	19.1	17.2	23.8	23.0

The Directors consider that the carrying amount of these assets approximate their fair value.

Intercompany loans are charged interest at the 3 month Sterling LIBOR rate and have no fixed repayment date.

18 Trade and Other Payables

	Group		Company	
	2017 £m	2016 £m	2017 £m	2016 £m
Amounts falling due within one year:				
Trade payables	24.8	21.1	–	–
Amounts owed to subsidiaries	–	–	2.5	2.4
Social security and other taxes	1.8	2.6	–	–
Other payables	8.3	9.6	–	–
Accruals and deferred income	16.0	17.2	–	–
	50.9	50.5	2.5	2.4

The Directors consider that the carrying amount of these liabilities approximate their fair value.

19 Short Term Borrowings

	Group		Company	
	2017 £m	2016 Restated £m	2017 £m	2016 £m
Amounts falling due within one year:				
Bank overdraft (note 35)	10.7	–	–	–
DBS loan payable within one year (note 34)	1.3	1.3	–	–
	12.0	1.3	–	–

The Directors consider that the carrying amount of these liabilities approximate their fair value.

A right of set-off exists in respect of the Group's bank accounts held at Barclays Bank Plc under the terms of the 'On Demand Multi Option Facility and Composite Accounting System overdraft facilities Agreement' dated 7 July 2015. In accordance with this right, cash and overdraft bank balances held at Barclays Bank Plc have been netted-off and the net position has been reflected within short-term borrowings. The position at the end of the previous financial period has been restated to reflect the same treatment.

20 Financial Instruments

The Group's policies as regards to financial instruments are set out in the accounting policies on pages 40 to 44.

Financial Risk Management

Financial risk management is an integral part of the way the Group is managed. In the course of its business, the Group is exposed primarily to credit risk, interest rate risk, foreign currency risk and liquidity risk. The overall aim of the Group's financial risk management policies is to minimise potential adverse effects on financial performance and net assets.

The Group's Treasury department manages the principal financial risks within policies and operating parameters approved by the Board. Treasury is not a profit centre and does not enter into speculative transactions.

Capital Risk Management

The Group manages its capital to ensure that it 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 capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders comprising issued capital and retained earnings as disclosed in the Statement of Changes in Shareholders' Equity and note 23.

Credit Risk

Credit risk arises on financial instruments such as trade receivables and short-term bank deposits.

Policies and procedures exist to ensure that customers, suppliers and partners have an appropriate credit history.

Short-term bank deposits are executed only with high credit-rated authorised counterparties based on ratings issued by the major rating agencies. At the statement of financial position date, there were no significant concentrations of credit risk. Some trading partner debts are secured by letters of credit, some by bank guarantee, whilst others remain on account.

Trade and other receivables included in the statement of financial position are stated net of bad debt provision, which has been estimated by management following a review of individual receivable accounts. There is no Group-wide rate of provision, and provision made for debts that are overdue is based on prior default experience and known factors at the statement of financial position date. Receivables are written-off against the bad debt provision when management considers that the debt is no longer recoverable.

An analysis of the provision held against trade receivables is set out below:

	2017 £m	As restated* 2016 £m
Provision as at beginning of the financial year	1.4	0.2
Increase in provision	–	1.2
Provision as at end of the financial year	1.4	1.4

* 2016 has been restated to reflect a provision for doubtful debts previously omitted.

20 Financial Instruments continued

There were £3.5m trade receivables overdue at the statement of financial position date and not provided for, of which £2.9m of these trade receivables are more than 60 days overdue. There were no indications, as at 30 June 2017, that the debtors would not meet their payment obligations in respect of the amount of trade receivables recognised in the statement of financial position that were overdue and not provided. The proportion of trade receivables at 30 June 2017 that were overdue for payment was 41.4% (2016: 19.4%).

Overall, the Group considers that it is not exposed to a significant amount of credit risk.

Interest Rate Risk

The Group holds no fixed rate financial assets (2016: nil).

The Group holds £Nil (2016: £1.0m) Sterling cash balances on short-term deposit as at the statement of financial position date.

The Group's sensitivity to interest rates arises from the debt facility with DBS Bank Ltd as set out in note 34 and its overdraft with Barclays Bank Plc as described in note 19. If interest rates had been 1% higher, profit for the year ended 30 June 2017 would have decreased by £0.2m.

Foreign Currency Risk

The main functional currency of the Group is Sterling. The following analysis of net monetary assets and liabilities shows the Group's currency exposures.

The amounts shown below represent the transactional exposure that gave rise to net currency gains and losses recognised in the statement of comprehensive income (see note 3). Such exposure comprises the monetary assets and liabilities of the Group that are not denominated in the functional currency of the operating unit involved.

	Net Foreign Currency Monetary Assets					Net Foreign Currency Monetary Assets				
	2017 £m	2017 £m	2017 £m	2017 £m	2017 £m	2016 £m	2016 £m	2016 £m	2016 £m	2016 £m
	US$	Euro	JPY	HKS$	S$	US$	Euro	JPY	HK$	S$
Functional currency of Company operations – Sterling	(1.8)	2.1	2.2	–	–	3.5	1.9	1.2	0.1	2.9

	Net Foreign Currency Monetary Liabilities		Net Foreign Currency Monetary Liabilities	
	2017 £m	2017 £m	2016 £m	2016 £m
	US$	Euro	US$	Euro
Functional currency of Company operations – Sterling	(1.8)	(1.0)	(1.6)	(1.1)

As at the statement of financial position date, the Group had forward purchase contracts in place for a total value of US$14.0m (2016: forward sale contracts with a total value of JPY 190m) in order to minimise the impact of currency fluctuations of the Group. The loss recognised in relation to the forward contracts in the consolidated statement of comprehensive income, between the fair value at contract date and the fair value at the period end forward rate, was £0.2m (2016: loss £0.2m).

The Group's primary foreign currency exposures are to movements in Sterling against the US Dollar and the Euro. If Sterling had weakened against these currencies by a further 1% for the duration of the year ended 30 June 2017, profit would have been reduced by £1.1m.

Liquidity Risk

The Group's policy on liquidity risk is to ensure that it has sufficient cash flow to fund ongoing operations without the need to carry significant net debt over the medium-term.

20 Financial Instruments continued

The table below shows the maturity analysis of the undiscounted remaining contractual cash flows of the Group's financial liabilities, including cash flows in respect of derivatives:

2017	Less than 1 year £m	1 to 2 years £m	2 to 5 years £m	Over 5 years £m	Total £m
Bank loans and overdrafts	12.0	1.3	3.9	15.1	32.3
Trade and other payables	50.9	–	–	–	50.9
	62.9	1.3	3.9	15.1	83.2
Cash inflows	–	–	–	–	–
Cash outflows	–	–	–	–	–
Total cash flows	**62.9**	**1.3**	**3.9**	**15.1**	**83.2**

Fair Values of Financial Instruments

There is no material difference between the book value and the fair value of the Group's financial instruments.

21 Provisions and Other Liabilities

	£m
As at 31 January 2015	0.7
Utilised	(0.5)
Credited to statement of comprehensive income	0.4
As at 30 June 2016	0.6
Utilised	(0.3)
Charged to statement of comprehensive income	(0.2)
As at 30 June 2017	**0.1**

The provisions above relate to store closure costs.

22 Deferred Tax

The deferred tax liability in the Company is £0.1m (2016: £0.2m) which represents a provision for capital allowances in excess of depreciation.

The deferred tax asset and liabilities, which are recognised and not recognised in the financial statements are as follows:

	Group		Company	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Amount recognised:				
Deferred tax asset – retirement benefit liabilities	**2.6**	3.2	**–**	–
Deferred tax liabilities – excess of tax allowances over depreciation	**(0.1)**	(0.2)	**(0.2)**	(0.2)
Amount not recognised:				
Deferred tax asset losses not recognised	**1.0**	1.3	**–**	–

The tax rate used in the deferred tax calculations is 19% being the average rate for the year ending 30 June 2018.

23 Share Capital

Ordinary shares of 5p each	**2017 £m**	2016 £m
Allotted, issued and fully paid 746,035,368 (2016: 746,035,368)	**37.3**	37.3

All the shares have equal rank and there are no voting preferences or restrictions associated with any shares.

Treasury shares held amount to 18,272,500 (2016:18,272,500).

24 Reconciliation of Profit/(Loss) from Operations to Net Cash Inflow from Operating Activities

	Group		Company	
	2017 £m	Restated 2016 £m	2017 £m	2016 £m
Profit/(loss) from operations	8.9	26.0	(0.6)	(14.9)
Amortisation charge	0.8	1.2	–	–
Depreciation charge	3.0	4.6	–	–
Loss on disposal of fixed/non-current assets	0.4	0.2	–	–
Exchange movement on property, plant and equipment	0.8	0.1	–	–
Exchange movement on intercompany loan	–	–	0.8	–
(Increase) in inventories	(6.6)	(0.7)	–	–
(Increase)/decrease in receivables	(1.9)	4.9	(0.9)	15.2
Increase/(decrease) in payables	0.4	(17.5)	0.1	0.1
Gain on investment	–	–	–	(0.5)
Movement in provisions	–	(2.5)	–	–
Net cash inflow/(outflow) from operating activities	5.8	16.3	(0.6)	(0.1)

25 Cash and Cash Equivalents

	Group		Company	
	2017 £m	Restated 2016 £m	2017 £m	2016 £m
Cash at bank and in hand	–	4.0	3.6	7.5
Bank deposits	–	1.0	–	–
	–	5.0	3.6	7.5

Cash balances have been netted off within bank overdrafts as described in note 19, Short Term Borrowings.

