LAURA ASHLEY
ANNUAL REPORT 2014


LAURAASHLEY.COM

Contents

Corporate Information

Board of Directors

Tan Sri Dr Khoo Kay Peng*‡	*Chairman*
Mr David Walton Masters*†	*Deputy Chairman*
Mr Ng Kwan Cheong	*Chief Executive Officer*
Ms Sally Kealey†‡	
Dato' Ahmad Johari bin Abdul Razak	
Ms Kwa Kim Li*‡	
Mr Wong Nyen Faat†	
Ms Ho Kuan Lai	
Ms Frances Boon (alternate Director to Ms Ho Kuan Lai)	

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

Joint Company Secretaries

Ms Alison Fraser
Mr Sai Hup Fong

Chief Financial Officer & Joint Chief Operating Officer

Mr Seán Anglim

Joint Chief Operating Officer

Mr Nick Kaloyirou

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

The Royal Bank of Scotland PLC
15 Bishopsgate
London EC2P 2AP

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants and
Statutory Auditor
Russell Square House
10-12 Russell Square
London WC1B 5LF

Stockbrokers

Cantor Fitzgerald Europe
One Churchill Place
Canary Wharf
London E14 5RD

Registrar and Transfer Office

Computershare Investor
Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel 0870 707 1110

Summary

- Profit before taxation (including exceptional items) up 2.0% to £20.5m (2013: £20.1m).
- Total Group sales down 1.4% to £294.5m (2013: £298.8m).
- Full year like-for-like sales down 0.4%.
- Second half like-for-like sales up 1.2%.
- International Franchise business growth of 4.2%.
- EPS up 6.4% to 2.15p (2013: 2.02p).
- Strong Balance Sheet with £24.1m cash at the year end.
- Final dividend proposed of 1.0p per share making a total dividend of 3.5p per share for the year (2013: Total dividend 2.0p per share).
- Significant development of Order Management systems during the year.
- Current trading shows like-for-like sales growth of 2.0%.

FASHION

HOME ACCESSORIES

DECORATING

FURNITURE

LAURA ASHLEY

THE MANOR

ELSTREE

Chairman's Statement

For the 52 weeks to 25 January 2014, profit before taxation including exceptional items was up 2.0% to £20.5 million (2013: £20.1 million).

Overview

For the 52 weeks to 25 January 2014, profit before taxation including exceptional items was up 2.0% to £20.5 million (2013: £20.1 million). Profit before taxation excluding exceptional items was down 4.0% to £19.3 million (2013: £20.1 million).

Total Group sales fell by £4.3 million (1.4%) to £294.5 million compared to the previous year of £298.8 million. Full year retail like-for-like sales were down by 0.4% on 2013. Over the year, like-for-like performance was down 2.2% in the first half but up 1.2% in the second half.

Retail space was reduced by 16,000 square feet (2.0%), and the UK store portfolio decreased by 3 stores, from 212 to 209.

Gross margin rate increased by 0.3% year on year and operating expenses reduced by 0.6% to £106.1 million (2013: £106.7 million).

The implementation of our new Order Management system will yield benefits to the Group, both in terms of order lead time and a better customer experience.

Cash Flow and Balance Sheet

Cash generated from operations in the year was £16.8 million (2013: £22.4 million). A net decrease in cash balances over the year of £10.5 million was recorded with the Group holding £24.1 million in cash as at the year end (2013: £34.6 million). Dividends of £18.1 million were paid during the year.

Dividend

The Board has recommended a final dividend of 1.0 pence per share. When taken with the anniversary dividend of 0.5 pence per share paid in June 2013, the interim dividend of 1.0 pence per share paid on 30 October 2013 and the bonus interim dividend of 1.0 pence per share paid in February 2014, the total dividend for the year is 3.5 pence per share (2013: Total dividend of 2.0 pence per share). This dividend will be proposed at the AGM on 8 May 2014 and, subject to shareholders' approval, will be paid on 12 May 2014 to all shareholders on the Register at the close of business on 22 April 2014. The ex-dividend date will be 16 April 2014.

The Board will continue to review dividend payments on the basis of annual profitability, the economic climate and the needs of the business.

Chairman's Statement continued

UK Retail

As at 25 January 2014, the property portfolio in the UK comprised 209 stores (2013: 212). We have five store types: 130 Mixed Product stores (selling all product categories), 50 Home stores (selling Home products only), 24 Home concession stores, 4 Gifts & Accessories stores and 1 Clearance outlet.

During the year ended 25 January 2014, we opened 2 new stores and closed 5 stores. As a result, total selling space fell by 2.0% to 786,000 square feet. This reduction reflects our ongoing portfolio optimisation policy.

Our E-Commerce channel remains a key part of our multi-channel retail strategy, contributing 16.0% of total UK retail sales (14.0% of total Group sales). This participation is consistent with last year. Operating on both mobile and fixed line platforms, Laura Ashley delivers its full product range to France, Germany, Austria, Italy and Switzerland, in addition to the UK.

Operating on both mobile and fixed line platforms, Laura Ashley delivers its full product range to France, Germany, Austria, Italy and Switzerland, in addition to the UK.

HOME ACCESSORIES

Chairman's Statement continued

Product

The UK business is split into four main categories. For the financial year ended 25 January 2014, the relative split of UK sales is as follows: Furniture 30%, Home Accessories 29%, Decorating 23% and Fashion 18%.

Over 40% of our home furnishings sales are from products manufactured in the UK.

Furniture

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

Total Furniture sales decreased by 1.4% (LFL –0.8%) for the year ended 25 January 2014.

In an extremely competitive category, we have increased the breadth of our offering in beds, upholstered and cabinet furniture and have had success with some of the newer ranges. We are now focussed on consolidating this success with the introduction of further updated pieces in our classic styles.
We feel that the quality and design of our ranges in this category are unsurpassed in the market and we have continued to develop and improve both this year.

Home Accessories

During the year ended 25 January 2014, sales of Home Accessories increased by 0.8% (LFL +1.2%).

We are pleased that our Home Accessories offering has continued the growth of recent years. Our targeted range of gift products, co-ordinated bed linen, design led lighting ranges and soft furnishings have improved in quality, design and variety. These ranges have also proved particularly popular with our Franchise customers and will continue to expand.

Decorating

This category includes curtains, blinds, fabric, paint, decorative accessories and wall coverings.

During the year ended 25 January 2014, Decorating sales were up by 1.9% (LFL +2.2%).

The cornerstone of our home business, our decorating products, with their unique prints, colours and designs, continue to be well received by our customers. Significant growth in readymade curtains and paint, manufactured by Laura Ashley in the UK, has been behind much of the success in this category, while our inspirational wallpaper and fabric designs continue to evolve and enhance our co-ordinated home offering.

These decorating product ranges have also helped to differentiate our Interior Design Service from the rest of the high street. This service has grown by 19% over the year.

Fashion

For the year ended 25 January 2014, UK retail Fashion sales decreased by 6.5% (LFL –5.2%).

Following a disappointing like-for-like drop of 6.6% for the first half of 2013/14, the second half improved significantly to a drop of 3.8% and, very encouragingly, there was like-for-like growth of 1.5% for the fourth quarter. We feel confident that we have addressed the challenges faced during the past twelve months with our fashion collections and have a clearer understanding of what our customers demand in quality, price and style.

DECORATING

Chairman's Statement continued

Franchise revenues grew by 4.2% to £28.2 million over the year.

International Operations

International business now accounts for 11% of total revenue.

Our international Franchising operations continue to be an important part of our business and, as at 25 January 2014, there were 286 (2013: 266) Franchised stores in 32 (2013: 28) territories worldwide. They now include stores in Armenia, Poland, Estonia and Qatar.

Franchise revenues grew by 4.2% to £28.2 million over the year.

Licensing income decreased by 21% to £3.3 million. This reduction primarily reflects one off promotional Licensing during 2012, not being repeated during 2013. Licenses were awarded during 2013 for new categories, which included branded kitchens and beauty products.

Exeptional Items

A net gain of £1.2 million was recorded in the year. This reflects the gain on disposal of a short term investment, which was offset by the cost of store closures.

Hotel

The Hotel has now been refurbished and has officially been launched as a Laura Ashley boutique hotel. We expect the Hotel revenue to grow significantly this year.

Chairman's Statement continued

We will continue with the progress we have made in developing our brand, growing our product ranges, improving our systems and enhancing our online business.

Current Trading and Outlook

I am encouraged that, despite a challenging first half, we have seen good like-for-like sales growth during the second half. We will continue with the progress we have made in developing our brand, growing our product ranges, improving our systems and enhancing our online business. These initiatives, together with the growth of our international Franchise business, will remain our primary focus.

The retail environment continues to be both competitive and challenging but we are confident that the quality of our product ranges, the enduring appeal of our great British brand and the loyalty of our many worldwide customers will enable us to make further progress in growing the business.

In the first two months of the current financial year, we have achieved like-for-like sales growth of 2%. This is an encouraging start to the year and we believe that this progress can be maintained.

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

26 March 2014

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, Eire and France and Franchise operations located across the world in 32 territories. Laura Ashley also has a number of Licensing partners manufacturing and supplying products such as carpets, shutters, kitchens, tiles and cookware in the UK, Europe, Japan, America and Australia.

The Group owns one Hotel. Laura Ashley The Manor Hotel was officially launched on 31 July 2013 following complete refurbishment by the Laura Ashley design team. The Hotel is a showcase for Laura Ashley, its product, design service and brand.

A detailed overview of the Group's performance for the year ended 25 January 2014 is available in the Chairman's Statement on pages 5 to 13.

Markets and Trends

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

Marketing channels such as online and social media, as well as traditional channels, are embraced and uitilised as our customers consume alternative media output.

The Group is committed to delivering a well designed quality product that is appropriate to each market.

The Group will continue to review its store portfolio and positioning as UK retail continues to move from traditional high streets to retail parks and online. The online experience is constantly evolving and Laura Ashley regularly reviews and changes the website to keep pace with the market and give the best customer experience.

Business Model

The Laura Ashley lifestyle brand, with its breadth of designs and products, is based on high standards of quality and value. From traditional retail stores, to mail order catalogues, a stylish website and design consultancy service, the Group seeks to offer a wide range of ways for people to purchase and be inspired by its products.

The Group trades in 500 stores worldwide; 214 of which are located in the UK, Eire and France, with the remaining 286 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, gift and accessories stores and a clearance outlet.

The Group's Franchise business has been built on a solid foundation through years of experience, enabling it to attract new Franchisees and spread awareness of the Laura Ashley brand around the globe.

Licensing partners are selected for their detailed expertise and unique local knowledge and they provide the Group with the opportunity to enhance the Laura Ashley brand and expand its lifestyle product offer.

Direct business, encompassing E-Commerce and Mail Order, is a key part of the Group's multi-channel retail strategy and, in addition to the UK, Laura Ashley delivers its full product range to France, Germany, Austria, Italy and Switzerland. Fully translated French and German websites will be added to our digital platform this year. To mirror our transactional website, our mobile site offers the complete range of our products.

The Laura Ashley Design Service is available in the UK, Ireland and France providing bespoke and unique interior design solutions.

Objectives and Strategies

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

- Increasing brand awareness.
- Continuous 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.
- Ongoing communication with our customers to enable us to meet their needs and deliver the best quality customer service.
- Multi-channel marketing strategy to maintain and grow our customer base.

Key Performance Indicators

The Group measures progress against clear targets and key performance indicators.

UK Store Sales

Laura Ashley UK has 209 stores as at 25 January 2014 compared to 212 as at the end of the last financial year. Total UK store sales decreased by 1.6% to £213.5 million for the year ended 25 January 2014.

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 is a good indicator of organic sales growth. Like-for-like stores are defined as those that have traded for at least one full financial year and have not benefited from significant capital expenditure or increases in square footage. Sales from these stores for the current year are compared with the same period in the previous year to calculate like-for-like sales performance.

Like-for-like UK store sales for the year ended 25 January 2014 were down 0.7% compared to a decrease of 0.1% in the previous year.

Store Selling Space

	Year ended January 2014	Year ended January 2013	Annual Change %
Store numbers	**209**	212	(1.4)
Square feet ('000)	**786**	802	(2.0)

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 16,000 square feet in the year ended 25 January 2014. 2 stores were opened and 5 stores were closed during the year as part of our ongoing store portfolio management strategy.

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 increased by 0.3% year on year (2013: decrease 1.9%) as a result of improved efficiencies in product sourcing and cost control.

Direct Business

Our E-Commerce and Mail Order channels are a vital part of our multi-channel retail strategy. At 17.3% of total UK retail sales, total E-Commerce and Mail Order sales were down 3.2% on last year. Within this figure, E-Commerce sales were down 2.1%.

Laura Ashley has 2,117,296 registered E-Commerce customers (2013: 1,809,964). Our website and various catalogues remain important marketing tools for the brand.

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. During the year ended 25 January 2014, 20 new stores were opened which included 10 in Japan, 2 in Australia, 3 in Hong Kong, 1 in Singapore and 1 in UAE.

As at 25 January 2014, there were 286 (2013: 266) Franchised stores in 32 (2013: 28) territories worldwide. During the year, Franchise revenues increased by 4.2% to £28.2 million (2013: £27.1 million).

Licensing

In the year ended 25 January 2014, Licensing income of £3.3 million (2013: £4.2 million) was down 21% on the previous year. This reduction primarily reflects one off promotional Licensing during 2012, not being repeated during 2013. During 2013, licenses were awarded for new product categories including branded kitchens, toiletries and perfume.

Review of the Business

Home Accessories and Decorating products registered positive like-for-like sales growth of 1.2% and 2.2% respectively. Furniture and Fashion registered a decline in like-for-like sales of 0.8% and 5.2% respectively.

Laura Ashley Japan Co., Limited, added a share of associate operating profit of £0.5 million (2013: profit of £1.4 million).

During the year, as a percentage of revenue, operating expenses increased slightly to 36.0% from 35.7% in the previous year.

Financial Summary

	2014 £m	Restated 2013 £m
Revenue	**294.5**	298.8
Gross Profit	**125.2**	126.0
Operating expenses	**106.1**	106.7
Profit before exceptional items	**19.3**	20.1
Profit before taxation	**20.5**	20.1
Earnings per share (excluding exceptional items)	**1.99p**	2.02p
Capital expenditure	**3.7**	2.9
Retirement benefit liabilities	**8.8**	11.1*
Cash and cash equivalents	**24.1**	34.6

* Retirement benefit liabilities as at 26 January 2013 have been restated to provide the total unfunded obligation in line with the requirements of IAS 19 (Revised).

