

LAURA ASHLEY

Annual Report 2018





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Corporate Information

Board of Directors

Tan Sri Dr Khoo Kay Peng*‡

Mr David Walton Masters*†

Mr Ng Kwan Cheong

Mr Seán Anglim

Prof. Jane M Rapley OBE‡‡

Mr Wong Nyen Faat†

Mr Andrew Khoo Boo Yeow*‡†

Mr Leon Yee*‡

Chairman

Deputy Chairman

Chief Executive Officer

Finance Director & Joint Chief Operating Officer

* Member of Remuneration Committee

‡ Member of Nomination Committee

† Member of Audit Committee

Finance Director & Joint Chief Operating Officer

Mr Seán Anglim

Joint Chief Operating Officer

Mr Nick Kaloyirou

Company Secretary

Mr Jonathan Gwilt

Registered Office

27 Bagleys Lane
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

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London E1W 1YW

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

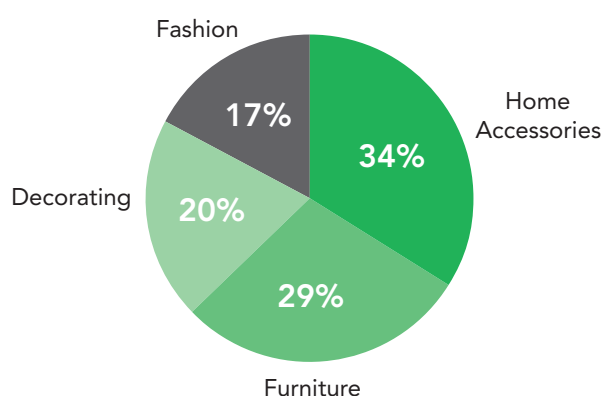
Summary

- Profit before tax and exceptional items** of £5.6m (2017: £8.4m).
- Profit before tax of £0.1m (2017: £6.3m).
- Total like-for-like* retail sales down 0.4%.
- Fashion like-for-like* retail sales up 9.7%.
- Total Group sales of £257.2m (2017: £277.0m).
- Online sales of £59.7m (2017: £57.3m), which now represents 25.0% of retail revenue.
- Online sales up by 4.1% on a like-for-like* basis.
- The Board is not recommending payment of a dividend.
- Conditional agreement to sell the Singapore property announced.

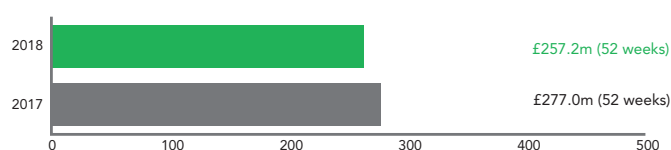
* References to like-for-like refer to a comparison of the 52 week period to 30 June 2018 with the 52 week period to 30 June 2017. Stores comparisons only include those that have traded throughout the full two year period to 30 June 2018.

** 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



FURNITURE



HOSPITALITY



Chairman's Statement

Overview

For the 52 weeks to 30 June 2018, total Group sales were £257.2m (2017: £277.0m). Like-for-like sales fell by 0.4% over the same period. e-Commerce sales were £59.7m (2017: £57.3m). Like-for-like e-Commerce sales grew by 4.1%.

Group profit before taxation, excluding exceptional items, was £5.6m (2017: £8.4m). An exceptional charge of £5.5m was recorded in the year of which £4.7m relates to an impairment charge on the value of the Singapore property following the Group entering into a conditional agreement to sell the property.

Profit before tax was £0.1m (2017: £6.3m).

Operating expenses of £91.7m were recorded for the year (2017: £98.3m). The reduction is largely attributed to the net reduction of stores over the period.

Cash Flow and Statement of Financial Position

As at 30 June 2018, bank borrowings stood at £20.1m and the net cash overdraft balance was £11.4m. Inventory of £55.7m 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. Upon completion of the disposal, the bank borrowings of £20.1m in respect of the property in Singapore will be repaid.

Dividend

No interim dividend was paid during the year and the Board is not recommending payment of a final dividend. For period ended 30 June 2017, a dividend of 0.5p was paid.

UK Retail

As at 30 June 2018, the property portfolio in the UK comprised 160 stores (June 2017: 167). The portfolio is as follows: 111 Mixed Product stores, 46 Home stores, 1 concession store, 1 Gifts & Accessories store and 1 Clearance outlet. During the reporting period, eight stores were closed and one opened, reducing total selling space by 2.6% to 662,000 square feet.

Over the coming year, we will open two new stores and close five stores as we continue to optimise the store portfolio.

Total UK retail sales of £236.0m were recorded during the 52 weeks to 30 June 2018 (2017: £252.0m). UK retail sales were affected by the eight closures and the uncertainty in the market.

Total e-Commerce sales of £59.7m were recorded during the 52 weeks to 30 June 2018 (2017: £57.3m). On a like-for-like basis, sales grew by 4.1%.

Product

The UK business is split into four main categories. For the period ended 30 June 2018, the relative split of UK sales was as follows: Home Accessories 34%, Furniture 29%, Decorating 20% and Fashion 17%.

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 2018 fell by 3.6% over the same period last year with like-for-like performance up by 2.9%. This is our largest category both in overall percentage of sales and in product ranges. Gifts and accessories form the largest components of this category and include a strong seasonal bias featuring Christmas, Easter and summer product ranges. Continued development and novelty have helped to develop consistent like-for-like growth of between 5% and 10% within this category over recent years. Whilst the ranges are designed to complement our decorating and furnishing themes, they also stand alone as individual and design led products.

Furniture

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

Furniture sales for the year to 30 June 2018 decreased by 8.2% over the same period last year with like-for-like sales down by 4.1%. This is our most highly priced category. Given the softer consumer confidence at this juncture, some of our customers have deferred the more expensive purchase of a new settee or bed. We are adding a selection of more competitively priced products to this range but will maintain the overall quality and diversity of choice which we now offer.

Decorating

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

Decorating sales for the year to 30 June 2018 fell by 13.9% with like-for-like sales down 7.5%. This category has been particularly slow and significant effort has been made to address its performance during the next financial year, particularly with the inclusion of one new range aimed at a broader customer base.

Fashion

This category includes adult fashion, selected girls wear, fashion accessories and perfumery.

Fashion sales for the year to 30 June 2018 increased by 7.2% over the same period last year with like-for-like sales up by 9.7%. This performance has been very good and

Chairman's Statement continued

was achieved on the back of a restructure implemented last year and a much improved product range. We are confident that this improved performance will continue and we are encouraged by sales in the early weeks of the new financial year.

Hotels and Tea Rooms

The Laura Ashley hotel recorded sales of £2.1m (2017: £2.5m) over the period. We continue to partner under franchise with a hotel in the Lake District, (Laura Ashley, The Belsfield).

Building on the success of our franchised hotel and interest from within the sector, the Company has decided to expand Laura Ashley Hotels by franchising the concept both domestically and internationally.

In June 2017, we opened our first Tea Room. Located in the Regency Hotel, Solihull, it has been a great success and has subsequently been expanded to meet customer demand. Based on this performance, one further franchised tea room was opened in Burnham Beeches in July 2018 and an additional two are planned for October 2018 of which one will be franchised and the other will be managed by the Company. We will continue to expand this concept as a franchise model.

International Operations

Contributing 7.0% of total Group revenue, our international Franchise and Licensing channels are an important and strategic part of our business. As at 30 June 2018, there were 213 franchised stores (243 as at 30 June 2017) in 29 territories worldwide.

Franchise and Licensing revenue of £18.0m was recorded during the year to 30 June 2018 (2017: £20.6m).

As announced in February 2018, from 17 September 2018 the Master License Agreement with AEON will be terminated for the Japan, Hong Kong and Taiwan territories. We are delighted to announce that we have signed a new Master License Agreement with Itochu Corporation for Japan and expect that the business and its profitability will grow over the years to come.

We are also pleased that we have acquired a new licence partner for Thailand, SB Group, and the first two stores will open during the new financial year.

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

We have continued to build our online presence in China and are now trading on three Chinese online platforms; T Mall Global, JD.com and Little Red Book.

Sale of Singapore Property

The Board has entered into a conditional agreement to sell the property in Singapore. The property in Singapore was purchased in June 2015 with a view to having an Asian headquarters, based there, to help expand into the Asian market including China and India. While expansion into the Asian market continues to be a priority, the retail environment, both domestically and internationally, has changed and therefore the Board believes that this is an appropriate time to sell the property.

The Board, therefore, conducted a thorough marketing exercise for the Property and considers that the sale of the Singapore property at the attributed value of SGD\$54.5m is in the best interests of the Company and Shareholders as a whole. Given its size, the sale of the property is conditional on shareholder approval and a circular setting out details of the transaction and a notice of general meeting has been sent to shareholders.

The sale of the property will strengthen the Company's balance sheet and net debt position as the bank borrowings relating to this property will be repaid on completion of the transaction. It is expected that, subject to shareholder approval, the transaction will be completed in November 2018. Given that the value attributed to the disposal is less than the carrying value of the property, an exceptional impairment charge of £4.7m, including the costs of disposal, is being taken in the results for the year.

Current Trading and Outlook

Trading for the eleven weeks to 15 September 2018 is performing in line with management expectations.

Laura Ashley's Brand is built on beautifully designed, high quality products. We remain resolutely confident in the underlying strength of this much loved Brand, in its relevance for today's consumer and in our strategies to both maintain and develop it.

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 thanks 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

21 September 2018

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. As explained in note 21, a 1% depreciation in Sterling against these currencies for a full 12 months could reduce the Group's profit by approximately £1.1m.

During the year, the average rate of exchange of Sterling against US Dollars appreciated by 6.2% compared to the average for the previous financial year whereas the rate of exchange of Sterling against the Euro over the same period depreciated by 3.0%. Whilst there has been a favourable movement against the US Dollar, some of the benefit of this has been offset by the timing of strengthening of Sterling in relation to our purchasing commitments. Although Sterling appreciated significantly against the US Dollar between November 2017 and April 2018 it has remained considerably below the prevailing rates in the three years prior to July 2016 and depreciated by approximately 8% in the last 3 months of the financial year closing the year at 1.32. Whilst it has been possible to offset some of the adverse movements experienced during the year by agreeing with suppliers to absorb certain amounts of the resulting increases, continued exchange rate volatility and the persistence of low rates of exchange have continued to adversely impact the Group's operating profit.

UK employment costs & legislative changes

As set out in the Directors' Remuneration Report on page 25, salaries and wages have risen by between 4% 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 of Singapore property

As shown in notes 13 and 14, an impairment charge on the value of the Singapore freehold property of £4.7m, including the costs of the proposed sale, has been reflected in Group profit before tax.

Concession stores

No concessions have been opened to replace those previously located in Homebase stores and closed during the year to June 2017. The 22 concessions located in Homebase stores up until the first half of 2017 generated annual revenues of £14m and profits of £1.4m. To mitigate the impact of their losses, customers have been encouraged to shop online and to visit neighbouring stores.

Impact of Brexit

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

Financial Position and Liquidity

The Group's financial position improved by £1m during the financial year. This has primarily been the result of the reduction in the value of trade and other payables and the continued reduction in retirement benefit liabilities, offset by the impairment of the Singapore property and a reduction in inventories resulting from store closures.

The Group's net overdraft position increased by £0.7m during the year due to the continued repayment of the loan on the Singapore property and on-going investment in computer hardware and software systems.

Markets and Trends

The performance of the Group's worldwide business depends on the successful 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.

Group Strategic Report continued

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's handwriting and relevance to an eclectic customer base.

Product price and positioning are regularly reviewed to take account of consumer appetite and the prevailing retail environment 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 65 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 comprehensive 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 374 stores worldwide, 161 of which are located in the UK, Ireland and France, with the remaining 213 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 & Accessories stores and a Clearance outlet. The Group will continue to review its store portfolio and positioning as structural changes in the retail industry continue to emerge.