26 Future Commitments

The Group currently has ongoing capital expenditure projects to replace all of the tills and hand-held terminals used in stores at a cost of £1.2m and to re-platform its website at a cost of £0.5m. As at 30 June 2017 total future commitments amounted to £1.7m (2016: £70k).

27 Leases

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

	2017		2016	
	Land and buildings £m	Other £m	Land and buildings £m	Other £m
Within one year	18.0	1.4	21.4	2.6
Two to five years	46.9	0.3	54.5	1.9
After five years	11.9	–	19.8	–
	76.8	1.7	95.7	4.5

Certain shop premises acquired under operating leases are subject to rental charges based on a combination of flat rental charge plus a percentage of turnover achieved by the store. The above figures are based on the flat rental charge only.

28 Group Pension Arrangements

The Group operates a funded pension scheme in the UK, which offers both pensions in retirement and death benefits to members. The scheme has both defined benefit and defined contribution sections, although the defined contribution section is relatively small.

The scheme is closed to new members. With effect from 1 September 2005, the defined contribution section was established and in-service members ceased to accrue benefits within the defined benefit section, although such members' pension benefits remain linked to their final salary at retirement and their length of service before 1 September 2005.

Except where stated otherwise, this note refers only to the defined benefit section of the scheme.

In addition to the Group's contributions on behalf of members of the scheme, the Group's deficit contributions to the defined benefit section of the scheme for the period beginning 1 July 2017 will be £941,667. In addition, the Group will pay the cost of insurance premiums and the expenses associated with running the scheme (including regulatory levies).

A full actuarial valuation of the scheme was undertaken on 1 September 2014 by a qualified independent actuary and these accounting results have been updated to 30 June 2017 to take account of benefit accrual and outflow during the period. The major assumptions used by the actuary are (in nominal terms) as follows:

	As at 30 June 2017	As at 30 June 2016	As at 31 Jan 2015	As at 25 Jan 2014	As at 26 Jan 2013
Discount rate	**2.60%**	3.05%	3.00%	4.50%	4.60%
Rate of salary increase	**3.20%**	2.90%	2.80%	3.30%	3.40%
Rate of increase to inflation – linked pensions in payment	**2.30%**	2.00%	2.00%	2.40%	2.60%
Rate of increase in revaluation in deferment	**2.20%**	1.90%	2.00%	2.50%	2.70%
Rate of inflation	**3.20%**	2.90%	2.80%	3.30%	3.40%

Life expectancy at age 65:	**As at 30 June 2017 Years**	As at 30 June 2016 Years	As at 31 Jan 2015 Years	As at 25 Jan 2014 Years	As at 26 Jan 2013 Years
Male currently 65	**20.4**	20.9	20.6	20.5	20.4
Male currently 45	**21.8**	22.7	22.4	22.3	22.2
Female currently 65	**22.2**	23.3	23.1	23.0	22.9
Female currently 45	**23.7**	25.1	24.9	24.8	24.7

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and the appropriate risk margins.

The Assets in the Scheme are as follows:

	Percentage of scheme assets	**Value at 30 June 2017 £000**	Percentage of scheme assets	Value at 30 June 2016 £000
Equities	**67.0%**	**30,621**	63.5%	26,145
Bonds	**13.8%**	**6,308**	15.3%	6,281
Insured annuities	**1.7%**	**783**	2.2%	903
Other	**17.5%**	**7,997**	19.0%	7,824
	100.0%	**45,709**	100.0%	41,153
The actual return on assets over the period was		**5,816**		2,420

28 Group Pension Arrangements continued

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Value at 30 June 2017 £000	Value at 30 June 2016 £000
Benefit obligation at the beginning of the period	**57,325**	57,379
Interest cost	**1,717**	2,408
Re-measurements		
(i) Actuarial losses/(gains) arising from changes in financial assumptions	**5,482**	(572)
(ii) Actuarial (gains)/losses arising from changes in demographic assumptions	**(2,779)**	1,036
(iii) Actuarial (gains) arising from changes in experience	**(306)**	(780)
Benefits paid	**(1,915)**	(2,146)
Benefit obligation at the end of the period	**59,524**	57,325

Reconciliation of opening and closing balances of the fair value of plan assets	Value at 30 June 2017 £000	Value at 30 June 2016 £000
Fair value of plan assets at the beginning of the period	**41,153**	39,604
Interest income on plan assets	**1,238**	1,675
Re-measurement gain on scheme assets	**4,333**	745
Contributions by employer	**900**	1,275
Benefits paid	**(1,915)**	(2,146)
Fair value of plan assets at the end of the period	**45,709**	41,153

Statement of financial position reconciliation	30 June 2017 £000	30 June 2016 £000
Statement of financial position liability at the beginning of the period	**16,172**	17,775
Pension expense recognised in SOCI in the financial period	**479**	733
Recognised actuarial (gains)/losses in other comprehensive income	**(1,936)**	(1,061)
Employer contributions made in the financial period	**(900)**	(1,275)
Statement of financial position liability at the end of the period	**13,815**	16,172

The amounts recognised in the Group Statement of Comprehensive Income are:	2017 (52 weeks) £000	2016 (74 weeks) £000
Net interest expense (note 6)	**479**	733

History of scheme assets, obligations and experience adjustments

	As at 30 June 2017 £000	As at 30 June 2016 £000	As at 31 Jan 2015 £000	As at 25 Jan 2014 £000	As at 26 Jan 2013 £000
Present value of defined benefit obligation	**59,524**	57,325	57,379	45,052	44,340
Fair value of scheme assets	**45,709**	41,153	39,604	36,231	33,252
Deficit in the scheme	**(13,815)**	(16,172)	(17,775)	(8,821)	(11,088)
Experience adjustments arising on scheme liabilities	**(2,397)**	316	(11,470)	248	(48)
Experience item as a percentage of scheme liabilities	**(4%)**	1%	(20%)	1%	0%
Experience adjustments arising on scheme assets	**4,333**	745	2,025	1,655	1,466
Experience item as a percentage of scheme assets	**10%**	2%	5%	5%	4%

28 Group Pension Arrangements continued

Sensitivity of the defined benefit obligation	Change in assumption %	Increase in liabilities £000
Discount rate	-0.25	2,454
Rate of price inflation	+0.25	926

	Change in assumption	Increase in liabilities £000
Life expectancy	1 year	2,124

The scheme is exposed to a number of risks, the most significant risks are detailed below:

Volatility

The defined benefit obligation is measured with reference to corporate bond yields and if scheme assets underperform relative to this yield, this will create a deficit, all other things being equal. The scheme investments are well diversified such that the failure of any single investment would not have a material impact on the overall level of the assets.

Changes in bond yields

A decrease in the corporate bond yields will increase the measure of the defined benefit obligation. This will, however, be offset to some extent by the increase in the value of the plan's asset holdings.

Inflation risk

Some of the benefits in deferment and in payment are linked to price inflation and so higher actual inflation and higher assumed inflation will increase the measure of the defined benefit obligation.

Life expectancy

The defined benefit obligation is generally made up of benefits payable for life and so increases to member's life expectancies will increase the measure of the defined benefit obligation, all other things being equal.

Expected future cash flows	£000
Expected contributions in period commencing 1 July 2017	942

	Years
Weighted-average duration of the defined benefit obligation at 30 June 2017	17

29 Related Party Transactions

Group	Sales to related parties £m	Royalty income from related parties £m	Amounts owed by/(to) related parties £m
Year ended 30 June 2017			
Laura Ashley Japan Co., Limited.	**7.0**	**2.5**	**2.2**
Laura Ashley, Inc.	**0.1**	**1.7**	**0.9**
Laura Ashley (SEA) Sdn. Bhd.	**0.2**	**–**	**0.5**
Corus Hotels Group*	**–**	**–**	**0.1**
Year ended 30 June 2016			
Laura Ashley Japan Co., Limited.	11.2	3.0	1.7
Laura Ashley, Inc.	0.1	2.0	0.8
Laura Ashley (SEA) Sdn. Bhd.	0.5	–	0.3
Corus Hotels Group*	0.1	–	–

* During the year Corus Hotels Group were reimbursed with £401,895 (2016: £460,255) in respect of costs incurred in the operation of Laura Ashley The Manor Hotel.

29 Related Party Transactions continued

Laura Ashley Japan Co., Limited is an associated undertaking (note 30).

Laura Ashley, Inc. is owned by Laura Ashley (North America) Inc., which is a wholly-owned subsidiary of Regent Corporation Inc. (an associated company of Malayan United Industries Berhad). Mr Ng Kwan Cheong was appointed to the Boards of Laura Ashley Inc., Laura Ashley (North America) Inc. and Regent Corporation Inc. on 1 October 2009. Mr Wong Nyen Faat was appointed to the Boards of Laura Ashley Inc., Laura Ashley (North America) Inc. and Regent Corporation Inc. on 16 June 2011.