Group Strategic Report continued

Results

Revenue for the financial year ended 25 January 2014 was down on last year by 1.4% to £294.5 million. Total gross profit for the financial year was down 0.6% to £125.2 million.

Profit before taxation is the preferred and principal indicator of the profitability for the Group. Profit before taxation for the financial year ended 25 January 2014 was £20.5 million compared to profit before taxation of £20.1 million in the previous year.

There was a net exceptional gain in the year of £1.2 million (2013: nil) arising from the sale of the Group's short term investment, less store closure costs.

Revenue and Operating Results

Total retail sales including Mail Order, E-Commerce and Hotel were £261.7 million. UK retail store sales densities were £322 per square foot compared to £321 per square foot for the previous financial year. Non-retail sales amounted to £32.8 million and were 1.2% above the previous financial year primarily due to ongoing Franchising growth.

Total store revenue for the UK, Ireland and France operations amounted to £215.6 million, a decrease of 1.5% compared to the previous year. Total Mail Order and E-Commerce sales of £44.7 million were down on last year by 3.2%.

Operating expenses were down 0.6% compared with last year at £106.1 million (2013: £106.7 million) due to our continuous review of costs.

Taxation

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

The effective tax rate for the current year is lower than the rate of UK Corporation tax primarily due to capital gains being covered by capital losses in the Group, which eliminate the impact of excess depreciation

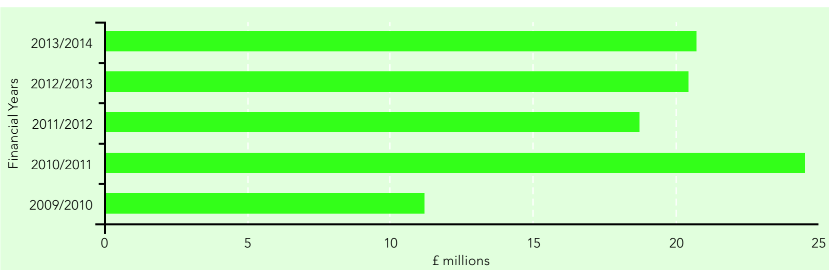
Store Portfolio

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

Number of Stores	UK and Ireland	France	Total
January 2013	212	6	218
Opened	2	–	2
Closed	(5)	(1)	(6)
January 2014	**209**	**5**	**214**

Net Square Footage ('000)	UK and Ireland	France	Total
January 2013	802	16	818
Opened	1	–	1
Closed	(17)	(2)	(19)
January 2014	**786**	**14**	**800**

Profit Before Taxation – 5 Year Summary



over capital allowances, the decrease in the Group's overall deferred tax asset due to the reduction in the UK tax rate and the higher tax rate in Japan.

In the previous year, the effective tax rate was higher than the rate of UK Corporation tax mainly due to excess of depreciation over capital allowances and the decrease in the value of the Group's overall deferred tax asset due to the reduction in the UK tax rate.

Net Assets

Net assets of the Group as at 25 January 2014 amounted to £48.6 million, a decrease of £10.9 million compared to the net assets for the previous year.

The Group has £24.1 million cash as at year-end (2013: £34.6 million) and a clean inventory position.

Cash and Banking

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

	2014 £m	2013 £m
Operating activities	**(6.8)**	2.5
Investing activities	**(3.7)**	(2.9)
Net cash outflow	**(10.5)**	(0.4)

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

	2014 £m	2013 £m
Opening net funds	**34.6**	35.0
Total cash outflow	**(10.5)**	(0.4)
Closing net funds	**24.1**	34.6

The Company paid dividends amounting to £18.1 million to shareholders in the year ended 25 January 2014. A bonus interim dividend of £7.3 million for the year ended 25 January 2014 was paid on 10 February 2014. Total capital expenditure for the financial year ended 25 January 2014 was £3.7 million, which was higher than the previous year of £2.9 million. This included investment in new information technology to improve operating efficiencies across the business and the purchase of a property for development to enhance facilities offered by the hotel.

The Group has sufficient cash and cash equivalents and no borrowings. With a positive start to 2014, we are optimistic that the Group will continue to generate cash inflow from its operations for the foreseeable future. Subject to thorough review, surplus cash will be invested in the long term interests of the business and that of its shareholders.

Treasury

The Group's treasury strategy is controlled through a Treasury Committee, chaired by the Chief Executive Officer. The committee meets regularly throughout the 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

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 below.

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, implemented. 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 20 to the financial statements.

Business Continuity

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

Group Strategic Report continued

Principal Risks and Mitigating Activities

Issue	Risk	Mitigating Activities
Retail Strategy Failure of the Home and Fashion 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.	Adverse effect on financial results. Loss of market share and customer loyalty.	New and innovative product offering, exploiting areas of strength of the Brand to ensure products meet the expectations of our customers. Review promotional strategies to drive trade. Continuous review of store locations. Continue to enhance the customer experience. Continuous product sourcing review to remain competitively priced.
People Failure to attract, develop and retain talent with the correct skills and capability for further development as part of our succession policy.	Inability of the team to perform duties efficiently, develop and execute business plans due to lack of experience and the right skills. Competitive disadvantage.	Continued review of staff in key positions. Continue to train actively new team members. Competitive incentive packages. 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 Company'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 operations, partnerships or wholly-owned businesses.	Adverse effect on financial results. Damage to the Brand.	Continue to grow the Brand internationally by looking for appropriate partners in new territories. Forge strong relationships with key partners and Licensees.
Finance Failure to maintain cost efficient funding and react to changes in foreign currency exchange fluctuations.	Adverse effect on financial results.	Stringent cash flow management including daily cash monitoring. Active negotiation with suppliers to reduce impact of vagaries of foreign exchange. Foreign exchange hedging as required.
Information Technology Failure of central computer servers that manage points of sale, contact centre or website. The risk of theft 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.

Other Considerations

Environment

The Group has a responsibility to manage the impact of its business on the environment. Key areas of focus continue to be: energy/water use and emissions from stores, warehouses, distribution centres and offices; fuel emissions from the transportation of products to either stores or customers' homes; and waste created in stores, warehouses, distribution centres and offices. A summary of the Group's greenhouse gas emissions is available on page 20 within the Directors' Report.

Employees

We value and respect our employees and endeavour to engage their talent and ability fully. We always aim to be a good employer and provide personal development, training and equality of opportunity.

We also aim to achieve high standards in employment practices and have a comprehensive suite of employment policies and procedures. These policies include procedures covering grievance resolution, bullying and harassment, diversity and equal opportunities.

The table below shows the number of employees by gender in the Group as at 25 January 2014.

	Group 2014		Company 2014	
	Female	Male	Female	Male
Directors, incl. Non-Executive Directors	3	5	3	5
Senior managers	2	3	–	–
Other employees	3,018	704	–	–

Corporate Social Responsibility

As Laura Ashley expands both globally and online, we believe that our product ranges, based on many years of innovative design and a rich brand heritage, underpin the foundations of our future growth. Laura Ashley is committed to positive change, taking responsibility for the impact we make during this growth.

Health & Safety

Laura Ashley is committed to operating in a way that avoids causing harm to people or property, and to promoting the wellbeing of its workforce and the workforces of its suppliers. This commitment underpins our approach to health and safety, with Board level responsibility being carried out by the Chief Executive Officer, supported by specialist technical advisers in safety employed within the Group. Our objective is to manage all aspects of the business in a safe manner and take measures to ensure that employees at all levels know, understand and manage the risks within their areas of responsibility. We continually review the quality and effectiveness of our risk assessment, incident investigation processes and the completeness of our health and safety management systems. We improve, as required, our systems and measures to support a proactive approach to meeting our commitments to the safety and well-being of our employees, suppliers and customers.

Social, Ethical and Environmental Matters

Laura Ashley is committed to the principles of responsible business. This means addressing related social, ethical and environmental matters in a way that aims to bring value to all stakeholders. Continual improvement is a key approach and is achieved by acting in an ethical manner, developing positive relationships with suppliers, recruiting able and responsible employees, taking responsibility for our impacts on the environment and through contributions to charities and community organisations.

Laura Ashley has a responsibility to manage the effects of its business on the environment both now and in the future. For a number of years, we have measured and reported on the environmental aspects which our business impacts. We will continue to do this in our Annual Corporate Social Responsibility Report.

Future Outlook

Details of current trading performance and outlook for the Group are provided in the Chairman's Statement on page 13.

By Order of the Board

Alison Fraser
Sai Hup Fong
Joint Company Secretaries

26 March 2014

Directors' Report

The Directors present their Annual Report and audited financial statements for the financial year ended 25 January 2014.

Results for the Financial Year and Business Review

The Group's results for the financial year ended 25 January 2014, 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 page 5 and the Group Strategic Report on page 14. 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 year ended 25 January 2014.

Capital Structure

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

The Company's Articles of Association (the "Articles") do not have any specific restrictions on the transfer of shares, restrictions on voting rights nor are there limitations on the holding of such shares. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Shareholders with significant interests are disclosed on page 22.

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 26 March 2014.

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 25 to 28.

Global Greenhouse Gas (GHG) emissions

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, for the year ended 25 January 2014.

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 from the UK Government Defra's GHG Conversion Factors for Company Reporting (V1.1 2013-14).

During the period 1 February 2013 to 31 January 2014, the Group's global GHG emissions reached 2,753 tonnes CO_2e. These emissions arose from fuel combustion (1,228 tonnes CO_2e), purchased electricity consumption (1,525 tonnes CO_2e) from those assets and properties whose activities are reported on in our consolidated financial statements. This amount corresponds to a ratio of 9.35 tonnes CO_2e per £1 million of sales, which the Group considers to be a suitable intensity measure for the period ended 31 January 2014.

For the interest of our readers we have also calculated, on a voluntary basis, emissions from sources falling outside our consolidated financial statement but closely associated with our everyday business activities. These emissions (mostly from purchased electricity consumption and fuel combustion) amounted to 14,071 tonnes CO_2e during the reporting period and arose from operating leased assets in the UK; supply-chain emissions have not been included.

Future Developments

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

Board of Directors

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

In accordance with the Company's Articles, Ms Sally Kealey and Dato' Ahmad Johari bin Abdul Razak will offer themselves for re-election as Directors of the Company at the Annual General Meeting ("AGM"). In addition, to the requirements of the Company's Articles, Mr Walton Masters will offer himself for re-election at the AGM in accordance with the UK Corporate Governance Code.

Details of the Directors are as follows:

Tan Sri Dr Khoo Kay Peng, 75, Non-Executive Chairman, joined the Board in February 1999. He is the Chairman and Chief Executive of the Malayan United Industries Berhad (MUI Group), which is a diversified Group, with business interests in the Asia Pacific region, the United States of America and the United Kingdom. He is also the Chairman of Corus Hotels Limited, UK and Pan Malaysian Industries Berhad, Malaysia. Tan Sri Dr Khoo is a Director of SCMP Group Limited (South China Morning Post) and the Bank of East Asia Limited in Hong Kong. Previously, Tan Sri Dr Khoo had served as the Chairman of the Malaysian Tourist Development Corporation (a Government Agency), the Vice Chairman of Malayan Banking Berhad (Maybank) and as a Trustee of the National Welfare Foundation, Malaysia. Tan Sri Dr Khoo is a trustee of the Regent University, Virginia, USA, and a board member of Northwest University, Seattle, USA. He also serves as a Council Member of the Malaysia-British Business Council, the Malaysia-China Business Council and the Asia Business Council. Tan Sri Dr Khoo is Chairman of the Nomination Committee and the Remuneration Committee.

Mr David Walton Masters, 70, 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; 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, a Non-Executive Director of Asprey International Limited and the Non-Executive Chairman of First Equity Limited.

Mr Ng Kwan Cheong, 65, was appointed as Chief Executive Officer and Executive Director on 5 January 2012. He was formerly the Chief Executive Officer of the Company from 1999 to 2003 and a Non-Executive Director of the Board from 26 March 2008. Mr Ng is currently on the boards of Laura Ashley Inc., Laura Ashley (North America) Inc., Regent Corporation Inc. and Corus Hotels Limited. He was also the former President of Laura Ashley Inc. and Regent Corporation Inc., and the former Managing Director of Metrojaya Berhad, the retailing arm of the MUI Group.

Ms Sally Kealey, 55, joined the Board as a Non-Executive Director on 28 October 2004. She is a member of the Audit Committee and the Nomination Committee. Ms Kealey previously served as an executive of Laura Ashley Limited for a period of 13 years until 1996 and held the post of Home Furnishings Design Director. During her time with the Company, she worked very closely with the late Laura Ashley.

Dato' Ahmad Johari bin Abdul Razak, 59, a lawyer, was appointed to the Board as a Non-Executive Director on 7 September 2011. He is currently a senior partner of the law firm Messrs Shearn Delamore & Co. in Malaysia. He sits on the boards of several public listed companies in Malaysia namely Ancom Berhad, Daiman Development Berhad, Deutsche Bank (Malaysia) Berhad, Hong Leong Industries Berhad and British American Tobacco (Malaysia) Berhad. He is currently the Adjunct Professor of Law of Universiti Teknologi MARA Law Faculty, Malaysia. He is a Barrister-at-Law called to Lincoln's Inn in 1976 and was admitted as an advocate and solicitor of the High Court of Malaya in 1977.

Ms Kwa Kim Li, 57, a lawyer, was appointed to the Board as a Non-Executive Director on 7 September 2011. She is a member of the Nomination Committee and the Remuneration Committee. She is the managing partner of Lee & Lee, Advocates & Solicitors, one of Singapore's oldest and well established law firms founded in 1955. Her legal practice spans over 30 years covering areas such as real estate, family practice, banking, trusts, estate planning, probates and cross-border transactions. She sits on the boards of Sentosa Development Corporation, National University Health System, Singapore Chinese Girls' School and the Lee Kuan Yew School of Public Policy. She is the legal advisor to the Real Estate Developers' Association in Singapore. She graduated with a Bachelor of Law degree from the University of Singapore. She was called to the Singapore Bar as an advocate and solicitor in 1980.

Mr Wong Nyen Faat, 56, was appointed to the Board as a Non-Executive Director on 9 January 2012. He is a member of the Audit Committee. He is currently the Chief Operating Officer of the MUI Group based in Malaysia and a Director of Metrojaya Berhad, the Malaysian retailing arm of the MUI Group. He is also a Director of various Malaysia-listed companies namely Pan Malaysia Corporation Berhad, Pan Malaysia Capital Berhad and Pan Malaysia Holdings Berhad. He was the Executive Director of Hong Kong-listed Morning Star Resources Limited between 2006 and 2009 and was the General Manager of Operations of Malyasia-listed Ecofirst Consolidated Berhad between 2004 and 2006. He holds a Bachelors degree in Science with Education (First Class Honours) from University of Malaya and a Masters degree in Business Management from the Asian Institute of Management.

