



MOSS BROS GROUP PLC

ANNUAL REPORTS AND ACCOUNTS 2010/11

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CHAIRMAN'S STATEMENT

I am pleased to report that the Group achieved total revenue of £136.4m, a 6.0% increase on the prior year. The financial result, as expected was a significantly reduced loss before taxation and exceptional items of £(2.7)m compared with a loss of £(3.9)m in the previous year. The loss before taxation, after exceptional items, was £(7.5)m against £(6.6)m in the prior year. Adjusted EBITDA (earnings before interest, taxation, depreciation, amortisation and exceptional items) continued on a positive trend to £3.8m, compared with £3.2m in the previous year. This strong performance was achieved in the context of a tough trading environment, where many competitors struggled to grow.

There is no question that it has been a transformational year for the Group. In spite of the tough trading environment, the Executive team has continued to make progress on the journey back to profitability, through execution of a clear set of operational priorities. Their actions have led to a considerable improvement in sales, growth in margins and a substantial reduction in the cost base of the business.

We have also laid the foundations for the next phase of the strategic plan, with the objective of leveraging the value of the Moss brand and our position as 'the No.1 Branded Suit Specialist'. The decision to dispose of our 15 Hugo Boss franchises to Hugo Boss for £16.5m approved by shareholders on 3 March 2011, will release both people and financial resources to focus on the development of the core Moss business. Furthermore, investment and innovation in new products like Moss Bespoke have brought momentum to the rehabilitation of the Moss brand, with the associated PR creating interest and footfall from a new segment of customers.

In parallel with these actions, the team has continued to show diligent cash and working capital control and the business will enter this new financial year debt free, with a strong cash balance.

During the last 12 months, we progressed the restructuring of the Board with the welcomed appointments of Robin Piggott in June as Group Finance Director, and Maurice Helfgott in October as Senior Independent Non-Executive Director. They have collectively added a wealth of experience in retail, property, e-commerce and brand management.

Throughout the year, our people have continued to show a combination of hard work, passion and commitment and on behalf of the Board I would like to thank them for their contribution.

In line with our stated policy the Board is not proposing a dividend this year, as in 2009/10. The Board believes it is prudent to continue to conserve cash in the current economic environment, though we will continue to review our position on this.

There is no doubt that the transformational changes in 2010/11 and subsequently have created the resources to develop and deliver a clear and compelling strategy which leverages the full potential of the Moss brand and our clear position as 'the No.1 Branded Suit Specialist'. Early signs of progress are reflected in the strong start to this financial year and whilst economic conditions in the UK are expected to remain challenging, we are well placed to continue the drive to profitability and to fully leverage the potential of the Moss brand.



DEBBIE HEWITT
CHAIRMAN
29 March 2011

DIRECTORS AND ADVISERS

CHAIRMAN

Debbie Hewitt (Acting Chairman from 25 March 2010 until 26 April 2010 and appointed Chairman from 27 April 2010)

David Adams (resigned 25 March 2010)

EXECUTIVE DIRECTORS

Brian Brick Chief Executive

Michael Hitchcock Finance Director (resigned 30 April 2010)

Robin Piggott Finance Director (appointed 28 June 2010)

NON-EXECUTIVE DIRECTORS

Mark Bernstein Non-Independent Non-Executive Director

Anthony Bogod Independent Non-Executive Director

Simon Berwin Non-Independent Non-Executive Director

Maurice Helfgott Senior Independent Non-Executive Director (appointed 19 October 2010)

SECRETARY

Julia Stephens (resigned 17 February 2011)

Robin Piggott (appointed 17 February 2011)

REGISTERED OFFICE

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Deloitte LLP

2 New Street Square

London

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CHIEF EXECUTIVE'S BUSINESS REVIEW

OVERVIEW

Moss Bros Group PLC ("the Group") retails and hires formal wear and fashion products for men, predominantly in the UK. The Group retails menswear through the Moss fascia and hire of formal wear under the Moss Bros Hire brand through its mainstream stores. The Group also trades through the Savoy Taylors Guild, Hugo Boss and Cecil Gee fascias.

The Group has made significant progress this year, despite continued turbulent trading conditions. A strong focus on product and range management, operational delivery and cost control have combined to grow like for like ** sales and decrease significantly the level of trading losses.

KEY PERFORMANCE INDICATORS

Management monitors progress by reference to a number of key performance indicators ("KPIs"). These KPIs are applied on a Group-wide basis across all stores and include the following:

- sales, which are further analysed by
 - average transaction value (ATV)
 - units per transaction (UPT)
 - average selling price (ASP)
- gross profit margins
- inventory turn
- cash and cash equivalents
- return on capital

In addition, management review external market data, provided by independent consultants.

These KPIs are assessed against forecasts and the prior year.

RESULTS AND KEY ACTIVITIES

In the 52 weeks ended 29 January 2011, total like for like** sales increased by 9.1% (2009/10: down by 0.4%), and gross margin improved to 55.4%, an increase of 0.3 percentage points. The increases in sales and margin were driven by improvements in the average transaction value, units per transaction and average selling price, together with more effective management of discounting. The loss before taxation and before exceptional items of £(2.7)m, compared with a loss of £(3.9)m in the previous year. Adjusted EBITDA before exceptional items improved to £3.8m (2009/10: £3.2m).

The second half of the year saw the completion of a radical cost review, and like for like ** operating costs will reduce by £3.0m on an annualised basis as a result. Inventory was also tightly controlled.

As at 29 January 2011, the Group had cash balances of £6.9 million (2009/10: £6.3 million).

In addition to a number of operational improvements, further progress was made on the strategic agenda of leveraging the Moss brand. The sale of the Hugo Boss franchise is a critical development which will release resources to invest in the core estate, as well as removing the potential liability of a number of potentially onerous leases which did not run coterminously with the individual franchise agreements.

We enter the new financial year debt-free and well positioned to invest in areas of the business that will best sustain the momentum of our recovery to profit. The strong balance sheet gives us the flexibility to develop key areas of the business such as e-commerce, which to date have not yet benefited from any significant investment.

**Like for like represents financial information for stores open during the current and prior financial periods and compares 52 weeks against 52 weeks.