During the financial period ended 30 January 2010, Laura Ashley Limited granted Licensing and Franchising rights to Laura Ashley (SEA) Sdn. Bhd. (formerly MJ Accessories Sdn. Bhd.), a subsidiary of Metrojaya Berhad (a subsidiary company of Malayan United Industries Berhad), in relation to the Malaysian and Singaporean territories. Total sales to Laura Ashley (SEA) Sdn. Bhd. during the financial period ended 30 June 2017 were £0.2m (2016: £0.5m). The amount owing by Laura Ashley (SEA) Sdn. Bhd. as at the statement of financial position date was £0.5m (2016: £0.3m).

Malayan United Industries Berhad has the right to appoint up to three Directors to the Board of Laura Ashley Holdings plc.

On 9 November 2011, Laura Ashley Hotel Elstree Limited acquired Edgewarebury Corus Hotel in Elstree from Corus Hotels Limited, a subsidiary of Malayan United Industries Berhad. It continues to operate as a hotel and is managed by Corus Hotels Limited under contract with no fixed length for a fixed annual fee of £96,000 and an incentive fee of 4% on 'gross operating profit'. The fixed fee and incentive fee combined are subject to a cap of £125,000 in any one year. Tan Sri Dr Khoo Kay Peng was appointed to the Board of Corus Hotels Limited in 1999. Mr Ng Kwan Cheong and Ms Kwa Kim Li were appointed to the Board of Corus Hotels Limited on 28 March 2012.

Company

During the period, the Company's transactions with Group companies were as follows:

	12 months to 30 June 2017 £m	17 months to 30 June 2016 £m
Finance income	**–**	0.1
Rental income	**0.3**	0.4
Dividends received	**14.5**	14.5

The Company has outstanding balances with Group companies as disclosed in notes 17 and 18, and has investments in Group companies as detailed in note 30.

30 Group Undertakings

Subsidiaries	Principal Activities	Country of Incorporation
Laura Ashley Limited*	Retail and Franchising	England and Wales
Laura Ashley Investments Limited*	Licensing	England and Wales
Texplan Manufacturing Limited*	Manufacturing	England and Wales
Premier Home Logistics Limited	Distribution	England and Wales
Bagleys Investments Limited*	Investment Holding	England and Wales
Fast Properties Limited*	Investment Holding	England and Wales
Laura Ashley Hotels Holdings Limited*	Investment Holding	England and Wales
Laura Ashley Hotel Elstree Limited	Hotel	England and Wales
Laura Ashley Holdings B.V.*	Investment Holding	Netherlands
Laura Ashley Manufacturing B.V.	Dormant	Netherlands
Parfums Laura Ashley S.A.	Dormant	Switzerland
Laura Ashley S.A.	Retail	France
Laura Ashley GmbH	Dormant	Germany
Laura Ashley Espana S.A.	Dormant	Spain
Laura Ashley (Ireland) Limited*	Retail	Ireland
Laura Ashley Hong Kong Limited*	Dormant	Hong Kong
Laura Ashely (Asia) Pte Ltd*	Retail	Singapore

* Held directly by Laura Ashley Holdings plc

All subsidiary companies are ultimately owned by the Company.

30 Group Undertakings continued

Subsidiaries	Registered Address
Laura Ashley Limited	27 Bagleys Lane, Fulham, London, UK. SW6 2QA
Laura Ashley Investments Limited	27 Bagleys Lane, Fulham, London, UK. SW6 2QA
Texplan Manufacturing Limited	27 Bagleys Lane, Fulham, London, UK. SW6 2QA
Premier Home Logistics Limited	27 Bagleys Lane, Fulham, London, UK. SW6 2QA
Bagleys Investments Limited	27 Bagleys Lane, Fulham, London, UK. SW6 2QA
Fast Properties Limited	27 Bagleys Lane, Fulham, London, UK. SW6 2QA
Laura Ashley Hotels Holdings Limited	27 Bagleys Lane, Fulham, London, UK. SW6 2QA
Laura Ashley Hotel Elstree Limited	27 Bagleys Lane, Fulham, London, UK. SW6 2QA
Laura Ashley Holdings B.V.	Zuidplein 116 Tower H, Level 14, 1077 XV Amsterdam
Laura Ashley Manufacturing B.V.	Zuidplein 116 Tower H, Level 14, 1077 XV Amsterdam
Parfums Laura Ashley S.A.	BFB Fiduciaire, Av Beauregard, 1700 Fribourg, Switzerland
Laura Ashley S.A.	1, rue de Sfax, 75016 Paris, France
Laura Ashley GmbH	Königsallee 100, 40215 Düsseldorf, Germany
Laura Ashley Espana S.A.	Calle Velazquez 63, Madrid, Spain
Laura Ashley (Ireland) Limited	Unit 8B, West End Retail Park, Blanchardstown, Dublin 15, Ireland
Laura Ashley Hong Kong Limited	Room 1802, 18/F, Enterprise Square, Tower I, No.9 Sheung Yuet Road, Kowloon, Hong Kong
Laura Ashely (Asia) Pte Ltd	29 New Industrial Road, Singapore 536213

Associated Undertaking	Country of Incorporation
Laura Ashley Japan Co., Limited	Japan

26.79% of the issued ordinary share capital of Laura Ashley Japan Co., Limited is held by Laura Ashley Holdings plc as at 30 June 2017 (2016: 26.79%).

Group undertakings are involved in the design, manufacture, sourcing, distribution and sale of Laura Ashley products. All Group undertakings are unlisted.

31 Dividend Payments

	2017 £m	2016 £m
Dividends paid	**14.5**	14.5

A second interim dividend in respect of the financial period ended 30 June 2016 of 1.0 pence per ordinary share, amounting to £7.3m was paid on 8 July 2016 and a final dividend in respect of the financial period ended 30 June 2016 of 0.5 pence per ordinary share, amounting to £3.6m was paid on 25 October 2016. In line with accounting policy, these payments have been recognised in the current accounting period.

An interim dividend in respect of the financial year ended 30 June 2017 of 0.5 pence per ordinary share, amounting to £3.6m, was paid on 15 March 2017.

Dividends paid in the period

Dividends paid in the year ended 30 June 2017, amounting to £14.5m, comprise the second interim dividend of £7.3m and the final dividend of £3.6m in respect of the financial period ended 30 June 2016 together with an interim dividend of £3.6m for the financial period ended 30 June 2017.

32 Share Options

Employee Benefit Trust

In July 1995, the Company established a discretionary employee benefit trust (the 'EBT'), the Laura Ashley Employee Share Ownership Trust, for the benefit of employees and former employees of the Group (including Executive Directors). The trustee is Kleinwort Hambros (Jersey) Trustees Limited (the 'Trustee'), which is an independent professional trust company. The Company makes recommendations to the trustees in relation to the provision of benefits.

32 Share Options continued

At 30 June 2017, the Trustee owned 2,487,992 (2016: 2,487,992) ordinary shares of 5 pence each representing 0.33% (2016: 0.33%) of the Company's issued share capital and with a market value on that date of £0.5m (2016: £0.5m). The EBT has waived its rights to dividends on all shares.

The EBT was originally funded by an interest free loan of £5.0m from the Company under a loan agreement. In 1995, the EBT purchased 2,487,992 shares for £3.2m at £1.294 per share. The total costs incurred by the EBT for the said share purchase were £3.4m inclusive of transaction costs of £0.2m. The balance of loan not utilised of £1.6m was then returned by the EBT to the Company as it was not needed.

Due to the uncertainty in receiving the full settlement of the loan from the EBT, the Company made a provision of £2.4m at 31 January 1998. At the same time, the value of the shares held by the EBT was written down from £3.2m to £0.8m based on the then current market price of 34.5 pence.

On 30 June 2017 value of the shares was reinstated to their original cost of £3.2m. This has been reflected as prior period adjustments as shown in note 37.

For the financial period ended 30 June 2017, the costs charged to the Group Statement of Comprehensive Income for administrative costs were £2,000 (2016: £2,000).

33 Exceptional Items

Exceptional items have been presented within various categories on the face of the Statement of Comprehensive Income rather than shown as a single line item. Non-store redundancy costs, bad debt provisions and the back-dated tax charged have been included within operating expenses.

	2017 £m	2016 £m
Impairment of Singapore Property (see notes 12 and 13)	**(2.8)**	–
Gains/(losses) on disposals of stores	**0.8**	(0.1)
Non-store redundancy costs	**(0.1)**	–
Bad debt provision	**–**	(1.3)
Back-dated tax charge	**–**	(0.5)
Exceptional (loss)	**(2.1)**	(1.9)

34 Borrowing

The Group's borrowing comprises the debt facility of Singapore Dollars (SGD) 42.9m provided by DBS Bank Limited to Laura Ashley (Asia) Pte Ltd. in the previous financial period to allow the company to purchase a commercial property in Singapore. The loan is repayable on a monthly basis over a term of 15 years, carries an interest rate of 3-months SIBOR plus 2.00% per annum and is secured, inter alia, against the property.

The amount outstanding at the start of the year was SGD 41.1m (£23.0m). Payments of SGD 3.6m were made to DBS during the year. These comprised of interest amounting to SGD 1.2m (£0.7m) and loan principal re-payments totalling SGD 2.4m (£1.3m). The amount outstanding at the end of the year was SGD 38.7m (£21.6m), of which SGD 2.4m (£1.3m) would normally be shown within short-term borrowings.