Ms Ho Kuan Lai, 42, was appointed to the Board as a Non-Executive Director on 14 June 2013. She is currently the Vice President of Malayan United Industries Berhad and is overseeing the retail and hotel business within the Group in Malaysia. She is an associate member of the Singapore Institute of Chartered Secretaries and Administrators and also sits on the board of Network Foods International Limited, a former listed company on the main board of the Singapore Exchange Limited. Previously, Ms Ho has also served as an Executive Director of Morning Star Resources Limited, a listed company on the main board of the Hong Kong Stock Exchange.

Ms Frances Boon, 43, was appointed as alternate Director to Ms Ho Kuan Lai on 16 July 2013. She is currently Senior Adviser to the COO (Consumer Banking and Wealth Management) for DBS Bank, Singapore. Previously, Ms Boon has served at director level in BNP Paribas, Credit Suisse and CitiBank in Singapore.

Directors' Interests

Save as disclosed in note 29 to the financial statements and the Executive Directors' service contracts, none of the Directors has, or has 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 30, 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

A resolution proposing the re-appointment of Chantrey Vellacott DFK LLP as auditor 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.

Significant Interests

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

As at 26 March 2014	Number of Ordinary Shares	Percentage of Issued Share Capital**
Bonham Industries Limited*	187,845,822	25.81%
The Bank of East Asia (Nominees) Ltd	135,000,000	18.54%
Maybank (Nominees) Sendirian Berhad	116,000,000	15.93%
Goldman Sachs Securities (Nominees) Ltd	35,220,606	4.83%
The Bank of New York (Nominees) Ltd	18,862,342	2.59%

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

** Excluding 18,272,500 treasury shares

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. Both reports are mailed to shareholders, and are accessible via the Company's website at www.lauraashley.com to them should they so wish. Shareholders also have direct access to the Company via its free shareholder information telephone service (see page 69).

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

Going Concern

The Board is of the opinion that the Group will have sufficient funding to meet its working capital needs. The Group has positive bank balances and has plans to address any possible uncertainties in the current economic environment which may impact the going concern assumption.

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

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

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

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 year. 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 profit or loss, total comprehensive income 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 and the Group's transactions, and disclose with reasonable accuracy, at any time, the financial position of the Company and the Group 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 of the Group 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.

Directors' Report continued

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 or loss 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; and

(c) That the value of land and buildings, as reflected in the financial statements, are not significantly different to their current market value.

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 2.00 pm on 6 May 2014. 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

Alison Fraser
Sai Hup Fong
Joint Company Secretaries

26 March 2014

Report on Corporate Governance

Compliance

The Board endorses the UK Corporate Governance Code (the "Code"). During the financial year ended 25 January 2014, the Group has complied with the provisions set out in the Code, except to the extent disclosed below.

The Board

The Board comprises seven Non-Executive Directors, including the Chairman and Deputy Chairman, and one Executive Director who is the Chief Executive Officer of the Group.

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 Joint Company Secretaries for their services and advice. The Joint Company Secretaries are 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 Joint Company Secretaries. 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.

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 Director. Where required, meetings between Non-Executive Directors without the presence of the Chairman or the Executive Director can easily be 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, Ms Sally Kealey, Dato' Ahmad Johari Razak and Ms Kwa Kim Li 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 of the opinion that Mr David Walton Masters' and Ms Sally Kealey's judgement as independent Non-Executive Directors are not affected, notwithstanding the fact that they have served the Board for more than nine years since their first election. They will both retire in accordance with provision B.7.1 of the Code and will seek re-election as independent Non-Executive Directors at the AGM. In addition, the Board recognises Mr David Walton Masters as the Senior Independent Non-Executive Director.

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 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 Ms Ho Kuan Lai are the current MUI appointed Directors. Ms Frances Boon is Ms Ho Kuan Lai's alternate Director.

Directors' Elections

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

Report on Corporate Governance continued

Directors' attendance

The attendance of Directors from 27 March 2013 to 26 March 2014 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	–	–	4	4	3	3
Mr David Walton Masters	5	5	4	4	4	4	–	–
Mr Ng Kwan Cheong	5	5	4	3	–	–	–	–
Ms Sally Kealey	5	5	4	4	–	–	3	3
Dato' Ahmad Johari bin Abdul Razak	5	4	–	–	–	–	–	–
Ms Kwa Kim Li	5	5	–	–	4	4	3	3
Mr Wong Nyen Faat	5	5	4	4	–	–	–	–
Ms Ho Kuan Lai	3	1	–	–	–	–	–	–
Ms Frances Boon (alternate Director to Ms Ho Kuan Lai)	3	2	–	–	–	–	–	–

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

Board Performance Evaluation

During the year ended 25 January 2014, the Board undertook an evaluation of its own performance and that of its individual Directors including the Chairman.

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

Board Committees

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

Nomination Committee

The Nomination Committee, the membership and quorum of which, is a majority of Non-Executive Directors, meets as required to decide and give recommendations to the Board on all matters relating to the selection, number, appointment and removal of Executive and Non-Executive Directors to the Board. The recommendations of the Nomination Committee are then put to the full Board, which considers them before any appointment is made. External search consultancies or open advertising have not been used in the appointment of Directors. The members of the Nomination Committee during the financial year were Tan Sri Dr Khoo Kay Peng (Chairman), Ms Sally Kealey and Ms Kwa Kim Li.

Remuneration Committee

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

Members of the Remuneration Committee during the financial year were Tan Sri Dr Khoo Kay Peng

(Chairman), Mr David Walton Masters and Ms Kwa Kim Li. In compliance with the Code, there are at least two independent Non-Executive Directors on the Committee and they are Mr David Walton Masters and Ms Kwa Kim Li.

Details of the level and composition of the Directors' remuneration are disclosed in the Directors' Remuneration Report on pages 29 to 35.

Audit Committee

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

The members of the Audit Committee during the financial year were Mr David Walton Masters (Chairman), Ms Sally Kealey, and Mr Wong Nyen Faat.

In compliance with the Code, Mr David Walton Masters and Ms Sally Kealey are independent Non-Executive Directors. At least one member of the Audit Committee has recent and relevant financial 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.

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 on the re-appointment of the external auditor, the Audit Committee will assess cost effectiveness, independence and objectivity of the external auditor. The Board will include a resolution in the next AGM proposing the re-appointment of the external auditor and authorising the Board to determine the audit fee.

The Committee meets regularly with the external auditor for the purpose of discussing matters relating to the financial reporting and internal controls of the Group. It also assists the Board in ensuring that appropriate accounting policies, internal controls and compliance procedures are in place.

During the period ended 25 January 2014, the Group's external auditor has provided advice to the Group, including tax advice. The fees paid for these services were £15,000 (2013: £19,450). The use of external auditors for non-audit work was carefully evaluated by the Audit Committee. The Audit Committee has a duty to ensure that the provision of non-audit services does not impair the external auditor's independence and objectivity. The Group will disclose such services to the Audit Committee detailing the nature of the work, estimated costs, project timeline, department involved and also assurance from the Ethics Partner of the external auditor that relevant ethical issues are considered.

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

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 system of internal control covering financial, operational, compliance and other controls.

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

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

- monthly financial reporting, within an annual budgeting and annual forecasting process;
- maintaining day-to-day financial control of operations within a framework of defined financial policies and procedures on key business activities;

- business wide risk management policy and standards;
- planning, approving and monitoring major projects; and
- regular performance monitoring, with remedial action taken where necessary.

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

At regular intervals, both the Board and the Audit Committee consider a risk management update report which gives an assessment on whether the 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: Guidance to Directors (formerly known as the Turnbull Guidance).

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 25 January 2014. Shareholders will be invited to approve both our Remuneration Policy (which will be a binding vote) and the Remuneration Report for the year ended 25 January 2014 (which will be a non-binding advisory vote), which together comprise the Directors' Remuneration Report, at the Company's AGM on 8 May 2014.

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 and Ms Kwa Kim Li.

The Remuneration Committee determines the remuneration of each Director. During the year ended 25 January 2014 the Remuneration Committee proposed that the remuneration of five of the Board's Non-Executive Directors be increased. It was proposed (i) that the remuneration of Ms Sally Kealey, Ms Kwa Kim Li, Dato' Ahmad Johari bin Abdul Razak and Mr Wong Nyen Faat be increased from £20,000 per annum to £30,000 per annum, the first increase in four years and, (ii) that the remuneration of Ms Ho Kuan Lai be increased from £1 per annum to £30,000 per annum, with effect from 1 January 2014. After due consideration of the Group's performance in recent years, the Board agreed the increase at the Board Meeting held on 24 September 2013.

It is envisaged that the remuneration components for Executive Directors for the year ending 31 January 2015 will be very similar to those in place for the year ended 25 January 2014 as shown in the components table on page 33.

Directors' Remuneration

The 'single figure' table below represents the Directors' remuneration during the relevant financial year 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	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000	**£000**	£000	**£000**	£000
Executive Directors												
Mr Ng Kwan Cheong	**185**	185	**46**	46	**–**	–	**–**	–	**19**	19	**250**	250
Sub-total	**185**	185	**46**	46	**–**	–	**–**	–	**19**	19	**250**	250
Non-Executive Directors												
Tan Sri Dr Khoo Kay Peng	**200**	200	**–**	–	**–**	–	**–**	–	**–**	–	**200**	200
Mr David Walton Masters	**50**	50	**–**	–	**–**	–	**–**	–	**–**	–	**50**	50
Ms Sally Kealey	**21**	20	**–**	–	**–**	–	**–**	–	**–**	–	**21**	20
Dato' Ahmad Johari bin Abdul Razak	**21**	20	**–**	–	**–**	–	**–**	–	**–**	–	**21**	20
Ms Kwa Kim Li	**21**	20	**–**	–	**–**	–	**–**	–	**–**	–	**21**	20
Mr Wong Nyen Faat	**21**	20	**–**	–	**–**	–	**–**	–	**–**	–	**21**	20
Mr Andrew Khoo (4)	**–**	7	**–**	–	**–**	–	**–**	–	**–**	–	**–**	7
Mr Leonard Sebastian (4)	**–**	7	**–**	–	**–**	–	**–**	–	**–**	–	**–**	7
Ms Ho Kuan Lai (3)	**1**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1**	–
Ms Frances Boon (alternate Director) (3)	**1**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1**	–
Sub-total	**336**	344	**–**	–	**–**	–	**–**	–	**–**	–	**336**	344
Total	**521**	529	**46**	46	**–**	–	**–**	–	**19**	19	**586**	594

(1) Benefits paid to the Executive Director included a car allowance, housing allowance and private medical insurance.

(2) The Executive Director received a pension benefit equivalent to 10% of basic salary paid to his nominated private pension scheme.

(3) Each Director, except Ms Ho Kuan Lai and her alternate Director, Ms Frances Boon, was a member of the Board for the whole year. Ms Ho Kuan Lai was appointed on 14 June 2013 and Ms Frances Boon was appointed as her alternate Director on 16 July 2013.

(4) Mr Andrew Khoo and Mr Leonard Sebastian retired on 11 June 2012.

Payments to Past Directors

No payments were made during the year ended 25 January 2014 (2013: nil) to any past Directors of the Company.

Payments for Loss of Office

No Executive Directors left the Company during the year ended 25 January 2014 and, therefore, no payments in respect of compensation for loss of office were paid to, or were receivable by, any Director (2013: nil).

Directors' Shareholdings

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

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

	Financial year ended 25 January 2014	Financial year ended 26 January 2013
Tan Sri Dr Khoo Kay Peng	**187,845,822***	187,845,822*
Mr David Walton Masters	**1,000,000**	1,000,000
Ms Sally Kealey	**775**	775

* Bonham Industries Limited, KKP Holdings Sdn. Bhd. and Soo Lay Holdings Sdn. Bhd. are each interested in these shares.

There were no changes in Directors' Shareholdings between the financial year end and 26 March 2014.

All interests in share capital were held as beneficial interests. Mr Ng Kwan Cheong, Dato' Ahmad Johari bin Abdul Razak, Ms Kwa Kim Li, Mr Wong Nyen Faat, Ms Ho Kuan Lai and Ms Frances Boon did not have any interest in the issued share capital of the Company at any time during the financial year.

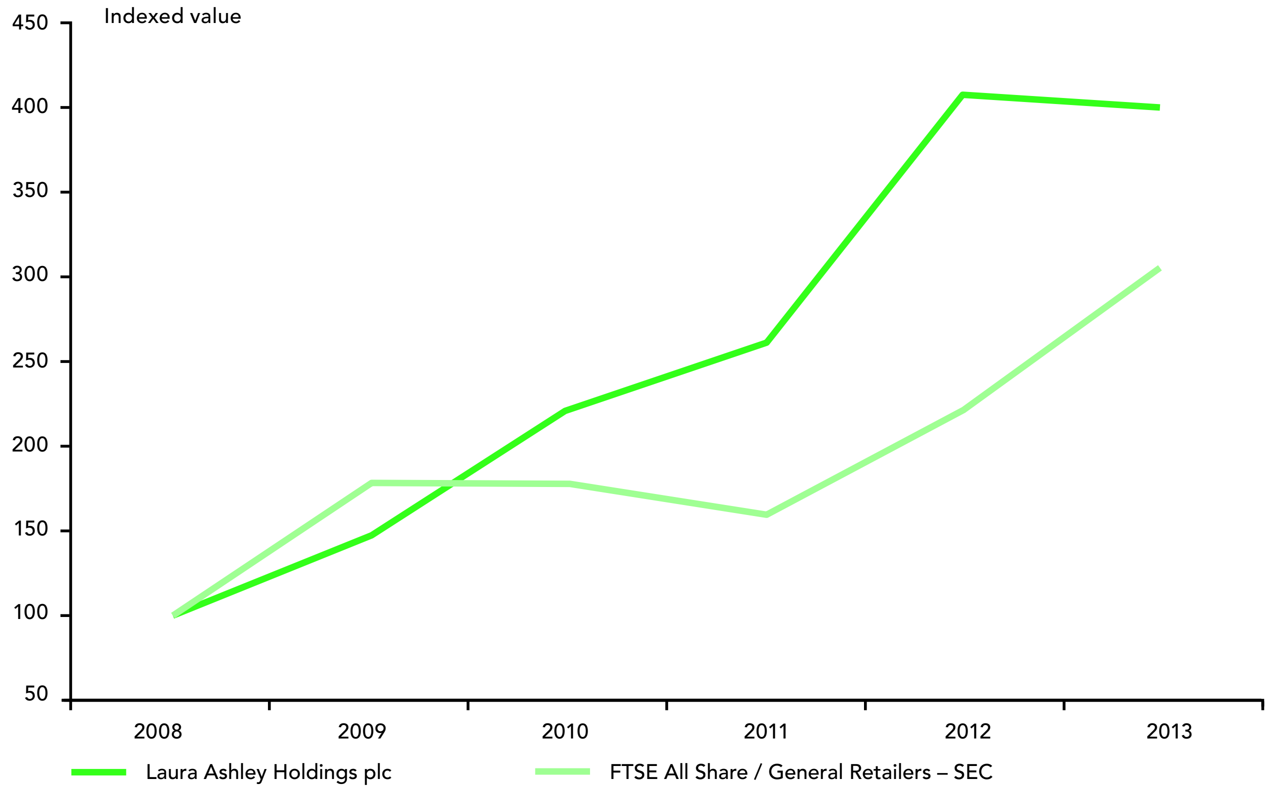
Audited Information

Details of the remuneration and Directors' shareholding interests for the financial year ended 25 January 2014 disclosed on page 29 and above have been audited by the Group's external auditor.