CHIEF EXECUTIVE'S BUSINESS REVIEW

CONTINUED

REVIEW OF OPERATIONS

MAINSTREAM RETAIL

There are 98 Moss and Savoy Tailors Guild branded stores (2009/10: 97) and 33 outlet stores (2009/10: 32), all of which trade Moss own brands of Ventuno, De Havilland, Blazer and Savoy Tailors Guild. The Moss and Savoy Tailors Guild stores also stock selected third party guest brands including Hugo Boss, Ted Baker and French Connection. The vast majority of the stores also have a Moss Bros Hire outlet within them.

We have continued to implement detailed operational and performance reviews of all stores. This has resulted in a streamlining of the product range, a comprehensive programme of store profiling and associated inventory control measures. These actions impacted positively on the like for like ** sales for Mainstream Retail, which were up by 10.7% on 2009/10, on improved gross margins. The margin performance was enhanced by consolidation into fewer suppliers and focus on key guest brands which included Ted Baker and French Connection.

The number of loss making stores significantly reduced during the year and we have taken a provision against 13 stores which are expected to remain loss making for the remainder of the lease term, the average term of which is 2.6 years. We also took advantage of the opportunity created by a key competitor going into administration and moved quickly to acquire eight stores on a temporary basis just prior to the Christmas trading period, all of which made a positive contribution. Subject to successfully concluding negotiations with landlords it is hoped a number of these will continue to trade on an ongoing basis.

In parallel with operational improvements, we have researched the perception and value of the Moss brand, its positioning with current and potential customers and the overall perceived value of the offering. It is clear that the brand has tremendous heritage, but that there is significant opportunity to promote it to both younger and to more affluent customers, who are looking for choice, value for money and confidence in their choice of style. We are uniquely placed to provide this and have a clear aspiration to further build on our position as 'the UK's No. 1 Branded Suit Specialist' on the high street. Our sales promotion activities increasingly reflect this aspiration, with a premium product positioning and the use of visual merchandising to simplify the process of buying a suit and also encourage the purchase of accessories such as shirts, ties and shoes.

Innovation in our product offering has also taken the brand into new segments and a more premium position. The new Moss Bespoke concept is a good example of leveraging our core capability in suits into a new and growing segment of high quality, affordable, bespoke suits for a more mass market. The pilot has successfully demonstrated that this and similar offerings are important to the rehabilitation and development of the Moss brand. Not only does it add 'theatre' to the Moss offering, it also enhances our reputation for quality and value for money and provides an opportunity to improve the footfall and sales densities in our larger stores. The flagship Moss Bespoke store in Blomfield Street, London, is in an ideal position in the City to showcase and pilot the development of this and other suit offerings and as a result of lessons learnt, we intend to open a further six 'store within store' Moss Bespoke outlets in other core Moss Retail Stores during 2011/12, standing alongside our retail and hire offering.

As well as improving the brand positioning and the product offering, the team is well underway with the planning phase of a project to modernise the look and feel of the core Moss stores and our first 'new look' store will open in Canary Wharf in late May 2011. There will be extensive piloting of this store layout, to ensure the look and fit can be adapted to meet the various store profiles which exist across the Group. Any wider implementation programme will be prioritised and phased to reflect an acceptable level of payback. Because of the extent of the under investment of some of the core estate, some of which has not had basic maintenance and improvements for a number of years, we will carefully balance the new refit with a care and maintenance programme to bring all of the estate up to at least a basic minimum level of presentation.

**Like for like represents financial information for stores open during the current and prior financial periods and compares 52 weeks against 52 weeks.

We have already seen recognition for some of this care and maintenance spend with the award of a West End Association 'Glammy' for best Menswear store in Oxford Street in 2010.

HIRE

Moss Bros Hire is the market leader in the UK hire market and the number one recognised name for hire. We have 125 Moss Bros Hire outlets (2009/10: 124), all contained within core Moss Retail, Savoy Taylors Guild and Cecil Gee Stores.

Market share increased in 2010/11, in spite of the fact that the hire market in general continued to contract due to the material drop in the corporate hire market for both black tie and morning suit events. Like for like ** sales recorded an increase of 10.9%. The demise of a major competitor reinforced the considerable strength of our nationwide offering and the quality of our service.

Our new Hire supply chain infrastructure is now very successfully embedded into the business and we are seeing improvements in the accuracy and speed of allocation and the distribution of orders.

Looking forward, there are further opportunities to leverage pricing and to grow our market share through the consideration of new opportunities such as the School Prom hire market, new distribution channels and the introduction of a new interactive internet site, with the ultimate aim of order and re-order on-line.

Moss Bros Hire also offers one of the most significant opportunities to develop our retail offering by leveraging the rich source of customer data that comes from its customers, many of whom are unaware of, or do not consider the Moss Retail offer.

FASHION

Cecil Gee

We operate 9 Cecil Gee branded stores, (2009/10: 10), which concentrate on a number of key brands including Hugo Boss, Ralph Lauren and Diesel, with other high fashion brands relevant to each store's size and location. As the independent sector finds it increasingly hard to survive in a highly competitive market place, the Cecil Gee performance in 2010/11 proved resilient with a like for like ** sales increase of 6.4%.

Going forward we will focus our activity in Cecil Gee on the key brands where we can leverage the value of our scale.

Hugo Boss

The Group operated 15 Hugo Boss stores in the UK (2009/10: 16). In line with our franchise agreements, we opened a new store in Bond Street and relocated our Manchester store during the year. Like for like ** sales increased by 6.1%.

In February 2011, we announced our intention to dispose of our Hugo Boss stores to Hugo Boss for a potential consideration of £16.5m. The transaction was approved by the Group's shareholders on 3 March 2011 and will complete on 1 April 2011. The transaction will release both people and financial resources to focus on the development of the core Moss business, though we will continue to sell the Hugo Boss product through our Moss Retail, Cecil Gee and Savoy Taylors Guild stores.

INTERNET SHOPPING

Moss.co.uk progressed well in the year, with sales sharply up on the previous year, albeit from a low base. There is significant opportunity to grow this channel and we will focus our effort in the future on the improving the functionality of the site and in developing a truly multi-channel business.