35 Contingent Liabilities

There is currently a cross guarantee given to Barclays Bank plc by Laura Ashley Holdings plc and all of its subsidiaries in the normal course of business amounting to a maximum overdraft limit of £15m at 30 June 2017 (2016: £15m). At the year ending 30 June 2017 the Group utilised £10.7m of the overdraft facility (2016: nil, previously reported as £14.8m).

36 Financial Instruments – Fair Value and Risk Management

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the Group could access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying amount				Fair value			
30 June 2017 (in £m)	Fair value hedging instrument	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Forward exchange contracts	0.2	–	–	**0.2**	–	0.2	–	**0.2**
Secured bank loan	–	–	21.6	**21.6**	–	–	21.6	**21.6**
Total financial liabilities	**0.2**	**–**	**21.6**	**21.8**	**–**	**0.2**	**21.6**	**21.8**

Since the value of the investment property is measured under the cost model its fair value is different to the reported carrying amounts.

37 Prior Period Adjustments

Prior period adjustments have been made to the financial statements as described and summarised in the table below. The restated financial statements are set out on pages 67 to 71.

a) Lease incentives

The Group's past accounting policy and methodology did not consistently result in landlord incentives being recognised on an even straight-line over the full lease term. This applied to leases where a break clause exists and landlord contributions had been received. A prior period adjustment has been made to correct the accounting treatment previously applied.

b) Gift cards

The Group's previous practice has been to recognise the gross profit on the sale of gift cards immediately and to only carry a provision for the corresponding cost of the goods 'owed' to customers. This has had the effect of overstating both sales and gross profit. Moreover, no provision has been made for those gift cards that will not be used before their expiry date.

Whilst IFRS does not specifically provide guidance on the treatment of gift cards, the Group understands that most retailers recognise income from the sale of gift cards when they are redeemed and reduce the liability for gift cards in circulation by the expected amount that will not be redeemed prior to their expiry. In line with these factors, the liability carried has been restated by way of a prior period adjustment in order to correctly reflect Management's best estimate of the full value of the gift cards in circulation that are likely to be utilised by customers prior to their corresponding expiry dates.

c) Unrealised profit in stock

The Group has not previously made an adjustment to eliminate the internal Group profit included in period end stock. This amount has now been eliminated from the Group's inventory value and results by way of a prior period adjustment.

37 Prior Period Adjustments continued

d) Accounting treatment of Employee Benefit Trust and Treasury Shares

The Employee Benefit Trust and Treasury Shares have not historically been treated and presented in accordance with IFRS in so far as the carrying value of the EBT shares was reduced in a previous year to the recoverable amount of a loan originally made to the Trust to acquire the shares and the Group's Treasury Shares have always been presented within retained earnings.

Corrections have been made by way of prior period adjustments to show the shares relating to the EBT at their original cost to the Group and to express the cost of the Group's Treasury shares separately from retained earnings. It should be noted that these corrections do not impact on the net assets of the Group.

e) Cash and cash equivalents and Short-term borrowings

The Group's banking arrangement with Barclays Bank plc allows set-off of overdrafts with credit balances.

The bank overdraft at 30 June 2016 of £14.8m previously reported within short-term borrowings has been reclassified within cash and cash equivalents.

Prior Period Adjustments	Group Statement of Comprehensive Income 30 June 2016	Group Statement of Financial Position 30 June 2016	Group Statement of Financial Position 31 Jan 2015	Company Statement of Financial Position 30 June 2016	Company Statement of Financial Position 31 Jan 2015
a) Lease Incentives	(0.9)	(1.7)	(0.8)	–	–
b) Gift cards	–	(0.5)	(0.5)	–	–
c) Unrealised profit in stock	(0.2)	(0.8)	(0.6)	–	–
	(1.1)	(3.0)	(1.9)	–	–
d) EBT	–	2.4	2.4	2.4	2.4
d) Treasury shares	–	4.6	4.6	4.6	4.6
Retained earnings	(1.1)	4.0	5.1	7.0	7.0

37 Prior Period Adjustments continued

Group Statement of Comprehensive Income

For the Period ended 30 June 2016 (restated)	Notes	As previously reported £m	Reclass-ifications** £m	Prior period adjustments £m	As Restated £m
Revenue	1	400.9	–	–	400.9
Cost of sales		(228.9)	–	(0.1)	(229.0)
Gross profit		172.0	–	(0.1)	171.9
Operating expenses	2	(143.0)	(1.8)	(1.0)	(145.8)
Impairment of property		–	–	–	–
Gains/(losses) on disposals of stores	33	–	(0.1)	–	(0.1)
Profit from operations	3	29.0	(1.9)	(1.1)	26.0
Share of operating (loss) of associate	14	(1.9)	–	–	(1.9)
Finance costs	6	(1.3)	–	–	(1.3)
Profit before taxation and exceptional items		25.8	(1.9)	(1.1)	22.8
Exceptional items	33	(1.9)	1.9	–	–
Profit before taxation		23.9	–	(1.1)	22.8
Taxation	10	(6.9)	–	–	(6.9)
Profit for the financial period*		17.0	–	(1.1)	15.9
Other comprehensive income:					
Actuarial gain/(loss) on defined benefit pension schemes		1.1	–	–	1.1
Deferred tax effect		(0.2)	–	–	(0.2)
Total that will not be subsequently reclassified to profit and loss		0.9	–	–	0.9
Exchange differences arising on re-translation of foreign subsidiaries		(2.2)	–	–	(2.2)
Other foreign exchange movements		1.8	–	–	1.8
Total that may be subsequently reclassified to profit and loss		(0.4)	–	–	(0.4)
Other comprehensive income/(loss) for the period net of tax		0.5	–	–	0.5
Total comprehensive income for the period		17.5	–	(1.1)	16.4
*Earnings per share – basic and diluted – calculated based on profit for the financial period	9	2.34			2.18
Adjusted earnings per share (excluding exceptional items)	9	2.60			2.40

The Group's results shown above are derived entirely from continuing operations.

** The reclassifications relate to a change in the format of the Group Statement of Comprehensive Income from that previously reported whereby exceptional items have been treated as part of profit from operations in the current accounting period.

37 Prior Period Adjustments continued

Statement of Financial Position

Group As at 30 June 2016 (restated)	Notes	As previously reported £m	Prior period adjustments £m	As Restated £m
Non-current assets				
Intangibles	11	2.4	–	2.4
Property, plant and equipment	12	52.0	–	52.0
Investment property	13	3.9	–	3.9
Deferred tax asset	22	3.2	–	3.2
Investment in associate	14	2.6	–	2.6
Investment in subsidiaries	15	–	–	–
		64.1	–	64.1
Current assets				
Inventories	16	51.9	(0.8)	51.1
Trade and other receivables	17	17.2	–	17.2
Cash and cash equivalents	25	19.8	(14.8)	5.0
		88.9	(15.6)	73.3
Total assets		153.0	(15.6)	137.4
Current liabilities				
Current tax liabilities		3.0	–	3.0
Trade and other payables	18	48.3	2.2	50.5
Short-term borrowings	19	16.1	(14.8)	1.3
		67.4	(12.6)	54.8
Non-current liabilities				
Retirement benefit liabilities	28	16.2	–	16.2
Deferred tax liabilities	22	0.2	–	0.2
Long-term borrowings	34	21.7	–	21.7
Provisions and other liabilities	21	0.6	–	0.6
		38.7	–	38.7
Total liabilities		106.1	(12.6)	93.5
Net assets		46.9	(3.0)	43.9
Equity				
Share capital	23	37.3	–	37.3
Share premium		86.4	–	86.4
Own shares		(0.8)	(2.4)	(3.2)
Treasury shares		–	(4.6)	(4.6)
Retained earnings		(76.0)	4.0	(72.0)
Total equity		46.9	(3.0)	43.9

37 Prior Period Adjustments continued

Statement of Financial Position

Group As at 30 June 2015 (restated)	Notes	As previously reported £m	Prior period adjustments £m	As Restated £m
Non-current assets				
Intangibles	11	2.0	–	2.0
Property, plant and equipment	12	21.2	–	21.2
Investment property	13	–	–	–
Deferred tax asset	22	3.6	–	3.6
Investment in associate	14	3.7	–	3.7
Investment in subsidiaries	15	–	–	–
		30.5	–	30.5
Current assets				
Inventories	16	51.0	(0.6)	50.4
Trade and other receivables	17	22.1	–	22.1
Cash and cash equivalents	25	27.8	–	27.8
		100.9	(0.6)	100.3
Total assets		131.4	(0.6)	130.8
Current liabilities				
Current tax liabilities		2.1	–	2.1
Trade and other payables	18	66.7	1.3	68.0
Short-term borrowings	19	–	–	–
		68.8	1.3	70.1
Non-current liabilities				
Retirement benefit liabilities	28	17.8	–	17.8
Deferred tax liabilities	22	0.2	–	0.2
Long-term borrowings	34	–	–	–
Provisions and other liabilities	21	0.7	–	0.7
		18.7	–	18.7
Total liabilities		87.5	1.3	88.8
Net assets		43.9	(1.9)	42.0
Equity				
Share capital	23	37.3	–	37.3
Share premium		86.4	–	86.4
Own shares		(0.8)	(2.4)	(3.2)
Treasury shares		–	(4.6)	(4.6)
Retained earnings		(79.0)	5.1	(73.9)
Total equity		43.9	(1.9)	42.0

