27 May 2009

Topps Tiles Plc

INTERIM MANAGEMENT REPORT FOR THE 26 WEEKS ENDED 28 MARCH 2009

HIGHLIGHTS

- Group revenue £92.1 million (2008: £106.3 million)
- Group like-for-like revenue decline of 18.5%
- Gross margin of 59.4% (2008: 62.7%)
- Operating costs of £44.4million (2008 : £45.9 million)
- Operating profit £10.3 million (2008: £20.8 million)
- Adjusted profit before tax £7.5 million (2008 : £ 17.6 million) *
- Profit before tax £0.6 million (2008: £15.8 million)
- Adjusted earnings per share 2.99p (2008: 7.03p) **
- Basic earnings per share of 0.11p (2008: 6.26p)
- No interim dividend declared in order to focus on reducing the level of net debt and to improve financial flexibility (2008: 3.00p)
- Net debt position of £85.0 million (2008: £94.7 million)

*Adjusted for non cash fair value charge relating to movements in interest rate derivatives of £6.9 million (2008 : £1.9 million)
** Adjusted for post tax effect of non cash fair value charge relating to movements in interest rate derivatives of £4.9 million (2008 : £1.3 million)

Commenting on the results, Matthew Williams, Chief Executive said:

"The business continues to demonstrate its resilience during a challenging trading period. We are delivering on our key financial and operational objectives and as the market leading brand we are confident that we will benefit as competitors withdraw and conditions improve."

For further information please contact:

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RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:
(a) the condensed set of financial statements has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’;
(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

Matthew Williams	**Rob Parker**
Chief Executive Officer	*Finance Director*

27 May 2009

Cautionary statement

This Interim Management Report (“IMR”) has been prepared solely to provide additional information to shareholders to assess the Group’s strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This interim management report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Topps Tiles Plc and its subsidiary undertakings when viewed as a whole.

INTERIM MANAGEMENT REPORT

Income statement

We are pleased to report our financial results for the first 26 weeks of 2008/09.

The economic climate continues to be challenging and the reduction in consumer confidence has specifically and dramatically impacted the retail sector. Overall revenue decreased by 13.4% to £92.1 million compared with the 26 week period last year (2008: £106.3 million). Like-for-like revenues have declined by 18.5%. Overall gross margin for the Group was 59.4% compared to 62.7% last year. Within this the UK business gross margin was 60.4% compared with 63.2% last year. The key drivers of the margin decline have been a tougher trading environment and the continued weakness of Sterling which impacts the cost of our imported goods.

Operating costs reduced to £44.4 million, compared to £45.9 million in the prior year as a result of a company wide focus on cost control. During this period the business traded from an average of 341 stores compared to 321 in the prior interim period; When combined with a small amount of cost inflation this would have generated a c.7% increase in total costs. The actual costs for the period indicate an underlying reduction in costs of approximately £4.5 million.

Operating profit for the period was £10.3 million (2008: £20.8 million), a decline of 50.5% year-on-year.

There were no property disposals in the period (2008 : none).

The net interest charge for the Group was £2.8 million (2008: £3.1 million).

The adjusted profit before tax was £7.5 million (2008 : £17.6 million), excluding fair value (non-cash) movements on interest rate derivatives relating to the loan facility.

In addition to the interest charge above there is a fair value (non-cash) loss on the movement in the interest rate derivatives of £6.9 million (2008: £1.9 million). Due to the nature of the underlying financial instruments IAS39 does not allow hedge accounting to be applied to these losses and hence this charge is being applied direct to the income statement rather than offset against balance sheet reserves.

Including these charges the profit before tax for the Group is £0.6 million (2008: £15.8. million)

The effective rate of corporation tax for the period was 70.6% (2008: 32.1%).The effective tax rate has been adversely impacted by a £0.6 million trading loss in Holland for which no relief against taxable profits is currently possible and no deferred tax asset has been recognised.
The effective tax rate on the UK business is 34.5% (2008 : 32.1%).

Basic earnings per share were 0.11p (2008 : 6.26p). Adjusting for non-cash items (fair value losses on interest rate derivatives) the revised basic earnings per share were 2.99p (2008 : 7.03p).

Financial Position

The Group currently owns six freehold or long leasehold sites and two warehouse and distribution facilities with a total net book value of £16.0 million (2008 : £19.5m).