In the longer term, the bigger opportunity is the introduction of a more comprehensive and fully integrated CRM programme, specifically in linking the Moss Bros Hire customer to the Moss Retail offering.

**Like for like represents financial information for stores open during the current and prior financial periods and compares 52 weeks against 52 weeks.

CHIEF EXECUTIVE'S BUSINESS REVIEW

CONTINUED

REVIEW OF OPERATIONS CONTINUED

COSTS

With the recovery in sales established, a comprehensive review of the cost base was undertaken in the second half of the year, with the project delivering an annualised reduction in costs of £3.0m. Not only has this reduced costs, it has also allowed us to simplify the business.

SUPPLY CHAIN

The buying team is continually assessing supplier performance, to ensure the most commercially beneficial results for the Group. Over the last few years, we have shifted the emphasis of our product supply from mainland Europe into China and achieved a better buying margin as a result, whilst also improving the quality of our products. The timely ordering of inventory has allowed for much greater scope for tactical promotions.

We continue to monitor the impact of the increase in VAT to 20% on retail prices, as well as inflation in the price of cotton. We anticipate that retail prices will increase in 2011/12.

DISTRIBUTION CENTRE

The efficiency of the Group's distribution centre has freed up further capacity to allow for greater volumes. This has enabled the business to consider taking on third party product on an outsourcing basis to leverage off the existing cost base. With the loss of the Hugo Boss volumes in the coming year, the business will continue to explore the best options to meet this change in volume, whilst ensuring we continue to service the growth in our core Moss business and our customers.

PEOPLE

With the need for talented and committed people across all areas of the Group, this means a continuing focus on effective recruitment, induction, performance management and training.

The addition of a new Store Operations Director, a Head of HR and a Property expert during the year has added to the talent pool of the Company. In addition, the Board has been further strengthened by the appointment of Robin Piggott as Group Finance Director and Maurice Helfgott as Senior Independent Director, the latter of which means we now satisfy the Corporate Governance requirement for independent Non-Executive Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

CASH AND FUNDING

Cash balances are managed and monitored on a daily basis; the peaks and troughs in the cash cycle are well known through experience and appropriate cash management takes place to limit the use of existing banking facilities. The additional cash created by the sale of the Hugo Boss franchises to Hugo Boss has created the potential for the business to dispense with the need for a debt facility and we enter 2011/12 debt free.

INVENTORY AND CONTINUITY OF SUPPLY

Demand forecasting, inventory ordering and inventory intake are aligned to maximising sales and the cash management focus discussed above. The placing of all orders is subject to product demand forecasting models and ongoing rates of sale of all product lines.

The consolidation of product buying into fewer suppliers creates sufficient scale to mitigate the risk of the suppliers going out of business in the short to medium term. Negotiations take place regularly with key suppliers regarding rate and payment terms. Proactive dialogue is maintained with supplier credit insurers to good effect to ensure they have the relevant and most current information on which to base their insurance levels.

The recent increase in cotton prices could be considered a risk factor for the Group. Management have mitigated this risk as a significant proportion of inventory prices have been agreed with the suppliers for the 2011/12 financial year.

PROPERTY

The business operates from a portfolio of high street, shopping centre and factory outlet stores all held under operating leases. Each store is evaluated annually to assess its ongoing commercial viability. There are a number of locations in the UK and Southern Ireland which would suit one of the businesses' fascias and the Group has recently increased its in-house resource in this area in order that opportunities for the development of its store portfolio are maximised. All potential sites are rigorously evaluated both operationally and financially before new lease acquisitions are made.

STAFF HIRING AND RETENTION

Attracting and retaining high calibre staff is a priority and a central focus in striving for excellent customer service across the Group's business channels. Staff development is to be improved so that the Group can take full advantage of the recovery in its performance.

FINANCIAL REVIEW

TRADING RESULTS	2010/11	2009/10
Revenue v last year (like for like**)	+9.1%	-0.4%
% Gross margin	55.4%	55.1%
% Gross margin v last year	+0.3%	+1.8%
EBITDA before exceptional items	£3.8m	£3.2m
Underlying loss before taxation and exceptional items	£(2.7)m	£(3.9)m
Loss before taxation	£(7.5)m	£(6.6)m

**Like for like represents financial information for stores open throughout the current and prior financial periods and compares 52 weeks against 52 weeks.

The improvement across the business that started in the second half of 2009/10 gained momentum in 2010/11 with strong like for like ** sales growth and continued margin improvement. Gross margins improved despite the increase in VAT rates in January 2010 and 2011.

REVENUE

As stated in note 1 to the accounts, the Consolidated Group Statement of Comprehensive Income for the 52 weeks ended 30 January 2010 and the Consolidated Statements of Financial Position as at 30 January 2010 and 31 January 2009 have been restated to recognise deferred revenue in respect of Hire sales.

The deferred revenue relates to deposits received from customers prior to the year end but where the related hire suits were not collected for use until after the year end. Previously, the deposits were recorded as revenue when received from the customers and not when the hire was made, which was inconsistent with the Company's stated policy. The adjustments represent a net increase in revenue and profit before taxation in the year ended 30 January 2010 of £0.01m. Deferred revenue in respect of hire deposits, held on the balance sheet at 29 January 2011 was £1.6m (30 January 2010: £1.5m).

The operational improvements increased the overall results for the period; however these were expected to be better but were impacted by the snow in early December. The core Moss Retail and Hire businesses including Outlets were the strongest performers with like for like ** sales up 10.7% and 10.9% respectively, with fashion fascias up a creditable 6.2%.

** Like for like represents financial information for stores open during the current and prior financial periods and compares 52 weeks against 52 weeks.

CHIEF EXECUTIVE'S BUSINESS REVIEW

CONTINUED

FINANCIAL REVIEW CONTINUED

GROSS MARGIN

Gross margin has increased 0.3 percentage points, building on increases achieved in 2009/10, despite the increases in VAT from 15%, to 17.5% and to 20%. This was despite considerable promotional pressure from our competitors who sacrificed gross margin to attract sales. The ongoing exercise to consolidate volume into a smaller number of suppliers and attain a better unit purchase price has enabled tactical promotions to attract new and retain existing customers.