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 is comprised of 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 returns 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.
- Multi-channel marketing strategy to maintain and grow our customer base.
- 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.

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

- Recruitment of a Franchise partner for Thailand.
- Appointment of a new Head of Fashion and a restructuring of the design team.
- Development of a new digital platform to be launched in September 2018 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, product quality, international expansion, growth of Brand exposure both in the UK and internationally, profit before tax and like-for-like sales growth.

Delivering good quality customer service at all times is central to the business and this is measured on a weekly basis against a range of key performance indicators, including:

- length of time taken to answer telephone calls and respond to email communications;

- percentage of cases closed-out within certain time limits;
- number of deliveries to customers achieved on time and without issue; and
- qualitative feedback received via social media platforms.

Product quality is at the core of the Brand and business strategy. This is statistically reviewed on a regular basis by a range of people within the business and pays particular attention to:

- number of replacements of defective or sub-standard product items;
- level of re-makes of made-to-measure curtains and blinds;
- incidence of damage caused to products on delivery; and
- number of recalls of product.

Metrics are gathered on both the quality of customer service and Laura Ashley products via our dedicated contact centre located in Newtown, Wales, through our range of stores and various other reporting channels. These are monitored on a weekly basis and appropriate action is taken to both address the particular matter in hand and to ensure that quality standards are maintained or improved.

UK Store Sales

Laura Ashley UK and Republic of Ireland had 160 stores as at 30 June 2018 compared to 167 as at the end of the last financial period. Total UK store sales for the year ended 30 June 2018 were £177.4m (2017: £196.0m).

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 2018 were down by 1.7%.

Store selling space

	30 June 2018	30 June 2017	% Change
Store numbers	160	167	(4.2%)
Square Feet ('000)	662	681	(2.6%)

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 19,000 square feet in the 52 weeks ended 30 June 2018. The ongoing implementation of our store portfolio management strategy resulted in one store being opened and eight stores being closed during the year.

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 1.3% year on year (2017: decrease 3.5%).

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 2018 account for 25.0% of total UK retail sales.

With our various catalogues, our Mail Order remains an important marketing channel for Laura Ashley. We will move to a new e-Commerce platform in September 2018 which will support future growth of this important and strategic segment of our business. The total number of unique customer registrations on the Laura Ashley website reached 2,775,375 by 30 June 2018, an increase of 278,505 (11.2%) on the position at the start of the financial year.

We have continued to build our Brand presence in China and are now trading online through three Chinese online platforms; T Mall Global, JD.com and Little Red Book. The introduction of Laura Ashley into the Chinese market represents a very significant development in the exposure of the Brand and expansion of the business internationally.

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 2018 there were 213 (2017: 243) Franchised stores in 29 (2017: 29) territories worldwide. Franchise revenue for the 52 week period ended 30 June 2018 was £14.5m (2017: £17.3m).

A number of international markets where we have a presence have been challenging in recent years and continue to be so. The continued slowdown of certain Eurozone economies has had a negative effect on Franchise sales.

Group Strategic Report continued

Franchise operations in Japan, Hong Kong and Taiwan have begun to contract in the run up to the termination of the Master Licence Agreement with Aeon on 17 September 2018.

The new partner for Thailand is in the process of opening their first stores in the territory.

The proposed franchising of Hotels and Tea Rooms will represent a significant development in the growth of both Brand exposure and revenue streams in the UK and internationally.

Licensing

Licensing income for the 52 week period ended 30 June 2018 was £3.5m (2017: £3.3m). Laura Ashley has over 70 global licensing partners distributing across 36 territories.

The main focus this year has been on assisting existing licensees to extend their product collections and distribution. Particular success has been seen in sales of our Ceramic Tiles, Kitchen Collection and European Tableware range.

Significant expansion in licensing income is expected in the coming year as our activities in Japan move to a pure licensing model with our new license partner, Itochu Corporation, following the cessation of trading through stores operated by Aeon. We expect to see a significant expansion in licensing products across a broad range of categories as well as growth in the number of licensees operating within the country.

We further intend to expand into China, the Philippines, Indonesia and other countries in South East Asia.

Review of the Business

Fashion and Home Accessories registered positive like-for-like sales growth of 9.7% and 2.9% respectively. Decorating and Furniture registered like-for-like sales decreases of 7.5% and 4.1% respectively.

During the 52 weeks ended 30 June 2018, as a percentage of revenue, operating expenses increased to 35.6% from 35.5% in the previous period but reduced in quantum from £98.3m to £91.7m.

Financial Summary

	52 weeks to 30 June 2018 £m	52 weeks to 30 June 2017 £m
Revenue	257.2	277.0
Gross profit	98.1	109.2
Operating expenses	91.7	98.3
Profit before exceptional items	5.6	8.4
Profit before taxation	0.1	6.3
Earnings per share (excluding exceptional items)	0.56p	0.84p
Capital expenditure	2.3	0.8
Retirement benefit liabilities	11.1	13.8
Cash and cash equivalents	(11.4)	(10.7)

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 an alternative measure of the underlying trading performance of the Group. A reconciliation of Profit before tax and exceptional items and statutory Profit before taxation is given in the table below:

	2018 £m	2017 £m
Profit before tax and exceptional items	5.6	8.4
Exceptional items (see note 34)		
Impairment of Singapore Property (see notes 13 and 14)	(4.7)	(2.8)
(Losses)/gains on disposals of stores	(0.8)	0.8
Non-store redundancy costs	–	(0.1)
	(5.5)	(2.1)
Profit before taxation	0.1	6.3

This alternative performance measure is not defined by International Financial Reporting Standards (IFRS) and, therefore, may not be directly comparable with alternative performance measures used by other companies, including those within the retail sector. Alternative performance measures should be considered in addition to IFRS measurements and are not intended to be a substitute for or superior to them.

Results

Revenue for the 52 weeks ended 30 June 2018 was £257.2m (2017: £277.0m) and total gross profit for the 52 weeks ended 30 June 2018 was £98.1m (2017: £109.2m).

Profit before taxation for the 52 weeks ended 30 June 2018 was £0.1m (2017: £6.3m).

There was an exceptional loss in the 52 weeks ended 30 June 2018 of £5.5m (2017: net loss of £2.1m).

The Group recorded a decrease in the pension liability provision of £2.7m. 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 further enhanced by net gains yielded from two de-risking initiatives which allowed members to take advantage of flexibility at retirement and pension income exchange.

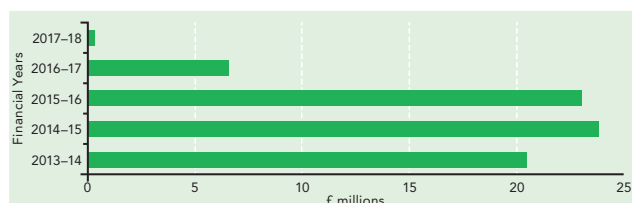
Revenue and Operating Results

Total retail sales for the 52 weeks ended 30 June 2018, including e-Commerce and Hotel, were £239.2m (2017: £255.8m). UK retail store sales densities inclusive of VAT for 52 weeks ended 30 June 2018 were £315 per square foot compared to £332 per square foot in the previous 52 week financial period. Non-retail sales amounted to £18.0m for the 52 weeks ended 30 June 2018 (2017: £21.2m).

Total store revenue for the 52 weeks ended 30 June 2018 for the UK, Ireland and France amounted to £177.4m (2017: £196.0m). Total direct sales for the 52 weeks ended 30 June 2018 were £59.7m (2017: £57.3m).

Operating expenses for the 52 weeks ended 30 June 2018 were £91.7m (2017: £98.3m).

Profit Before Taxation – 5 year summary



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 rates for both the current and previous years are higher than the statutory rates of UK Corporation tax primarily due to the incidence of non-deductible expenditure which includes the impairment of the Singapore property.

Net Assets

Net assets of the Group as at 30 June 2018 amounted to £36.4m, an increase of £1.0m compared to the net assets for the previous period.

The Group had a net negative cash position of £11.4m at the year-end (2017: negative £10.7m) 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 2017	167	2	169
Opened	1	-	1
Closed	(8)	(1)	(9)
June 2018	160	1	161

Net Square Footage ('000)	UK and Ireland	France	Total
June 2017	681	4	685
Opened	3	-	3
Closed	(22)	(2)	(24)
June 2018	662	2	664

Group Strategic Report continued

Cash and Banking

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

	2018 £m	2017 £m
Operating activities	4.0	(12.9)
Investing activities	(2.3)	(0.8)
Financing activities	(2.4)	(2.0)
Net cash (outflow)	(0.7)	(15.7)

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

	2018 £m	2017 £m
Opening net (overdrafts)/funds	(10.7)	5.0
Total cash outflow	(0.7)	(15.7)
Closing net overdrafts	(11.4)	(10.7)

The Company did not pay a dividend to shareholders in the 52 week period ended 30 June 2018 (2017: £14.5m). Total capital expenditure for the financial period ended 30 June 2018 was £2.3m (2017: £0.8m). In addition, a further £1.3m of the loan on the Singapore property was repaid during the period.

We are optimistic that the Group will continue to generate positive cash inflow from its operations for the foreseeable future. This will be greatly enhanced by the net proceeds from the proposed sale of the Singapore property which are expected to be returned to the UK in November 2018 following the completion of the transaction. 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 year. 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 13.

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 43 and note 21 to the financial statements.

Business Continuity

The Business Continuity Plan is regularly updated and implemented throughout the Group. A regular internal 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 relevant 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 relevant 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 actively train 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.
Finance		
Failure to maintain cost efficient funding and generate sufficient cash flow. Failure to react to changes in foreign currency exchange fluctuations.	Adverse effect on financial results and inability to pay suppliers and other third parties on time.	Stringent cash flow management including daily cash monitoring. Overdraft facility in place. 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. The risk of loss of staff, customer or corporate data.	Inability of staff or customers to place and process orders, leading to loss of revenue and consumer confidence. Loss of trust in the Company/Brand. Loss of revenue to the Group.	Regular upgrade and constant checks of existing software and hardware. Invoke full disaster recovery plan with priorities set for each application. Systems security regularly updated. IT suppliers/partners thoroughly vetted.
Group Pension Arrangements		
Operation of a funded pension scheme in deficit.	Significant decrease in the value of the assets or increase in the value of the liabilities of the scheme due to changes in the performance of financial markets or actuarial assumptions. Inability of Laura Ashley to sufficiently contribute the scheme to eliminate the deficit.	Regular consultation with Trustees and actuary, reporting of asset values and changes in key market indicators, such as bond yields, inflation, earnings growth and equity performance. Consistent budgeting for and financing of employer contributions at a sustainable rate over a reasonable time frame.

Group Strategic Report continued

Changes in principal risks and uncertainties

The changing nature of the retail market and the various headwinds facing retailers have remained largely unchanged from the previous financial year and are likely to continue in to the new financial year. These include, but are not limited to, margin pressure arising from external factors such as the National Living Wage, pension auto-enrolment, business rates increases due to re-basing of rateable values and weak Sterling performance arising from political uncertainty. Additionally, changing consumer behaviour to a more value-based shopping proposition has focused our retail offer accordingly.

As set out in note 29, the Group's net pension deficit has once again decreased significantly during the year primarily due to achieving positive rates of returns on scheme assets, favourable gains secured by members taking advantage of the flexibility at retirement and pension increase exchange "de-risking" opportunities offered to them and from the continued cash contribution of the Group. The Group will not be offering further de-risking schemes to members in the coming year but will continue to closely monitor the position of the pension scheme on a regular basis.

The announcement by Aeon to terminate the Master Licence Agreement caused some uncertainty at the time but this has been carefully managed to ensure a smooth transition to new licensing arrangements with Itochu Corporation. Japan is the second largest licensing economy in the world and this move, with our new partner, will allow the Group to further develop the Brand's presence and profitability.