Capital expenditure in the period amounted to £1.5 million (2008: £2.9 million), a reduction of around 50% compared to the prior year which reflects the Board’s focus on cash management and a more cautious approach to expansion. During the interim period we have opened 4 new stores and have chosen to cease trading in 7 poor performing stores, a net reduction of 3. Other minor expenditure has been incurred on limited store refit activity and other infrastructure replacements. There has been no acquisition of freehold property in the first half (2008 : none).

At the period end cash balances for the Group were £17.3 million (2008: £16.0 million) and borrowings were £102.2 million (2008: £110.7 million). The Group therefore has a net debt position of £85.0 million (2008: £94.7 million).

At the period end the Group had £31.6 million of inventories (2008: £32.0 million) which represents 149 inventory days cover (2008: 147 days).

Credit Insurance

During the period we announced that credit insurance had been withdrawn from a number of our key suppliers. The Group has continued to trade with all affected suppliers and there has been no change to any of the commercial terms we have in place. There has, therefore, been no material impact on the business as a result of this event and our key suppliers have indicated that they remain supportive of the business.

Results for the 26 weeks ended 28 March 2009

Highlights	**26 weeks to 28 March 2009**	**26 weeks to 29 March 2008**
Group revenue	**£92.1m**	**£106.3m**
Like-for-like revenue yoy	**-18.5%**	**-0.9%**
Gross margin	**59.4%**	**62.7%**
Operating profit	**£10.3m**	**£20.8m**
Operating profit - % of revenue	**11.2%**	**19.5%**
Finance income less finance costs	**£2.8m**	**£3.1m**
Fair value loss on interest rate derivatives	**£6.9m**	**£1.9m**
Profit before tax	**£0.6m**	**£15.8m**
Profit before tax margin	**0.7%**	**14.8%**
Adjusted basic earnings per share	**2.99p**	**7.03p**
Basic earnings per share	**0.11p**	**6.26p**
Interim dividend per share	**0.00p**	**3.00p**
Net debt position	**£85.0m**	**£94.7m**

Key performance indicators

Financial KPIs	**26 weeks to 28 March 2009**	**26 weeks to 29 March 2008**
Like-for-like sales growth year-on-year %	**-18.5%**	**-0.9%**
Total sales growth year-on-year - %	**-13.4%**	**+4.0%**
Gross margin - %	**59.4%**	**62.7%**
Net debt	**£85.0m**	**£94.7m**
Stock days	**149**	**147**
Non-financial KPIs		
Customer satisfaction %	**99.0%**	**98.3%**
Number of stores	**339**	**331**

Board change

Victor Watson did not seek re-election at the AGM on 13th January 2009 and has therefore stepped down from the Board. The Board are grateful to Victor for all of his support and contribution to the Company over a very successful 10 year period.

Dividend

In line with the Board's view at the end of the last financial year we have decided not to pay an interim dividend for the year (2008: £5.1 million). The Board remains focussed on reducing the level of net debt and improving the Group's financial flexibility. The dividend policy will continue to be closely reviewed on a bi-annual basis and the Board will look to reinstate a dividend when sufficient financial flexibility and the Board's confidence in the outlook for the Group allows it.

Strategic Intent

The Group strategy is focussed around delivering outstanding value to our customers. The key elements to the success of this strategy are customer service, store locations, store layout, product choice and availability. We believe that this strategy will continue to serve the company and its many stakeholders well and will see us through the current economic downturn.

Key operational objectives:

- Deliver customers outstanding value for money and service to ensure they always "return and recommend"
- Maintain our market leading position
- Manage the store estate prudently, and open new stores where excellent property opportunities arise
- Continue to develop our in store customer offer to maintain our competitive advantage
- Develop additional routes to market where we believe the Topps brand can generate value
- Ongoing review of the store portfolio to ensure our estate is keeping track with consumer shopping patterns and our cost base is as efficient as possible

Financial objectives:

- Continued management of the business with a priority on revenues, cost control and cash generation
- Review our dividend policy on a bi-annual basis
- Ongoing supplier tendering & benchmarking of non-stock suppliers
- Manage the Group's exposure to fluctuations in foreign exchange rates

Operational review

We are focused on trading as effectively as possible through this current economic cycle. Our primary objectives continue to be centred on optimising returns from the existing estate, managing our cost base very carefully and improving our financial flexibility. The Board continues to believe that the business is well placed to take advantage of a contraction in the competition and is satisfied with progress during the period. The resilience of the business model has been demonstrated by continuing to deliver operating profits and generate cash in spite of a very difficult trading environment.

