Regulatory Story

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Ashley (Laura) Hldgs PLC - ALY
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Interim results

RNS Number : 9264E
Ashley (Laura) Hldgs PLC
15 February 2018

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

**15 February 2018**

LAURA ASHLEY HOLDINGS plc
**("the Group")**

Laura Ashley Holdings plc announces its interim results for the 26 weeks to 31 December 2017.

**Summary**

- Total Group sales of £134.7m (26 weeks to 31 December 2016: £146.0m).
- Total like-for-like retail sales down 0.5%.
- Margin pressure primarily due to Sterling weakness.
- Profit before tax of £4.3m (26 weeks to 31 December 2016: £7.8m).
- Online revenue of £26.9m. (26 weeks to 31 December 2016: £25.6m).
- New license partner signed for Thailand.
- Laura Ashley Hotel concept to be licensed internationally and domestically.
- The Board is not recommending payment of an interim dividend (26 weeks to 31 December 2016: 0.5pence).

**Chairman's statement**

"Trading conditions have continued to be challenging during the first six months of the year to 31 December 2017. The impact felt due to the weakening of Sterling, year on year, was the most significant single factor in the fall of profit before tax.

The Board have reviewed the first half results and forecasts for the remainder of the year to 30th June 2018 and, given the continued market challenges, considers that net pre-tax profit for the year will fall below market expectations.

Despite these challenges, our online performance remains strong, achieving growth of 5.1% and we look forward to the implementation of a new digital platform during the second half. We expect that this will help us to deliver further growth with its enhanced functionality.

Building on the success of licensing Laura Ashley Hotel, The Belsfield and customer feedback, we have decided to license the Hotel concept both domestically and internationally and are optimistic about the possibilities for growth which it gives the Group going forward.

The termination of the licensing agreement with Aeon Holdings in Japan, Taiwan and Hong Kong, that will take place in September 2018, gives us the opportunity to develop the Brand presence ourselves in these territories through a licensing and online model. We expect that this model will be profitable as the Brand is well established and respected.

We will continue to develop our international presence and explore new partnership opportunities. During the first half, we have signed a new licence partner for the territory of Thailand. In China, our website is now available on two major platforms with another two to be added during the second half.

Our commitment to design, quality and lifestyle remains resolute. Our customer base continues to grow worldwide and we strive to give all customers the product and experience they expect from Laura Ashley. I remain confident that Laura Ashley will continue its progress and that the Company is well positioned to make this happen."

**Tan Sri Dr Khoo Kay Peng**
*Chairman*

**Enquiries:**

| | |
|---|---|
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**Overview**

For the 26 weeks to 31 December 2017, total Group sales were £134.7m (26 weeks to 31 December 2016: £146.0m), a fall of 7.7%. This overall fall was due primarily to the closure of 25 stores during the second half of last year. Like-for-like retail sales fell by 0.5% over the period.

Total e-Commerce sales grew to £26.9m (26 weeks to 31 December 2016: £25.6m), an increase of 5.1%.

Margins in the period have been affected by the weakness of Sterling against foreign currencies, especially the US Dollar, and the additional impact of domestic cost increases. As a result, gross margin achieved fell to 38.5% (26 weeks to 31 December 2016: 41.4%). To mitigate these adverse factors, operating expenses for the period were reduced to £47.1m as a result of store optimisation and cost efficiencies (26 weeks to 31 December 2016: £52.3m). The impact felt due to the weakening of Sterling, year on year, was the most significant single factor in the fall of profit before tax.

As a result, Group profit before taxation was £4.3m (26 weeks to 31 December 2016: £7.8m).

**Cash Flow and Balance Sheet**

As at 31 December 2017, net debt for the Group stood at £29.2m of which £20.7m related to the purchase of the office building in Singapore. This is in line with cash levels at this time of year. Inventory of £54.2m (26 weeks to 31 December 2016: £52.8m) was in line with the needs of the business.

**Dividend**

The Board has not recommended the payment of an interim dividend (26 weeks to 31 December 2016: 0.5 pence per share).