As explained in note 21, a temporary extension to the Group's overdraft facility was required during the first half of the year to provide additional cash flow. It has not been necessary to arrange any further extension. Moreover, the proposed sale of the Singapore property will ensure that the Group will continue to operate within the existing facility.

The introduction of GDPR in May 2018 has placed renewed emphasis on the integrity of consumer and employee data held by the Group, and the security of its IT systems. These will continue to be closely monitored and supported by continued investment in the Group's IT infrastructure.

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 CO₂ 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 16 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 remains financially stable 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 reviewing our supplier base and territories from which we source.

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 2018.

	Group 2018		Company 2018	
	Female	Male	Female	Male
Directors, including Non-Executive Directors	1	7	1	7
Senior Managers	2	1	–	–
Other Employees	2,352	617	–	–

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 have 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 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 internally 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

21 September 2018

Directors' Report

The Directors present their annual report and audited financial statements for the financial period ended 30 June 2018.

Results for the financial period and Business Review

The Group's results for the financial period ended 30 June 2018, 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 15. 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 2018 and are satisfied that the Group will have adequate working capital to meet its strategic needs.

The Board is not recommending payment of a final dividend. No interim dividend was paid (2017: 0.5p per share).

Capital structure

Details of the ordinary shares of the Company are shown in note 24. 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 19.

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 21 August 2018.

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 21 to 24.

Global Greenhouse Gases (GHG) emissions for the reporting period 1 July 2017 – 30 June 2018

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 2018 were 10,080 tonnes of carbon dioxide equivalent (tCO₂e) (2017: 18,269) at an intensity ratio of 39.19 tCO₂e per £m sales (2017: 65.95 tCO₂e).

GHG emissions for period:	2017-2018 (July 17 – June 18)	2016-2017 (July 16 – June 17)
Emission sources	Tonnes CO ₂ e	Tonnes CO ₂ e
Fuel combustion (stationary)	1,605	2,391
Fuel combustion (mobile)	6,984	7,057
Electricity, heat, steam and cooling	1,491	8,821
Total (tCO₂e)	10,080	18,269
Intensity ratio (tCO ₂ e per £m sales)	39.19	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.

Mr Andrew Khoo Boo Yeow, Mr Seán Anglim and Professor Jane Rapley were appointed as Directors of the Company on 10 January 2018 and Mr Leon Yee was appointed as a Director of the Company on 12 February 2018. Ms Kwa Kim Li resigned as Independent Non-Executive Director of the Company on expiration of her term on 6 September 2017.

In accordance with the Company's Articles, the Chairman, Tan Sri Dr Khoo Kay Peng, retires by rotation at the AGM and will offer himself for re-election as a Non-Executive Director of the Company.

In accordance with the UK Corporate Governance Code, Mr Andrew Khoo Boo Yeow will offer himself for election as a Non-Executive Director of the Company.

In accordance with the UK Corporate Governance Code, Mr Seán Anglim will offer himself for election as an Executive Director of the Company.

In accordance with the UK Corporate Governance Code, Professor Jane Rapley and Mr Leon Yee will offer themselves for election as independent Non-Executive Directors of the Company.

Details of the current Directors are as follows:

Tan Sri Dr Khoo Kay Peng, 79, Non-Executive Chairman, joined the Board in February 1999. He is the Executive Chairman 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 Malaysia-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, 74, 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 a Non-Executive Director of Asprey International Limited.

Mr Ng Kwan Cheong, 70, 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. and Regent Corporation Inc. 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 Andrew Khoo Boo Yeow, 45, was appointed to the Board as a Non-Executive Director on 10 January 2018. He is a member of the Audit, Nomination and Remuneration Committees. Mr Khoo is the Chief Executive Officer of the MUI Group and Executive Director of MUI Properties Berhad, an Executive Director of Pan Malaysia Corporation Berhad and Network Foods International Ltd, and a Director of Metrojaya Berhad, West Synergy Sdn Bhd, Laura Ashley Inc., Laura Ashley (North America) Inc., Regent Corporation, Corus Hotels Limited and Federal International (2000) Ltd. Mr Khoo is a Barrister-at-law from Lincolns Inn, United Kingdom and also holds a Degree in Law and Master of Arts from Cambridge University, United

Directors' Report continued

Kingdom and Master of Business Administration from Seattle Pacific University, United States of America as well as a Bachelor of Arts majoring in Political Science and minoring in Economics from the University of Victoria, Canada. He has also held senior management positions in a number of diverse industries including food, retailing and the hospitality sector.

Mr Seán Anglim, 55, was appointed to the Board as an Executive Director and Finance Director on 10 January 2018. Mr Anglim has worked for Laura Ashley since November 1996. He was appointed as Group Financial Controller in 2005 and as Operations Director in 2007. Between 2007 and 2009, Mr Anglim was the Chief Financial Officer and took up the role of Joint Chief Operating Officer in November 2011. Since October 2012, Mr Anglim held the dual role of Chief Financial Officer and Joint Chief Operating Officer, the latter of which he still holds. Mr Anglim sits on the Board of several subsidiaries of Laura Ashley Holdings Plc including Laura Ashley Limited. Mr Anglim has a wealth of business development, operations and financial experience.

Mr Wong Nyen Faat, 61, 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. He also sits on the Board of Pan Malaysia Corporation Berhad, Pan Malaysian 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 the University of Malaya and a Master's degree in Business Management from the Asian Institute of Management.

Professor Jane Rapley OBE, 72, was appointed to the Board as an Independent Non-Executive Director on 10 January 2018. She is a member of the Audit and Nomination Committees. Professor Rapley's early career was spent in the fashion industry before joining higher education. She is currently Professor Emerita of CSM at the University of the Arts, London. She led the School of Fashion & Textile Design at Central Saint Martins as its Dean for 19 years. In 2006 she became Head of Central Saint Martins and in 2012 became Pro Vice-Chancellor of the University of the Arts, London. During her career, Professor Rapley served on a number of national bodies including Plymouth College of Art Governors and the Council for National Academic Awards. Professor Rapley was awarded an OBE for services to Higher Education in 2001. She is a charity Trustee of TexSelect and The City & Guilds London Art School and a Governor of The

Northern School of Art and adviser to several education and design organisations in Asia.

Mr Leon Yee, 42, was appointed to the Board as an Independent Non-Executive Director on 12 February 2018. He is a member of the Nomination and Remuneration Committees. Mr Yee is the Chairman and Managing Director of Duane Morris & Selvam LLP, an international law firm. He serves as its Global Head of Corporate and leads the Banking and Finance and Energy Practice Groups. He is also Head of its China Practice Group. Mr Yee has extensive experience in corporate finance, corporate governance, corporate restructurings and joint ventures and also advises on complex financing transactions. Mr Yee is the Non-Executive Chairman of Pacific Star Development Limited and an Independent Director of Federal International (2000) Limited, companies listed on the Singapore Stock Exchange. Mr Yee holds a Bachelor of Arts (Hons) in Law and Master of Arts from the University of Cambridge. He is an Advocate & Solicitor of the Supreme Court of Singapore and a Solicitor of England & Wales.

Directors' interests

As disclosed in note 30 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 26, 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 UHY Hacker Young LLP as auditors on 9 May 2018. A resolution proposing the re-appointment of UHY Hacker Young 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 76).

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.

	Number of Ordinary Shares	Percentage of Issued Share Capital ³
As at 21 August 2018		
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	35,220,706	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 Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report on pages 7 to 15. The financial position of the Group, its cash flows and liquidity position are also set out in the Group Strategic Report on pages 7 to 15 and its borrowing facilities are described in note 20.

The Group meets its day-to-day working capital requirements through an overdraft facility of £15m. The impact of the current economic conditions in the retail sector, particularly

with respect to the level of demand for the Company's products, the exchange rate between Sterling and the US Dollar, and hence the effect on cost of sales, and the availability of bank finance in the foreseeable future continue to be carefully monitored and, where possible, managed by the Group.

As explained on page 6, the Directors have agreed to sell a property in Singapore in November 2018 to provide additional working capital. The Group has agreed the terms of a sale with a potential purchaser and the Directors have a reasonable expectation that the sale will proceed successfully.

The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group will be able to operate within the level of its current overdraft facility. The Group is in discussions with its bankers about a temporary extension of £5m to the facility in the weeks leading up to the sale of the Singapore property to provide adequate headroom if required.

The Directors have a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future and continue to 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 25.

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 21.

Details of the Directors' interests in the shares of the Company are available within the Directors' Remuneration Report on page 26.

Details of significant interests in the Company are available within the Directors' Report on page 19. No changes in significant interest have been disclosed to the Company between the financial year-end and 21 September 2018.

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 2017, 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

Directors' Report continued

2018. The authority expires at the conclusion of the 2018 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 21 to 24.

Details of Directors proposed for election or re-election are provided on page 17 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 2018, 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 10.30am on 12 October 2018. 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
21 September 2018

Report on Corporate Governance

Compliance

The Board endorses the UK Corporate Governance Code (the "Code"). During the financial year ended 30 June 2018, the Group has complied with the provisions set out in the Code, except to the extent disclosed below.

The Board

The Board comprises six Non-Executive Directors, including the Chairman and Deputy Chairman, and two Executive Directors being the Chief Executive Officer and Finance Director of the Group. As noted below, two other Directors 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, Professor Jane Rapley and Mr Leon Yee are independent Non-Executive Directors and, accordingly, are 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.

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, Mr Wong Nyen Faat and Mr Andrew Khoo Boo Yeow are the current MUI appointed Directors.

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

Report on Corporate Governance continued

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.

Board performance evaluation

During the year ended 30 June 2018, 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 of 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. 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), Mr Andrew Khoo Boo Yeow, Professor Jane Rapley and

Directors' meeting attendance

The attendance of Directors at meetings convened between 23 August 2017 and 21 August 2018 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	–	–	2	2	1	1
Mr David Walton Masters†	5	5	5	5	2	2	–	–
Mr Ng Kwan Cheong	5	5	–	–	–	–	–	–
Mr Andrew Khoo Boo Yeow**	5	4	5	4	2	1	1	1
Mr Seán Anglim**	5	4	–	–	–	–	–	–
Mr Wong Nyen Faat	5	5	5	5	–	–	–	–
Prof Jane Rapley** †	5	4	5	4	–	–	1	1
Mr Leon Yee**†	5	4	–	–	2	1	1	1
Ms Kwa Kim Li*†	–	–	–	–	–	–	–	–

* Ms Kwa Kim Li resigned as Independent Non-Executive Director of the Company on expiration of her term on 6 September 2017.

** Mr Andrew Khoo Boo Yeow, Mr Seán Anglim and Professor Jane Rapley were appointed as Directors of the Company on 10 January 2018 and Mr Leon Yee was appointed as a Director of the Company on 12 February 2018.

† Independent Director.

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.

Mr Leon Yee. Ms Sally Kealey and Ms Kwa Kim Li were also members until their respective resignations on 10 August 2017 and 6 September 2017. 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, Mr Andrew Khoo Boo Yeow and Mr Leon Yee. Mr David Walton Masters and Mr Leon Yee are independent Non-Executive Directors. Ms Kwa Kim Li was a member and an independent non-Executive Director until her resignation on 6 September 2017. 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 25 to 31.

Audit Committee

The Audit Committee has five scheduled meetings a year. The Chief Executive Officer, Finance Director, Joint Chief Operating Officers, Chief Financial Officer and 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), Mr Wong Nyen Faat, Mr Andrew Khoo Boo Yeow and Professor Jane Rapley. Mr David Walton Masters and Professor Jane Rapley were independent Non-Executive Directors. Ms Sally Kealey was a member and independent Non-Executive Director until her resignation on 10 August 2017. 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 £11.1m, compared with the net deficit of £13.8m 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 2018 was £75.8m. 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

Report on Corporate Governance continued

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. UHY Hacker Young LLP was appointed as auditor on 9 May 2018 following the resignation of Crowe Clark Whitehill LLP as auditor.

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 the key audit matters identified by the external auditors (covered in their audit report on pages 32 to 36).