Total Shareholder Return

The graph opposite illustrates the Company's performance, measured by total shareholder return, compared with the performance of the FTSE General Retail Index for the period 31 December 2008 to 31 December 2013. The FTSE 350 General Retailers Index is a suitable comparative index to benchmark the Company's performance because it comprises of 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 31 December 2013, of £100 invested in Laura Ashley Holdings plc on 31 December 2008 compared with the value of £100 invested in the FTSE All-Share General Retailers Index after allowing for gross dividend payment.

Table of Historical Data

Year	Executive Director	Total remuneration £000	Annual bonus payout £000	Annual bonus payout as a % of total that could have been paid (3)
2014	Mr Ng Kwan Cheong	250	–	–
2013	Mr Ng Kwan Cheong	250	–	–
2012	Mr Ng Kwan Cheong (1)	18	–	–
	Ms Lillian Tan Lian Tee (2)	281	40	N/A
2011	Ms Lillian Tan Lian Tee	283	35	N/A
2010	Ms Lillian Tan Lian Tee	234	–	–

(1) Appointed as Executive Director and Chief Executive Officer with effect from 5 January 2012

(2) Retired as Executive Director and Chief Executive Officer on 4 January 2012

(3) The Company did not have a formal bonus scheme in place during the period reported on above and bonus payments were determined at the discretion of the Remuneration Committee.

The Company did not have a long-term incentive plan in place during the five-year period reported on above.

Directors' Remuneration Report continued

Percentage Change in Remuneration of Chief Executive Officer

The table below shows the percentage change in salary, benefits and annual bonus earned between the year ended 26 January 2013 and the year ended 25 January 2014 for the Chief Executive Officer compared to the average paid to all Laura Ashley employees each year.

	Salary %	Benefits %	Annual Bonus %
Chief Executive Officer	–	0.3	–
Employees – non-minimum wage	–	0.3	–
Employees – minimum wage	1.9	0.3	–

Relative Importance of Spend on Pay

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

	Year ended 25 Jan 2014 £m	Year ended 26 Jan 2013 £m	Change %
Employee costs (1)	**51.5**	50.9	1.2
Ordinary dividends	**14.5**	14.5	–
Special dividends (2)	**10.9**	–	–

(1) Total employee costs includes wages and salaries, social security costs, benefits and pension costs.

(2) A special dividend of £3.6 million was paid on 5 June 2013 to mark the 60th anniversary of the Company and a bonus dividend was paid on 10 February 2014 in respect of the year ended 25 January 2014.

Percentage of Votes in Respect of the Ordinary Resolution to Approve the Directors' Remuneration Report for the Year ended 26 January 2013

The table below shows the percentage of votes cast for, votes against and votes withheld in relation to the ordinary resolution to approve the Directors' Remuneration Report for the year ended 26 January 2013.

Percentage of Votes cast for	Percentage of Votes Against	Number of Votes Withheld
99.4%	0.06%	390,574

Directors' Remuneration Policy

The Policy on remuneration of Directors is set out on pages 33 to 34. A separate Resolution will be put to shareholders at the Company's AGM on 8 May 2014 to approve the Policy which, if approved, will take effect from 8 May 2014 and will apply until shareholders next consider and vote on the Policy.

Main Components of Remuneration

The key components of Executive Directors' remuneration for the period from 8 May 2014 and beyond (the Policy period), as well as for the year ended 25 January 2014, are summarised 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 Company's strategy.	Base salaries are normally reviewed annually. Salaries are typically set after considering information from independent sources on salary levels for similar posts, the responsibilities of the role, the individual's performance and their experience. Pay awards to Executive Directors take account of prevailing market and economic conditions. Salaries may be adjusted and any increase will ordinarily be in line with the wider employee group in percentage terms. Increases above those granted to the wider workforce may be awarded in certain circumstances, e.g. where there is an increase in responsibility and performance. The salary level for Chief Executive Officer for the financial year ended 25 January 2014 was £185,000.	The Remuneration Committee considers individual salaries at the appropriate Remuneration Committee meeting each year after having due regard to the factors noted in operating the salary policy. No recovery provisions apply to salary.
Benefits	Benefits are offered to Executive Directors as part of a competitive remuneration package.	Benefits comprise private medical insurance, a housing allowance and car allowance. The cost to the Company of providing private medical insurance may change from year to year depending on the cost of providing the benefit. The Chief Executive Officer received a car, housing allowance and medical benefits totalling £46,000 for the year ended 25 January 2014.	Not applicable. No recovery provisions apply to benefits.
Annual Bonus	The annual bonus rewards the achievement of annual financial and operational goals.	Maximum opportunity is 100% of salary for Executive Directors payable in cash. All bonus payments are at the discretion of the Committee	Bonuses are based on key financial and operational performance indicators (e.g. profit before tax) set and assessed by the Committee at its discretion. Bonus payments are subject to recovery at the discretion of the Remuneration Committee in the event of a misstatement of results for the year to which the bonus relates, or an error in the determination of the bonus within three years of the payment of the bonus.
Incentive schemes	To incentivise and realise execution of the business strategy over the longer term. Rewards strong financial performance and sustained increase in shareholder value.	Incentive schemes are not considered appropriate for the Company.	Not applicable. No recovery provisions are applicable.
Pension benefit	To reward sustained contribution and encourages retention.	Executive Directors are offered a fixed salary supplement, calculated as a percentage of base salary, payable to a nominated private pension scheme.	Not applicable. No recovery provisions apply to pension benefits.

Directors' Remuneration Report continued

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

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

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

When appointing new Executive Directors, they will be eligible for the same remuneration components as current Executive Directors, as set out in the Main Components of Remuneration table on page 33.

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

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

Service Contracts / Letters of Appointment for Directors

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

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

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

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

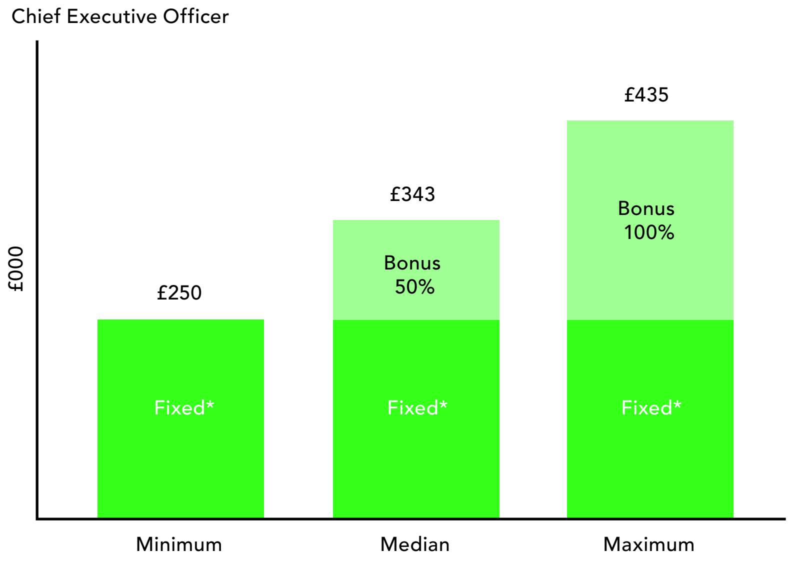
Payments for Loss of Office

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

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

Value of the Remuneration Package for the Chief Executive Officer

The chart below provides an indication of the amount receivable by the Company's sole Executive Director under the remuneration policy for the year ending 31 January 2015.



*Fixed remuneration includes base salary, cash benefits and pension benefit, and uses the values for 2013/14, as shown in the 'single figure' table on page 29.

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

Resolutions to shareholders to approve the Directors' Remuneration Report and Directors' Remuneration Policy will be put forward at the AGM on 8 May 2014.

On behalf of the Board,

Tan Sri Dr Khoo Kay Peng
Chairman

26 March 2014

Independent Auditor's Report

to the members of Laura Ashley Holdings plc

We have audited the Group and parent Company financial statements (the "financial statements") of Laura Ashley Holdings Plc for the year ended 25 January 2014 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Changes in Shareholders' Equity, the Group and Parent Company Statements of Cash Flows, the Reconciliation of Net Cash Flow to Movement in Net Funds, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors' 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.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 23, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on Financial Statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 25 January 2014 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- 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.

In our opinion the parent Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

Our Assessment of Risks of Material Misstatement

We considered the following areas to be those that potentially gave scope for significant misstatement and required particular focus in the current year. This is not a complete list of all areas of risk identified in our audit but summarises the key areas which were discussed with the Audit Committee:

- Revenue recognition – we performed substantive and controls testing relating to revenue recognition as well as analytical procedures, in particular with relation to cash and credit card sales and royalty income;
- Inventory provisioning – we considered the appropriateness of provisions made with respect to inventories and reviewed the outcome of prior year provisions;
- Management override – we performed testing of journal entries in order to identify the risk of fraud arising from management override of controls;
- Related parties – we reviewed the related party disclosures in the accounts against our expectations; and
- Accounting policies – we considered the Group's application of its accounting policies in relation to the areas of significant judgement as set out in page 45 of the financial statements.

Our Application of Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our methodology and professional judgement we determined materiality for the Group financial statements as a whole to be £1,940,000. Furthermore, we calculated a performance materiality for each entity we audited.

We agreed with the Audit Committee that we would report misstatements identified during our audit above £97,000.

An Overview of the Scope of our Audit

The Group financial statements consolidate the financial statements of Laura Ashley Holdings Plc and its wholly owned subsidiary undertakings, together with its associated company.

The Group operates through fifteen subsidiary undertakings, as set out in Note 30. The Group's financial statements consolidate of all of these entities. In establishing our overall approach to the Group audit we determined the type of work that needed to be performed in respect of each subsidiary. This consisted of auditing the complete financial information of any subsidiaries considered to be a significant component of the Group.

We tested and examined information using controls testing, substantive and non substantive techniques to the extent considered necessary to provide us with a reasonable basis to draw conclusions.

These procedures gave us the evidence that we need for our opinion on the Group's financial statements as a whole.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company; 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.

Under the Listing Rules we are required to review:

- the Directors' statement in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Stephen Corrall FCCA

(Senior Statutory Auditor)

for and on behalf of
CHANTREY VELLACOTT DFK LLP
Chartered Accountants and
Statutory Auditor
London
26 March 2014

Group Statement of Comprehensive Income

For the Financial Year ended 25 January 2014

	Notes	2014 £m	Restated 2013 £m
Revenue	1	**294.5**	298.8
Cost of sales		**(169.3)**	(172.8)
Gross profit		**125.2**	126.0
Operating expenses	2	**(106.1)**	(106.7)
Profit from operations	3	**19.1**	19.3
Share of operating profit of associate	14	**0.5**	1.4
Dividend received	16	**0.1**	–
Finance income	6	**0.2**	0.2
Finance costs	7	**(0.6)**	(0.8)
Profit before taxation and exceptional items		**19.3**	20.1
Exceptional items	33	**1.2**	–
Profit before taxation		**20.5**	20.1
Taxation	8	**(4.8)**	(5.4)
Profit for the financial year*		**15.7**	14.7
Other comprehensive income:			
Actuarial gain on defined benefit pension schemes		**1.9**	1.4
Deferred tax effect		**(0.4)**	(0.3)
Total that will not be subsequently reclassified to profit and loss		**1.5**	1.1
Exchange differences on translation of investments		**(0.2)**	(1.2)
Other reserve movements		**(0.7)**	0.2
Available-for-sale investment transferred to income statement	16	**(1.8)**	3.4
Total that may be subsequently reclassified to profit and loss		**(2.7)**	2.4
Other comprehensive (expense)/income for the year net of taxation		**(1.2)**	3.5
Total comprehensive income for the year		**14.5**	18.2
*Earnings per share – basic and diluted – calculated based on profit for the financial year	10	**2.15p**	2.02p
Adjusted earnings per share (excluding exceptional items)	10	**1.99p**	2.02p

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

The notes to the accounts are on pages 46 to 61.

Balance Sheets

As at 25 January 2014

	Notes	Group 2014 £m	Group Restated 2013 £m	Company 2014 £m	Company Restated 2013 £m
Non-current assets					
Intangible assets	12	**2.4**	2.3	**–**	–
Property, plant and equipment	13	**23.3**	23.6	**2.1**	2.1
Deferred tax assets	22	**1.9**	2.6	**–**	–
Investment in associate	14	**4.4**	5.2	**0.8**	0.8
Investment in subsidiaries	15	**–**	–	**99.2**	99.2
Investment in quoted shares	16	**–**	6.7	**–**	–
		32.0	40.4	**102.1**	102.1
Current assets					
Inventories	17	**52.3**	47.4	**–**	–
Trade and other receivables	18	**32.2**	22.6	**36.4**	37.5
Cash and cash equivalents	25	**24.1**	34.6	**14.9**	7.4
		108.6	104.6	**51.3**	44.9
Total assets		**140.6**	145.0	**153.4**	147.0
Current liabilities					
Current tax liabilities		**2.1**	2.5	**–**	–
Trade and other payables	19	**79.9**	71.6	**9.7**	2.7
		82.0	74.1	**9.7**	2.7
Non-current liabilities					
Retirement benefit liabilities	28	**8.8**	11.1	**–**	–
Deferred tax liabilities	22	**0.3**	0.3	**0.4**	0.4
Provisions and other liabilities	21	**0.9**	–	**–**	–
		10.0	11.4	**0.4**	0.4
Total liabilities		**92.0**	85.5	**10.1**	3.1
Net assets		**48.6**	59.5	**143.3**	143.9
Equity					
Share capital	23	**37.3**	37.3	**37.3**	37.3
Share premium		**86.4**	86.4	**86.4**	86.4
Own shares		**(0.8)**	(0.8)	**(0.8)**	(0.8)
Retained earnings		**(74.3)**	(63.4)	**20.4**	21.0
Total equity		**48.6**	59.5	**143.3**	143.9

The notes to the accounts are on pages 46 to 61.