Our main areas of cost savings have been derived from four broad areas, as follows:

- Marketing expenditure has been significantly reduced following the cessation of the national TV campaign in August 2008. Savings are in the region of £2 million compared to the prior interim period. Our marketing activities will be based on short term tactical opportunities for the remainder of the year.
- We have improved the utilisation of our own logistics infrastructure which has enabled savings in third party transport costs from warehouse to stores. Over the period we utilised 83.6% of our maximum fleet capacity (2008 : 79.0%).
- Reductions in sales volumes have resulted in reduced store labour, which has driven significant salary savings. At the end of the period we employed 1,353 store staff, compared to 1,478 in March 2008, an 8.5% reduction in headcount.
- We have rationalised our central support structures and reduced headcount which is down by 10% compared to March 2008.

As previously indicated we have reduced the scale of our store opening programme from previous years. In the UK, since September 2008 we have opened 4 new stores and closed 7 stores that were poor performers. At the period end the Group was trading from a total of 339 stores (March 2008: 331), 318 in the UK, 268 Topps and 49 Tile Clearing House, and 22 stores in Holland.

The Group's e-commerce business, which launched in 2008, now enables customers to purchase the majority of the in-store offer online and also features products which are complementary to our existing ranges. This extension to the existing store estate continues to grow in popularity and has seen a steady increase in sales to the level of a good store.

We continue our involvement with local communities and sponsor over 300 local football teams through our youth football initiative, where each store sponsors a junior football team providing them with new kits and equipment.

Holland

Performance in Holland has become increasingly challenging. During the period we have seen a decline in like for like Euro revenues of 17% (2008 : -3.7%) and we have recognised a loss of £0.6 million (2008 : £-0.1 million). As a result of this we are continuing to review the business very closely. We have not opened any new stores and have no plans currently to expand the business further. At the end of the period we were trading from 22 stores. Since then we have closed 4 stores as a result of poor performance and are anticipating a further reduction over the rest of the year.

Risks and uncertainties

The 2008 Annual Report and Accounts highlighted that the Board's primary focus when reviewing key risks and uncertainties was a weaker outlook for the UK economy, which may result in reduced sales and earnings. This continues to be the case and the Board's response to these risks is articulated throughout this report. This includes:

- Ongoing improvement in our existing retail operations, including regular review of our product offer and customer service to ensure that we are maximising the opportunity to deliver sales
- Review, and reduction, of costs across all areas of the business to offset as far as possible the reduction in revenues
- A more cautious approach to further expansion, and consequent reduction in capital expenditure
- Tight management of cash and reduction in net debt to improve financial flexibility
- Ongoing review of the Group's sourcing strategy to enable us to deliver greater value for money whilst maintaining returns

The continued weakness of sterling has caused gross profit margins to reduce in comparison to the prior year and we are constantly reviewing sourcing opportunities to protect the business from further downside. Approximately 20% of our purchases are sourced in either US dollar or Euro and whilst sterling remains weak against both of these currencies we will be limited in opportunities to re-source. If the current exchange rates prevail for the remainder of the year then we would expect a further reduction of the gross margin when compared to the first half as the full effect of more expensive purchases cascades through the business.

Since the publication of the 2008 report and accounts there have continued to be significant reductions in interest rates. As we indicated at the year end the group will see only a small amount of direct benefit due to the majority of the company debt being hedged through a series of interest rates derivatives.

The removal of credit insurance from a number of suppliers during the period, as described above, did not cause the business any material impact and the Board do not believe that any significant impacts are likely during the remainder of the year.

The Group's loan facility contains financial covenants which are tested on a bi-annual basis. Based on current trading and the Board's current expectations for the next 12 months the Board expect that the Group will be able to continue to operate within its current financial covenants. The primary assumption within these estimates is that the business can maintain sales at the current levels and this remains a key uncertainty. The Board's basis for this estimate is the level of actual weekly cash takings over the last 12 weeks. Appropriate downward sensitivities have also been reviewed and, whilst limited headroom does exist, there are also further mitigating actions that can be taken if required.