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

UHY Hacker Young LLP was appointed as auditor during the year and, given that this is their first year as auditor, 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 and compliance 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 2018. Shareholders will be invited to approve the Remuneration Report for the year ended 30 June 2018 (which will be a non-binding advisory vote) at the Company's AGM on 16 October 2018.

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), Mr David Walton Masters, Mr Andrew Khoo Boo Yeow

and Mr Leon Yee. Ms Kwa Kim Li served during the period and up her resignation on 6 September 2017.

The Remuneration Committee determines the remuneration of each Director. During the year ended 30 June 2018, 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 2019 will be very similar to those in place for the year ended 30 June 2018, as shown in the components table on page 29.

On behalf of the Board,

Tan Sri Dr Khoo Kay Peng

Chairman

21 September 2018

Directors' Remuneration

The "single figure" table below represents the Directors' remuneration during the period ended 30 June 2018 and period ended 30 June 2017 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	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
Executive Directors												
Mr Ng Kwan Cheong	185	185	46	46	–	–	–	–	19	19	250	250
Mr Seán Anglim	59	–	4	–	–	–	–	–	11	–	74	–
Ms Joyce Sit Meng Poh ³	–	129	–	11	–	–	–	–	–	–	–	140
Sub-total	244	314	50	57	–	–	–	–	30	19	324	390
Non-Executive Directors												
Tan Sri Dr Khoo Kay Peng	200	200	–	–	–	–	–	–	–	–	200	200
Mr David Walton Masters	50	50	–	–	–	–	–	–	–	–	50	50
Mr Andrew Khoo Boo Yeow	14	–	–	–	–	–	–	–	–	–	14	–
Mr Wong Nyen Faat	30	30	–	–	–	–	–	–	–	–	30	30
Prof Jane Rapley	14	–	–	–	–	–	–	–	–	–	14	–
Mr Leon Yee	12	–	–	–	–	–	–	–	–	–	12	–
Ms Sally Kealey	3	30	–	–	–	–	–	–	–	–	3	30
Ms Kwa Kim Li	6	30	–	–	–	–	–	–	–	–	6	30
Sub-total	329	340	–	–	–	–	–	–	–	–	329	340
Total*	573	654	50	57	–	–	–	–	30	19	653	730

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

² Mr Ng Kwan Cheong receives a pension benefit equivalent to 10% of basic salary paid to his nominated private pension scheme. Mr Seán Anglim receives a pension benefit equivalent to 18% of basic salary paid to the Laura Ashley Retirement Benefits 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.

Directors' Remuneration Report continued

Payments to Past Directors

No payments were made during the year ended 30 June 2018 (2017: nil) to any past Directors of the Company.

Payments for Loss of Office

Ms Sally Kealey and Ms Kwa Kim Li resigned as Non-Executive Directors during the year ended 30 June 2018.

No payments in respect of compensation for loss of office were paid to, or were receivable by, any Director (2017: 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 2018	Financial year ended 30 June 2017
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

* 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 the latest review date of 21 August 2018.

All interests in share capital were held as beneficial interests. Mr Ng Kwan Cheong, Mr Seán Anglim, Mr Andrew Khoo Boo Yeow, Mr Wong Nyen Faat, Professor Jane Rapley, Mr Yeon Lee, Ms Kwa Kim Li and Ms Sally Kealey 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 2018 disclosed on page 25 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 2013 to 31 July 2018. 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 2018, of £100 invested in Laura Ashley Holdings plc on 31 July 2013 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
2018	Mr Ng Kwan Cheong	250	—	—
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

¹ Remuneration received during 17 month financial period 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.

Directors' Remuneration Report continued

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 year ended 30 June 2017 and the year ended 30 June 2018 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	–	0.33	–
Employees – non-minimum wage	4.27	17.79	–
Employees – minimum wage	5.12	2.58	–

¹ Salary is an average based on the increases in the National Living Wage for those over 25 and the National Minimum Wage in April 2018.

² The benefits have increased due to an increase in private medical expenses and premiums.

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 2018 £m	Year ended 30 June 2017 £m	Change ² %
Employee costs ¹	51.4	55.3	(7.1)
Ordinary dividends	–	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 19 October 2017, in relation to the ordinary resolutions to approve the Directors' Remuneration Report for the period ended 30 June 2017.

	Percentage of Votes cast for	Percentage of Votes Against	Number of Votes Withheld
Directors' Remuneration Policy	99.80%	0.20%	11,442,619
Directors' Remuneration Report	99.82%	0.18%	11,435,834

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 2018, 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.	<p>Base salaries are normally reviewed annually.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The salary level for the Chief Executive Officer for the financial period ended 30 June 2018 (1 July 2017 – 30 June 2018) was £185,000 (2017: £185,000).</p> <p>The salary level for the Finance Director for the financial period ended 30 June 2018 (10 January 2018 – 30 June 2018) was £59,000 (2017: £nil).</p>	<p>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.</p> <p>No recovery provisions apply to salary.</p>
Benefits	Benefits are offered to Executive Directors as part of a competitive remuneration package.	<p>Benefits comprise private medical expenses, housing allowance and car allowance.</p> <p>The cost to the Company of providing private medical expenses may change from year to year depending on the cost of providing the benefit.</p> <p>The Chief Executive Officer received a car, a housing allowance and pension contributions totalling £65,000 for the period ended 30 June 2018 (1 July 2017 – 30 June 2018) (2017: £65,000). He also received medical benefits.</p> <p>The Finance Director received a car and pension contributions totalling £15,000 for the period ended 30 June 2018 (10 January 2018 – 30 June 2018) (2017: £nil). He also received medical benefits.</p>	<p>Not applicable.</p> <p>No recovery provisions apply to benefits.</p>
Annual Bonus	The annual bonus rewards the achievement of annual financial and operational goals.	<p>Maximum opportunity is 100% of salary for Executive Directors payable in cash.</p> <p>All bonus payments are at the discretion of the Committee.</p>	<p>Bonuses are based on key financial and operational performance indicators (e.g. profit before tax) set and assessed by the Committee at its discretion.</p> <p>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.</p>

Directors' Remuneration Report continued

Component	Purpose and link to strategy	Operation (including maximum levels)	Framework used to assess performance and provisions for recovery of sums paid
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 considered for the same remuneration components as current Executive Directors, where practical, as set out in the Main Components of Remuneration table on page 29.

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

On appointment, new Non-Executive Directors will be considered for the same remuneration components as the current Non-Executive Directors, where practical. 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:

- Non-Executive Directors do not have service contracts with the Company, but have letters of appointment for a period of two to three years.
- The Company is obliged to reimburse all Non-Executive Directors for all reasonable expenses and independent legal advice incurred in carrying out their duties.
- The Company is obliged to ensure that all Non-Executive Directors are covered with appropriate liability insurance during their tenure.
- 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.

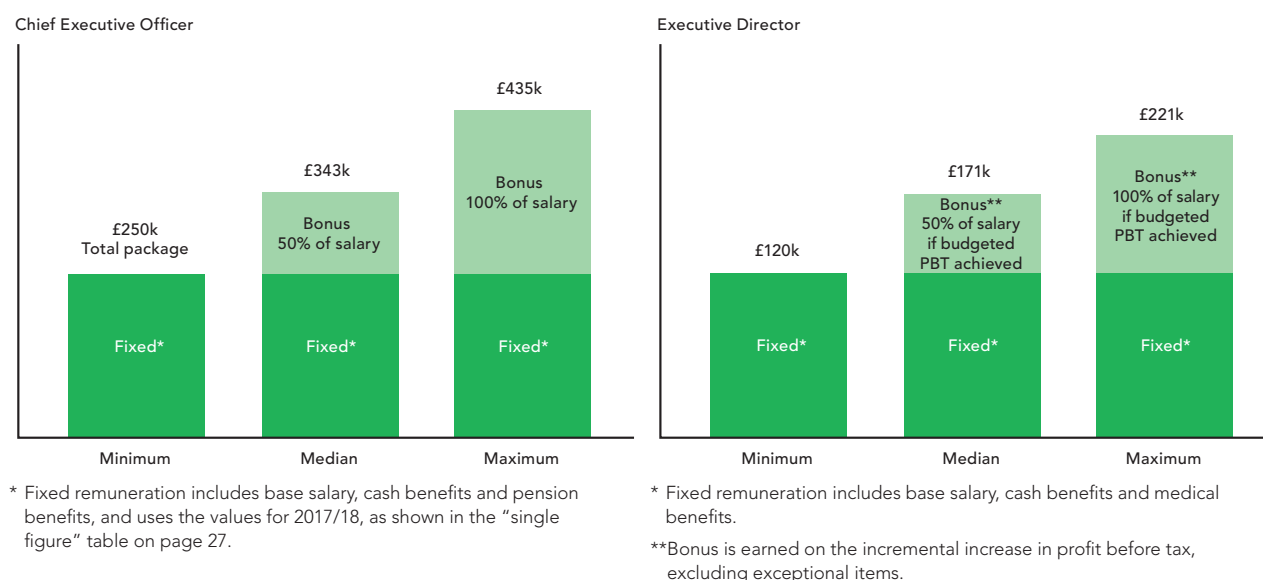
Loss of office payments and their component parts are determined and awarded at the discretion of the Committee.

Unexpired Service Contract

Tan Sri Dr Khoo Kay Peng will offer himself for re-election as Director at the forthcoming AGM of the Company. His service contract expires on 31 January 2020.

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 2018.



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 16 October 2018.

On behalf of the Board,

Tan Sri Dr Khoo Kay Peng

Chairman

21 September 2018

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 2018 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 2018 and of the Group's loss 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.

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 13 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 13 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 page 19 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 14 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.	<p>We performed substantive testing to determine whether the accounting policy had been correctly applied, taking into consideration the treatment of returns and gift cards.</p> <p>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.</p> <p>The results of our testing were satisfactory.</p> <p>We assessed the appropriateness of the related disclosures in note 1 of the Group financial statements, and consider them to be reasonable.</p>
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.	<p>We tested the inputs to the provision calculation, including the classification of inventory.</p> <p>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.</p> <p>The results of our testing were satisfactory.</p> <p>We assessed the appropriateness of the related disclosures in note 17 of the Group financial statements, and consider them to be reasonable.</p>
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.	<p>We reviewed and benchmarked the assumptions used in the valuation of pension scheme liabilities.</p> <p>We performed substantive testing to assess whether the inputs, such as contributions, were correctly accounted for.</p> <p>We obtained and tested supporting information in relation to the scheme assets.</p> <p>The results of our testing were satisfactory. We assessed the appropriateness of the related disclosures in note 29 of the Group financial statements, and consider them to be reasonable.</p>
Termination of Master License Agreement with AEON As reported, the Master License Agreement with AEON will be terminated for the Japan, Hong Kong and Taiwan territories with effect from 17 September 2018. As a result of the termination, there is an enhanced risk that the value of the investment in the associate (see Note 15) and amounts due from the associate (see Note 18) may be impaired at 30 June 2018 in the event that, subsequent to this date, the carrying values of these items are not recovered.	<p>We reviewed the franchise royalty income paid to the Group subsequent to 30 June 2018 and management's assessment of the forecast franchise royalty revenue that will arise in the financial year end 30 June 2019. Based on this review, we concluded that the total franchise royalty revenue to be paid to the Group during the year ended 30 June 2019 is expected to support the value of the investment in the associate of £1.3m and amounts due from the associate of £2.2m at 30 June 2018.</p> <p>The results of our testing were satisfactory. We assessed the appropriateness of the related disclosures in notes 15 and 18 of the Group financial statements and concluded these to be reasonable.</p>

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 £1.4m based on the results for the prior year. In setting the final level of materiality, we considered a range of benchmarks, including 0.5% of revenue. 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

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. We designed audit procedures at Group and significant component level to respond to the risk.