37 Prior Period Adjustments continued

Statement of Financial Position

Company As at 30 June 2016 (restated)	Notes	As previously reported £m	Prior period adjustments £m	As Restated £m
Non-current assets				
Intangibles	11	–	–	–
Property, plant and equipment	12	1.3	–	1.3
Investment property	13	–	–	–
Deferred tax asset	22	–	–	–
Investment in associate	14	0.8	–	0.8
Investment in subsidiaries	15	99.7	–	99.7
		101.8	–	101.8
Current assets				
Inventories	16	–	–	–
Trade and other receivables	17	23.0	–	23.0
Cash and cash equivalents	25	7.5	–	7.5
		30.5	–	30.5
Total assets		132.3	–	132.3
Current liabilities				
Current tax liabilities		–	–	–
Trade and other payables	18	2.4	–	2.4
Short-term borrowings	19	–	–	–
		2.4	–	2.4
Non-current liabilities				
Retirement benefit liabilities	28	–	–	–
Deferred tax liabilities	22	0.2	–	0.2
Long-term borrowings	34	–	–	–
Provisions and other liabilities	21	–	–	–
		0.2	–	0.2
Total liabilities		2.6	–	2.6
Net assets		129.7	–	129.7
Equity				
Share capital	23	37.3	–	37.3
Share premium		86.4	–	86.4
Own shares		(0.8)	(2.4)	(3.2)
Treasury shares		–	(4.6)	(4.6)
Retained earnings		6.8	7.0	13.8
Total equity		129.7	–	129.7

37 Prior Period Adjustments continued

Statement of Financial Position

Company As at 30 June 2015 (restated)	Notes	As previously reported £m	Prior period adjustments £m	As Restated £m
Non-current assets				
Intangibles	11	–	–	–
Property, plant and equipment	12	1.3	–	1.3
Investment property	13	–	–	–
Deferred tax asset	22	–	–	–
Investment in associate	14	0.8	–	0.8
Investment in subsidiaries	15	99.2	–	99.2
		101.3	–	101.3
Current assets				
Inventories	16	–	–	–
Trade and other receivables	17	38.2	–	38.2
Cash and cash equivalents	25	7.6	–	7.6
		45.8	–	45.8
Total assets		147.1	–	147.1
Current liabilities				
Current tax liabilities		–	–	–
Trade and other payables	18	2.3	–	2.3
Short-term borrowings	19	–	–	–
Non-current liabilities				
Retirement benefit liabilities	28	–	–	–
Deferred tax liabilities	22	0.2	–	0.2
Long-term borrowings	34	–	–	–
Provisions and other liabilities	21	–	–	–
		0.2	–	0.2
Total liabilities		2.5	–	2.5
Net assets		144.6	–	144.6
Equity				
Share capital	23	37.3	–	37.3
Share premium		86.4	–	86.4
Own shares		(0.8)	(2.4)	(3.2)
Treasury shares		–	(4.6)	(4.6)
Retained earnings		21.7	7.0	28.7
Total equity		144.6	–	144.6

Group Financial Record

Period ended June 2017 Comprehensive Income	2017 (52 wks) £m	Restated 2016 (74 wks) £m	Restated 2015 (53 wks) £m	2014 (52 wks) £m	2013 (52 wks) £m	2012 (52 wks) £m	2011 (52 wks) £m	2010 (52 wks) £m	2009 (53 wks) £m	2008 (52 wks) £m
Revenue	**277.0**	400.9	303.1	294.5	298.8	285.9	285.0	268.4	260.5	237.6
Profit from operations	**11.0**	27.9	21.9	19.1	19.3	18.3	19.8	11.8	9.9	14.5
Share of operating (loss)/profit of associate	**(1.4)**	(1.9)	(0.5)	0.5	1.4	0.8	0.5	(1.1)	(0.5)	0.3
Dividend received	**–**	–	–	0.1	–	–	–	–	0.1	–
Net finance (costs)/income	**(1.2)**	(1.3)	(0.4)	(0.4)	(0.6)	(0.3)	(1.0)	(0.6)	0.1	1.0
Profit before taxation and exceptional items	**8.4**	24.7	21.0	19.3	20.1	18.8	19.3	10.1	9.6	15.8
Exceptional items	**(2.1)**	(1.9)	0.6	1.2	–	(0.4)	4.8	0.9	0.6	4.0
Profit before taxation	**6.3**	22.8	21.6	20.5	20.1	18.4	24.1	11.0	10.2	19.8
Taxation	**(2.3)**	(6.9)	(5.2)	(4.8)	(5.4)	(5.4)	(4.8)	(5.2)	(3.1)	(5.8)
Profit for the financial period	**4.0**	15.9	16.4	15.7	14.7	13.0	19.3	5.8	7.1	14.0

Statement of Financial Position	2017 £m	Restated 2016 £m	Restated 2015 £m	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m
Non-current assets	**56.8**	64.1	30.5	32.0	40.4	37.5	32.1	43.4	47.2	42.9
Net current assets	**(7.4)**	18.5	30.2	26.6	30.5	30.1	35.5	13.9	10.2	27.3
Non-current liabilities	**(14.0)**	(38.7)	(18.7)	(10.0)	(11.4)	(7.2)	(7.9)	(8.1)	(7.2)	(8.3)
Net assets	**35.4**	43.9	42.0	48.6	59.5	60.4	59.7	49.2	50.2	61.9
Issued share capital	**37.3**	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3
Reserves	**(1.9)**	6.6	4.7	11.3	22.2	23.1	22.4	11.9	12.9	24.6
Equity shareholders' funds	**35.4**	43.9	42.0	48.6	59.5	60.4	59.7	49.2	50.2	61.9

Statistics

Earnings per share*	**0.84p**	2.40p	2.26p	2.15p	2.02p	1.79p	2.65p	0.80p	0.97p	1.90p
Dividends per share	**0.50p**	2.50p	2.00p	3.50p	2.00p	2.00p	1.50p	1.00p	1.25p	2.00p
Profit from operations as a percentage of revenue	**4.0%**	7.0%	7.2%	6.5%	6.5%	6.4%	6.9%	4.4%	3.8%	6.1%
Profit before taxation as a percentage of net assets	**17.8%**	51.9%	51.4%	42.2%	33.8%	30.5%	40.4%	22.4%	20.3%	31.9%
Net asset value per ordinary share*	**4.87p**	6.04p	5.78p	6.68p	8.64p	8.30p	8.20p	6.76p	6.90p	8.41p

*Excludes treasury shares.

The financial information for 2014 and prior has not been restated for the matters explained in note 37.

Notice of 2017 Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent advisor authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your shares in Laura Ashley Holdings plc, please forward this document, together with the accompanying Form of Proxy, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice is hereby given that the Annual General Meeting ("AGM") of Laura Ashley Holdings plc ("Company") will be held at Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur, Malaysia on 19 October 2017 at 5.00 pm (Malaysian time) with video conference facility available to members of the Company at Corus Hotel Hyde Park, Lancaster Gate, London W2 3LG on 19 October 2017 at 10.00 am (UK time) for the transaction of the following business:

Ordinary Business

To consider and, if thought fit, pass Resolutions 1 to 6 inclusive which will be proposed as Ordinary Resolutions:

1. To receive, acknowledge and adopt the Directors' Report, the Group Strategic Report and the Financial Statements for the year ended 30 June 2017 together with the signed and dated Auditor's Report.

2. To re-elect Mr Wong Nyen Faat who retires by rotation in accordance with the Articles of Association of the Company ("Articles") as a Non-Executive Director.

3. To re-elect Mr David Walton Masters, as a Non-Executive Director in accordance with provision B.7.1 of the UK Corporate Governance Code, who has served as a Non-Executive Director for more than nine years and offers himself for re-election by:

   (i) Resolution of all shareholders of the Company (the passing of such resolution being conditional on the passing of the resolution proposed in 3(ii) below; and

   (ii) Resolution of the independent shareholders of the Company.

4. To re-appoint Crowe Clark Whitehill LLP, as Auditors to the Company, to hold office from the passing of this resolution, to the conclusion of the next AGM of the Company, at which the accounts are laid before shareholders and to authorise the Directors to determine the remuneration of the Auditors.

5. To approve Directors' Remuneration Policy for the period of three years ended 30 June 2020.

6. To approve the Directors' Remuneration Report for the year ended 30 June 2017.

Special Business

To consider and, if thought fit, pass the following resolutions, of which Resolution 7 will be proposed as an ordinary resolution and Resolutions 8 to 11 will be proposed as Special Resolutions.

7. THAT, in addition to and without prejudice or limitation to all existing authorities, the Directors shall have general and unconditional authority to exercise all powers of the Company to allot relevant securities pursuant to Section 551 of the Companies Act 2006 (the "2006 Act") having an aggregate nominal value of up to £12,309,583.57 provided that this authority shall expire at the conclusion of the next AGM of the Company, or 15 months from the date of this Resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting), save that the Company may 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 offer or agreement as if the authority hereby conferred had not expired.