The financial statements on pages 38 to 62 were approved and authorised for issue by the Board on 26 March 2014 and signed on its behalf by:

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

Registered Number
1012631

Statements of Changes in Shareholders' Equity

For the Financial Year ended 25 January 2014

Group

	Share Capital £m	Share Premium £m	Own Shares £m	Retained Earnings £m	Total Equity £m
Balance as at 29 January 2012 as reported	37.3	86.4	(0.8)	(62.5)	60.4
Adjustment arising from application of IAS 19R (note 34)	–	–	–	(6.1)	(6.1)
Deferred tax effect of IAS 19R adjustment	–	–	–	1.5	1.5
Balance as at 29 January 2012 restated	37.3	86.4	(0.8)	(67.1)	55.8
Profit for the financial year	–	–	–	14.7	14.7
Dividends paid	–	–	–	(14.5)	(14.5)
Other comprehensive income restated	–	–	–	3.5	3.5
Balance as at 26 January 2013 restated	37.3	86.4	(0.8)	(63.4)	59.5
Profit for the financial year	–	–	–	15.7	15.7
Dividends paid	–	–	–	(25.4)	(25.4)
Other comprehensive expense	–	–	–	(1.2)	(1.2)
Balance as at 25 January 2014	**37.3**	**86.4**	**(0.8)**	**(74.3)**	**48.6**

Company

	Share Capital £m	Share Premium £m	Own Shares £m	Retained Earnings £m	Total Equity £m
Balance as at 29 January 2012 as reported	37.3	86.4	(0.8)	7.6	130.5
Trade and other receivables: reinstatement of intercompany loan due (note 34)	–	–	–	13.7	13.7
Balance as at 29 January 2012 restated	37.3	86.4	(0.8)	21.3	144.2
Profit for the financial year	–	–	–	14.2	14.2
Dividends paid	–	–	–	(14.5)	(14.5)
Balance as at 26 January 2013 restated	37.3	86.4	(0.8)	21.0	143.9
Profit for the financial year	–	–	–	24.8	24.8
Dividends paid	–	–	–	(25.4)	(25.4)
Balance as at 25 January 2014	**37.3**	**86.4**	**(0.8)**	**20.4**	**143.3**

The notes to the accounts are on pages 46 to 61.

Statements of Cash Flows

For the Financial Year ended 25 January 2014

	Note	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Operating activities					
Net cash inflow/(outflow) generated from operations	24	**16.8**	22.4	**(0.2)**	(0.8)
Corporation tax paid		**(5.4)**	(4.9)	**–**	–
Dividends paid		**(18.1)**	(14.5)	**(18.1)**	(14.5)
Dividends received		**0.3**	0.1	**25.7**	14.7
Finance income		**0.2**	0.2	**0.1**	–
Finance cost		**(0.6)**	(0.8)	**–**	–
		(6.8)	2.5	**7.5**	(0.6)
Investing activities					
Purchase of property, plant and equipment		**(3.2)**	(1.9)	**–**	–
Purchase of intangible assets		**(0.5)**	(1.0)	**–**	–
		(3.7)	(2.9)	**–**	–
Net (decrease)/increase in cash and cash equivalents		**(10.5)**	(0.4)	**7.5**	(0.6)

Reconciliation of Net Cash Flow to Movement in Net Funds

For the Financial Year ended 25 January 2014

	Note	Group 2014 £m	Group 2013 £m	Company 2014 £m	Company 2013 £m
Net (decrease)/increase in cash and cash equivalents		**(10.5)**	(0.4)	**7.5**	(0.6)
Net funds at the beginning of the financial year		**34.6**	35.0	**7.4**	8.0
Net funds at the end of the financial year	25	**24.1**	34.6	**14.9**	7.4

The notes to the accounts are on pages 46 to 61.

Accounting Policies

Basis of Accounting and Consolidation

The financial statements of the Group for the 52 weeks ended 25 January 2014 and the comparative information for 2013 have been prepared under International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and Article 4 of the International Accounting Standards (IAS) Regulation.

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

Implementation of New Accounting Standards

The Group has adopted the following new International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and amendments to existing standards which are effective for annual periods beginning on or after 1 January 2013 unless otherwise stated.

An amendment to IAS 19 'Employee Benefits' was issued by the International Accounting Standards Board (IASB) in June 2011. The amendment eliminates the ability to defer the recognition of gains and losses (the 'corridor method'), requires re-measurements to be presented in other comprehensive income and requires the return on plan assets recognised in the income statement to be calculated using the same rate as the discount rate applied to the pension obligation. The impact of applying the IAS 19R has been full recognition of the actuarial loss in other comprehensive income and a prior year adjustment with comparative periods being restated (see note 34).

In addition, the following new or amended accounting standards have been implemented in the financial year ended 25 January 2014. These have had no material impact on the year's results.

IFRS 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks from those financial instruments, both in qualitative and quantitative terms.

IFRS 10 'Consolidated Financial Statements' outlines the requirements for the preparation and presentation of consolidated financial statements, requiring entities to consolidate entities it controls. Control requires exposure of rights to variable returns and the ability to affect those returns through power over the investee.

IFRS 12 'Disclosures of Interests in Other Entities is a consolidated disclosure standard requiring a wide range of disclosures about an entity's interests in its subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'.

IFRS 13 'Fair Value Measurement' applies to IFRS that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. The standard defines fair value on the basis of and 'exit price' notion and uses a 'fair value hierarchy', which results in a market based, rather than entity specific measurement.

IAS 1 'Presentation of Items of Other Comprehensive Income' (effective for annual periods beginning on or after 1 July 2012). The amendment to IAS 1 revised the way other comprehensive income is presented. As a result items that can subsequently be reclassified to profit or loss are presented separately from items that will never be reclassified to profit or loss in the statement of comprehensive income. The tax associated with each category is also shown separately.

IAS 28 'Investments in Associates and Joint Ventures' outlines the accounting for investments in associates. An associate is an entity over which an investor has significant influence, being the power to participate in the financial and or policy decisions of the investee and investment in associates are, with limited exceptions, required to be accounted for using the equity method.

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 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 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 balance sheet 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 Group statement of 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.

Investments in quoted shares are stated at current bid price at the year end. These investments are not held for trading and accordingly are classified as available for sale financial assets.

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 change in value.

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

Accounting Policies continued

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 balance sheet date. The resulting gain or loss is recognised in the Statement of Comprehensive Income immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Capital Risk Management

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

Currency Translation

The statements of comprehensive income of subsidiary companies operating outside the United Kingdom are translated into Sterling using average rates of exchange for the period, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction. The net assets of such companies are translated into Sterling at the rates of exchange prevailing at the balance sheet 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 balance sheet 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 balance sheet date. Transactions denominated in foreign currencies are translated into the respective functional currency at average monthly rates.

All transactional exchange differences are taken to the Statement of Comprehensive Income.

Leased Assets

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

Provisions

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

Intangible Assets

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

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

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

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

Property, Plant and Equipment

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

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

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 Statement of Comprehensive Income over the period of the lease.

Impairment Testing

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

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

Inventories

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

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

Taxation

The tax charge comprises current year tax payable and deferred tax. The tax charge for the year 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 balance sheet 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 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. The operating and financing costs of the scheme are recognised in the statement of comprehensive income. The shortfall in the fair value of the plan assets as compared to the benefit obligation is recognised in full in the balance sheet in line with the requirements of IAS 19R.

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

Sources of Estimation and Uncertainty

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

Significant Judgements

The Group believes that the most significant critical judgement areas in the application of its accounting policies are the defined benefit pension scheme assumptions, which are set out in note 28, and the inventory provisioning.

Notes to the Financial Statements

1 Segmental Analysis

2014	Retail: Stores £m	Retail: E-Commerce & Mail Order £m	Retail: Hotel £m	Total Retail £m	Total Non-retail £m	Total £m
Revenue	215.6	44.7	1.4	261.7	32.8	294.5
Contribution	16.3	8.8	(0.5)	24.6	14.7	39.3
Share of profit of associate				–	0.5	0.5
Dividend income				–	0.1	0.1
Indirect overhead costs				(20.2)	–	(20.2)
Finance income				0.2	–	0.2
Finance cost				(0.6)	–	(0.6)
Exceptional items				1.2	–	1.2
Profit before taxation				5.2	15.3	20.5

2013	Retail: Stores £m	Retail: E-Commerce & Mail Order £m	Retail: Hotel £m	Total Retail £m	Total Non-retail £m	Total £m
Revenue	218.9	46.2	1.3	266.4	32.4	298.8
Contribution	13.8	11.3	(0.1)	25.0	13.4	38.4
Share of profit of associate				–	1.4	1.4
Indirect overhead costs				(19.1)	–	(19.1)
Finance income				0.2	–	0.2
Finance cost				(0.8)	–	(0.8)
Profit before taxation				5.3	14.8	20.1

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 costs, i.e. head office expenditure, 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.

	Non-current assets 2014 £m	Non-current assets Restated 2013 £m	Revenue 2014 £m	Revenue 2013 £m
Destination				
UK, Ireland & France	27.6	35.2	264.3	269.9
Other Continental Europe	–	–	4.0	4.4
Rest of the World	4.4	5.2	26.2	24.5
	32.0	40.4	294.5	298.8

2013 Non-current assets have been restated following adoption of IAS 19R. The impact was an increase to the deferred tax asset of £1.1 million.

2 Operating Expenses

	2014 £m	2013 £m
Distribution costs	91.5	93.3
Administrative expenses	14.6	13.4
	106.1	106.7

3 Profit from Operations

	2014 £m	2013 £m
Stated after charging/(crediting):		
Amortisation of intangibles (note12)	0.4	0.4
Depreciation on property, plant and equipment (note 13)	3.2	3.8
Exchange losses/(gains)	1.1	(0.6)
Loss on disposal of property, plant and equipment	0.3	0.1
Provision for store impairment	0.9	0.3
Operating lease and hire charges of:		
Property	26.0	26.5
Others	2.8	2.4
Auditor's remuneration for audit services	0.1	0.1
Cost of inventories recognised as an expense	142.1	149.1
Including: Provision for inventories obsolescence and stock loss	1.8	2.0

During the year the external auditor provided R&D and VAT distance selling tax advice for which they received fees amounting to £15,000.

4 Employees

	2014 Number	2013 Number
Average monthly number of employees of the Group on a full-time equivalent basis:		
Manufacturing	180	180
Retail	1,630	1,660
Administrative	410	420
Distribution	260	250
Hotel	40	30
	2,520	2,540

	2014 £m	2013 £m
Staff costs for the financial year:		
Wages and salaries	47.8	47.1
Social security costs	3.4	3.6
Other pension costs	0.3	0.2
	51.5	50.9

Key Management's Compensation

The Directors have identified 14 (2013 restated: 15) key management personnel whose compensation was as follows:

	2014 £m	Restated 2013 £m
Salaries and fees	1.0	1.0
Short-term benefits	0.1	0.1
Pension costs	0.1	0.1
	1.2	1.2

2013 has been restated to include Senior Management within the business.

The key management figures above include the Directors. Directors' emoluments are disclosed in the Directors' Remuneration Report on page 29. There were no share based payments during the financial year ended 25 January 2014 (2013: nil).

5 Directors' Remuneration

	2014 £000	2013 £000
Aggregate emoluments	586	594
Company pension contribution for a private pension	19	19

Details of Directors' pension benefits are set out in the Directors' Remuneration Report on page 29.

During the financial years ended 25 January 2014 and 26 January 2013, 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 29 to 35.

Directors' Interests

The interests of the Directors in the shares and share options of the Company are disclosed on page 30.

6 Finance Income

	2014 £m	2013 £m
Interest income relating to bank deposits	0.2	0.2

7 Finance Costs

	2014 £m	2013 £m
Pension interest	0.5	0.6
Other interest payable	0.1	0.2
	0.6	0.8

8 Taxation

	2014 £m	2013 £m
UK corporation tax		
Current year corporation tax	4.1	5.0
Prior year corporation tax	–	(0.1)
	4.1	4.9
Deferred tax movement relating to pension	0.3	0.2
Other deferred tax	(0.1)	(0.1)
Prior year deferred tax	0.1	–
Share of associate tax	0.4	0.4
Taxation on profit on ordinary activities	4.8	5.4

Tax reconciliation:	2014 £m	2013 £m
Profit before taxation	20.5	20.1
Tax at 23.17% (2013: 24.34%)	4.8	4.9
Expenses not deductible for tax purposes	0.3	0.6
Utilisation of capital losses	(0.7)	–
Difference in overseas tax rates	0.3	–
Prior year deferred tax	0.1	–
Prior year corporation tax	–	(0.1)
Current tax charge for the year	4.8	5.4

9 Laura Ashley Holdings plc – Statement of Comprehensive Income

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

The Company's profit for the financial year was £24.8 million (2013: £14.2 million).