Our tests included, but were not limited to: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with the regulators, enquiries of management, enquiries of internal legal team and review of internal audit reports in so far as they related to the financial statements. We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

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 20 – 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 23 to 24 – 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 21 – 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 page 20, 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

Independent Auditor's Report continued

to the members of Laura Ashley Holdings plc

concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 9th May 2018 to audit the Group and Parent Company financial statements for the year ended on 30 June 2018 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.

Use of this report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Jones

Senior Statutory Auditor

For and on behalf of
UHY Hacker Young LLP
Statutory Auditor
London

21 September 2018

Group Statement of Comprehensive Income

For the Financial Year ended 30 June 2018

	Notes	2018 £m	2017 £m
Revenue	1	257.2	277.0
Cost of sales		(159.1)	(167.8)
Gross profit		98.1	109.2
Operating expenses	2	(91.7)	(98.3)
Impairment of property including cost of disposal	34	(4.7)	(2.8)
(Losses)/gains on disposal of stores	34	(0.8)	0.8
Profit from operations	3	0.9	8.9
Share of operating loss of associate	15	–	(1.4)
Other income	6	0.5	–
Finance costs	7	(1.3)	(1.2)
Profit before taxation		0.1	6.3
Taxation	11	(1.5)	(2.3)
(Loss)/profit for the financial period*		(1.4)	4.0
Other comprehensive income:			
Actuarial gain on defined benefit pension schemes		1.7	1.9
Deferred tax effect		(0.3)	(0.4)
Total that will not be subsequently reclassified to profit and loss		1.4	1.5
Exchange differences arising on re-translation of foreign operations		(0.3)	–
Other reserve movement		1.3	0.5
Total that may be subsequently reclassified to profit and loss		1.0	0.5
Other comprehensive income for the period net of tax		2.4	2.0
Total comprehensive income for the period		1.0	6.0

*(Losses)/earnings per share – basic and diluted – calculated based on (loss)/profit for the financial period

10 (0.19) 0.55

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

The notes to the financial statements are on pages 47 to 68.

Statement of Financial Position

As at 30 June 2018

		Group		Company	
	Notes	2018 £m	2017 £m	2018 £m	2017 £m
Non-current assets					
Intangibles	12	1.4	1.9	–	–
Property, plant and equipment	13	43.9	47.5	1.3	1.3
Investment property	14	2.9	3.5	–	–
Deferred tax assets	23	2.1	2.6	–	–
Investment in associate	15	1.3	1.3	0.8	0.8
Investment in subsidiaries	16	–	–	99.7	99.7
		51.6	56.8	101.8	101.8
Current assets					
Inventories	17	55.7	57.7	–	–
Trade and other receivables	18	17.3	19.1	27.0	23.8
Cash and cash equivalents	26	–	–	–	3.6
		73.0	76.8	27.0	27.4
Total assets		124.6	133.6	128.8	129.2
Current liabilities					
Current tax liabilities		0.8	1.0	–	–
Trade and other payables	19	44.0	50.9	2.4	2.5
Short-term borrowings	20	12.7	12.0	–	–
		57.5	63.9	2.4	2.5
Non-current liabilities					
Retirement benefit liabilities	29	11.1	13.8	–	–
Deferred tax liabilities	23	–	0.1	0.2	0.2
Long-term borrowings	35	18.8	20.3	–	–
Provisions and other liabilities	22	0.8	0.1	–	–
		30.7	34.3	0.2	0.2
Total liabilities		88.2	98.2	2.6	2.7
Net assets		36.4	35.4	126.2	126.5
Equity					
Share capital	24	37.3	37.3	37.3	37.3
Share premium		86.4	86.4	86.4	86.4
Own shares		(3.2)	(3.2)	(3.2)	(3.2)
Treasury shares		(4.6)	(4.6)	(4.6)	(4.6)
Retained earnings		(79.5)	(80.5)	10.3	10.6
Total equity		36.4	35.4	126.2	126.5

The loss after taxation for the Company for the 52 weeks ended 30 June 2018 was £0.4m.

The notes to the financial statements are on pages 47 to 68.

The financial statements on pages 37 to 40 were approved and authorised for issue by the Board on 21 September 2018 and signed on its behalf by:

David Walton Masters Deputy Chairman Seán Anglim Finance Director
Registered Number 1012631

Statement of Changes in Shareholders' Equity

For the Year ended 30 June 2018

Group

	Share Capital £m	Share Premium £m	EBT Shares £m	Treasury Shares £m	Retained Earnings £m	Total Equity £m
Balance as at 30 June 2016 – restated	37.3	86.4	(3.2)	(4.6)	(72.0)	43.9
Profit for the year	–	–	–	–	4.0	4.0
Other comprehensive income	–	–	–	–	2.0	2.0
Total comprehensive income	–	–	–	–	6.0	6.0
Dividends Paid	–	–	–	–	(14.5)	(14.5)
Balance as at 30 June 2017	37.3	86.4	(3.2)	(4.6)	(80.5)	35.4
Loss for the year	–	–	–	–	(1.4)	(1.4)
Other comprehensive income	–	–	–	–	2.4	2.4
Total comprehensive income	–	–	–	–	1.0	1.0
Dividends Paid	–	–	–	–	–	–
Balance as at 30 June 2018	37.3	86.4	(3.2)	(4.6)	(79.5)	36.4

Company

	Share Capital £m	Share Premium £m	EBT Shares £m	Treasury Shares £m	Retained Earnings £m	Total Equity £m
Balance as at 30 June 2016 – restated	37.3	86.4	(3.2)	(4.6)	13.8	129.7
Profit for the year	–	–	–	–	10.6	10.6
Other comprehensive income	–	–	–	–	0.7	0.7
Total comprehensive income	–	–	–	–	11.3	11.3
Dividends Paid	–	–	–	–	(14.5)	(14.5)
Balance as at 30 June 2017	37.3	86.4	(3.2)	(4.6)	10.6	126.5
Loss for the year	–	–	–	–	(0.4)	(0.4)
Other comprehensive income	–	–	–	–	0.1	0.1
Total comprehensive income	–	–	–	–	(0.3)	(0.3)
Dividends Paid	–	–	–	–	–	–
Balance as at 30 June 2018	37.3	86.4	(3.2)	(4.6)	10.3	126.2

The notes to the financial statements are on pages 47 to 68.

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 Year ended 30 June 2018

		Group		Company	
		52 weeks to 30 June 2018 £m	52 weeks to 30 June 2017 £m	52 weeks to 30 June 2018 £m	52 weeks to 30 June 2017 £m
	Note				
Operating activities					
Cash generated from operations	25	5.6	5.8	(3.6)	(0.6)
Corporation tax paid		(1.6)	(4.2)	–	–
Dividends paid		–	(14.5)	–	(14.5)
Dividends received		–	–	–	11.2
		4.0	(12.9)	(3.6)	(3.9)
Investing activities					
Purchase of property, plant and equipment		(1.9)	(0.5)	–	–
Purchase of intangible assets		(0.4)	(0.3)	–	–
		(2.3)	(0.8)	–	–
Financing activities					
Repayment of bank loan		(1.5)	(1.3)	–	–
Interest expense		(0.9)	(0.7)	–	–
		(2.4)	(2.0)	–	–
Net decrease in cash and cash equivalents		(0.7)	(15.7)	(3.6)	(3.9)

Reconciliation of Net Cash Flow to Movement in Net Funds

For the Year ended 30 June 2018

	Note	Group		Company	
		2018 £m	2017 £m	2018 £m	2017 £m
Net (decrease) in cash and cash equivalents		(0.7)	(15.7)	(3.6)	(3.9)
Net funds at the beginning of the financial year		(10.7)	5.0	3.6	7.5
Net funds at the end of the financial year	20/26	(11.4)	(10.7)	–	3.6

The statement of financial position shows a nil amount of cash and cash equivalents and short-term borrowings of £12.7m which includes a bank overdraft of £11.4m. Therefore, the above reconciliation shows the net decrease in funds during the financial year.

The notes to the financial statements are on pages 47 to 68.

Accounting Policies

Basis of Accounting and Consolidation

The financial statements of the Group for the 52 week period ended 30 June 2018 and the comparative information for the 52 week period ended 30 June 2017 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 have been prepared on the historical cost basis except for certain financial instruments, and pension assets and liabilities which have been measured at fair value.

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.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report on pages 7 to 15. The financial position of the Group, its cash flows and liquidity position are also set out in the Group Strategic Report on pages 7 to 15 and its borrowing facilities are described in note 20.

The Group meets its day-to-day working capital requirements through an overdraft facility of £15m. The impact of the current economic conditions in the retail sector, particularly with respect to the level of demand for the Company's products, the exchange rate between Sterling and the US Dollar, and hence the effect on cost of sales, and the availability of bank finance in the foreseeable future continue to be carefully monitored and, where possible, managed by the Group.

As explained on page 6, the Directors have agreed to sell a property in Singapore in November 2018 to provide additional working capital. The Group has agreed the terms of a sale with a potential purchaser and the Directors have a reasonable expectation that the sale will proceed successfully.

The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group will be able to operate within the level of its current overdraft facility. The Group is in discussions with its bankers about a temporary extension of £5m to the facility in the weeks leading up to the sale of the Singapore property to provide adequate headroom if required.

The Directors have a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future and continue to consider it appropriate to prepare the financial statements on a going concern basis.

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 2018.

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

* Financial periods beginning on or after.

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 2018 was £75.8m.

Accounting Policies continued

The Group does 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 31 December 2018.

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 24 and 26.

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.

Accounting Policies continued

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, premises or subsidiary undertaking, 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.

Significant Judgements

The Group has reviewed the application of its Accounting Policies with respect to matters where significant judgments may be required, with particular reference to the publication "Corporate Reporting Thematic Review: Judgements and Estimates" published by the Financial Reporting Council in November 2017, and has concluded that no such significant judgments have been made in the preparation of the financial statements presented within this Annual Report. Instead it has been concluded that all matters requiring detailed examination and critical assessment can be considered as sources of estimation uncertainty.

Sources of Estimation Uncertainty

The preparation of the financial statements requires the Group to make estimates 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 estimates about the carrying value

Accounting Policies continued

of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Group believes that the most significant areas of estimation uncertainty in the application of its accounting policies are:

Defined benefit pension scheme assumptions

The impact of the assumptions applied in determining the defined benefit pension obligation, which are set out in note 29, is particularly sensitive to minor changes. Advice is taken from a qualified actuary to determine appropriate assumptions at the end of each financial period. The actuarial valuation involves making assumptions about discount rates, rates of inflation, mortality rates, growth in earnings and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. A sensitivity analysis is shown in Note 29. In determining the appropriate discount rate, management considers the interest rates of high quality UK corporate bonds, with extrapolated maturities corresponding to the expected duration of the obligation. The mortality rate is based on publically available mortality data.

Impairment of assets

The Singapore property has been subject to impairment charges for the last two financial years. The level of impairment is dependent on local market conditions and is assessed with reference to advice received from qualified property valuers based in the country. Since the value of the property at 30 June 2018 is based on a confirmed offer received for the potential sale of the property, the level of future impairment arising from this asset is unlikely to be significant.

Licensing and franchise royalty income

The Group is reliant on receiving accurate and timely information from licensing and franchising partners in order to correctly account for revenues arising from these activities. Where information is uncertain or delayed, management will account for estimates based on the most recently available data. To assist with this a guaranteed minimum amount is used as a measure in arriving at an accurate estimate.

Investments in and net amounts owed by subsidiaries

The Company held investments in subsidiaries at 30 June 2018 amounting to £99.7m. The Company also had balances receivable from a number of group companies at 30 June 2018 amounting to £24.6m. The recoverability of investments in and net amounts due from subsidiaries is assessed with reference to the discounted net present value of estimated future cash flows likely to be generated by the relevant entities. In view of the size of these amounts, the Directors have considered their recoverability with reference to the corresponding fair values at 30 June 2018 as determined by the discounted net present value of the future net operating cash flows that are likely to be generated by each entity. Cash flow projections have been based on business plans for the next 5 year period with a long term growth factor of 2% being applied beyond year 5. Discount rates ranging from 12% to 18% have been applied to future net cash flows. The Directors consider these amounts to be fully recoverable and have not made any provisions for their impairment accordingly.