8. THAT, in addition to and without prejudice to all existing authorities, the Directors be and are hereby generally empowered pursuant to Section 571 of the 2006 Act to allot equity securities, pursuant to the authority conferred by Resolution 7 above as if Section 561 of the 2006 Act did not apply to any such allotment provided that this power shall be limited to:

   (a) the allotment (otherwise than pursuant to sub-paragraph (b) below) of equity securities which are, or are to be, wholly paid up in cash up to an aggregate nominal amount equal to £3,730,176.84 representing 10% of the issued share capital of the Company; and

   (b) the allotment of equity securities in connection with a rights issue, open offer or otherwise to ordinary shareholders in proportion (as nearly as may be) to the respective numbers of ordinary shares held by them subject to: (i) the Directors having a right to aggregate and sell for the benefit of the Company all fractions of a share, which may arise in apportioning equity securities among the ordinary shareholders of the Company; and (ii) such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or by virtue of the ordinary shares being represented by depositary receipts in any overseas territory, and shall expire at the conclusion of the next AGM of the Company or 15 months from the date of this Resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting), provided that the Company may before such expiry, 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 offer or agreement as if the power hereby conferred had not expired.

9. THAT, pursuant to the Articles, the Company is hereby granted general and unconditional authority for the purpose of Section 701 of the 2006 Act to make market purchases (as defined in Section 693 of the 2006 Act) of its ordinary 5 pence shares provided that:

    (a) the Company does not purchase under this authority more than 10% of the nominal value of the issued share capital of the Company;

    (b) the Company does not pay less than 5 pence for each ordinary share;

    (c) the Company does not pay for each ordinary share more than 105% of the average of the middle market price of the ordinary shares according to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the date on which the Company agrees to buy the ordinary shares concerned and shall expire at the conclusion of the next AGM of the Company or 15 months from the date of this Resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting), provided that the Company may before such expiry make an offer or agreement where the purchase will or may be executed after the authority terminates (either wholly or in part) and the Directors may complete such purchase in pursuance of such offer or agreement as if the power hereby conferred had not expired.

10. THAT, pursuant to the Articles, the Company is empowered to sell 18,272,500 shares held as treasury shares by the Company as at 22 August 2017, being 2.51% of the total ordinary share capital in issue (excluding treasury shares) and any subsequent purchases of treasury shares not more than 10% of the Company's issued share capital for cash as if Section 561 of the 2006 Act did not apply to such sale, and shall expire at the conclusion of the next AGM of the Company or 15 months from the date of this Resolution, whichever is the earlier (unless previously revoked, varied or extended by the Company in a general meeting), provided that the Company may before such expiry make an offer or agreement where the sale will or may be executed after the authority terminates (either wholly or in part) and the Directors may complete such sale in pursuance of such offer or agreement as if the power hereby conferred had not expired.

11. That a general meeting (rather than an annual general meeting) may be called on not less than 14 clear days' notice.

By Order of the Board

Jonathan Gwilt
Company Secretary

27 Bagleys Lane, Fulham,
London SW6 2QA

19 September 2017

Notes

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only holders of ordinary shares registered in the Register of Members of the Company as at close of business on 17 October 2017 shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after close of business on 17 October 2017 shall be disregarded in determining the right of any person to attend and vote at the AGM. A member of the Company who is entitled to attend and vote at the AGM convened by this Notice may attend the AGM at the Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur, Malaysia or by video conference facility at Corus Hotel Hyde Park, Lancaster Gate, London W2 3LG.

2. A member of the Company who is entitled to attend and vote at the AGM convened by this Notice, may appoint one or more proxies to attend, speak and, on a poll, vote on his/her behalf. A proxy need not be a member of the Company. More than one proxy may be appointed provided each proxy is appointed to exercise rights attached to different shares. More than one proxy may not be appointed to exercise rights attached to any one share. A form of proxy is enclosed. In order to be valid, an instrument appointing a proxy and any power of attorney under which it is executed (or a notarially certified copy thereof) must be deposited at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 10.00 am, Tuesday, 17 October 2017. The completion and return of a form of proxy will not, however, preclude shareholders from attending and voting in person at the AGM should they so wish. Alternatively a member may appoint a proxy, or may wish to vote electronically, at www.eproxyappointment.com. Please see the form of proxy for further details.

3. Copies of the Directors' service contracts and letters of appointment will be available for inspection at 27 Bagleys Lane, Fulham, London SW6 2QA, during normal business hours on any weekday (public holidays excluded) from the date of this Notice until the date of the AGM, and for 15 minutes prior to and during the AGM.

4. Any member attending the AGM has a right to ask questions. The Company must answer any question asked relating to the business being dealt with unless: (a) answering the question unduly interferes with the preparation of the AGM or involves the disclosure of confidential information; (b) the answer has already been provided on the website; or (c) the question is undesirable in the Company's interests or good order of the AGM.

5. A copy of this Notice and information regarding the AGM is available on www.lauraashley.com.

6. Any member is permitted to notify the Company of any resolution to be moved and other matters to be added to the business of the AGM provided it is not defamatory of any person, frivolous or vexatious.

7. The Company's issued share capital comprised 746,035,368 ordinary shares. To the exclusion of 18,272,500 treasury shares, each ordinary share carries the right to one vote at a general meeting of the Company. Therefore, the total number of voting rights in the Company as at that date are 727,762,868.

8. Under Section 527 of the 2006 Act, members meeting the qualification criteria set out in that section have the right to require the Company to publish on its 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 AGM; or (b) the circumstances connected with an auditor ceasing to hold office since the previous AGM at which annual accounts and reports were laid in accordance with Section 437 of the 2006 Act. The Company may not require the members making the request to pay any expenses incurred by the Company in complying with the request. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website. The statement may be dealt with as part of the business of the meeting.

9. You may not use any electronic address provided either in this notice of AGM (or any related documents) to communicate with Company for any purposes other than those expressly stated.