The seasonal mix of inventory held across the year has also resulted in the need for less discounting which in turn has lifted the overall gross margin achieved and the business has used its strong average daily cash balance to pay suppliers earlier than normal to attract lower unit costs.

PRE EXCEPTIONAL OPERATING COSTS

A renewed focus on cost control in the business mitigated cost increases in the second half of the year. Administrative expenses, shops' selling and marketing costs ("operating costs") increased by 7.4% in the first half but by only 1.7% in the second half, giving an increase for the period of 4.5%.

The comprehensive review of the business announced in September 2010 has been completed and like for like** operating costs are planned to reduce by £3.0m per year in the 2011/12 financial year. The cost reductions have been derived from efficiencies at head office, the distribution centre and in stores and will assist in the process of simplifying the business.

EXCEPTIONAL ITEMS

A provision for onerous property lease contracts has been made under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' of £3.0m in respect of certain loss making stores. Having traded these for a further year, even with the benefit of the significant positive operational changes which have improved the underlying performance of the business, these particular stores are ones that we recognise are now unlikely to achieve a positive return during the remaining life of their leases. The provision represents the net present value of projected losses for each store, until the end of lease, as the directors believe there is no realistic prospect of achieving lease surrender for an amount less than that provided.

An impairment review of assets under IAS 36 'Impairment of Assets' has resulted in a write down in the fixed asset values of certain stores amounting to £0.9m.

Other exceptional adjustments were made up of £0.5m relating to reorganisation costs in connection with the review of the cost base of the business, and £0.4m in respect of non-contingent fees incurred in relation to the disposal of the Hugo Boss Franchise Business.

A tax credit of £1.0m is applied to the exceptional items resulting in a total exceptional charge after taxation of £3.8m.

LOSS PER SHARE

Loss per share was (5.94) pence compared to (6.10) pence per share last year.

DIVIDEND

In line with our stated policy the Board is not proposing a dividend this year, as in 2009/10. The Board believes it is prudent to continue to conserve cash in the current economic environment, though we will continue to proactively review our position on this, as the year progresses.

**Like for like represents financial information for stores open during the current and prior financial periods and compares 52 weeks against 52 weeks.

INVESTMENT

Total capital expenditure in the year was £4.9m (2009/10: £3.5m) and depreciation was £6.5m (2009/10: £7.1m). This included the opening of two new stores and the refitting or re-branding of four stores across all fascias. The total capital expenditure included further investment in new Moss Bros Hire inventory of £0.7m (2009/10: £0.7m), whilst depreciation on hire inventory was £1.3m (2009/10: £1.5m).

CASH

The year end cash balance was £6.9m compared to £6.3m last year.

INVENTORY

The mix of inventory in the business has been re-gearred to ensure sufficient inventory is available to support sales across the business. This has led to an increase in current season inventory compared to the prior year.

TRADE AND OTHER PAYABLES

The terms and conditions with our suppliers are reviewed and adjusted so as to maximise the average cash balance whilst improving the product gross margin.

OUTLOOK

In spite of tough trading conditions, the business has made progress on all of the operational priorities set out at the beginning of the year and this has had a very positive impact on trading. Furthermore, we have made good progress on developing and executing our strategic goals and the sale of our Hugo Boss Franchise Business has given us the financial and people resources to bring momentum to this. I am confident that we will maximise the potential of the Moss brand and create substantial shareholder value in the process.



BRIAN BRICK
CHIEF EXECUTIVE OFFICER
29 March 2011

BOARD OF DIRECTORS

DIRECTORS

Debbie Hewitt MBE (47) Non-Executive Chairman. Joined the Board on 1 June 2009 as an Independent Non-Executive Director and became Chairman on 27 April 2010 (Acting Chairman from 25 March 2010). She is a Non-Executive Director of HR Owen plc, NCC Group plc, Mouchel Group Plc, Luminar plc, Redrow PLC and Domestic and General. She was previously the managing director of RAC plc.

Brian Brick (50) Chief Executive Officer. Joined the Board as an Independent Non-Executive Director on 1 September 2008 and was appointed Chief Executive on 19 March 2009 having been acting Chief Executive since 19 January 2009. He is a Director of Ambleside Consulting Limited. He successfully sold Speciality Retail Company Limited in 2005.

Robin Piggott (53) Finance Director. Joined the Board on 28 June 2010 as Finance Director. He joined Alexon Group PLC in 1987 holding a variety of financial and commercial roles and becoming Finance Director in 1995. Prior to this he held senior financial roles at Granada Group Plc and Geest Industries plc.

Mark Bernstein (51) Non-Executive Director. Joined the Board on 19 December 2001. A chartered accountant who qualified with Ernst & Young, he has sat on quoted company boards for over twenty years, and currently chairs a number of private technology companies.

Simon Berwin (56) Non-Executive Director. Joined the Board on 29 May 2009. He has extensive experience in the suit manufacturing and retail business having helped establish one of the largest clothing manufacturing businesses in the UK; Berwin & Berwin. He is also a Director of UKFT.

Anthony Bogod (51) Independent Non-Executive Director. Joined the Board as a Non-Executive Director on 25 May 2007. He was previously a partner at BDO Stoy Hayward LLP with whom he worked for 25 years, and where he had extensive experience in and specific responsibilities for the retail sector. In the last five years he has worked in the private office sector with further significant retail involvement, is currently CEO of the LFKN Private Family Office and is also a Director of a charity, Mercury Musical Developments Ltd.

Maurice Helfgott (43) Senior Independent Non-Executive Director. Joined the Board on 19 October 2010 as Senior Independent Non-Executive Director; he also chairs the Remuneration Committee. He is the Founder Director of Amery Capital, Chairman of Oliver Sweeney, and a Director of Long Tall Sally and SpaceandPeople plc. He was previously a main Board Director of Marks & Spencer plc, and formerly Executive Director Menswear.