Others

Other sources of estimation uncertainty include provisioning for store closures, inventory provisioning, revenue recognition, including product return rates, and redemption of gift cards and privilege points.

Provisioning for the likely costs of future store closures involves a careful assessment of the total contribution that each store makes to the Group, including the growing proportion of total retail revenue generated on-line, actions that can be taken by management to improve store performance and the likely outcome of negotiations with lessors.

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 estimates including the level of sales returns. Past experiences are used to estimate and provide for such returns at the time of the sale.

Similarly, assessments of the liabilities in relation to future redemption of gift cards and privilege points are based on management's estimation of the values of the gift cards and points in circulation that are likely to be utilized by customers prior to their corresponding expiry dates.

Notes to the Financial Statements

1 Segmental Analysis

2018 (52 weeks)	----- Retail -----			Total Retail £m	Total Non-retail £m	Total £m
	Stores £m	e-Commerce & Mail Order £m	Hotel £m			
Revenue	177.4	59.7	2.1	239.2	18.0	257.2
Contribution	4.5	12.3	(0.6)	16.2	7.5	23.7
Indirect overhead costs				(17.3)	–	(17.3)
Other income				0.5	–	0.5
Finance costs				(1.3)	–	(1.3)
Exceptional items				(5.5)	–	(5.5)
Profit before taxation				(7.4)	7.5	0.1

2017 (52 weeks)	----- Retail -----			Total Retail £m	Total Non-retail £m	Total £m
	Stores £m	e-Commerce & Mail Order £m	Hotel £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

	Non-current assets		Revenue	
	2018 £m	2017 £m	2018 £m	2017 £m
Geography				
UK, Ireland & France	18.7	19.1	243.3	260.4
Japan	2.6	2.6	8.1	9.8
Singapore	30.3	35.1	-	-
Rest of the World	-	-	5.8	6.8
	51.6	56.8	257.2	277.0

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 ended 30 June 2018 £m	52 weeks ended 30 June 2017 £m
Distribution costs	78.8	85.7
Administrative expenses	12.9	12.6
	91.7	98.3

Notes to the Financial Statements continued

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

	52 weeks ended 30 June 2018 £m	52 weeks ended 30 June 2017 £m
Amortisation of intangibles (note 12)	0.9	0.9
Depreciation on property, plant and equipment (note 13)	2.5	2.9
Depreciation on investment property (note 14)	0.1	0.1
Exchange (gains)/losses	(1.4)	1.4
Loss on disposal of fixed assets	0.3	0.4
Operating lease and hire charges of:		
Property	18.9	21.8
Others	2.5	3.0
Auditor's remuneration	0.1	0.1
Cost of inventories recognised as an expense	131.7	140.4
Including: Provision for inventories obsolescence and stock loss	2.4	1.9

4 Employees

	2018 Number	2017 Number
Average number of employees of the Group on a full-time equivalent basis:		
Manufacturing	172	178
Retail	1,445	1,542
Administrative	336	379
Distribution	246	251
Hotel	33	42
	2,232	2,392

	2018 Number	2017 Number
Average number of employees of the Group on a headcount basis:		
Manufacturing	177	185
Retail	2,306	2,506
Administrative	370	419
Distribution	251	254
Hotel	47	54
	3,151	3,418

	2018 £m	2017 £m
Staff costs for the financial year:		
Wages and salaries	47.5	51.3
Social security costs	3.3	3.4
Other pension costs	0.6	0.6
	51.4	55.3

4 Employees continued

Key Management's Compensation

The Directors have identified 13 (2017: 11) key management personnel whose compensation was as follows:

	2018 £m	2017 £m
Salaries	0.9	1.0
Short-term benefits	0.1	0.1
Pension costs	0.1	0.1
	1.1	1.2

The key management figures above include the Directors. Directors' emoluments are disclosed in the Directors' Remuneration Report on page 25. There were no share-based payments during the financial period ended 30 June 2018 (2017: nil).

5 Directors' Remuneration

	2018 £000	2017 £000
Aggregate emoluments	623	711
Company pension contribution for a private pension	30	19

Details of Directors' pension benefits are set out in the Directors' Remuneration Report on page 25.

During the financial period ended 30 June 2018 and period ended 30 June 2017, 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 25 to 31.

Directors' Interests

The interests of the Directors in the shares of the Company are disclosed on page 26.

6 Other Income

	52 weeks ended 30 June 2018 £m	52 weeks ended 30 June 2017 £m
Realised pension de-risking gains	0.5	–
	0.5	–

7 Finance Costs

	52 weeks ended 30 June 2018 £m	52 weeks ended 30 June 2017 £m
Pension interest payable	0.4	0.5
Other interest payable	0.9	0.7
	1.3	1.2

8 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 loss for the 52 week financial period was £0.4m (52 weeks ended 30 June 2017: profit of £10.6m).

Notes to the Financial Statements continued

9 Principal Exchange Rates

	2018		2017	
	Average	Period end	Average	Period end
US Dollar	1.35	1.32	1.27	1.30
Euro	1.13	1.13	1.16	1.14
Japanese Yen	149	146	138	146

10 Earnings per Share

(Losses)/earnings per share is calculated by dividing the (loss)/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 2018			52 weeks ended 30 June 2017		
	Earnings £m	Shares million	Pence per share	Earnings £m	Shares million	Pence per share
Basic EPS	(1.4)	727.8	(0.19)	4.0	727.8	0.55
Exceptional Items (note 34)	5.5	–	0.75	2.1	–	0.29
Tax impact of exceptional items	–	–	–	–	–	–
Adjusted EPS	4.1	727.8	0.56	6.1	727.8	0.84

11 Taxation

	52 weeks ended 30 June 2018 £m	52 weeks ended 30 June 2017 £m
UK Corporation tax:		
Current year corporation tax	1.4	2.1
Prior year corporation tax	–	0.1
	1.4	2.2
Deferred tax movement relating to pension	0.2	0.2
Other deferred tax	(0.1)	(0.1)
Taxation on profit on ordinary activities	1.5	2.3

	52 weeks ended 30 June 2018 £m	52 weeks ended 30 June 2017 £m
Tax reconciliation:		
Profit before taxation	0.1	6.3
Tax at 19.00% (2017: 19.75%)	–	1.2
Expenses not deductible for tax purposes	1.3	0.9
Movement in deferred tax not recognised	0.2	–
Difference in overseas tax rates	–	0.1
Prior year corporation tax	–	0.1
Current tax charge for the period	1.5	2.3

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 rates for both the current and previous years are higher than the statutory rates of UK Corporation Tax primarily due to the incidence of non-deductible expenditure which includes the impairment of the Singapore property.

12 Intangibles

Group 2018	Total £m
Cost	
At 30 June 2017	15.5
Additions	0.4
Disposals	(0.1)
At 30 June 2018	15.8
Amortisation	
At 30 June 2017	13.6
Charge for the year	0.9
Disposals	(0.1)
At 30 June 2018	14.4
Net Book Value	
At 30 June 2018	1.4
Group 2017	£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

Intangible assets comprise expenditure on computer software systems.

Amortisation charges are included in the Statement of Comprehensive Income within operating expenses.

Notes to the Financial Statements continued

13 Property, Plant and Equipment (excludes Investment Property)

	Land and buildings		Plant, machinery and vehicles	Fixtures, fittings and equipment	Total
	Freehold £m	Short leases £m	£m	£m	£m
Group 2018					
Cost					
At 30 June 2017	53.6	25.1	4.0	29.7	112.4
Adjustments	(4.3)	(0.7)	(0.8)	0.2	(5.6)
Additions	–	0.3	0.1	1.5	1.9
Disposals	–	(1.3)	(0.1)	(5.6)	(7.0)
Exchange differences	(0.2)	–	–	–	(0.2)
At 30 June 2018	49.1	23.4	3.2	25.8	101.5
Depreciation					
At 30 June 2017	13.1	20.4	3.8	27.6	64.9
Adjustments	(5.5)	(0.7)	(0.9)	0.2	(6.9)
Impairment	3.8	–	–	–	3.8
Charge for the year	0.3	1.2	0.1	0.9	2.5
Disposals	–	(1.2)	–	(5.5)	(6.7)
At 30 June 2018	11.7	19.7	3.0	23.2	57.6
Net Book Value					
At 30 June 2018	37.4	3.7	0.2	2.6	43.9
Group 2017					
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

The impairment is based on a valuation of the Singapore property as at 30 June 2018. Please refer to note 14 for further explanation.

As set out in note 35, the Group's land and buildings in Singapore are pledged as security for the debt facility provided by DBS Bank Limited.

13 Property, Plant and Equipment continued

Company 2018	Land and buildings freehold £m
Cost	
At 30 June 2017	1.8
Disposals	–
At 30 June 2018	1.8
Depreciation	
At 30 June 2017	0.5
Charge for the year	–
Disposals	–
At 30 June 2018	0.5
Net Book Value	
At 30 June 2018	1.3

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

14 Investment property

Group 2018	Total £m
Cost	
At 30 June 2017	4.0
Disposals	–
Exchange differences	–
At 30 June 2018	4.0
Depreciation	
At 30 June 2017	0.5
Impairment	0.5
Charge for the period	0.1
Disposals	–
Exchange differences	–
At 30 June 2018	1.1
Net Book Value	
At 30 June 2018	2.9

Notes to the Financial Statements continued

14 Investment property continued

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

Floor space in the commercial building in Singapore that is not currently being utilised by the owner, "Laura Ashley (Asia) Pte Ltd" had been actively marketed for rental. The possible rental portion as per the estimate below had, 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

An offer of SGD 54.5m for sale of the Group's land and buildings in Singapore, including investment properties, was received on 12 July 2018. This value 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 £27.0m and the investment property was determined to have a recoverable amount less costs of disposal of £2.9m. Accordingly an impairment charge of £4.7m has been recognised in the Group Statement of Comprehensive Income.

The pro-rated rental income on the investment property was £26,168 and the direct costs attributable amounted to £42,484.

15 Investment in Associate

	52 weeks ended 30 June 2018 £m	52 weeks ended 30 June 2017 £m
Japan – Laura Ashley Japan Co., Limited		
Revenue	82.7	79.8
Loss before taxation	–	(5.4)
Share of loss before taxation	–	(1.4)
Investment in associate:		
Opening balance at 30 June 2017	1.3	2.6
Exchange movements	–	0.2
Dividend received	–	–
Share of loss after taxation	–	(1.5)
Closing balance at 30 June 2018	1.3	1.3
Aggregated amounts relating to associate		
Total assets	9.0	9.0
Total liabilities	(7.7)	(7.7)

The Company's investment in Laura Ashley Japan Co., Limited is valued at the cost of acquisition of £0.8m (2017: £0.8m).

The associate has a reporting period end of 30 June 2018. See note 31 for details of associate.

From 17 September 2018 the Master License Agreement with AEON was terminated. As part of the termination agreement, AEON will incur all losses in relation to Laura Ashley Japan for the period.

16 Investment in Subsidiaries

Company	Cost £m	Provision £m	Investment £m
At 30 June 2017	147.8	(48.1)	99.7
Additions	–	–	–
At 30 June 2018	147.8	(48.1)	99.7

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

See note 31 for details of subsidiaries.

The recoverable amount has been reviewed for impairment. This assessment was primarily based on discounted financial cash flows approved by the Directors. The following key assumptions were used in calculating these discounted cash flows:

- licensing revenue from our new partner for the territory of Japan;
- expansion of hotel and tea room licensing income;
- long term growth rate beyond year 5 of 2% per annum;
- discount rates ranging from 12% to 18%.