We continue to maintain a constructive dialogue with our lenders and the Board is satisfied that a covenant revision, if required, would be agreed. A renegotiation of the Group's current loan facilities would be likely to result in both a one off bank fee plus an ongoing increase in the Group's cost of borrowing.

The Board remains confident that the business will continue to be both profitable and cash generative and as such will not require any additional funding.

In addition to the above risks the Board considers other key risks include its relationship with key suppliers, the potential threat of new competitors, the risk of failure of key information technology systems, loss of key personnel and development of substitute products.

The Directors will continue to monitor all of the key risks and uncertainties and the Board will take appropriate actions to mitigate these risks and their potential outcomes.

Going concern

Based on a detailed review of the above risks and uncertainties, management's latest revised forecasts and a range of sensitised scenarios the Board believe the Group will continue to meet all of its financial commitments as they fall due and will be able to continue as a going concern. The Board, therefore, consider it appropriate to prepare the financial statements on a going concern basis.

Related party transactions

There have been no material changes in the related party transactions described in the last annual report.

Current trading

In the first seven weeks of the current period overall Group revenues declined 9.6%. Like-for-like revenues across the Group declined 11.9%.

Outlook

We recognise that there are key uncertainties in the economic outlook with ongoing pressure on consumer spending levels. We have continued to deliver our financial objective of reducing costs and maximising cash generation and the business model has demonstrated its resilience during a very challenging trading period.

Operationally our objectives remain focused upon the ongoing development of the customer offer and sustaining high levels of customer service. We are the market leader and we are confident that we will be able to benefit as competitors withdraw and economic conditions improve.

Matthew Williams	**Rob Parker**
Chief Executive Officer	*Finance Director*
27 May 2009	

Consolidated Group Income Statement
for the 26 weeks ended 28 March 2009

	Note	**26 weeks ended 28 March 2009 £'000 (Unaudited)**	26 weeks ended 29 March 2008 £'000 (Unaudited)	52 weeks ended 27 September 2008 £'000 (Audited)
Group Revenue	2	**92,076**	106,338	208,084
Cost of sales		**(37,375)**	(39,703)	(79,537)
Gross profit		**54,701**	66,635	128,547
Operating expenses				
Employee profit sharing		**(2,416)**	(3,713)	(6,514)
Distribution costs		**(34,208)**	(31,884)	(66,142)
Other operating expenses		**(3,091)**	(2,826)	(7,024)
Administration costs		**(3,488)**	(4,100)	(8,082)
Sales and marketing costs		**(1,188)**	(3,354)	(6,165)
Group operating profit before impairment of goodwill		10,310	20,758	35,805
Impairment of goodwill		**-**	**-**	(1,185)
Group operating profit	2	**10,310**	20,758	34,620
Other gains		**-**	-	877
Investment revenue		**222**	598	992
Finance costs		**(3,049)**	(3,741)	(7,302)
Fair value loss on interest rate derivatives		**(6,857)**	(1,854)	(1,464)
Profit before taxation	2	**626**	15,761	27,723
Taxation	3	**(442)**	(5,058)	(11,370)
Profit after taxation for the period attributable to equity holders of the parent Company		**184**	10,703	16,353
Earnings per ordinary share	5			
-basic		**0.11p**	6.26p	9.56p
-diluted		**0.11p**	6.25p	9.55p

All the above results relate to continuing operations

Consolidated statement of recognised income and expense
For the 26 weeks ended 28 March 2009

	26 weeks ended 28 March 2009 £'000 (Unaudited)	26 weeks ended 29 March 2008 £'000 (Unaudited)	52 weeks ended 27 September 2008 £'000 (Audited)
Exchange differences on retranslation of overseas operation	**348**	**-**	248
Tax effect of share options exercised	**-**	147	**-**
Deferred tax on share options taken directly to equity	**(43)**	(307)	(305)
Profit for the period	**184**	10,703	16,353
Total recognised income and expense for the period attributable to equity holders of the parent Company	**489**	10,543	16,296