AUDIT COMMITTEE OF THE BOARD

A Bogod (Chairman)

D Hewitt

M Helfgott (from 19 October 2010)
D Adams (until 25 March 2010)

REMUNERATION COMMITTEE OF THE BOARD

M Helfgott
(Chairman from 19 October 2010)

D Hewitt
(Chairman until 19 October 2010)

A Bogod
D Adams (until 25 March 2010)

NOMINATION COMMITTEE OF THE BOARD

D Hewitt
(Acting Chairman from 25 March 2010
and Chairman from 27 April 2010)

D Adams
(Chairman until 25 March 2010)

M Bernstein
S Berwin
A Bogod
M Helfgott (from 19 October 2010)

DIRECTORS' REPORT

The Directors of Moss Bros Group PLC present their Annual Report & Accounts and audited financial statements for the period ended 29 January 2011. The Group is also required to set out in this report a fair review of the business of the Group during the period ended 29 January 2011 and of the position of the Group at the period end together with a description of the principal risks and uncertainties facing it. The information which fulfils these requirements can be found in the Chairman's Statement, the Chief Executive's Business Review and the Directors' Report.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the retail sale and hire of quality clothing and ancillary goods. A summary of the results for the period ended 29 January 2011 together with comparatives is shown below. A detailed review of the Group's activities and the results are included in the Chief Executive's Business Review.

	52 weeks to 29 January 2011			52 weeks to 30 January 2010 *		
	Underlying £'000	Exceptional items £'000	Total £'000	Underlying £'000	Exceptional items £'000	Total £'000
Revenue	136,438	-	136,438	128,747	-	128,747
Operating loss	(2,670)	(4,788)	(7,458)	(3,914)	(2,731)	(6,645)
Net financial income	(46)	-	(46)	-	-	-
Loss before taxation	(2,716)	(4,788)	(7,504)	(3,914)	(2,731)	(6,645)
Taxation	913	973	1,886	749	134	883
Loss after taxation	(1,803)	(3,815)	(5,618)	(3,165)	(2,597)	(5,762)

*See note 1 for details of restatement applied to the Consolidated Statement of Comprehensive Income for the 52 week period ended 30 January 2010.

DIVIDENDS

In line with our stated policy, the Board is not proposing a dividend this year as in 2009/10. The Board believes it is prudent to continue to conserve cash in the current economic environment and will continue to proactively review their position on this.

SHARE CAPITAL

The Company has 94,530,752 ordinary shares of £0.05 in issue as at 29 January 2011. There are no restrictions on the size of individual holdings or on the transfer of these shares or on the voting rights attached to them. Each share carries the right to one vote at a general meeting of the Company.

Section 992 of the Companies Act 2006 "the Act", which implements the EU Takeovers Directive, requires the Group to disclose certain information. These requirements are dealt with elsewhere in the Annual Report and Accounts, however, the following additional disclosures are required.

The Board of Directors is responsible for the management of the business of the Group and may exercise all the powers of the Group subject to the provisions of the relevant statutes, the Company's existing Memorandum of Association and the Articles of Association ("the existing Articles"). The existing Articles contain specific provisions and restrictions regarding the Company's power to borrow money. Powers relating to the issuing and buying back of shares are also included in the existing Articles and such authorities are renewed by shareholders annually at the Company's Annual General Meeting.

DIRECTORS' REPORT

CONTINUED

SUBSTANTIAL SHAREHOLDERS

As at 29 March 2011 (the last practical day before the approval of this Report), the Group had been notified of the following significant shareholders and interests in shares of the Group, pursuant to Section 793 of the Act:

	Number of shares	% of voting rights and issued share capital
H A Cann Settlement Accumulation and Maintenance Fund	28,349,772	29.99
Laura Ashley Holdings Plc	9,485,071	10.03
Credit Agricole Cheuvreux International	7,531,299	7.97
G S Pitt and P J Moss	6,710,965	7.10
Gartmore Investment Management Limited	4,835,000	5.11
Schroders Investment Management Limited	4,600,000	4.87

The Group is not aware of any agreements between holders of these shares which may result in restrictions on the transfer of securities or voting rights.

No person holds shares with specific rights regarding control of the Company.

The Company does not operate any employee share schemes in relation to which there are shares with rights with regard to the control of the Company.

There are no agreements between the Company and its Directors or employees which provide for compensation for loss of office or employment which occurs because of a takeover bid.

ANNUAL GENERAL MEETING

The Resolutions to be proposed at the Annual General Meeting which will be held on 19 May 2011, together with explanatory notes, appear in the Notice of Meeting sent to all shareholders with a Form of Proxy.

The following Resolutions will be proposed at the Annual General Meeting as Special Resolutions:

- (a) Dis-application of pre-emption rights – authorise the Directors of the Company to issue equity securities of the Company for cash without first offering them to existing shareholders.
- (b) Authority to buy in shares – authorise the Directors of the Company to make market purchases of the Company's shares.
- (c) Notice of Meeting – approve the calling of a general meeting of the Company on not less than 14 clear days' notice.

The Directors are of the opinion that all the Resolutions to be proposed at the Annual General Meeting are in the interests of the Company's Shareholders as a whole and for reasons explained within this Annual Report and the Notice of Meeting they recommend Shareholders to vote in favour of the Resolutions to be proposed at the Annual General Meeting.

DIRECTORS

The current Board of Directors is shown on page 10 of this Annual Report.

Debbie Hewitt was appointed Chairman from 27 April 2010 having been Acting Chairman since 25 March 2010.

Robin Piggott was appointed Finance Director of the Company on 28 June 2010.

Maurice Helfgott was appointed as Senior Independent Non-Executive Director on 19 October 2010.

David Adams resigned as Chairman and Non-Executive Director of the Company on 25 March 2010.

Michael Hitchcock resigned as Finance Director of the Company on 30 April 2010.

Anthony Bogod, Brian Brick, Simon Berwin and Mark Bernstein served as Directors throughout the period.

Appointments to the Board are recommended by the Nominations Committee and are made in accordance with the provisions of the Articles. The Articles require Directors to submit themselves for election at the first Annual General Meeting following their appointment, for one third of the Board to retire by rotation at each Annual General Meeting, and annually for directors who have served for more than nine years. Simon Berwin is offering himself for re-election by rotation by the shareholders at the forthcoming Annual General Meeting. Maurice Helfgott and Robin Piggott offer themselves for election by shareholders at the forthcoming Annual General Meeting, it being the first meeting following their appointment to the Board, on 19 October 2010 and 28 June 2010 respectively.