The above key assumptions represent the Directors' assessment of the future outlook based on their best estimates and they believe that it is unlikely that any significant variation in the above assumptions are significant enough to result in an impairment in the Company's investment holding of £99.7m. On this basis, there has been no impairment in value during the year.

Notes to the Financial Statements continued

17 Inventories

	Group	
	2018 £m	2017 £m
Raw materials and consumables	1.6	1.9
Work in progress	0.4	0.4
Finished goods and goods for resale	53.7	55.4
	55.7	57.7

The Company holds no inventories or work in progress (2017: nil).

18 Trade and Other Receivables

	Group		Company	
	2018 £m	2017 £m	2018 £m	2017 £m
Amounts falling due within one year:				
Trade receivables	7.9	8.4	–	–
Amounts owed by subsidiaries	–	–	27.0	23.8
Amounts owed by associate (note 30)	2.2	2.2	–	–
Prepayments and accrued income	7.2	8.5	–	–
	17.3	19.1	27.0	23.8

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.

19 Trade and Other Payables

	Group		Company	
	2018 £m	2017 £m	2018 £m	2017 £m
Amounts falling due within one year:				
Trade payables	22.1	24.8	–	–
Amounts owed to subsidiaries	–	–	2.4	2.5
Social security and other taxes	1.7	1.8	–	–
Other payables	0.8	0.3	–	–
Deferred income	7.9	8.0	–	–
Accruals	11.5	16.0	–	–
	44.0	50.9	2.4	2.5

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

20 Short Term Borrowings

	Group		Company	
	2018 £m	2017 £m	2018 £m	2017 £m
Amounts falling due within one year:				
Net Bank overdraft (note 36)	11.4	10.7	–	–
DBS loan payable within one year (note 35)	1.3	1.3	–	–
	12.7	12.0	–	–

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.

21 Financial Instruments

The Group's policies as regards to financial instruments are set out in the accounting policies on pages 41 to 46.

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, short-term and long-term borrowings as set out in note 20 and note 35 and equity attributable to equity holders comprising issued capital and retained earnings as disclosed in the Statement of Changes in Shareholders' Equity and note 24.

The Group has a policy of paying dividends to shareholders where possible with reference to underlying earnings per share, Group achieved EBIT, distributable profits and availability of cash after taking in to account the investment needs of the business. No changes were made to the objectives, policies or processes during the financial years ended 30 June 2018 or 30 June 2017.

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:

	2018 £m	2017 £m
Provision as at beginning of the financial year	1.4	1.4
Decrease in provision	(1.4)	–
Provision as at end of the financial year	–	1.4

There were £3.7m trade receivables overdue at the statement of financial position date and not provided for, of which £3.3m were more than 60 days overdue. There were no indications, as at 30 June 2018, that these trade 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 for. The proportion of trade receivables at 30 June 2018 that were overdue for payment was 47.6% (2017: 41.4%).

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

Notes to the Financial Statements continued

21 Financial Instruments continued

Interest Rate Risk

The Group holds no fixed rate financial assets (2017: nil).

The Group holds £Nil (2017: nil) 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 35 and its overdraft with Barclays Bank Plc as described in note 20. If interest rates had been 1% higher, profit for the year ended 30 June 2018 would have decreased by approximately £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				
	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
	US\$	Euro	JPY	HK\$	S\$	US\$	Euro	JPY	HK\$	S\$
Functional currency of Company operations – Sterling	(0.5)	0.3	1.9	–	–	(1.8)	2.1	2.2	–	–

	Net Foreign Currency Monetary Liabilities		Net Foreign Currency Monetary Liabilities	
	2018	2018	2017	2017
	£m	£m	£m	£m
	US\$	Euro	US\$	Euro
Functional currency of Company operations – Sterling	(1.4)	(0.7)	(1.8)	(1.0)

As at the statement of financial position date, the Group had forward purchase contracts in place for a total value of US\$15.0m (2017: forward purchase contracts with a total value of US\$14.0m) in order to minimise the impact of currency fluctuations of the Group. The gain 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 £0.6m (2017: loss £0.2m).

The Group's primary foreign currency exposures are to movements in Sterling against the US Dollar and the Euro. If these currencies had strengthened against Sterling by a further 1% for the duration of the year ended 30 June 2018, 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.

21 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:

	Less than 1 year £m	1 to 2 years £m	2 to 5 years £m	Over 5 years £m	Total £m
2018					
Bank loans and overdrafts	12.7	1.3	3.9	13.6	31.5
Trade and other payables	44.0	–	–	–	44.0
Total cash flows	56.7	1.3	3.9	13.6	75.5

The Group's overdraft facility with Barclays Bank Plc was temporarily extended during the period from 29 September 2017 to 12 January 2018 from £15m to £23.5m in order to provide additional short term financial cover in the weeks leading up to the Christmas period.

Fair Values of Financial Instruments

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

22 Provisions and Other Liabilities

	£m
As at 30 June 2016	0.6
Utilised	(0.3)
Released to statement of comprehensive income	(0.2)
As at 30 June 2017	0.1
Utilised	(0.1)
Charged to statement of comprehensive income	0.8
As at 30 June 2018	0.8

The provisions above relate to store closure costs.

23 Deferred Tax

The deferred tax liability in the Company is £0.2m (2017: £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	
	2018 £m	2017 £m	2018 £m	2017 £m
Amount recognised:				
Deferred tax asset – retirement benefit liabilities	2.1	2.6	–	–
Deferred tax liabilities – excess of tax allowances over depreciation	–	(0.1)	(0.2)	(0.2)
Amount not recognised:				
Deferred tax asset losses not recognised	1.0	1.0	–	–

The tax rate used in the deferred tax calculations is 19% being the average rate for the year ending 30 June 2019.

Notes to the Financial Statements continued

24 Share Capital

	2018 £m	2017 £m
Ordinary shares of 5p each		
Allotted, issued and fully paid 746,035,368 (2017: 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 (2017:18,272,500).

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

	Group		Company	
	2018 £m	2017 £m	2018 £m	2017 £m
Profit/(loss) from operations	0.9	8.9	(0.4)	(0.6)
Amortisation charge	0.9	0.8	–	–
Depreciation charge	2.6	3.0	–	–
Impairment charge	4.7	2.8	–	–
Losses/(gains) on disposal of stores	0.8	(0.8)	–	–
Loss on disposal of fixed/non-current assets	0.3	0.4	–	–
Exchange movement on intercompany loan	–	–	0.1	0.8
Decrease/(increase) in inventories	2.0	(6.6)	–	–
Decrease/(increase) in receivables	1.8	(1.9)	(3.2)	(0.9)
(Decrease)/increase in payables	(7.4)	0.4	(0.1)	0.1
Movement in provisions	(1.0)	(1.2)	–	–
Net cash inflow/(outflow) from operating activities	5.6	5.8	(3.6)	(0.6)

26 Cash and Cash Equivalents

	Group		Company	
	2018 £m	2017 £m	2018 £m	2017 £m
Cash at bank and in hand	–	–	–	3.6
Bank deposits	–	–	–	–
	–	–	–	3.6

Cash balances have been netted off within bank overdrafts as described in note 20, Short Term Borrowings.

27 Future Commitments

Following the opening of the new store in Leeds in June 2018, the Group is currently planning to open new stores in Cork and Leicester. In addition, the Group is continuing to invest in its IT systems and infrastructure to support the growth and development of the business. As at 30 June 2018 total future commitments amounted to £0.3m (2017: £1.7m).

28 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:

	2018		2017	
	Land and buildings £m	Other £m	Land and buildings £m	Other £m
Within one year	18.6	0.6	18.0	1.4
Two to five years	44.4	0.2	46.9	0.3
After five years	12.8	–	11.9	–
	75.8	0.8	76.8	1.7

28 Leases continued

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.

A review of outstanding operating lease commitments relating to the Group's store portfolio was carried out at 30 June 2018 in order to assess whether any continuing leases could be considered to be onerous. Based on recent and forecast store performance, none of the Group's ongoing leases obligations are considered to be onerous. The Group will continue to closely monitor store performance and optimize its store portfolio.

29 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.

A full actuarial valuation is being carried out as at 31 August 2017 in accordance with the scheme funding requirements of the Pensions Act 2004. The funding of the plan is agreed between the Group and the trustees in line with those requirements. In particular, these require the surplus or deficit to be calculated using prudent, rather than best-estimate, actuarial assumptions.

The most recently completed actuarial valuation as at 1 September 2014 showed a deficit of £8,639,000. The Group has agreed a schedule of contributions with the Trustees and, with these payments, we expect to have eliminated the deficit in 10 years and 5 months from a starting point of 1 November 2015. 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 2018 will be £950,000. In addition, and in accordance with the actuarial valuation, the Group has agreed with the Trustees that it will pay the cost of insurance premiums, the expenses associated with running the scheme and levies to the Pension Protection Fund.

For the purposes of IAS19, the preliminary results of the actuarial valuation as at 31 August 2017, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 30 June 2018. There have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures.

The major assumptions used by the actuary are (in nominal terms) as follows:

	As at 30 June 2018	As at 30 June 2017	As at 30 June 2016	As at 31 Jan 2015	As at 25 Jan 2014
Discount rate	2.65%	2.60%	3.05%	3.00%	4.50%
Rate of salary increase	3.15%	3.20%	2.90%	2.80%	3.30%
Rate of increase to inflation – linked pensions in payment	2.30%	2.30%	2.00%	2.00%	2.40%
Rate of increase in revaluation in deferment	2.15%	2.20%	1.90%	2.00%	2.50%
Rate of inflation	3.15%	3.20%	2.90%	2.80%	3.30%

	As at 30 June 2018 Years	As at 30 June 2017 Years	As at 30 June 2016 Years	As at 31 Jan 2015 Years	As at 25 Jan 2014 Years
Life expectancy at age 65:					
Male currently 65	20.3	20.4	20.9	20.6	20.5
Male currently 45	21.6	21.8	22.7	22.4	22.3
Female currently 65	22.1	22.2	23.3	23.1	23.0
Female currently 45	23.6	23.7	25.1	24.9	24.8

Notes to the Financial Statements continued

29 Group Pension Arrangements continued

The Assets in the Scheme are as follows:

	Percentage of scheme assets	Value at 30 June 2018 £000	Percentage of scheme assets	Value at 30 June 2017 £000
UK equities	28.1%	12,903	28.7%	13,126
Overseas equities	38.1%	17,529	38.3%	17,495
Corporate bonds	11.2%	5,150	10.9%	4,985
Government bonds	3.2%	1,481	2.9%	1,323
Diversified Growth Funds	16.2%	7,472	16.5%	7,544
Insured annuities	3.8%	1,741	1.7%	783
Cash	(0.6) %	(276)	1.0%	453
	100.0%	46,000	100.0%	45,709

The actual return on assets over the period was	3,514	5,816
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None of the fair values of the assets shown above include any direct investments in the Company's own financial instruments or any property occupied by, or other assets used by, the Company. All of the scheme assets have a quoted market price in an active market with the exception of the Trustees' bank account balance, which is a cash amount, and the insured annuities, which are valued on a consistent basis to the liabilities.