Store Locations in UK, Republic of Ireland and France

UK Store	Type	Address	Telephone
Aberdeen	Mixed Product	44/45 Bon Accord Centre, George Street, Aberdeen AB25 1HZ	0871 223 1488
Amersham	Home	23 Woodside Road, Amersham, Buckinghamshire HP6 6AA	0871 223 1456
Bangor	Home	Plot 1, Caernarfon Road, Bangor LL57 4SU	0871 223 1346
Bangor	Mixed Product	Unit 6, Bloomfield Retail Park, South Circular Road, Bangor, County Down BT19 7HB	0871 223 1524
Barnstaple	Mixed Product	Unit D, Barnstaple Retail Park, Station Road, Barnstaple EX31 2BP	0871 223 1514
Basildon	Mixed Product	Unit 4, Westgate Retail Park, Basildon, SS14 1WP	0871 223 1546
Basingstoke	Mixed Product	Unit 53-54, Queen Anne's Walk, Festival Place, Basingstoke RG21 7BF	0871 223 1497
Bath	Mixed Product	Unit 5A, St Laurence Street, Southgate, Bath BA1 1AN	0871 223 1327
Beccles	Mixed Product	Unit 5, Taylor Square, Newgate, Beccles, Suffolk NR34 9AT	0871 223 1453
Belfast	Home	Unit 11a, Boucher Retail Park, Boucher Crescent, Belfast, Co Antrim, Northern Ireland BT12 6HU	0871 223 1561
Berkhamstead	Mixed Product	172-176 High Street, Berkhamsted HP4 3AP	0871 223 1557
Beverley	Home	36/40 Toll Gavel, Beverley HU17 9AR	0871 223 1310
Bicester	Mixed Product	Unit 2, Bicester Avenue, Oxford Road, Bicester OX25 2NY	0871 223 1508
Biggleswade	Mixed Product	Unit J A1 Retail Park, London Road, Biggleswade SG18 8NE	0871 223 1371
Birkdale	Home	38 Weld Road, Birkdale, Southport PR8 2ED	0871 223 1347
Birmingham	Home	589-613 Hagley Rd West, Quinton, Birmingham B32 1BY	0871 223 1349
Birmingham	Concession	House of Fraser, Corporation Street, Birmingham, B2 5JS	0344 800 3707
Bolton	Mixed Product	63 The Linkway, Middlebrook, Horwich, Bolton BL6 6JA	0871 223 1563
Brentwood	Mixed Product	1 Weald Road, Brentwood CM14 4SN	0871 223 1432
Bristol Eastgate	Mixed Product	Unit K, Eastgate Centre, Eastgate Road, Bristol BS5 6XX	0871 223 1615
Broadstairs	Mixed Product	Unit 5, Broadstairs Retail Park, Margate Road, Broadstairs, Thanet CT10 2QW	0871 223 1596
Bromley	Mixed Product	62 High Street, Bromley BR1 1EG	0871 223 1437
Bury St Edmunds	Mixed Product	1 The Lexicon, Cornhill, Bury St Edmunds IP33 1BT	0871 223 1373
Camberley	Mixed Product	The Atrium, 74 Park Street, Camberley GU15 3PT	0871 223 1617
Cambridge	Mixed Product	Unit 39, Grand Arcade, Cambridge, CB2 3BJ	0871 223 1407
Canterbury	Home	Unit 1b, 26 Maynard Rd, Wincheap Trading Estate, Canterbury CT1 3RH	0871 223 1438
Cardiff Ty Glas	Mixed Product	Ty Glas Retail Park, Ty Glas Avenue, Llanishen, Cardiff CF14 5DU	0871 223 1579
Carlisle	Home	Unit 3, London Road Retail Park, Carlisle CA1 2PD	0871 223 1303
Carmarthen	Home	Unit 3, Parc Pensarn, Llanelli Road, Carmarthen SA31 2NF	0871 223 1394
Chelmsford	Mixed Product	10/13 Grays Brewery Yard, Springfield Road, Chelmsford CM2 6QR	0871 223 1375
Cheltenham	Mixed Product	92 The Promenade, Cheltenham GL50 1NB	0871 223 1395
Chester	Mixed Product	17 St. Michael's Row, Grosvenor Centre, Chester CH1 1EF	0871 223 1351
Chester	Home	Unit 3, Centurion Point, Victoria Road, Chester CH2 2FD	0871 223 1495
Chesterfield	Mixed Product	Unit 6, Dobbies Garden World, 4 Highwood Way, Barlborough Links, Chesterfield S43 4XN	0871 223 1485
Chichester	Mixed Product	32 North Street, Chichester PO19 1LX	0871 223 1417
Chichester	Home	104 The Hornet, Chichester PO19 7JR	0871 223 1418
Chippenham	Mixed Product	Unit 3B, Hathaway Retail Park, Foundry Lane, Chippenham SN15 1JG	0871 223 1614
Cirencester	Home	42a Querns Lane, Cirencester GL7 1RH	0871 223 1383
Colchester	Mixed Product	4/5 Trinity Square, Colchester CO1 1JR	0871 223 1376
Coleraine	Mixed Product	2-6 Stone Row, Coleraine BT52 1EP	0871 223 1483
Congleton	Home	Unit C – Congleton Retail Park, Barn Road, Congleton, Cheshire CW12 1LJ	0871 223 1559
Crawley	Mixed Product	Unit 78, County Mall, Crawley RH10 1FD	0871 223 1439
Crewe	Mixed Product	Unit 9, Grand Junction Way, Crewe CW1 2RP	0871 223 1597
Darlington	Home	13 Northumberland Street, Darlington DL3 7HJ	0871 223 1486
Dorchester	Mixed Product	Unit 3,43 South Street, Dorchester DT1 1DH	0871 223 1598
Dumfries	Home	Unit 5, Cuckoo Bridge Retail Park, Glasgow Road, Dumfries DG2 9BF	0871 223 1590
Dunstable	Home	Unit 3, White Lion Retail Park, Boscombe Road, Dunstable LU5 4WL	0871 223 1423
Durham	Mixed Product	Unit 2, Mercia Retail Park, Pityme, Durham DH1 5GF	0871 223 1583
Eastbourne	Mixed Product	129/131 Terminus Road, Eastbourne BN21 3NR	0871 223 1441
Edinburgh	Mixed Product	51 George Street, Edinburgh EH2 2HT	0871 223 1304
Edinburgh Straiton	Mixed Product	Unit 2, Straiton Retail Park, Midlothian, Loanhead EH20 9PW	0871 223 1586
Epsom	Concession	House of Fraser, 42 Ashley Centre, Ashley Ave, Epsom, KT15 5DB	0344 800 3726
Exeter	Mixed Product	41/42 High Street, Exeter EX4 3DJ	0871 223 1396
Farnham	Mixed Product	Hawthorn House, Romans Business Park, Farnham GU9 7SX	0871 223 1491
Farnham	Home	The Barn, The Lion and Lamb Yard, Farnham GU9 7LL	0871 223 1419
Gainsborough	Mixed Product	Unit 9, Marshalls Yard, Gainsborough DN21 2NA	0871 223 1589
Gateshead	Mixed Product	14A The Parade, Intu Metro Centre, Gateshead NE11 9YP	0871 223 1315
Glasgow	Home	Unit E, Braehead Shopping Centre, Kings Inch Road, Glasgow G51 4BP	0871 223 1577
Glasgow	Mixed Product	36-38 West George Street, Glasgow, Strathclyde G2 1DA	0871 223 1479
Gloucester	Home	Unit 2 Blooms of Bressingham, Bath Road, Haresfield, Gloucester GL10 3DP	0871 223 1558
Grantham	Mixed Product	Unit 3, Discovery Retail Park, London Road, Grantham NG31 6HR	0871 223 1574
Guildford	Mixed Product	71/72 North Street, Guildford GU1 4AW	0871 223 1420
Harlow	Home	Unit 6A, Queensgate Centre, Harlow CM20 2DA	0871 223 1378
Harrogate	Mixed Product	3 James Street, Harrogate HG1 1QS	0871 223 1316
Havant	Mixed Product	Unit 5, Solent Retail Park, Havant PO9 1ND	0871 223 1472
Haverfordwest	Mixed Product	Unit 4, Withybush Retail Park, Fishguard Road, Haverfordwest SA61 2PY	0871 223 1593
Haywards Heath	Mixed Product	2/4 South Road, High Street, Haywards Heath RH16 4LA	0871 223 1619
Hemel Hempstead	Mixed Product	Unit C3, Riverside Shopping Centre, Hemel Hempsted HP1 1BT	0871 223 1603
Henley on Thames	Mixed Product	2-4 Reading Road, Henley-On-Thames RG9 1AG	0871 223 1527
Hereford	Mixed Product	7 Commercial Street, Hereford HR1 2DB	0871 223 1399
Horsham	Mixed Product	3/4 Middle Street, Horsham RH12 1NW	0871 223 1443
Huddersfield	Home	Unit 2 Castlegate Retail Park, St Johns Road, Huddersfield HD1 5AN	0871 223 1560
Hull	Mixed Product	Unit 3A, The Junction Retail Park, St. Andrews Quay, Hull HU3 4SA	0871 223 1608
Ilkley	Mixed Product	1 Station Plaza, Ilkley LS29 8HF	0871 223 1575
Inverness	Mixed Product	Unit A, Falcon Square, Millburn Road, Inverness IV2 3PP	0871 223 1306