**UK Retail and E Commerce**

As at 31 December 2017, the property portfolio in the UK consisted of 161 stores (June 2017: 167), comprising the following store types: 112 Mixed Product stores, 46 Home stores, 1 Concession store, 1 Gifts & Accessories store and 1 Clearance outlet. During the reporting period, 6 stores were closed and none were opened.

Total UK retail sales of £122.9m were recorded during the period (26 weeks to 31 December 2016: £133.4m). On a like-for-like basis, UK retail sales fell by 0.5%.

Total e-Commerce sales of £26.9m were recorded during the period (26 weeks to 31 December 2016: £25.6m). Progress on re-platforming our website is going well and it is expected to go live during the second half. We continue to serve ten European countries through our UK website and, separately, our Chinese digital platforms have recorded very promising sales growth.

**Product**

The UK business is split into four main categories. For the 26 weeks ended 31 December 2017, the relative split of UK sales was as follows: Home Accessories 36%, Furniture 28%, Decorating 19% and Fashion 17%.

Furniture

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

Furniture sales for the 26 weeks to 31 December 2017 decreased by 9.0% with like-for-like sales down 4.4%. Although this was quite a difficult half for furniture, we had some success with new ranges. Our new season product range has recently been launched and, supported by our promotions, free delivery and interest free credit, we are confident that the quality, diversity and style which it offers will drive improved performance during the coming year.

Home Accessories

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

Home Accessories sales for the 26 weeks to 31 December 2017 decreased by 3.0% with like-for-like performance up by 4.0%. Our seasonal gift and accessories ranges were the star performers in this category. Lighting also recorded significant growth.

Decorating

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

Decorating sales for the 26 weeks to 31 December 2017 fell by 10.9% with like-for-like sales down by 3.9%. The closure of 22 Homebase stores had an effect on this category due to the fact that our Homebase concessions were a decorating destination for many of our customers. Having recently launched our new season collections, we will focus on recovering lost ground in this category, particularly in ready-made curtains, wallpaper and fabric.

Fashion

This category includes adult fashion, fashion accessories and perfumery.

Fashion sales for the 26 weeks to 31 December 2017 decreased by 1.0% over the same period last year with like-for-like sales up 1.2%. We are very encouraged by reaction to the new season collections and the progress which our fashion made during the second half.

**Hotel**

The Laura Ashley hotel recorded sales of £1.2m over the period, reflecting the steady performance of recent years. Building on the success of our licensed hotels and interest from within the sector, the Company has decided to expand Laura Ashley Hotels by licensing the concept both domestically and internationally.

Additionally, following the successful launch of the Tea Room, we are also planning to expand this concept as a license model.

**International Operations**

On 2nd February the Company announced that, on 17th September 2018, the master license agreement with Aeon will be terminated and, as a result, license rights will revert back to the UK for Japan, Taiwan and Hong Kong. The Laura Ashley Brand has been much-loved in these territories for over 30 years, and we see an exciting opportunity to build on this with the master licensing rights back under our management. Laura Ashley has a strong future in these territories and we are grateful to Aeon for its co-operation and help in building the Brand presence in the region.

We will continue to develop our international presence and explore new partnership opportunities. In the reporting period, our international operations contributed 6.7% of total Group revenue. As at 31 December 2017 there were 246 franchised stores (243 as at 30 June 2017) in 29 territories worldwide.

Franchise and Licensing revenue of £9.9m was recorded during the first half to 31 December 2017 (26 weeks to 31 December 2016: £10.2m). This decline was primarily due to the performance of the franchise business reflecting sluggish trading conditions in some of our franchised territories. However, Licensing performed well, recording growth of 21%

We signed a new licence partner for the Thailand market during the period which will further develop the presence of the Laura Ashley Brand in the South East Asian region. Additional agreements are being negotiated. As noted above, we are also pleased to now have entered the Chinese market having established our website on two e-commerce platforms since its launch in November 2016. We believe that the Chinese market offers exciting long term growth opportunities given the appeal of British brands in the region.