Consolidated Balance Sheet
as at 28 March 2009

	Note	**28 March 2009 £'000 (Unaudited)**	29 March 2008 £'000 (Unaudited)	27 September 2008 £'000 (Audited)
Non-current assets				
Goodwill		**245**	1,430	245
Property plant & equipment		**39,320**	42,237	40,386
		39,565	43,667	40,631
Current assets				
Inventories		**31,621**	31,953	30,496
Trade and other receivables		**3,215**	6,764	7,909
Cash and cash equivalents		**17,271**	15,982	13,977
		52,107	54,699	52,382
Total assets		**91,672**	98,366	93,013
Current liabilities				
Trade and other payables		**(29,642)**	(32,255)	(29,961)
Derivative financial instruments		**(8,782)**	(2,334)	(2,110)
Bank loans	**6**	**(7,250)**	(4,907)	(7,250)
Current tax liabilities		**(5,379)**	(7,995)	(8,878)
		(51,053)	(47,491)	(48,199)
Net current assets		**1,054**	7,208	4,183
Non-current liabilities				
Bank loans	**6**	**(94,338)**	(105,744)	(97,963)
Deferred tax liabilities		**(979)**	(963)	(1,964)
Total liabilities		**(146,370)**	(154,198)	(148,126)
Net liabilities		**(54,698)**	(55,832)	(55,113)
Equity				
Share capital		**5,703**	5,703	5,703
Share premium		**1,001**	1,001	1,001
Merger reserve		**240**	240	240
Share based payment reserve		**248**	262	322
Capital redemption reserve		**20,359**	20,359	20,359
Foreign exchange reserve		**596**	-	248
Retained earnings		**(82,845)**	(83,397)	(82,986)
Total deficit		**(54,698)**	(55,832)	(55,113)

Consolidated cash flow statement
For the 26 weeks ended 28 March 2009

	26 weeks ended 28 March 2009 £'000 (Unaudited)	26 weeks ended 29 March 2008 £'000 (Unaudited)	52 weeks ended 27 September 2008 £'000 (Audited)
Cashflow from operating activities			
Group profit from operations	**10,310**	20,758	34,620
Adjustments for:			
Depreciation of property, plant and equipment	**2,421**	2,319	4,792
Impairment of goodwill	**-**	-	1,185
Share option charge	**(73)**	40	100
Loss on sales of fixed assets	**582**	285	513
Decrease/(increase) in receivables	**4,540**	287	(833)
(Increase)/decrease in inventories	**(801)**	(886)	877
(Decrease)/increase in payables	**(184)**	80	(2,557)
Cash generated by operations	**16,795**	22,883	38,697
Interest paid	**(3,811)**	(2,693)	(6,154)
Payment of loan arrangement fee	-	**-**	(530)
Taxation paid	**(4,969)**	(6,074)	(10,650)
Net cash from operating activities	**8,015**	14,116	21,363
Cash flows from investing activities			
Interest received	**435**	556	960
Purchase of property, plant & equipment	**(1,531)**	(2,928)	(6,622)
Proceeds of sale of property, plant & equipment	**58**	-	4,004
Net cash used in investment activities	**(1,038)**	(2,372)	(1,658)
Cash flows from financing activities			
Proceeds from issue of share capital	-	337	337
Repayment of loans	**(3,750)**	-	(5,000)
Dividends paid	-	(11,880)	(17,014)
Net cash used in financing activities	**(3,750)**	(11,543)	(21,677)
Net increase/(decrease) in cash and cash equivalents	**3,227**	201	(1,972)
Cash and cash equivalents at beginning of period	**13,977**	15,781	15,781
Effect of foreign exchange rate changes	**67**	-	168
Cash and cash equivalents at end of period	**17,271**	15,982	13,977

Note 1

General information
The interim report was approved by the Board on 26 May 2009. The financial information for the 26 weeks ended 28 March 2009 and similarly the 26 weeks ended 29 March 2008 has neither been audited nor reviewed. The financial information for the 52 week period ended 27 September 2008 has been based on information in the audited financial statements for that period.

The information for the 52 week period ended 27 September 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that 52 week period has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matter by way of emphasis and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Accounting policies
The annual financial statements of Topps Tiles Plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

Basis of preparation

Based on a detailed review of the risks and uncertainties management's latest revised forecasts and a range of sensitised scenarios the Board believe the Group will continue to meet all of its financial commitments as they fall due and will be able to continue as a going concern. The Board, therefore, consider it appropriate to prepare the financial statements on a going concern basis.