All other Directors have been elected by the Shareholders at one of the last two Annual General Meetings. The Board confirms that, following a review of the skills and experience of the Directors it is satisfied that Anthony Bogod and Maurice Helfgott remain independent of the management of the Group and continue to make a substantive contribution to the work of the Board. The Board also considered the Chairman, Debbie Hewitt as having the attributes of an independent director.

During the year the Group maintained liability insurance for its Directors and Officers, which remains in force at the date of this report.

In accordance with the Act, Conflicts of Interests provisions which came into force on 1 October 2008, a Register of Conflicts has been established. The Board is mindful of the potential conflict of interest which may arise between the Company's major shareholder, H A Cann Settlement Accumulation and Maintenance Fund ("Fund"), Simon Berwin, the Fund's representative on the Board and the Company. Given the Fund's interest in Berwin Holdings Limited, whose group is a major supplier to the Company, a framework is in place to manage any such conflicts of interest and the Group's existing Articles give the Directors authority to approve a Director's conflict or potential conflict of interest.

The interests of the Directors in the ordinary shares of the Group on 29 January 2011 were:

	Number of shares at 29 January 2011	Number of shares at 30 January 2010
Debbie Hewitt	295,265	111,111
Brian Brick	113,000	50,000
Robin Piggott	16,839	-

No Director has any interests in the shares of any subsidiary undertaking. There has been no change in the beneficial interests held by the Directors since the balance sheet date. No other Directors have an interests in the Group.

Brian Brick and Robin Piggott also participate in the Group's Long Term Incentive Plan and the Group's Executive Share Option Scheme. Details are set out in the Directors' Remuneration Report on pages 20 to 27.

Julia Stephens resigned as Company Secretary on 17 February 2011 and Robin Piggott was appointed Company Secretary on 17 February 2011.

EMPLOYEES

Employment policies do not discriminate between employees or potential employees on the grounds of gender, colour, race, nationality, ethnic origin, national origin, religion, religious beliefs, sexual orientation or age. It remains the Group's policy to give full and sympathetic consideration to the employment, training, career development and promotion of disabled employees. Special consideration is given to the continuity of employment of any employee becoming disabled after their employment has commenced and, where practicable, to the provision of alternative employment.

The Group recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Company's performance. During the period, employees were provided with information about the Group's

DIRECTORS' REPORT

CONTINUED

EMPLOYEES CONTINUED

performance and on other matters of concern to them as employees through telephone conference calls, newsletters, notice boards, reports, team briefings and conferences.

CORPORATE RESPONSIBILITY

The Board recognises its responsibilities in respect of social, environmental and ethical ("SEE") matters with the Chief Executive Officer having overall Board responsibility for Group Environmental Management.

ENVIRONMENTAL POLICY

The Group does not operate in a business sector which gives rise to significant pollution, but the Board recognises that the business could have an impact on environment. The Board is committed to managing and improving the ways in which its activities affect the environment.

SUPPLIER PAYMENT POLICY AND PRACTICE

It is the Group's policy to pay its suppliers in accordance with the terms of trade agreed at the time of order with each supplier or to ensure that the supplier is made aware of the Group's standard payment terms.

The Group's and the Company's average credit payment period at 29 January 2011 was 24 days (2009/10: 29 days).

CHARITABLE DONATIONS

During the period £5,950 (2009/10: £2,400) was donated to charities. No political donations were made during the period (2009/10: nil).

CORPORATE GOVERNANCE STATEMENT

APPLICATION OF PRINCIPLES

This statement describes how the Group applies the principles contained within the Combined Code on Corporate Governance published by the Financial Reporting Council in June 2008 ("the Code") appended to the Listing Rules of the Financial Services Authority.

The Board confirms that the Company has been in compliance with the Code, except where disclosed otherwise within these Report and Accounts. The Board regularly reviews its practices and effectiveness.

DIRECTORS

At 29 March 2011, the Board consisted of the Chairman, four Non-Executive Directors and two Executive Directors. The Chairman of the Board is Debbie Hewitt who joined the Board as an Independent Non-Executive Director on 1 June 2009 and was appointed Acting Chairman from 25 March 2010 and Chairman from 27 April 2010. Maurice Helfgott is the Senior Independent Non-Executive Director. The Group considers Maurice Helfgott, Anthony Bogod and the Chairman, Debbie Hewitt, to be independent Directors. Under the Code, Chairmen are not generally considered independent.

The Board recognises that, in the period following the resignation of David Adams on 25 March 2010 until the appointment of Maurice Helfgott on 19 October 2010, the independence of the Board of Directors and the Board Committees was an area of non-compliance with the Code.

Brian Brick is the Chief Executive Officer and together with the Executive Management team is responsible for co-ordination of the Group's business activities. The structure of the Board provides a balance whereby no individual or group can dominate the Board's decision making. Brief details of each Director's other directorships are disclosed on page 10.

The Board is responsible for setting the Group's strategic direction, the establishment of Group policies and internal controls and the monitoring of operational performance. It meets regularly throughout the year and in addition to the routine reporting of financial and operational issues, reviews each of the trading areas and key functions.

The Board has a schedule of matters specifically reserved to it for decision and delegates certain issues and powers to the Board Committees. The schedule of reserved matters is reviewed by the Board.

Board papers containing relevant commercial and financial information are normally provided to all Board members in the week prior to a Board meeting to enable the Directors to consider the issues for discussion. The Board regularly reviews the type and amount of information provided. The Board plans to meet at least seven times a year including a meeting to review and discuss the strategic issues facing the Company. The Board also holds meetings as appropriate, to fulfil the ongoing requirements of the business during the year.

All Directors have access to the advice of the Company Secretary, who is responsible to the Board for ensuring that procedures are followed. The appointment and removal of the Company Secretary is reserved for the consideration of the Board as a whole. Following the resignation of Julia Stephens as the Company Secretary on 17 February 2011, Robin Piggott, the Finance Director, was also appointed as the Company Secretary from 17 February 2011. In addition the Directors are able to seek appropriate independent professional advice at the Group's expense.