**Current Trading and Outlook**

Trading conditions have been demanding during the first six months of the year. Like-for-like sales for the six weeks to 10th February 2018 were within expectations. We expect conditions to remain challenging for the second half but are confident, nonetheless, that the Brand and the Company are well positioned to deal with these challenges.

**Acknowledgements**

I wish to convey my thanks to our staff, management and my fellow Board members for their hard work and commitment.

I would also like to thank our customers, franchise partners, license partners, shareholders and suppliers for their continued support and loyalty to the Group.

**Tan Sri Dr Khoo Kay Peng,**
*Chairman*

**Principal Risks and Uncertainties**

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and beyond, and could cause actual results to differ materially from expected and historical results. The Board considers that the majority of significant risks and uncertainties remain as published in the Annual Report for the period ended 30 June 2017. These comprise:

- Failure of the business to meet sales and margin targets
- Failure to maintain or increase market share
- Failure to optimise store portfolio
- Failure to develop innovative product ranges
- Failure to attract, develop and retain talent with the correct skill and capability for further development as part of the Group's succession policy
- Failure to deliver sales growth online by failing to meet customer expectations or through failure of the website. Disruption to key IT systems from a major incident, including a cyber-attack
- Failure to grow our international business successfully through Franchise and Licensing partnerships
- Failure to maintain cost efficient funding and react to changes in foreign currency exchange fluctuations. Unforeseen financing requirements or treasury exposures
- Failure of central computer servers that manage points of sale, contact centre or website
- The risk of theft of staff, customer or corporate data.

A detailed explanation of these risks can be found on pages 11 and 12 of the 2017 Annual Report which is available at www.lauraashley.com.

**Responsibility Statement**

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
- The interim management report includes a fair review of the information required by:

a) DTR 4.2.7 R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remainder of the financial year; and

b) DTR 4.2.8 R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the enterprise in the first six months of the current financial year; and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.

By order of the Board
**Seán Anglim**
*Finance Director*

## Condensed Group Statement of Comprehensive Income
## For the 26 week period ended 31 December 2017

| | Note | **26 weeks to 31 December 2017 (unaudited) £m** | 26 weeks to 31 December 2016 (unaudited) £m | 52 weeks to 30 June 2017 (audited) £m |
|---|---|---|---|---|
| **Revenue** | 2 | **134.7** | 146.0 | 277.0 |
| Cost of sales | | **(82.8)** | (85.5) | (167.8) |
| **Gross profit** | | **51.9** | 60.5 | 109.2 |
| Operating expenses | | **(47.1)** | (52.3) | (98.3) |
| Impairment of property | | **-** | - | (2.8) |
| Gains on disposal of stores | | **-** | - | 0.8 |
| **Profit from operations** | | **4.8** | 8.2 | 8.9 |
| Share of operating (loss) of associate | | **-** | - | (1.4) |
| Finance costs | | **(0.5)** | (0.4) | (1.2) |
| **Profit before taxation** | | **4.3** | 7.8 | 6.3 |
| Taxation | | **(0.9)** | (1.6) | (2.3) |
| **Profit for the financial period*** | | **3.4** | 6.2 | 4.0 |
| **Other comprehensive income:** | | | | |
| Actuarial gain on defined benefit pension scheme | | **-** | - | 1.9 |
| Deferred tax effect | | **-** | - | (0.4) |
| Total that will not be subsequently reclassified to profit and loss | | **-** | - | 1.5 |
| Exchange differences on translation of investments | | (0.4) | 0.9 | - |
| Other reserve movements | | 0.1 | 0.6 | 0.5 |
| Total that may be subsequently reclassified to profit and loss | | **(0.3)** | 1.5 | 0.5 |
| **Other comprehensive profit for the period net of tax** | | **(0.3)** | 1.5 | 2.0 |
| | | **3.1** | 7.7 | 6.0 |

**Total comprehensive income for the period**

| | | | |
|---|---|---|---|
| ***Earnings per share - basic and diluted calculated based on profit for the financial period** | **0.47p** | 0.85p | 0.55p |