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements.

2.Business segments
Segmental revenue and profit before taxation by business activity were as follows:

	26 weeks ended 28 March 2009	26 weeks ended 29 March 2008	52 weeks ended 27 September 2008
	£'000	£'000	£'000
	(Unaudited)	(Unaudited)	(Audited)
Revenue			
Topps	**77,429**	89,952	175,312
TCH	**10,205**	12,327	23,977
Holland	**4,442**	4,059	8,795
Total revenue	**92,076**	106,338	208,084
Group operating profit			
Topps	**10,513**	19,287	34,353
TCH	**519**	1,936	3,112
Holland	**(634)**	(135)	(758)
Other central costs	**(88)**	(330)	(2,087)
Total Group operating profit	**10,310**	20,758	34,620
Other gains	**-**	-	877
Finance costs less investment revenue	**(2,827)**	(3,143)	(6,310)
Fair value loss on interest rate derivatives	**(6,857)**	(1,854)	(1,464)
Profit before taxation	**626**	15,761	27,723

3.Taxation

	26 weeks ended 28 March 2009 £'000 (Unaudited)	26 weeks ended 29 March 2008 £'000 (Unaudited)	52 weeks ended 27 September 2008 £'000 (Audited)
Current tax – charge for the period	1,470	5,180	9,711
Current tax - adjustment in respect of previous periods	-	282	1,209
Deferred tax - (credit) / charge for the period	(1,028)	(404)	434
Deferred tax - adjustment in respect of previous periods	-	-	16
	442	5,058	11,370

4. Interim dividend The Board are continuing with the dividend policy adopted in the period ended 27 September 2008 and therefore no interim dividend has been declared (2008: 3.00p per share, £5.1 million). No dividends have been paid in the period (2008: £11.9 million).

5. Earnings per share Basic earnings per share for the 26 weeks ended 28 March 2009 have been calculated on earnings (after deducting taxation) of £184,000 (2008: £10,703,000) and on ordinary shares of 171,092,178 (2008: 170,927,366), being the weighted average of ordinary shares in issue during the period.

Diluted earnings per share for the 26 weeks ended 28 March 2009 have been calculated on earnings (after deducting taxation) of £184,000 (2008: £10,703,000) and on ordinary shares of 171,008,982 (2008: 171,297,777), being the weighted average of ordinary shares in issue during the period.

Adjusted earnings per share have been calculated on earnings before the IAS 39 interest rate derivative fair value movement charge and property disposal gains (after deducting taxation) of £5,090,295 (2008: £12,035,000).

6.Bank Loans

	26 weeks ended 28 March 2009 £'000 (Unaudited)	26 weeks ended 29 March 2008 £'000 (Unaudited)	52 weeks ended 27 September 2008 £'000 (Audited)
Bank loans (all sterling)	101,588	110,651	105,213
The borrowings are repayable as follows:			
On demand or within one year	7,500	5,000	7,500
In the second year	7,500	5,000	7,500
In the third to fifth year	87,250	101,000	91,000
	102,250	111,000	106,000
Less: total unamortised issue costs	(662)	(349)	(787)
	101,588	110,651	105,213
Less: amount due for settlement within 12 months (shown under current liabilities)	(7,500)	(5,000)	(7,500)
Issue costs to be amortised within 12 months	250	93	250
Amount due for settlement after 12 months	94,338	105,744	97,963

7. Contingent liabilities The directors are not aware of any contingent liabilities faced by the Group as at 28 March 2009.

8. Events after the balance sheet date There have been no material events subsequent to the end of the interim reporting period ended 28 March 2009.

9. Share capital The issued share capital of the Group for the period ended 27 September 2008 amounted to £5,703,000. There has been no change to the issued share capital in the six months ended 28 March 2009.

10. Seasonality of sales Historically there has not been any material seasonal difference in sales between the first and second half of the reporting period, with approximately 50% of annual sales arising in the period from October to March.

11. Copies of the interim results Copies of the interim results have been sent to shareholders, and further copies can be obtained from the Company's Registered Office at Topps Tiles Plc, Thorpe Way, Grove Park, Enderby, Leicestershire LE19 1SU.

Details are also available on our website: www.toppstiles.co.uk.