On appointment to the Board, every Director is provided with the opportunity for appropriate training to enable them to discharge their duties as a Director. Additional training may be sought as necessary.

The Board has concluded a review of its effectiveness and the effectiveness of each individual Director. The conclusions of the review have been discussed by the Board as a whole and will be kept under review during the forthcoming year.

Board members are appointed by the Board on the recommendation of the Nomination Committee, which is chaired by the Chairman and consists of the Non-Executive Directors, although the Chief Executive Officer is invited to meetings as appropriate.

The Articles provide that one-third of the Directors shall retire from office by rotation. Furthermore, Article 92 of the existing Articles requires a Director to stand for re-election if they were not appointed or re-appointed at either of the last two Annual General Meetings and article 90 requires Directors to stand for re-election if they have served as a director for a continuous period of more than nine years.

Maurice Helfgott and Robin Piggott have been appointed since the last Annual General Meeting and are retiring in accordance with the Articles and offering themselves for re-election.

Subject to re-election at the first AGM after which they were appointed, Non-Executive Directors are appointed initially for a three year term. The Group will take into account the balance of skills and experience on the Board, their contribution and level of independence when considering whether to extend their appointment beyond the initial term. The Board may ask a Non-Executive Director to remain for a further term. The Non-Executive Directors' contracts are terminable on three months' notice and the Chairman's on six months' notice.

The Board takes significant measures to ensure that all Board members are kept aware of both the views of the major shareholders and changes in the major shareholdings of the Group.

DIRECTORS' REPORT

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CORPORATE GOVERNANCE STATEMENT CONTINUED

BOARD COMMITTEES

In accordance with the Code and corporate governance best practice, the Board has established a number of committees. All of the committees have written terms of reference, approved by the Board.

The Board held 12 meetings during the year. The attendance of each of the Directors at these meetings and committee meetings where appropriate is detailed below:

	Board meetings	Audit	Committee meetings Remuneration	Nomination
Number of meetings	12	3	6	3
David Adams [#]	1	–	1	–
Debbie Hewitt	12	3	5	3
Mark Bernstein	10	–	–	2
Maurice Helfgott*	3	–	1	–
Simon Berwin	11	–	–	3
Anthony Bogod	11	3	6	3
Brian Brick	12	–	–	–
Robin Piggott*	6	–	–	–
Michael Hitchcock [#]	2	–	–	–

*Appointed during the year. # Resigned during the year.

Whilst the Company has complied with the Code for the periods from 31 January 2010 to 25 March 2010 and from 19 October 2010 to 29 January 2011 in respect of the constitution and make up of Board Committees, the Company acknowledges that following the resignation of David Adams on 25 March 2010, the Company was not compliant with the Code until the appointment of Maurice Helfgott on 19 October 2010.

AUDIT COMMITTEE

The Audit Committee is chaired by Anthony Bogod and during the financial year also comprised of David Adams, Debbie Hewitt and Maurice Helfgott. The terms of reference for the Audit Committee provide that the Chief Executive Officer and Finance Director are invited to attend the meetings as appropriate. The terms of reference for the Audit Committee are available from the Company Secretary. David Adams ceased to be a member of the Audit Committee on 25 March 2010. Maurice Helfgott became a member of the Committee on 19 October 2010.

The Group recognises that between 25 March 2010 and 19 October 2010, the membership of the Audit Committee was an area of non-compliance with the Code as the Code states that the Chairman should not be a member of the Audit Committee.

The Committee met three times during the year and reported to the Board on all matters relating to the regulatory and accounting requirements affecting the Group, together with the financial reporting and internal control procedures including the annual and interim financial statements. In addition, the Audit Committee ensures that an objective and professional relationship is maintained with the external auditor. The external auditor may attend all meetings of the Audit Committee and have direct access to the Audit Committee and its Chairman.

During the period ended 29 January 2011, the Group's external auditor, Deloitte LLP, provided advice to the Group, including advice in relation to tax. The fees paid to Deloitte for non audit services were £246,000 (2009/10: £65,000) and includes fees in relation to Reporting Accountant's work for the Class 1 Circular required as a consequence of the proposed sale of the Hugo Boss Franchise Business. The use of Deloitte LLP for non audit work was carefully evaluated by the Audit Committee and the Board.

The Audit Committee views the independence and objectivity of the Group's auditor as essential and ensures that Deloitte is not instructed on any issues which would prejudice this. The Audit Committee obtains written confirmation on at least an annual basis of the independence of the external auditor.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee also reviewed:

- the external auditor's plan for the current year, noting the role of the senior statutory audit partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years, and any changes in the key audit staff;
- the arrangements for day-to-day management of the audit relationship;
- the overall extent of non-audit services provided by the external auditor; and
- the past service of the auditor that was first appointed for the year ended 31 January 2009.

It is also the Committee's policy to consider every year whether there should be an audit tender process and whether using auditors from one audit network continues to enhance the quality of the audit.

To assess the effectiveness of the external auditor, the Audit Committee reviewed:

- the arrangements for ensuring the external auditor's independence and objectivity;
- the external auditor's fulfilment of the agreed audit plan and any variations from the plan;
- the robustness and perceptiveness of the external auditor in their handling of the key accounting and audit judgements; and
- the content of the external auditor's reporting on internal control.

The Audit Committee also reviews the possible risks facing the Group, the risk management function and internal controls.

There is an opportunity for any employee, in confidence, to raise any concerns with management about possible impropriety in financial or other matters. The Company has established an internal confidential helpline which is independent of line management.

The terms of reference for the Audit Committee are available from the Company Secretary and at www.moss.co.uk.

REMUNERATION COMMITTEE

The Remuneration Committee has been chaired by Maurice Helfgott from 19 October 2010 and consists of all independent Non-Executive Directors. Between 30 January 2010 and 19 October 2010, this Committee was chaired by Debbie Hewitt. The Chairman is also a member of the Committee. The Remuneration Report is set out on pages 20 to 27.

The terms of reference for the Remuneration Committee are available from the Company Secretary and at www.moss.co.uk.