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

# Condensed Group Statement of Financial Position
# As at 31 December 2017

| | **At 31 Dec 2017 (unaudited) £m** | Restated At 31 Dec 2016 (unaudited) £m | At 30 June 2017 (audited) £m |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangibles | **1.6** | 2.2 | 1.9 |
| Property, plant and equipment | **46.7** | 50.2 | 47.5 |
| Investment property | **3.8** | 4.0 | 3.5 |
| Deferred tax asset | **2.6** | 3.2 | 2.6 |
| Investment in associate | **1.2** | 3.9 | 1.3 |
| | **55.9** | 63.5 | 56.8 |
| **Current assets** | | | |
| Inventories | **54.2** | 52.8 | 57.7 |
| Trade and other receivables | **19.0** | 17.6 | 19.1 |
| Cash and cash equivalents | **-** | 5.3 | - |
| | **73.2** | 75.7 | 76.8 |
| **Total assets** | **129.1** | 139.2 | 133.6 |
| **Current liabilities** | | | |
| Current tax liabilities | **0.9** | 1.6 | 1.0 |
| Trade and other payables | **46.5** | 49.8 | 50.9 |
| Short-term borrowings | **9.8** | 9.6 | 12.0 |
| | **57.2** | 61.0 | 63.9 |
| **Non-current liabilities** | | | |
| Retirement benefit liabilities | **13.9** | 16.2 | 13.8 |
| Deferred tax liabilities | **0.1** | 0.2 | 0.1 |
| Long-term borrowings | **19.4** | 20.8 | 20.3 |
| Provisions and other liabilities | **-** | 0.3 | 0.1 |
| | **33.4** | 37.5 | 34.3 |
| **Total liabilities** | **90.6** | 98.5 | 98.2 |
| **Net assets** | **38.5** | 40.7 | 35.4 |
| **Equity** | | | |
| Share capital | **37.3** | 37.3 | 37.3 |
| Share premium | **86.4** | 86.4 | 86.4 |
| Own shares | **(3.2)** | (3.2) | (3.2) |
| Treasury shares | **(4.6)** | (4.6) | (4.6) |
| Retained earnings | **(77.4)** | (75.2) | (80.5) |
| **Total equity** | **38.5** | 40.7 | 35.4 |

## Condensed Group Statement of Changes in Shareholders' Equity
## For the 26 week period ended 31 December 2017

| | Share capital £m | Share premium £m | Own shares £m | Treasury shares £m | Retained earnings £m | Total equity £m |
|---|---|---|---|---|---|---|
| Balance as at 30 June 2016 - previously reported | 37.3 | 86.4 | (0.8) | - | (76.0) | 46.9 |
| Prior period adjustments | - | - | (2.4) | (4.6) | 4.0 | (3.0) |
| Balance as at 30 June 2016 - restated | 37.3 | 86.4 | (3.2) | (4.6) | (72.0) | 43.9 |
| Profit for the 26 week period ended 31 December 2016 | - | - | - | - | 6.2 | 6.2 |
| Dividend paid | - | - | - | - | (10.9) | (10.9) |
| Other comprehensive income | - | - | - | - | 1.5 | 1.5 |
| Balance as at 31 December 2016 - restated | 37.3 | 86.4 | (3.2) | (4.6) | (75.2) | 40.7 |
| Profit for the 26 week period ended 30 June 2017 | - | - | - | - | (2.2) | (2.2) |
| Dividend paid | - | - | - | - | (3.6) | (3.6) |
| Other comprehensive income | - | - | - | - | 0.5 | 0.5 |
| Balance as at 30 June 2017 | 37.3 | 86.4 | (3.2) | (4.6) | (80.5) | 35.4 |
| Profit for the 26 week period ended 31 December 2017 | - | - | - | - | 3.4 | 3.4 |
| Dividend paid | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | (0.3) | (0.3) |
| **Balance as at 31 December 2017** | **37.3** | **86.4** | **(3.2)** | **(4.6)** | **(77.4)** | **38.5** |