10 Earnings per Share

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

	2014	2013
Profit for the financial year (£m)	**15.7**	14.7
Exceptional gain (£m)	**1.2**	–
Weighted average number of ordinary shares ('000) – basic and diluted	**727,763**	727,763
Earnings per share	**2.15p**	2.02p
Adjusted earnings per share (excluding exceptional items)	**1.99p**	2.02p

11 Principal Exchange Rates

	2014		2013	
	Average	Period end	Average	Period end
US Dollar	**1.57**	**1.65**	1.59	1.58
Euro	**1.18**	**1.21**	1.23	1.17
Japanese Yen	**155**	**169**	128	144

12 Intangible assets

Group 2014	Total £m
Cost	
At 27 January 2013	14.2
Additions	0.5
At 25 January 2014	**14.7**
Amortisation	
At 27 January 2013	11.9
Charge for the year	0.4
At 25 January 2014	**12.3**
Net Book Value	
At 25 January 2014	**2.4**

Cost	
At 29 January 2012	13.2
Additions	1.0
At 26 January 2013	14.2
Amortisation	
At 29 January 2012	11.5
Charge for the year	0.4
At 26 January 2013	11.9
Net Book Value	
At 26 January 2013	2.3

Notes to the Financial Statements continued

13 Property, Plant and Equipment

Group 2014	Land and buildings Freehold £m	Land and buildings Short leases £m	Plant, machinery and vehicles £m	Fixtures, fittings and equipment £m	Total £m
Cost					
At 27 January 2013	18.5	26.0	4.0	36.9	85.4
Additions	2.0	0.3	–	0.9	3.2
Disposals	–	(0.7)	(0.2)	(1.0)	(1.9)
Exchange differences	–	(0.1)	–	–	(0.1)
At 25 January 2014	**20.5**	**25.5**	**3.8**	**36.8**	**86.6**
Depreciation					
At 27 January 2013	9.6	14.5	3.9	33.8	61.8
Charge for the year	0.3	1.8	0.1	1.0	3.2
Disposals	–	(0.4)	(0.2)	(1.0)	(1.6)
Exchange differences	–	(0.1)	–	–	(0.1)
At 25 January 2014	9.9	15.8	3.8	33.8	63.3
Net Book Value					
At 25 January 2014	**10.6**	**9.7**	**–**	**3.0**	**23.3**
Cost					
At 29 January 2012	18.5	25.7	4.0	36.2	84.4
Additions	–	0.5	–	1.4	1.9
Disposals	–	(0.3)	–	(0.7)	(1.0)
Exchange differences	–	0.1	–	–	0.1
At 26 January 2013	18.5	26.0	4.0	36.9	85.4
Depreciation					
At 29 January 2012	9.3	12.6	3.9	33.0	58.8
Charge for the year	0.3	2.0	–	1.5	3.8
Disposals	–	(0.2)	–	(0.7)	(0.9)
Exchange differences	–	0.1	–	–	0.1
At 26 January 2013	9.6	14.5	3.9	33.8	61.8
Net Book Value					
At 26 January 2013	8.9	11.5	0.1	3.1	23.6

Company 2014	Land and buildings freehold £m
Cost	
At 27 January 2013 and at 25 January 2014	2.7
Depreciation	
At 27 January 2013 and at 25 January 2014	0.6
Net Book Value	
At 25 January 2014	**2.1**

14 Investment in Associate

	2014 £m	2013 £m
Japan – Laura Ashley Japan Co., Limited		
Revenue	**82.8**	92.7
Profit before taxation	**2.0**	5.2
Share of profit before taxation	**0.5**	1.4
Investment in associate:		
Opening balance at 27 January 2013	**5.2**	5.2
Exchange movements	**(0.8)**	(0.9)
Dividend received	**(0.2)**	(0.1)
Share of profit after taxation	**0.2**	1.0
Closing balance at 25 January 2014	**4.4**	5.2
Aggregated amounts relating to associate		
Total assets	**10.9**	10.0
Total liabilities	**(6.5)**	(4.8)

The Company's investment in Laura Ashley Japan Co., Limited is valued at the cost of acquisition of £0.8 million (2013: £0.8 million).

The associate has a reporting year end of 31 January 2014. See note 30 for details of associate.

15 Investment in Subsidiaries

Company	Cost £m	Provision £m	Investment £m
At 25 January 2014 and 26 January 2013	147.3	(48.1)	99.2

See note 30 for details of subsidiaries.

16 Investment in Quoted Shares

	Cost £m	Increase/ (decrease) in market value £m	Net £m
As at 29 January 2012	4.9	(1.6)	3.3
Revaluation	–	3.4	3.4
As at 26 January 2013	4.9	1.8	6.7
Disposals	(4.9)	(1.8)	(6.7)
As at 25 January 2014	–	–	–

The Group disposed of its entire investment in quoted shares during the year ended 25 January 2014. An exceptional gain on disposal of £3.2 million was recognised in the Statement of Comprehensive Income.

Dividends received from the investment in quoted shares in the year amounted to £0.1 million (2013: £0.1 million).

17 Inventories

	Group	
	2014 £m	2013 £m
Raw materials and consumables	**1.5**	1.8
Work in progress	**0.3**	0.3
Finished goods and goods for resale	**50.5**	45.3
	52.3	47.4

The Company holds no inventories or work in progress (2013: nil).

18 Trade and Other Receivables

	Group		Company	
				Restated
	2014	2013	**2014**	2013
	£m	£m	**£m**	£m
Amounts falling due within one year:				
Trade receivables	**11.6**	11.4	**–**	–
Amounts owed by subsidiaries	**–**	–	**36.4**	37.5
Amounts owed by associate (note 29)	**5.0**	3.7	**–**	–
Prepayments and accrued income	**15.6**	7.5	**–**	–
	32.2	22.6	**36.4**	37.5

Prepayments and accrued income for the Group include £8 million due as at 25 January 2014 from the sale of the investment in quoted shares. This amount was received on 29 January 2014.

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	
	2014	2013	**2014**	2013
	£m	£m	**£m**	£m
Amounts falling due within one year:				
Trade payables	**25.9**	26.8	**–**	–
Amounts owed to subsidiaries	**–**	–	**2.5**	2.7
Social security and other taxes	**6.4**	4.9	**–**	–
Other payables	**20.1**	22.6	**–**	–
Accruals and deferred income	**27.5**	17.3	**7.2**	–
	79.9	71.6	**9.7**	2.7

Accruals for the Group and Company include a bonus interim dividend payable as at 25 January 2014 in the amount of £7.3 million. The dividend was paid on 10 February 2014.

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

20 Financial Instruments

The Group's policies as regards to financial instruments are set out in the accounting policies on page 43.

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.

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 balance sheet date, there were no significant concentrations of credit risk.

Trade and other receivables included in the balance sheet 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

20 Financial Instruments continued

debts that are overdue is based on prior default experience and known factors at the balance sheet 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:

	2014 £m	2013 £m
Provision as at beginning of the financial year	0.9	0.9
Written off during the year	(0.9)	–
Provision as at end of the financial year	–	0.9

There were £2.2 million trade receivables overdue at the balance sheet date that have not been provided for. £0.7 million of these trade receivables are more than 60 days overdue. There were no indications, as at 25 January 2014, that the debtors would not meet their payment obligations in respect of the amount of trade receivables recognised in the balance sheet that were overdue and not provided. The proportion of trade receivables at 25 January 2014 that were overdue for payment was 18.9%.

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

Interest Rate Risk

The Group holds no fixed rate financial assets (2013: nil).

The Group holds £20.0 million (2013: £30.0 million) Sterling cash balances on short term deposit as at the balance sheet date.

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			
	2014 £m	2014 £m	2014 £m	2014 £m	2013 £m	2013 £m	2013 £m	2013 £m
	US$	Euro	JPY	HK$	US$	Euro	JPY	HK$
Functional currency of Company operations – Sterling	0.8	0.9	1.0	0.1	0.8	1.1	1.4	–

	Net Foreign Currency Monetary Liabilities		Net Foreign Currency Monetary Liabilities	
	2014 £m	2014 £m	2013 £m	2013 £m
	US$	Euro	US$	Euro
Functional currency of Company operations – Sterling	(4.1)	(0.2)	(1.3)	(0.5)

As at the balance sheet date, the Group has entered into forward contracts for a total value of US$ 21 million (2013: US$ 14 million) in order to minimise the impact of currency fluctuations of the Group. The loss recognised in the Consolidated Statement of Comprehensive Income, between the value at deal date and the value at the year end spot rate, was £0.5 million (2013: nil).

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. The Group does not have any borrowings and relies on internally generated cash to fund its operations.

Notes to the Financial Statements continued

20 Financial Instruments continued

Fair Values of Financial Instruments

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

21 Provisions and Other Liabilities

	£m
As at 29 January 2012[1]	0.1
Released to Statement of Comprehensive Income	(0.1)
As at 26 January 2013	–
Charged to Statement of Comprehensive Income[2]	0.9
As at 25 January 2014	**0.9**

(1) Onerous lease provision utilised over the length of the lease period.
(2) Provision for store closure costs within the year.

22 Deferred Tax

The deferred tax liability in the Company is £0.4 million (2013: £0.4 million) 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	
	2014 £m	2013 £m	**2014 £m**	2013 £m
Amount recognised:				
Deferred tax asset – retirement benefit liabilities	**1.9**	2.6	**–**	–
Deferred tax liabilities – excess of tax allowances over depreciation	**(0.3)**	(0.3)	**(0.4)**	(0.4)
Amount not recognised:				
Deferred tax asset losses not recognised	**0.5**	0.5	**–**	–

The tax rate used in the deferred tax calculations is 21.34% being the average rate for the year ending 31 January 2015.

23 Share Capital

Ordinary shares of 5p each		**2014 £m**	2013 £m
Allotted, issued and fully paid	746,035,368 (2013: 746,035,368)	**37.3**	37.3

Treasury shares held amount to 18,272,500 (2013: 18,272,500).

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

	Group		Company	
	2014 £m	2013 £m	**2014 £m**	2013 £m
Profit/(loss) from operations	**19.1**	19.3	**(1.0)**	(0.5)
Exceptional cost	**(2.0)**	–	**–**	–
Exchange loss	**1.1**	–	**–**	–
Amortisation charge	**0.4**	0.4	**–**	–
Depreciation charge	**3.2**	3.8	**–**	–
Loss on disposal of property, plant and equipment	**0.3**	0.1	**–**	–
(Increase)/decrease in inventories	**(4.9)**	5.7	**–**	–
(Increase)/decrease in receivables	**(1.6)**	(0.8)	**1.1**	9.4
Increase/(decrease) in payables	**1.0**	(6.0)	**(0.3)**	(9.7)
Movement in provisions	**0.2**	(0.1)	**–**	–
Net cash inflow/(outflow) from operations	**16.8**	22.4	**(0.2)**	(0.8)

25 Cash and Cash Equivalents

	Group		Company	
	2014	2013	**2014**	2013
	£m	£m	**£m**	£m
Cash at bank and in hand	**4.1**	4.6	**–**	–
Bank deposits	**20.0**	30.0	**14.9**	7.4
Cash and cash equivalents	**24.1**	34.6	**14.9**	7.4

26 Future Commitments

The Group has no commitments for contracted capital expenditure at 25 January 2014 (2013: £0.4 million).

27 Leases

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

	2014		2013	
	Land and buildings £m	**Other £m**	Land and buildings £m	Other £m
Within one year	**23.5**	**2.5**	26.2	2.0
Two to five years	**67.2**	**5.1**	72.2	3.8
After five years	**39.0**	**–**	51.8	–
	129.7	**7.6**	150.2	5.8

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

28 Group Pension Arrangements

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

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

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

The Company's contributions to the defined benefit section of the scheme for the year beginning 26 January 2014 will be £869,000. In addition, the Company will pay the cost of insurance premiums and the expenses associated with running the scheme (including regulatory levies).

A full actuarial valuation of the scheme was carried out as at 1 September 2011 by a qualified independent actuary and updated to 25 January 2014 to take account of benefit accrual and outflow during the period. The major assumptions used by the actuary were (in nominal terms) as follows:

	As at 25 Jan 2014	As at 26 Jan 2013	As at 28 Jan 2012	As at 29 Jan 2011	As at 30 Jan 2010
Discount rate	**4.50%**	4.60%	4.70%	5.60%	5.70%
Rate of salary increase	**3.30%**	3.40%	2.90%	3.40%	3.40%
Rate of increase to inflation-linked pensions in payment	**2.40%**	2.60%	2.20%	3.40%	3.40%
Rate of inflation	**3.30%**	3.40%	2.90%	3.40%	3.40%

28 Group Pension Arrangements continued

Life expectancy at age 65:	As at 25 Jan 2014 Years	As at 26 Jan 2013 Years	As at 28 Jan 2012 Years	As at 29 Jan 2011 Years	As at 30 Jan 2010 Years
Male currently 65	**20.5**	20.4	21.2	22.2	22.2
Male currently 45	**22.3**	22.2	23.1	24.2	24.2
Female currently 65	**23.0**	22.9	23.7	24.6	24.6
Female currently 45	**24.8**	24.7	25.6	26.4	26.4

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

The assets in the scheme and the expected rates of return were:

	Percentage of scheme assets	Value at 25 Jan 2014 £000	Percentage of scheme assets	Value at 26 Jan 2013 £000
Equities	**76.5%**	**27,742**	74.0%	24,626
Bonds	**17.7%**	**6,395**	18.8%	6,239
Insured annuities	**2.9%**	**1,051**	3.4%	1,139
Other	**2.9%**	**1,043**	3.8%	1,248
	100.0%	**36,231**	100.0%	33,252
The actual return on assets over the period was		**3,180**		2,898

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Value at 25 Jan 2014 £000	Restated Value at 26 Jan 2013 £000
Benefit obligation at the beginning of the year	**44,340**	43,364
Interest cost	**2,015**	2,013
Re-measurements		
(i) Actuarial losses arising from changes in financial assumptions	**222**	2,028
(ii) Actuarial gains arising from changes in demographic assumptions	**–**	(1,945)
(iii) Actuarial gains arising from changes in experience	**(470)**	(35)
Benefits paid	**(1,055)**	(1,085)
Benefit obligation at end of the year	**45,052**	44,340

Reconciliation of opening and closing balances of the fair value of plan assets	Value at 25 Jan 2014 £000	Restated Value at 26 Jan 2013 £000
Fair value of plan assets at the beginning of period	**33,252**	30,585
Interest income on plan assets	**1,525**	1,432
Re-measurement gain on scheme assets	**1,655**	1,466
Contributions by employer	**854**	854
Benefits paid	**(1,055)**	(1,085)
Fair value of plan assets at end of period	**36,231**	33,252

28 Group Pension Arrangements continued

Balance sheet reconciliation	25 Jan 2014 £000	Restated 26 Jan 2013 £000
Balance sheet liability as of start of year	**11,088**	12,779
Pension expense recognised in P&L in the financial year	**490**	581
Recognised actuarial gains in other comprehensive income	**(1,903)**	(1,418)
Employer contributions made in the financial year	**(854)**	(854)
	8,821	11,088

The amounts recognised in the Group Statement of Comprehensive Income are:	2014 £000	Restated 2013 £000
Net interest expense (note 7)	**490**	581

History of scheme assets, obligations and experience adjustments

	As at 25 Jan 2014 £000	As at 26 Jan 2013 £000	As at 28 Jan 2012 £000	As at 29 Jan 2011 £000	As at 30 Jan 2010 £000
Present value of defined benefit obligation	**45,052**	44,340	43,364	39,170	39,416
Fair value of scheme assets	**36,231**	33,252	30,585	31,107	27,939
Deficit in the scheme	**(8,821)**	(11,088)	(12,779)	(8,063)	(11,477)
Experience adjustments arising on scheme liabilities	**248**	(48)	(2,960)	1,419	(8,953)
Experience item as a percentage of scheme liabilities	**1%**	0%	(7%)	4%	23%
Experience adjustments arising on scheme assets	**1,655**	1,466	(2,283)	2,354	3,658
Experience item as a percentage of scheme assets	**5%**	4%	(7%)	8%	13%

Sensitivity of the defined benefit obligation	Change in assumption %	Increase in assumption £000
Discount rate	0.1	(800)
Rate of price inflation	0.1	300

	Change in assumption	Increase in assumption £000
Life expectancy	1 year	1,300

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

Volatility

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

Changes in Bond Yields

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

Inflation Risk

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

28 Group Pension Arrangements continued

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 year commencing 26 January 2014	869

	Years
Weighted-average duration of the defined benefit obligation at 25 January 2014	18

29 Related Party Transactions

	Sales to related parties £m	Royalty income from related parties £m	Amounts owed by related parties £m
Year ended 25 January 2014			
Laura Ashley Japan Co., Ltd.	**14.3**	**2.7**	**5.0**
Laura Ashley, Inc.	**–**	**1.4**	**0.5**
Corus Hotels	**0.1**	**–**	**–**
Year ended 26 January 2013			
Laura Ashley Japan Co., Ltd.	12.7	2.8	3.7
Laura Ashley, Inc.	–	1.4	0.4

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

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

During the financial year 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 year ended 25 January 2014 were £0.8 million (2013: £0.7 million). The amount owing by Laura Ashley (SEA) Sdn. Bhd. as at the balance sheet date was £109,910 (2013: £115,703).