UK Store	Type	Address	Telephone
Kendal	Mixed Product	11 Library Road, Kendal, Cumbria LA9 4QB	0871 223 1307
Kettering	Mixed Product	Unit 5, Kettering Retail Park, Carina Road, Kettering NN15 6YA	0871 223 1585
Kingston upon Thames	Home	The Griffin Centre, Market Place, Kingston Upon Thames KT1 1JT	0871 223 1444
Knutsford	Mixed Product	Victoria House, Tatton street, Knutsford WA16 6AF	0871 223 1354
Lancaster	Home	Unit 3, Kingsway Retail Park, Caton Road, Lancaster LA1 1BS	0871 223 1567
Leamington Spa	Mixed Product	108 The Parade, Leamington Spa CV32 4AQ	0871 223 1489
Lewes	Mixed Product	3 Eastgate Centre, Lewes, East Sussex BN7 2LP	0871 223 1445
Lincoln	Mixed Product	310 High Street, Lincoln LN5 7DR	0871 223 1324
Liverpool (Aintree)	Home	Unit 4A, Aintree Race Course Retail Park, Ormskirk Road, Liverpool L9 5AN	0871 223 1576
Liverpool (Speke)	Mixed Product	Unit 11, New Mersey Retail Park, Speke Road, Liverpool L24 8QB	0871 223 1605
Llandudno	Mixed Product	Unit 8B, Parc Llandudno, Conwy Road, Llandudno LL30 1PX	0871 223 1496
London, Harriet Street	Mixed Product	7-9 Harriet Street, Knightsbridge, London SW1X 9JS	0871 223 1548
London, Westfield	Mixed Product	Unit 2094, Westfield London Shopping Centre, Ariel Way W12 7GF	0871 223 1519
Maidstone	Mixed Product	40-42 Fremlin Walk, Maidstone ME14 1QP	0871 223 1528
Manchester	Home	Unit A3, Barton Square, Trafford Centre M17 8AS	0871 223 1422
Mansfield	Mixed Product	Unit 5B, St. Peters Court, St Peters Retail Park, Station St, Mansfield NG18 1BE	0871 223 1609
Marlborough	Home	Unit 1, Hilliers Yard, Marlborough SN8 1BE	0871 223 1463
Milton Keynes	Mixed Product	163-175 Grafton Gate East, Central Milton Keynes, Milton Keynes MK9 1AE	0871 223 1490
Morpeth	Mixed Product	Unit 22-23, Sanderson Arcade, Morpeth NE61 1NS	0871 223 1531
Nantwich	Home	Station Road, Nantwich CW5 5SP	0871 223 1357
Newbury	Mixed Product	139 Bartholomew Street, Kennet Shopping Centre, Newbury RG14 5HB	0871 223 1556
Newcastle Under Lyme	Mixed Product	45 High Street, Newcastle Under Lyme ST5 1PN	0871 223 1358
Newport IOW	Mixed Product	36 High Street, Newport PO30 1SR	0871 223 1426
Northallerton	Home	1 South Parade, Northallerton DL7 8SE	0871 223 1333
Northampton St. James	Mixed Product	Unit 5A, St James Retail Park, Towester Road, Northampton NN1 1EE	0871 223 1588
Norwich	Mixed Product	19 London Street, Norwich NR2 1JE	0871 223 1387
Norwich	Home	Waitrose, The Eaton Centre, Church Lane, Eaton, Norwich NR4 6NU	0871 223 1388
Nottingham	Home	Unit 3, Castle Boulevard, Nottingham NG7 1FN	0871 223 1335
Nottingham	Home	Unit 7, Giltbrook Retail Park, Nottingham NG16 2RP	0871 223 1505
Omagh	Home	1a Showgrounds Retail Park, Omagh, Co Tyrone, Northern Ireland BT79 7AQ	0871 223 1562
Orpington	Mixed Product	Unit 13A, Nugent Shopping Park, Cray Avenue, Orpington BR5 3RP	0871 223 1580
Oxford	Home	267 Banbury Road, Summertown, Oxford OX2 7HT	0871 223 1467
Peterborough	Mixed Product	Unit P1, Bretton Shopping Park, Peterborough PE3 8DN	0871 223 1616
Petersfield	Home	Unit 2, 15-17 The Square, Petersfield GU32 3HP	0871 223 1564
Poole	Home	Unit C8, Poole Retail Park, Poole Road, Poole Dorset BH12 1DN	0871 223 1584
Preston	Mixed Product	32 Fishergate, Preston PR1 2AD	0871 223 1361
Purley	Home	5 Russell Hill Parade, Russell Hill Road, Purley CR8 2LE	0871 223 1447
Putney	Mixed Product	218 Putney Bridge Road, Putney, London SW15 2NA	0871 223 1565
Rayleigh	Home	Unit B, 46 Stadium Way, Rayleigh SS7 3NZ	0871 223 1390
Reading	Mixed Product	Unit 9, Brunel Retail Park, Rose Kiln Lane, Reading RG2 0HS	0871 223 1581
Reigate	Home	14-18 Church Street, Reigate RH2 0AN	0871 223 1571
Rugby	Home	Unit A, Junction One Retail Park, Leicester Road, Rugby CV21 1RW	0871 223 1362
Saffron Walden	Mixed Product	Trevax House, 10 Hill Street CB10 1JD	0871 223 1530
Salisbury	Mixed Product	7 New Canal, Salisbury SP1 2AA	0871 223 1428
Sevenoaks	Mixed Product	2 Blighs Court, Sevenoaks TN13 1DD	0871 223 1449
Sheffield	Home	5 Archer Drive, Archer Road Retail Park, Sheffield S8 0LB	0871 223 1478
Sheffield	Mixed Product	Unit 24A (4a The Arcade), Meadowhall Centre, Sheffield S9 1EP	0871 223 1336
Shepton Mallet	Mixed Product	Unit 4A, Townsend Retail Park, Townsend, Shepton Mallet BA4 5EG	0871 223 1601
Shipley	Mixed Product	Unit 1, 92 Otley Road, Shipley BD18 2BJ	0871 223 1493
Shrewsbury	Mixed Product	Unit SU2, Charles Darwin Centre, Pride Hill, Shrewsbury SY1 1BN	0871 223 1363
Skipton	Home	Unit 13, Craven Court, High Street, Skipton BD23 1DG	0871 223 1338
Solihull	Mixed Product	124 High Street, Solihull B91 3SX	0871 223 1404
South Woodford	Home	12-14 Electric Parade, George Lane, South Woodford E18 2LY	0871 223 1468
Southampton	Mixed Product	Units 7 8 & 9, Hanover Buildings, Southampton SO14 1JX	0871 223 1569
Southsea	Mixed Product	36-38 Palmerston Rd, Southsea PO5 3QH	0871 223 1430
Stafford	Mixed Product	115 Wolverhampton Road, Stafford ST17 4AH	0871 223 1570
Staines	Mixed Product	Unit 12, Two Rivers Shopping Centre, Staines, Middlesex TW18 4BL	0871 223 1591
Staples Corner	Home	Unit 3A, Staples Corner Retail Park, Off Edgeware Road NW2 6LW	0871 223 1572
Stevenage	Mixed Product	Unit B1, Stevenage Retail Park, London Road, Stevenage SG1 1XZ	0871 223 1607
Stirling	Mixed Product	21 Port Street, Stirling FK8 2EJ	0871 223 1309
Stockton-on-Tees	Mixed Product	Goodwood Square, Teeside Shopping Park, Thornaby, Stockton-on-Tees TS17 7BW	0871 223 1602
Stratford Upon Avon	Mixed Product	Unit 1, 24-26 Bridge Street, Stratford Upon Avon CV37 6AD	0871 223 1405
Sutton Coldfield	Mixed Product	164 The Parade, Gracechurch Centre, Sutton Coldfield B72 1PH	0871 223 1366
Swansea	Mixed Product	Unit 6A, Pontarddulais Road Retail Park, Swansea SA5 4BA	0871 223 1592
Swindon	Mixed Product	Unit 14A, Greenbridge Retail Park, Swindon SN3 3SQ	0871 223 1568
Taunton	Mixed Product	Unit 2, Belverdere Retail Park, Taunton, TA1 1NQ	0871 223 1582
Telford	Mixed Product	Unit 3, The Junction, Telford Forge Shopping Centre, Colliers Way, Telford TF3 4AG	0871 223 1606
Tenterden	Mixed Product	19/21 High Street, Tenterden TN30 6BJ	0871 223 1452
Truro	Mixed Product	Unit 2, 7 Pydar Street, Truro TR1 2AR	0871 223 1410
Tunbridge Wells	Mixed Product	61 Calverley Road, Tunbridge Wells TN1 2UY	0871 223 1454
Wakefield	Home	Unit 7, Ings Road, Westgate Retail & Leisure Park, Wakefield WF2 9SD	0871 223 1587
Warrington	Mixed Product	Unit 9, Riverside Retail Park, Wharf Street, Howley, Warrington WA1 2GZ	0871 223 1368
Weybridge	Home	17-19 Church Street, Weybridge KT13 8DE	0871 223 1455
Wilmslow	Mixed Product	70-72 Grove Street, Wilmslow SK9 1DS	0871 223 1578
Winchester	Mixed Product	126 High Street, Winchester SO23 9AX	0871 223 1431

Store Locations in UK, Republic of Ireland and France continued

UK Store	Type	Address	Telephone
Windermere	Gifts & Accessories	53 Quarry Rigg, Bowness on Windermere, Cumbria LA23 3DU	0871 223 1511
Windsor	Mixed Product	99 Peascod Street, Windsor SL4 1DH	0871 223 1476
Wolverhampton	Mixed Product	Unit A2, Bentley Bridge Retail Park, Bentley Bridge Way WV11 1BP	0871 223 1599
Woodbridge	Home	11B & 11C, The Thoroughfare, Woodbridge IP12 1AA	0871 223 1618
Worcester	Mixed Product	12 Crown Passage, Broad Street, Worcester WR1 3LL	0871 223 1473
Workington	Mixed Product	1 Risman Place, Workington CA14 3DU	0871 223 1573
Worthing	Mixed Product	Units 1/2, Montague Centre, Worthing BN11 1YJ	0871 223 1433
Yeovil	Mixed Product	28 Vicarage Walk, Quedem Centre, Yeovil BA20 1EX	0871 223 1413
York Julia Avenue	Mixed Product	1 Julia Avenue Retail Park, Monks Cross, Huntingdon, York YO32 9JR	0871 223 1343

UK Clearance Store

Newtown Outlet	Mixed Product	Unit D Vastre Enterprise Park, Newtown, Powys SY16 1DZ	0871 223 1360

Republic of Ireland Stores

Athlone	Mixed Product	Unit 4B, Arcadia Retail Park, Arcadia, Athlone	00353 906 478750
Cork	Home	Units 9/10, Merchants Quay, Patrick Street, Cork	00353 214 944694
Dublin Blanchardstown	Mixed Product	Unit 8B West End Retail Park, Blanchardstown, Dublin 15	00353 18 851292
Dundrum Concession	Home	House of Fraser, Dundrum Town Centre, Sandyford Road, Dublin 16	00353 12 991400
Galway	Home	Calbro Court, Tuam Road, Galway	00353 91 700139
Limerick	Mixed Product	Unit 9, Savoy Henry Street, Limerick	00353 61 609746

France Stores

Mulhouse	Mixed Product	Centre Commercial, Port Jeune, Mulhouse, 68110	0033 140 674948
Paris	Mixed Product	95 Avenue Raymond Poincare, Paris, 75116	0033 140 674948

The above list includes only those stores that were in operation as at 30 June 2017

Shareholders' Information

As at 22 August 2017

Shareholders' Helpline Number: 0370 707 1110

Computershare Services PLC, the Company's Registrar, has introduced a facility where shareholders are able to access details of their shareholding over the internet, subject to passing an identity check. You can access this service by visiting *www.investorcentre.co.uk.*

The site also includes information on recent trends on the Company's share price.

Financial Calendar

Annual General Meeting

5.00pm (Malaysia time), Thursday 19 October 2017
10.00am (UK time), Thursday 19 October 2017

Proxies to reach Registrars prior to

10.00am (UK time), Tuesday 17 October 2017

Meeting to be held at

Corus Hotel Kuala Lumpur
Jalan Ampang
50450 Kuala Lumpur
Malaysia

Video Conference Facility at

Corus Hotel Hyde Park
Lancaster Gate
London W2 3LG

Accounting Periods 2017/18

First half-year end

Saturday, 30 December 2017

Second half-year end

Saturday, 30 June 2018

Trademarks

LAURA ASHLEY


laura ashley
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