## Condensed Group Cash Flow Statement
## For the 26 week period ended 31 December 2017

| | Note | **26 weeks to 31 December 2017 (unaudited) £m** | 26 weeks to 31 December 2016 (unaudited) £m | 52 weeks to 30 June 2017 (audited) £m |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Net cash generated from operations | 5 | **6.1** | 7.3 | 5.8 |
| Corporation tax paid | | **(1.0)** | (3.0) | (4.2) |
| Dividend paid | | **-** | (10.9) | (14.5) |
| Finance cost | | **-** | - | - |

| | | | |
|---|---|---|---|
| | **5.1** | (6.6) | (12.9) |
| **Investing activities** | | | |
| Purchase of intangible assets | **(0.2)** | (0.1) | (0.5) |
| Purchase of property, plant and equipment | **(1.3)** | (0.1) | (0.3) |
| | **(1.5)** | (0.2) | (0.8) |
| **Financing activities** | | | |
| Repayment of bank loan | **(0.9)** | (0.7) | (1.3) |
| Interest expense | **(0.5)** | (0.4) | (0.6) |
| | **(1.4)** | (1.1) | (2.0) |
| **Net increase/(decrease) in cash and cash equivalents** | **2.2** | (7.9) | (15.7) |

## Reconciliation of Net Cash Flow to movement in Net Funds
## For the 26 week period ended 31 December 2017

| | **26 weeks to 31 December 2017 (unaudited) £m** | 26 weeks to 31 December 2016 (unaudited) £m | 52 weeks to 30 June 2017 (audited) £m |
|---|---|---|---|
| Net increase/(decrease) in cash and cash equivalents | **2.2** | (7.9) | (15.7) |
| Net funds at the beginning of the period | **(10.7)** | 5.0 | 5.0 |
| **Net funds at the end of the period** | **(8.5)** | (2.9) | (10.7) |

The above reconciliation includes an amount of £8.5m which is a restricted overdraft.

## Notes

### 1 Basis of preparation

This condensed set of financial statements has been prepared in accordance with the requirements of IAS 34 'Interim Financial Reporting' as adopted by the European Union ('EU').

As required by the Disclosure and Transparency Rules of the UK's Financial Conduct Authority and other than described below, this condensed set of financial statements has been prepared by applying the accounting policies and presentation that were applied in the preparation of the Group's published financial statements for the financial period ended 30 June 2017, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU.

No new or amended financial accounting standards have been adopted in these financial statements.

The statutory audited accounts for the period ended 30 June 2017 have been delivered to the Registrar of Companies in England and Wales. The

Auditor's report on these accounts was unqualified and did not contain statements under Section 498 of the Companies Act 2006.

These six months condensed financial statements are unaudited, not reviewed in accordance with 'International Standard on Review Engagements (UK and Ireland) 2410' and do not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006.

## 2 Segmental analysis

| | **26 weeks to 31 December 2017 (unaudited) £m** | 26 weeks to 31 December 2016 (unaudited) £m | 52 weeks to 30 June 2017 (audited) £m |
|---|---|---|---|
| **Revenue** | | | |
| Retail: | | | |
| Stores | **94.3** | 106.5 | 196.0 |
| e-Commerce & Mail Order | **29.2** | 27.5 | 57.3 |
| Hotel | **1.2** | 1.4 | 2.5 |
| Total Retail (inc. Europe and Hotel) | **124.7** | 135.4 | 255.8 |
| Non-Retail | **10.0** | 10.6 | 21.2 |
| **Total Revenue** | **134.7** | 146.0 | 277.0 |
| **Retail** | | | |
| Contribution: | | | |
| Stores | **4.0** | 6.1 | 3.9 |
| e-Commerce & Mail Order | **6.6** | 6.8 | 13.8 |
| Hotel | **(0.3)** | (0.1) | (0.2) |
| Total contribution | **10.3** | 12.8 | 17.5 |
| Indirect overhead costs | **(9.5)** | (10.0) | (18.2) |
| Finance costs | **(0.5)** | (0.4) | (1.2) |
| Exceptional costs | **-** | - | (2.1) |
| **Profit/(loss) before taxation** | **0.3** | 2.4 | (4.0) |
| **Non-Retail** | | | |
| Contribution | **4.0** | 5.4 | 11.7 |
| Share of associate (loss) | **-** | - | (1.4) |
| **Profit before taxation** | **4.0** | 5.4 | 10.3 |
| **Total Retail and Non-Retail** | | | |
| Contribution | **14.3** | 18.2 | 29.2 |
| Indirect overhead costs | **(9.5)** | (10.0) | (18.2) |
| Share of associated (loss) | **-** | - | (1.4) |
| Finance costs | **(0.5)** | (0.4) | (1.2) |
| Exceptional costs | **-** | - | (2.1) |
| **Profit before taxation** | **4.3** | 7.8 | 6.3 |