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 £7,500 and an incentive fee of 4% on 'gross operating profit'. The fixed fee and incentive fee combined are subject to a cap of £50,000 in any one year. Tan Sri Dr Khoo Kay Peng was appointed to the Board of Corus Hotels Limited in 1999. Mr Ng Kwan Cheong and Ms Kwa Kim Li were appointed to the Board of Corus Hotels Limited on 28 March 2012.

Company

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

	2014 £m	2013 £m
Finance income	**0.1**	0.1
Rental income	**0.3**	0.3
Dividends received	**25.5**	14.6

The Company has outstanding balances with Group companies that are disclosed in notes 18 and 19, and has investments in Group companies as detailed in note 30.

30 Group Undertakings

Principal 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 Ltd*	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
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

* Held directly by Laura Ashley Holdings plc

All subsidiary companies are wholly owned and 100% of voting rights are held by the Company (2013: 100%).

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 25 January 2014 (2013: 26.79%).

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

31 Dividends

	2014 £m	2013 £m
Dividends awarded	**25.4**	14.5

A special interim dividend in respect of the financial year ended 25 January 2014 of 0.5 pence per ordinary share, amounting to £3.6 million, was paid to shareholders on 5 June 2013 to mark the 60th anniversary of the Company.

An Interim dividend in respect of the financial year ended 25 January 2014 of 1.0 pence per ordinary share, amounting to £7.3 million, was paid on 30 October 2013.

The Board declared a bonus interim dividend for the year ended 25 January 2014 of 1.0 pence per ordinary share, amounting to 7.3 million, to be paid to shareholders on 10 February 2014.

A final dividend in respect of the financial year ended 25 January 2014 of 1.0 pence per ordinary share, amounting to £7.3 million, will be proposed at the AGM on 8 May 2014 and, subject to shareholders' approval, will be paid on 12 May 2014 to all shareholders on the register at the close of business on 22 April 2014. The ex-dividend date will be 16 April 2014.

Dividends Paid in the Year

Dividends paid in the year ended 25 January 2014, amounting to £18.1 million include the final dividend in respect of the financial year ended 26 January 2013, the interim dividend for the financial year ended 25 January 2014 and the special interim dividend paid for the financial year ended 25 January 2014.

Notes to the Financial Statements continued

32 Share Options

Employee Benefit Trust

In July 1995, the Company established a discretionary employee benefit trust (the 'EBT'), the Laura Ashley Employee Share Ownership Trust, for the benefit of employees and former employees of the Group (including Executive Directors). The trustee is Kleinwort Benson (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 25 January 2014, the Trustee owned 2,487,992 (2013: 2,487,992) ordinary shares of 5 pence each representing 0.33% (2013: 0.33%) of the Company's issued share capital and with a market value on that date of £0.7 million (2013: £0.6 million). The EBT has waived its rights to dividends on all its shares.

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

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

For the financial year ended 25 January 2014, the costs charged to the Group Statement of Comprehensive Income were £2,000 (2013: £2,000) for administration costs.

33 Exceptional Items

	2014 £m	2013 £m
Gain on sale of investment	3.2	–
Store disposal costs	(2.0)	–
Exceptional gain	1.2	–

34 Prior Year Adjustments

Group

In June 2011, the IASB issued revisions to IAS 19 Employee Benefits (IAS 19R). IAS 19R eliminates the 'corridor method', under which the recognition of actuarial gains and losses was deferred. The full defined benefit obligation, net of plan assets, is now recorded on the balance sheet, with changes resulting from re-measurements recognised immediately in other comprehensive income. In addition, IAS 19R requires net interest expense/income to be calculated as the product of the net defined benefit liability/asset and the discount rate as determined at the beginning of the year. The effect of this is to remove the previous concept of recognising an expected return on plan assets.

The effect of this adjustment is as follows:

Other Comprehensive Income

	Reported 2013 £m	IAS 19R £m	Restated 2013 £m
Actuarial (loss)/ gain on defined benefit pension scheme	(0.1)	1.5	1.4
Deferred tax effect	–	(0.3)	(0.3)
	(0.1)	1.2	1.1

Balance Sheet

	Reported 2013 £m	IAS 19R £m	Restated 2013 £m
Retirement benefit liabilities	(6.7)	(4.4)	(11.1)

Statement of Changes in Shareholders' Equity

	2012 £m
Retained earnings as at 29 January 2012 as reported	(62.5)
Adjustment to recognise actuarial losses previously deferred	(6.1)
Deferred tax effect of adjustment	1.5
Retained earnings as at 29 January 2012 restated	(67.1)

Company

In respect of the Company, an adjustment was made in the year ended 25 January 2014 to reinstate an intercompany loan previously written off in error in the year ended January 2006. The effect of this adjustment is as follows:

	2013 £m
Trade and other receivables as reported	23.8
Reinstatement of intercompany loan	13.7
Trade and other receivables restated	37.5
Retained earnings as reported	7.3
Reinstatement of intercompany loan	13.7
Retained earnings restated	21.0

Group Financial Record

Year ended January Statement of Comprehensive Income	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
	IFRS									
Revenue	**294.5**	298.8	285.9	285.0	268.4	260.5	237.6	225.0	211.1	238.9
Profit from operations	**19.1**	19.3	18.3	19.8	11.8	9.9	14.5	11.7	5.1	3.7
Share of operating profit/(loss) of associate	**0.5**	1.4	0.8	0.5	(1.1)	(0.5)	0.3	0.4	0.3	0.4
Dividend received	**0.1**	–	–	–	–	0.1	–	–	–	–
Net finance (costs)/ income	**(0.4)**	(0.6)	(0.3)	(1.0)	(0.6)	0.1	1.0	0.6	0.4	(0.7)
Profit before taxation and exceptional items	**19.3**	20.1	18.8	19.3	10.1	9.6	15.8	12.7	5.8	3.4
Exceptional items	**1.2**	–	(0.4)	4.8	0.9	0.6	4.0	(0.5)	0.3	1.0
Profit before taxation	**20.5**	20.1	18.4	24.1	11.0	10.2	19.8	12.2	6.1	4.4
Taxation	**(4.8)**	(5.4)	(5.4)	(4.8)	(5.2)	(3.1)	(5.8)	(4.2)	(1.9)	(1.3)
Profit for the financial year	**15.7**	14.7	13.0	19.3	5.8	7.1	14.0	8.0	4.2	3.1

Balance Sheet	2014 £m	Restated 2013 £m	Restated 2012 £m	2011 £m	Restated 2010 £m	Restated 2009 £m	2008 £m	2007 £m	Restated 2006 £m	Restated 2005 £m
Non-current assets	**32.0**	40.4	37.5	32.1	43.4	47.2	42.9	36.6	36.4	39.3
Net current assets	**26.6**	30.5	30.1	35.5	13.9	10.2	27.3	37.5	36.3	34.2
Non-current liabilities	**–**	–	–	–	–	–	–	–	(0.2)	(5.1)
Provision for liabilities and charges	**(10.0)**	(11.4)	(7.2)	(7.9)	(8.1)	(7.2)	(8.3)	(12.4)	(13.5)	(13.5)
Net assets	**48.6**	59.5	60.4	59.7	49.2	50.2	61.9	61.7	59.0	54.9
Issued share capital	**37.3**	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3	37.3
Reserves	**11.3**	22.2	23.1	22.4	11.9	12.9	24.6	24.4	21.7	17.6
Equity shareholders' funds	**48.6**	59.5	60.4	59.7	49.2	50.2	61.9	61.7	59.0	54.9

Statistics	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Earnings per share*	**2.15p**	2.02p	1.79p	2.65p	0.80p	0.97p	1.90p	1.08p	0.56p	0.42p
Dividends per share	**3.50p**	2.00p	2.00p	1.50p	1.00p	1.25p	2.00p	1.00p	0.50p	–
Profit from operations as a percentage of revenue	**6.5%**	6.5%	6.4%	6.9%	4.4%	3.8%	6.1%	5.2%	2.4%	1.5%
Profit before taxation as a percentage of net assets	**42.2%**	33.8%	30.5%	40.4%	22.4%	20.3%	31.9%	19.8%	10.3%	8.0%
Net asset value per ordinary share*	**6.68p**	8.64p	8.30p	8.20p	6.76p	6.90p	8.41p	8.32p	7.92p	7.36p

*Excludes treasury shares.

Notice of 2014 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 Hyde Park, Lancaster Gate, London W2 3LG on 8 May 2014 at 2.00 p.m. 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 25 January 2014 together with the signed and dated Auditor's Report.

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

3. To re-elect Ms Sally Kealey, who retires by rotation in accordance with the Articles of Association of the Company ("Articles"), as a Non-Executive Director.

4. To re-elect Dato' Ahmad Johari bin Abdul Razak, who retires by rotation in accordance with the Articles, as a Non-Executive Director.

5. To declare a final dividend of 1.0 pence per ordinary share for the year ended 25 January 2014 to be paid on 12 May 2014 to holders of ordinary shares on the register at the close of business on 22 April 2014 (ex-dividend date 16 April 2014) in respect of each ordinary share.

6. To re-appoint Chantrey Vellacott DFK LLP, Chartered Accountants and Statutory Auditor, as Auditor to the Company, to hold office from the conclusion of the AGM 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 their remuneration.

7. To approve the Directors' Remuneration Report for the year ended 25 January 2014.

8. To approve the Directors' Remuneration Policy for the year ended 25 January 2014.

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

Notice of 2014 Annual General Meeting
continued

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 26 March 2014, 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 days' notice.

By Order of the Board

Alison Fraser
Sai Hup Fong
Joint Company Secretaries

27 Bagleys Lane, Fulham,
London SW6 2QA

26 March 2014

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 6 May 2014 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 6 May 2014 shall be disregarded in determining the right of any person to attend and vote at the AGM.

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 48 hours before the time appointed for the Meeting. The completion and return of a form of proxy will not, however, preclude shareholders from attending and voting in person at the AGM should they so wish. Alternatively a member may appoint a proxy, or may wish to vote electronically, at www.eproxyappointment.com. Please see the form of proxy for further details.

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

4. Any member attending the AGM has a right to ask questions. The Company must answer any question asked relating to the business being dealt with unless (a) answering the question unduly interferes with the preparation of the AGM or involves the disclosure of confidential information (b) the answer has already been provided on the website (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 the Company for any purposes other than those expressly stated.