	Value at 30 June 2018 £000	Value at 30 June 2017 £000
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Benefit obligation at the beginning of the period	59,524	57,325
Interest cost	1,491	1,717
Re-measurements		
(i) Actuarial (gains)/losses arising from changes in financial assumptions	(564)	5,482
(ii) Actuarial (gains) arising from changes in demographic assumptions	(349)	(2,779)
(iii) Actuarial losses/(gains) arising from changes in experience	1,568	(306)
Benefits paid	(1,832)	(1,915)
Liabilities extinguished on settlements	(2,579)	–
Past service costs	(250)	–
Expenses	42	–
Benefit obligation at the end of the period	57,051	59,524

	Value at 30 June 2018 £000	Value at 30 June 2017 £000
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the period	45,709	41,153
Interest income on plan assets	1,148	1,238
Re-measurement gain on scheme assets	2,366	4,333
Contributions by employer	938	900
Benefits paid	(1,832)	(1,915)
Assets distributed on settlements	(2,329)	–
Fair value of plan assets at the end of the period	46,000	45,709

29 Group Pension Arrangements *continued*

	30 June 2018 £000	30 June 2017 £000
Statement of financial position reconciliation		
Statement of financial position liability at the beginning of the period	13,815	16,172
Pension expense recognised in SOCI in the financial period	(115)	479
Recognised actuarial (gains)/losses in other comprehensive income	(1,711)	(1,936)
Employer contributions made in the financial period	(938)	(900)
Statement of financial position liability at the end of the period	11,051	13,815

	2018 (52 weeks) £000	2017 (52 weeks) £000
The amounts recognised in the Group Statement of Comprehensive Income are:		
Net interest expense (note 7)	343	479
Past service costs	(250)	–
(Gain) from settlements	(250)	–
Life assurance premiums	42	–
Defined benefit (gains)/costs recognised in Comprehensive Income	(115)	479

History of scheme assets, obligations and adjustments arising from experience and changes in assumptions:

	As at 30 June 2018 £000	As at 30 June 2017 £000	As at 30 June 2016 £000	As at 31 Jan 2015 £000	As at 25 Jan 2014 £000
Present value of defined benefit obligation	57,051	59,524	57,325	57,379	45,052
Fair value of scheme assets	46,000	45,709	41,153	39,604	36,231
Deficit in the scheme	(11,051)	(13,815)	(16,172)	(17,775)	(8,821)
Experience adjustments arising on scheme liabilities	655	(2,397)	316	(11,470)	248
Experience item as a percentage of scheme liabilities	1%	(4%)	1%	(20%)	1%
Experience adjustments arising on scheme assets	2,366	4,333	745	2,025	1,655
Experience item as a percentage of scheme assets	5%	10%	2%	5%	5%

	Change in assumption %	Increase in liabilities £000
Sensitivity of the defined benefit obligation		
Discount rate	-0.25	2,453
Rate of price inflation	+0.25	685

	Change in assumption	Increase in liabilities £000
Life expectancy	+1 year	1,883

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.

Notes to the Financial Statements continued

29 Group Pension Arrangements continued

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 2018	950
	Years
Weighted-average duration of the defined benefit obligation at 30 June 2018	17

30 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 2018			
Laura Ashley Japan Co., Limited	5.4	2.2	2.2
Laura Ashley, Inc.	0.1	1.8	0.2
Laura Ashley (SEA) Sdn. Bhd.	0.1	–	0.5
Corus Hotels Group*	0.1	–	0.1
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

* During the year Corus Hotels Group were reimbursed with £268,773 (2017: £401,895) in respect of costs incurred in the operation of Laura Ashley The Manor Hotel.

Laura Ashley Japan Co., Limited is an associated undertaking (note 31).

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.

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 2018 were £0.1m (2017: £0.2m). The amount owing by Laura Ashley (SEA) Sdn. Bhd. as at the statement of financial position date was £0.5m (2017: £0.5m).

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.

30 Related Party Transactions *continued*

Company

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

	12 months to 30 June 2018	12 months to 30 June 2017
	£m	£m
Rental income	0.3	0.3
Dividends received	–	14.5

The Company has outstanding balances with Group companies as disclosed in notes 18 and 19, and has investments in Group companies as detailed in note 31.

31 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
Laura Ashely Japan Company GK*	Licensing	Japan

* Held directly by Laura Ashley Holdings plc

All subsidiary companies are ultimately owned by the Company.

Notes to the Financial Statements continued

31 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
Laura Ashely Japan Company GK	Honey Building 5th floor, 35-8, Jingumae 3-chome, Shibuya-ku, Tokyo, Japan

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 2018 (2017: 26.79%).

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

32 Dividend Payments

	2018 £m	2017 £m
Dividends paid	–	14.5

No dividends were declared or paid during the financial period to 30 June 2018.

33 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.

At 30 June 2018, the Trustee owned 2,487,992 (2017: 2,487,992) ordinary shares of 5 pence each representing 0.33% (2017: 0.33%) of the Company's issued share capital and with a market value on that date of £0.5m (2017: £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.

33 Share Options *continued*

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.

For the financial period ended 30 June 2018, the costs charged to the Group Statement of Comprehensive Income for administrative costs were £2,000 (2017: £2,000).

34 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 have been included within operating expenses.

	2018 £m	2017 £m
Impairment of Singapore Property (see notes 13 and 14)	(4.3)	(2.8)
Costs of disposal of Singapore Property	(0.4)	–
(Losses)/gains on disposals of stores	(0.8)	0.8
Non-store redundancy costs	–	(0.1)
Exceptional (loss)	(5.5)	(2.1)

35 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 2015 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 against the property which has a carrying value at 30 June 2018 of £30.3m.

The amount outstanding at the start of the year was SGD 38.7m (£21.5m). 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 (£1.4m). The amount outstanding at the end of the year was SGD 36.3m (£20.1m), of which SGD 2.4m (£1.3m) is shown within short-term borrowings.

36 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 2018 (2017: £15m). At the year ending 30 June 2018 the Group utilised a net value of £13.6m of the overdraft facility (2017: £12.7m).

37 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.

Notes to the Financial Statements continued

37 Financial Instruments – Fair Value and Risk Management continued

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

30 June 2018 (in £m)	Carrying amount			Total	Fair value			
	Fair value hedging instrument	Other financial assets	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial liabilities								
Forward exchange contracts	(0.6)	–	–	(0.6)	–	(0.6)	–	(0.6)
Secured bank loan	–	–	20.1	20.1	–	–	20.1	20.1
Total financial liabilities	(0.6)	–	20.1	19.5	–	(0.6)	20.1	19.5

Group Financial Record

Period ended June 2018 Comprehensive Income	2018 (52 wks) £m	2017 (52 wks) £m	Restated	Restated	2014 (52 wks) £m	2013 (52 wks) £m	2012 (52 wks) £m	2011 (52 wks) £m	2010 (52 wks) £m	2009 (53 wks) £m
			2016 (74 wks) £m	2015 (53 wks) £m						
Revenue	257.2	277.0	400.9	303.1	294.5	298.8	285.9	285.0	268.4	260.5
Profit from operations	6.4	11.0	27.9	21.9	19.1	19.3	18.3	19.8	11.8	9.9
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)
Dividend received	–	–	–	–	0.1	–	–	–	–	0.1
Net finance (costs)/income	(0.8)	(1.2)	(1.3)	(0.4)	(0.4)	(0.6)	(0.3)	(1.0)	(0.6)	0.1
Profit before taxation and exceptional items	5.6	8.4	24.7	21.0	19.3	20.1	18.8	19.3	10.1	9.6
Exceptional items	(5.5)	(2.1)	(1.9)	0.6	1.2	–	(0.4)	4.8	0.9	0.6
Profit before taxation	0.1	6.3	22.8	21.6	20.5	20.1	18.4	24.1	11.0	10.2
Taxation	(1.5)	(2.3)	(6.9)	(5.2)	(4.8)	(5.4)	(5.4)	(4.8)	(5.2)	(3.1)
(Loss)/profit for the financial period	(1.4)	4.0	15.9	16.4	15.7	14.7	13.0	19.3	5.8	7.1

Statement of Financial Position	2018 £m	2017 £m	Restated	Restated	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
			2016 £m	2015 £m						
Non-current assets	51.6	56.8	64.1	30.5	32.0	40.4	37.5	32.1	43.4	47.2
Net current assets	15.5	12.9	18.5	30.2	26.6	30.5	30.1	35.5	13.9	10.2
Non-current liabilities	(30.7)	(34.3)	(38.7)	(18.7)	(10.0)	(11.4)	(7.2)	(7.9)	(8.1)	(7.2)
Net assets	36.4	35.4	43.9	42.0	48.6	59.5	60.4	59.7	49.2	50.2
Issued share capital	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3
Reserves	(0.9)	(1.9)	6.6	4.7	11.3	22.2	23.1	22.4	11.9	12.9
Equity shareholders' funds	36.4	35.4	43.9	42.0	48.6	59.5	60.4	59.7	49.2	50.2

Statistics

Adjusted Earnings per share*	0.56p	0.84p	2.40p	2.26p	2.15p	2.02p	1.79p	2.65p	0.80p	0.97p
Dividends per share	Nil	0.50p	2.50p	2.00p	3.50p	2.00p	2.00p	1.50p	1.00p	1.25p
Profit from operations as a percentage of revenue	2.5%	4.0%	7.0%	7.2%	6.5%	6.5%	6.4%	6.9%	4.4%	3.8%
Profit before taxation as a percentage of net assets	0.3%	17.8%	51.9%	51.4%	42.2%	33.8%	30.5%	40.4%	22.4%	20.3%
Net asset value per ordinary share*	5.04p	4.87p	6.04p	5.78p	6.68p	8.64p	8.30p	8.20p	6.76p	6.90p

*Excludes treasury shares.

Notice of 2018 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 16 October 2018 at 5.30pm (Malaysian time) with video conference facility available to members of the Company at Corus Hotel Hyde Park, Lancaster Gate, London W2 3LG on 16 October 2018 at 10.30am (UK time) for the transaction of the following business:

Ordinary Business

To consider and, if thought fit, pass Resolutions 1 to 8 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 2018 together with the signed and dated Auditor's Report.
2. To re-elect Tan Sri Dr Khoo Kay Peng, the Chairman of the Company, who retires by rotation in accordance with the Articles of Association of the Company ("Articles"), as a Non-Executive Director.
3. To elect Mr Seán Anglim, who offers himself for election in accordance with the provision B.7.1 of the UK Corporate Governance Code, as an Executive Director.
4. To elect Mr Andrew Khoo Boo Yeow, who offers himself for election in accordance with the provision B.7.1 of the UK Corporate Governance Code, as a Non-Executive Director.
5. To elect Professor Jane Rapley, who offers herself for election in accordance with the provision B.7.1 of the UK Corporate Governance Code, as a Non-Executive Director.
6. To elect Mr Leon Yee, who offers himself for election in accordance with the provision B.7.1 of the UK Corporate Governance Code, as a Non-Executive Director.
7. To appoint UHY Hacker Young 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.

8. To approve the Directors' Remuneration Report for the year ended 30 June 2018.

Special Business

To consider and, if thought fit, pass the following resolutions, of which Resolution 9 will be proposed as an ordinary resolution and Resolutions 10 to 13 will be proposed as Special Resolutions.

9. 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.
10. 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 9 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.

11. 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.

12. THAT, pursuant to the Articles, the Company is empowered to sell 18,272,500 shares held as treasury shares by the Company as at 21 August 2018, 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.

13. 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

21 September 2018

Notice of 2018 Annual General Meeting

continued

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 12 October 2018 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 12 October 2018 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 10.30am, Friday, 12 October 2018. 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.investorcentre.co.uk/eproxy. 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
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
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, Pitime, 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
Exeter	Mixed Product	41/42 High Street, Exeter EX4 3DJ	0871 223 1396
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
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

Store Locations in UK, Republic of Ireland and France continued

UK Store	Type	Address	Telephone
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
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
Leeds	Home	Unit F&G, Moor Allerton Centre, Leeds, LS17 5NY	0871 244 0119
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
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
Plymouth	Mixed Product	Unit B, The Armada Centre, Mayflower Street, Plymouth PL1 1LE	0871 223 1401
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
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

UK Store	Type	Address	Telephone
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, Belvedere 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
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			
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 2018.

Shareholders' Information

As at 21 August 2018

Shareholders' Helpline Number: 0870 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

5.30pm (Malaysia time), Tuesday 16 October 2018

10.30am (UK time), Tuesday 16 October 2018

Proxies to reach Registrars prior to

10.30am (UK time), Friday 12 October 2018

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 2018/19

First half-year ends

Saturday, 29 December 2018

Second half-year ends

Saturday, 29 June 2019

Trademarks



LAURA ASHLEY



FOR THE WAY YOU LIVE