## 2 Segmental analysis (continued)

| | **As at 31 December 2017 (unaudited) £m** | As at 31 December 2016 (unaudited) £m | As at 30 June 2017 (audited) £m |
|---|---|---|---|
| **Non-current assets** | | | |
| Destination | | | |
| UK, Ireland & France | **18.7** | 20.9 | 19.1 |
| Japan | **2.5** | 5.3 | 2.6 |
| Singapore | **34.7** | 37.3 | 35.1 |
| Rest of the World | **-** | - | - |
| **Total Non-current assets** | **55.9** | 63.5 | 56.8 |

| | **26 weeks to 31 December 2017 (unaudited) £m** | 26 weeks to 31 December 2016 (unaudited) £m | 52 weeks to 30 June 2017 (audited) £m |
|---|---|---|---|
| **Revenue** | | | |
| Destination | | | |
| UK, Ireland & France | **125.6** | 136.6 | 257.6 |
| Continental Europe | **1.5** | 1.4 | 2.8 |
| Japan | **4.6** | 5.1 | 9.8 |
| Rest of World | **3.0** | 2.9 | 6.8 |
| **Total Revenue** | **134.7** | 146.0 | 277.0 |

The reported segments are consistent with the Group's internal reporting for performance measurement and resource allocation.

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.

## 3 Taxation

Taxation has been calculated by applying the forecast full year effective rate of tax in the individual fiscal territories to the results for this period.

## 4 Earnings per share

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

| | **26 weeks to 31 December 2017 (unaudited) £m** | 26 weeks to 31 December 2016 (unaudited) £m | 52 weeks to 30 June 2017 (audited) £m |
|---|---|---|---|
| Profit for the financial period (£m) | **3.4** | 6.2 | 4.0 |
| Weighted average number of ordinary shares - basic and diluted ('000) | **727,763** | 727,763 | 727,763 |
| Earnings per share | **0.47p** | 0.85p | 0.55 p |

## 5 Reconciliation of profit from operations to net cash inflow from operating activities

| | **26 weeks to 31 December 2017 (unaudited) £m** | 26 weeks to 31 December 2016 (unaudited) £m | 52 weeks to 30 June 2017 (audited) £m |
|---|---|---|---|
| Profit from operations | **4.8** | 8.2 | 8.9 |
| Amortisation charge | **0.5** | 0.4 | 0.8 |
| Depreciation charge | **1.3** | 1.7 | 3.0 |
| Loss on sale of property, plant and equipment | **0.1** | - | 0.4 |
| Exchange movement on property, plant and equipment | **0.3** | 0.1 | 0.8 |
| Decrease/(increase) in inventories | **3.5** | (1.7) | (6.6) |
| Decrease/(increase) in receivables | **0.1** | (0.4) | (1.9) |
| (Decrease)/increase in payables | **(4.4)** | (0.7) | 0.4 |
| Movement in provisions | **(0.1)** | (0.3) | - |
| **Net cash inflow from operating activities** | **6.1** | 7.3 | 5.8 |

**6 Related party transactions**

The related party transactions that have occurred in the 26 week period ended 31 December 2017 are not materially different in size or nature to those reported in the Group's Annual Report for the financial year ended 30 June 2017.

**7 Group pension arrangements**

The assets and liabilities of the defined benefit pension scheme are considered on an annual basis at the end of each financial year.



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