Store Locations in UK, Republic of Ireland and France

UK Stores	Type	Address	Telephone
Aberdeen	Mixed Product	44/45 Bon Accord Centre, George Street, Aberdeen AB25 1HJ	0871 223 1488
Amersham	Home	23 Woodside Road, Amersham HP6 6AA	0871 223 1456
Ayr	Concession	c/o Homebase, Unit 8, Heathfield Retail Park, Ayr KA8 9BF	0871 223 1301
Bangor	Home	Plot 1, Caernarfon Road, Bangor, LL57 4DB	0871 223 1346
Bangor	Mixed Product	Unit 6, Bloomfield Retail Park, Bangor BT19 7HB	0871 223 1524
Barnstaple	Mixed Product	Unit D, Barnstaple Retail Park, Station Road, Barnstaple EX31 2BP	0871 223 1514
Basingstoke	Mixed Product	Unit 53/54 Queen Anne's Walk, Festival Place, Basingstoke, RG21 7BF	0871 223 1497
Basildon	Mixed Product	Unit 4, Westgate Retail Park, Basildon SS14 1WP	0871 223 1546
Bath	Mixed Product	8/9 New Bond Street, Bath BA1 1BE	0871 223 1327
Battersea	Concession	c/o Homebase, York Road, Battersea, London SW11 3SJ	
Beccles	Mixed Product	Unit 5, Ground Floor, Taylors Square, Newgate, NR34 9AT	0871 223 1453
Bedford	Mixed Product	75 High Street, Bedford MK40 1NE	0871 223 1370
Belfast	Mixed Product	9 Castle Court Centre, Royal Avenue, Belfast, Co. Antrim, Northern Ireland, BT1 1DD	0871 223 1481
Belfast	Home	Unit 11a, Boucher Retail Park, Boucher Crescent, Belfast, Co Antrim, Northern Ireland, BT12 6HU	0871 223 1561
Berkhamsted	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 1A, Biggleswade Retail Park, Biggleswade SG18 8PS	0871 223 1371
Birkdale	Home	38 Weld Road, Birkdale, Southport PR8 2ED	0871 223 1347
Birmingham	Home	18 The Pavillions, 38 High Street, Birmingham B4 7SL	0871 223 1566
Birmingham	Home	589-613 Hagley Road West, Quinton, Birmingham, B32 1BY	0871 223 1349
Bluewater Park	Mixed Product	L103 Lower Guildhall, Bluewater, Greenhithe DA9 9SN	0871 223 1436
Bolton	Mixed Product	63 The Linkway, Middlebrook, Horwich, Bolton BL6 6JA	0871 223 1563
Bracknell	Concession	c/o Homebase, Wokingham Road, Bracknell RG42 1NB	0871 223 1460
Brentwood	Mixed Product	1 Weald Road, Brentwood CM14 4SN	0871 223 1432
Bristol	Mixed Product	20 Union Gallery, The Galleries, Bristol, BS1 3XD	0871 223 1326
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 1EY	0871 223 1437
Bury St Edmunds	Mixed Product	1 The Lexicon, Cornhill, Bury St Edmunds IP33 1BT	0871 223 1373
Camberley	Mixed Product	Unit A2, The Atrium, 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 Road, Wincheap Trading Estate, Canterbury CT1 3RH	0871 223 1438
Canterbury	Gifts & Accessories	38 Burgate Street, Canterbury CT1 2HW	0871 223 1345
Cardiff City	Mixed Product	Unit 6, Queens West Precinct, Queens Street, Cardiff CF10 2AQ	0871 223 1392
Cardiff Ty Glas	Mixed Product	Ty Glass Retail Park, Ty Glass Avenue, Llanishen, Cardiff CF10 2AQ	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	20-24, Paddock Row, The Mall Shopping Centre, Chester CH1 1ED	0871 223 1351
Chester	Home	Unit 3, Centurion Point, Victoria Road CH2 2AX	0871 223 1495
Chesterfield	Mixed Product	Unit 6, Dobbies Garden World, Sheffield, S43 4XN	0871 223 1485
Chichester	Home	104 The Hornet, Chichester PO19 7JR	0871 223 1418
Chichester	Mixed Product	32 North Street, Chichester, PO19 1LX	0871 223 1417
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
Colchester	Concession	c/o Homebase, St Andrews Avenue, Colchester CO4 3BG	0871 223 1377
Coleraine	Mixed Product	2-6 Stone Row, Coleraine, Northern Ireland, BT52 1EP	0871 223 1483
Congleton	Home	Unit C, Congleton Retail Park, Barn Road, Congleton 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	11 Northumberland Street, Darlington DL3 7HJ	0871 223 1486
Derby	Mixed Product	8 Albert Street, Derby DE1 2DS	0871 223 1312
Derby	Concession	c/o Homebase, Kingsway, Derby DE22 3NF	0871 223 1313
Doncaster	Concession	c/o Homebase, Milethorn Lane, Doncaster DN1 2SU	0871 223 1314
Dorchester	Mixed Product	Unit 3, 43 South Street, Dorchester DT1 1DH	0871 223 1598
Dudley	Mixed Product	61b Merry Hill Centre, Brierley Hill, Dudley DY5 1QX	0871 223 1353
Dumfries	Home	Unit 5, Cuckoo Bridge Retail Park, Glasgow Road, Dumfries DG2 9BF	0871 223 1590
Dundee	Concession	Unit 12-13 Kingsway Retail Park, Dundee DD3 8RX	0871 223 1520
Dunstable	Home	Unit 3, White Lion Retail Park, Luton Road LU5 4WL	0871 223 1423
Durham	Mixed Product	Unit 3, Mercia Retail Park, Pityme DH1 5GE	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, Edinburgh EH20 9PW	0871 223 1586
Ewell	Concession	c/o Homebase, 23 Reigate Road, Ewell Bypass, Ewell KT17 1PE	0871 223 1442
Exeter	Mixed Product	41/42 High Street, Exeter EX4 3DJ	0871 223 1396
Exeter	Concession	c/o Homebase, Moor Lane, Sowton Industrial Estate, Exeter EX2 7JG	0871 223 1397
Farnham	Mixed Product	Hawthorne House, Romans Business Park, East Street, Farnham GU9 7SX	0871 223 1491
Farnham	Home	The Barn, The Lion and Lamb Yard, Farnham GU9 7LL	0871 223 1419
Gainsborough	Mixed Product	Unit 9, Marshalls Yard, Gainsborough DN21 2NA	0871 223 1589
Gateshead	Mixed Product	14a The Parade, Intu Metro Centre, Gateshead NE11 9YJ	0871 223 1315
Glasgow	Home	Unit E, Braehead Shopping Centre, Kings Inch Road, Glasgow, G51 4BP	0871 223 1577
Glasgow	Concession	c/o Homebase, Main Street, Milngavie, Glasgow G62 6JP	0871 223 1305
Glasgow	Mixed Product	36-38 West George Street, Glasgow 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 6EY	0871 223 1574
Guildford	Mixed Product	71/72 North Street, Guildford GU1 4AW	0871 223 1420

UK Stores	Type	Address	Telephone
Guildford	Concession	c/o Homebase, Europa Park Road, Guildford GU1 1AJ	0871 223 1421
Harlow	Home	Unit 6A, Queensgate Centre, Edinburgh Way, Harlow CM20 2DH	0871 223 1378
Harrogate	Mixed Product	3 James Street, Harrogate HG1 1QS	0871 223 1316
Havant	Mixed Product	Unit 5, Solent Retail Park, Solent Road, Havant PO9 1ND	0871 223 1472
Haverfordwest	Mixed Product	Unit 4, Withybush Retail Park, Fishguard Road, Haverfordwest SA61 2PY	0871 223 1593
Haywards Heath	Mixed Product	2/4 South Road, High Street, Haywards Heath RH16 4LA	0871 223 1619
Hemel Hempstead	Mixed Product	Unit C3, Riverside Shopping Centre, Hemel Hempstead HP1 1BT	0871 223 1603
Henley-on-Thames	Mixed Product	2-4 Reading Road, Henley-on-Thames RG9 1AG	0871 223 1527
Hereford	Mixed Product	7 Commercial Street, Hereford HR1 2DB	0871 223 1399
Horsham	Mixed Product	3/4 Middle Street, Horsham RH12 1NW	0871 223 1443
Huddersfield	Home	Unit 2 Castlegate Retail Park, St Johns Road, Huddersfield HD1 5AN	0871 223 1560
Hull	Mixed Product	Unit 3A, The Junction Retail Park, St. Andrews Quay, Hull, HU3 4SA	0871 223 1608
Huntingdon	Concession	c/o Homebase, Stukeley Road, Huntingdon PE29 6HG	0871 223 1379
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
Ipswich	Mixed Product	Unit B2, The Buttermarket, Ipswich IP1 1DT	0871 223 1367
Ipswich	Concession	c/o Homebase, Felixstowe Road, Warren Heath, Ipswich IP3 8TQ	0871 223 1381
Kendal	Mixed Product	11 Library Road, Kendal LA9 4QB	0871 223 1307
Kettering	Mixed Product	Unit 5, Kettering Retail Park, Carina Road, Kettering NN15 6YA	0871 223 1585
Kingston	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, Lancaster, LA1 1DQ	0871 223 1567
Leamington Spa	Mixed Product	108 The Parade, Leamington Spa CV32 4AQ	0871 223 1489
Leeds	Concession	c/o Homebase, King Lane, Moortown, Leeds LS17 5NY	0871 223 1321
Leicester	Mixed Product	6 Eastgate, Leicester LE1 4FB	0871 223 1322
Lewes	Mixed Product	3 Eastgate Centre, Lewes 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, Llandudno Retail Park LL30 1PX	0871 223 1496
London, Liverpool Street Station	Gifts & Accessories	Unit 20A, Liverpool Street Station, Liverpool Street, London EC2M 7PY	0871 223 1548
London, Westfield	Mixed Product	Unit 2094, Westfield London Shopping Centre, Ariel Way, London W12 7GF	0871 223 1519
Londonderry	Concession	c/o Homebase, Unit 1, 20 Crescent Link Road, Altnagelvin, Londonderry BT47 5FX	0871 223 1487
Loughborough	Concession	c/o Homebase, 5 Willowbrook Park, Derby Road, Loughborough LE11 5HJ	0871 223 1331
Maidstone	Mixed Product	40-42 Fremlin Walk, Maidstone ME14 1QP	0871 223 1528
Manchester	Home	Unit 3, Block A, Barton Square, Manchester M17 8AS	0871 223 1329
Manchester	Mixed Product	Unit A, Cheetham Hill Retail Park, Elizabeth Street, Manchester M8 8BB	0871 223 1595
Mansfield	Mixed Product	Unit 5B, St Peters Court, St Peters Retail Park, Station St, Mansfield NG18 1BE	0871 223 1609
Marlborough	Home	Unit 1, Hilliers Yard, Marlborough SN8 1BE	0871 223 1463
Middlesbrough	Mixed Product	48 Linthorpe Road, Middlesbrough TS1 1RA	0871 223 1332
Milton Keynes	Mixed Product	163-175 Grafton Gate East, 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
New Southgate	Concession	c/o Homebase, 3 Station Road, New Southgate, London, N11 1QJ	0871 223 1464
Newbury	Mixed Product	139 Bartholomew Street, Kennet Shopping Centre, Newbury RG14 5EN	0871 223 1556
Newcastle-Under-Lyme	Mixed Product	45 High Street, Newcastle-Under-Lyme ST5 1PN	0871 223 1358
Newport I.O.W.	Mixed Product	36 High Street, Newport, Isle of Wight, PO30 1SR	0871 223 1426
Northallerton	Home	1 South Parade, Northallerton, North Yorkshire, 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 20, 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 8DA	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
Plymouth	Concession	c/o Homebase, Longbridge Road, Marsh Mills, Plymouth PL6 8LD	0871 223 1402
Poole	Home	Unit C8, Poole Retail Park, Poole Road, Poole 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	Unit 15, Putney Bridge Road, Putney Bridge Wharf, 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 1SR	0871 223 1362
Ruislip	Concession	Unit 1 Victoria Retail Park, Crown Road, South Ruislip, Middlesex, HA4 0AJ	0871 223 1506
Saffron Walden	Mixed Product	Trevax House, 10 Hill Street, Saffron Walden, 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 24, (4a The Arcade) Meadowhall Centre, Sheffield S9 1EP	0871 223 1336
Shepton Mallet	Mixed Product	Unit 4A, Townsend Retail Park, Townsend, Shepton Mallet BA4 5TZ	0871 223 1601
Shipley	Mixed Product	90-92 Otley Road, Shipley BD18 2BH	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

Store Locations in UK, Republic of Ireland and France continued

UK Stores	Type	Address	Telephone
Solihull	Mixed Product	124 High Street, Solihull B91 3SX	0871 223 1404
Solihull HB	Concession	Sears Retail Park, Oakenshaw Road, Shirley, Solihull B90 4QY	0871 223 1507
South Woodford	Home	12-14 Electric Parade, George Lane, South Woodford E18 2LY	0871 223 1468
Southampton	Mixed Product	Units 7, 8 & 9, Hanover Buildings, Southampton SO14 1JX	0871 223 1569
Southsea	Mixed Product	36-38 Palmerston Road, Southsea PO5 3QH	0871 223 1430
St. Albans	Gifts & Accessories	Unit 20, Christopher Place, St Albans AL3 5DQ	0871 223 1498
Stafford	Mixed Product	Friary Retail Park, 115 Wolverhampton Road, Stafford, ST17 4AH	0871 223 1570
Staines	Mixed Product	Unit S9B, Two Rivers Shopping Centre, Staines, Middlesex, TW18 4WB	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
Stockport	Mixed Product	2 Warren Street, Stockport SK1 1UD	0871 223 1365
Stockton-on-Tees	Mixed Product	Units 4B & 9A, Teeside Shopping Park, Sandown Way, Stockton-on-Tees TS17 7BT	0871 223 1602
Stratford-upon-Avon	Mixed Product	Unit 1, 24-26 Bridge Street, Stratford-upon-Avon CV37 6AD	0871 223 1405
Sutton Coldfield	Mixed Product	164 The Parade, Gracechurch Centre, Sutton Coldfield B72 1PH	0871 223 1366
Swansea	Mixed Product	Unit 6a, Pontarddulais Road Retail Park, Swansea SA5 4BA	0871 223 1592
Swindon	Mixed Product	Unit 14A Greenbridge Retail Park, Swindon SN3 3SG	0871 223 1568
Taunton	Mixed Product	Unit 2, Belverdere Retail Park, Taunton TA1 1NQ	0871 223 1582
Taunton	Concession	c/o Homebase, Riverside Retail Park, Hankridge Way, Taunton, TA1 2LR	0871 223 1408
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, Kent TN30 6BJ	0871 223 1452
Torquay	Mixed Product	74 Fleet Street, Torquay TQ2 5EB	0871 223 1409
Truro	Mixed Product	Unit 2, 7 Pydar Street, Truro TR1 2AR	0871 223 1410
Truro	Concession	c/o Homebase, Unit 4, Treliske Retail Park, Tresawls Road, Treliske, Truro TR1 3LN	0871 223 1411
Tunbridge Wells	Mixed Product	61 Calverley Road, Tunbridge Wells TN1 2UY	0871 223 1454
Wakefield	Home	Unit 7, Ings Road, Westgate Retail and 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 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
Worcester	Concession	c/o Homebase, Unit A, Elgar Retail Park, Blackpole Road, Blackpole, Worcester WR3 8HP	0871 223 1474
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	Mixed Product	7 Davygate, York YO1 8QR	0871 223 1341
York Monks Cross	Mixed Product	Unit 3, Monks Cross Retail Park, Monks Cross Drive, Huntington YO32 9GX	0871 223 1343

UK Clearance Outlet

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

Republic of Ireland Stores

Athlone	Home	Unit 4B, Arcadia Retail Park, Arcadia, Athlone, Ireland	00353 906 478750
Cork	Home	Units 9/10, Merchants Quay, Patrick Street, Cork, Ireland	00353 214 944694
Dublin Blanchardstown	Mixed Product	Unit 88, West End Retail Park, Blanchardstown, Dublin 15, Ireland	00353 18 851292
Dublin Concession	Home	House of Fraser, Dundrumtown Centre, Sandyford Road, Dublin 16, Ireland	00353 12 991400
Galway	Home	Calbro Court, Tuam Road, Galway, Ireland	00353 91 700139
Limerick	Mixed Product	Unit 9, Savoy, Henry Street, Limerick, Ireland	00353 61 609746

France Stores

Boissenart	Mixed Product	203 Maisonement, 77240 Cesson	0033 140 674948
Deauville	Mixed Product	45 Rue Victor Hugo, 14800 Deauville	0033 140 674948
Mulhouse	Mixed Product	Centre Commercial Port Jeune, Mulhouse, 68110	0033 140 674948
Paris	Mixed Product	95 Avenue Raymond Poincare, Paris, 75116	0033 140 674948
St Nazaire	Mixed Product	Centre Commercial Ruban Bleu	0033 140 674948

Shareholders' Information

As at 26 March 2014

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

2.00pm, Thursday 8 May 2014

Proxies to reach Registrars prior to

2.00pm, Tuesday 6 May 2014

Meeting to be held at

Corus Hotel Hyde Park
Lancaster Gate
London W2 3LG

Accounting Periods 2014/15

First half-year ends

Saturday, 26 July 2014

Second half-year ends

Saturday, 31 January 2015

Trademarks

LAURA ASHLEY


laura ashley
FOR THE WAY YOU LIVE