NOMINATION COMMITTEE

The Nomination Committee is chaired by Debbie Hewitt and all the Non Executive Directors are members. Between 31 January 2010 and 25 March 2010, this Committee was chaired by David Adams. It monitors and reviews the membership of the succession to the Board of Directors. It identifies and recommends potential Executive and Non Executive Directors to the Board.

The terms of reference for the Nomination Committee are available from the Company Secretary and at www.moss.co.uk.

DIRECTORS' REPORT

CONTINUED

CORPORATE GOVERNANCE STATEMENT CONTINUED

EXECUTIVE TRADING COMMITTEE

The Executive Management team of the Group consists of the two Executive Directors, and senior members of the management team.

The Executive Management team as well as monitoring and controlling the day to day management of the business review capital and revenue expenditure and regularly reviews the strategic aims of the Group.

ACCOUNTABILITY AND AUDIT

Each person who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Act.

Deloitte LLP have expressed their willingness to continue in office as auditors and a Resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and the Chief Executive's Business Review. The latter describes the financial position of the Group, its cash flows and funding, together with the Group's objectives, key risks and uncertainties. The Group's financial risk management objectives and its exposures to credit risk and liquidity risk are described in note 23.

As also highlighted in note 23 to the financial statements, the Group meets its day to day working capital requirements through surplus cash balances and when needed through a £5.0m Revolving Business Loan Agreement with Lloyds TSB Bank plc which expires on 31 May 2011. The cash generated pursuant to the disposal of the Hugo Boss Franchised Business to Hugo Boss UK Limited, details of which are set in the Chief Executive Business Review on pages 3 to 9, will provide sufficient working capital such that it will not need to renew the current facilities and will operate debt free. At the EGM of Moss Bros shareholders held on 3 March 2011, all Resolutions as set out in the Notice of Meeting contained in the Circular to shareholders dated 11 January 2011 were passed. All Resolutions were put to the meeting and approved on a poll. However, if the disposal does not complete or is significantly delayed it is likely the Group will continue to require access to similar banking facilities in the future. The Company does not anticipate difficulties in renewing the existing facility or replacing it with similar facilities in the unlikely event that this should prove necessary.

The Board of Directors has undertaken a recent thorough review of the Group's budgets and forecasts and has produced detailed cash flow projections which take account of reasonably possible changes in trading performance. These cash flow projections show that the Group should be able to operate within the level of its current and expected future facilities.

After making enquiries, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts for the 52 weeks ended 29 January 2011.

INTERNAL CONTROL

The Board acknowledges its responsibility for the Group's system of internal controls and for reviewing its effectiveness. The Board recognises that no system of internal control can provide absolute assurance against losses arising from mismanagement and that the Group's systems must be designed to manage rather than eliminate risk. Internal control and risk management is an ongoing process designed to identify, evaluate and manage the significant risks faced by the Group. The system of internal control includes internal financial controls, operational procedures, risk management and compliance matters. The system has been in place throughout the period ended 29 January 2011 and up to the date of this Report.


During the period the Board has reviewed the need for an internal audit department in accordance with the Code. In view of the size and scale of the Group, the Board decided it was not appropriate to expand the current scope of the internal audit function which focuses on inventory and cash control.

The Group's work to review the risk management structure and ensure a robust mechanism is in place for logging and monitoring risks continues.

By order of the Board



BRIAN BRICK
CHIEF EXECUTIVE OFFICER
29 March 2011



ROBIN PIGGOTT
FINANCE DIRECTOR AND COMPANY SECRETARY
29 March 2011

DIRECTORS' REMUNERATION REPORT

This report has been prepared in accordance with Schedule 8 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008. The report also meets the relevant requirements of the Listings Rules of the Financial Services Authorities and describes how the Board has applied the principles relating to directors' remuneration in the Combined Code.

As required by Companies Act 2006, a Resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

The Companies Act 2006 requires the Auditors to report to the Company's members on certain parts of the Directors' Remuneration Report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Accounting Regulations. The report has therefore been divided into separate sections for audited and unaudited information.

REMUNERATION COMMITTEE

During the year ended 29 January 2011, the Committee consisted of the following Non-Executive Directors:

Maurice Helfgott (appointed Chairman from 19 October 2010)
Debbie Hewitt (Chairman until 19 October 2010)
Anthony Bogod
David Adams (until 25 March 2010)

Maurice Helfgott and Anthony Bogod are independent Non-Executive Directors. The Company Chairman, Debbie Hewitt, is also a member of the Committee.

David Adams resigned as Chairman and Non-Executive Director of the Company with effect from 25 March 2010.

Moss Bros Group PLC falls under the category of a 'small company' as defined by the Combined Code, which only requires two independent Non-Executive Directors to sit on the Remuneration Committee.

The Chief Executive will attend meetings periodically but will play no part in any discussions relating to his own remuneration.

The Committee is responsible for making recommendations to the Board within agreed terms of reference on the Company's policy on remuneration and the individual remuneration packages for the Executive Directors, including any compensation payments. The Committee is also responsible for the operation of any share based incentive schemes (including all employee schemes). In determining its policy the Committee has regard to the principles and provisions of the Code as well as the Listing Rules and associated guidance on good governance. The Committee operates under the delegated authority of the Board under agreed terms of reference which are available from the Company Secretary upon request.

In September 2009 the Committee appointed Hewitt New Bridge Street, Consultants (trading name AON Corporation) to advise the Committee on senior executive remuneration and employee share schemes. Neither Hewitt New Bridge Street nor AON Corporation provided other services to the Company during the period.

The remuneration of the Non-Executive Directors is determined by the Board as a whole.

REMUNERATION POLICY

The Remuneration Committee determines the Company's policy on the remuneration of the Executive Directors and other senior executives. The principals which underpin the remuneration policies for the Company are:

- to ensure Executive Directors' rewards and incentives are directly aligned with the interests of the shareholders in order to optimise the performance of the Group and create sustained growth in shareholder value, without there being any encouragement to take undue risk;

- to provide the level of remuneration required to attract, retain and motivate Executive Directors of an appropriate calibre;
- to ensure a proper balance of fixed and variable performance related components, linked to short and longer-term objectives; and
- to reflect market competitiveness, taking account of the total value of all the benefit elements.

Remuneration for the Executive Directors is structured so that the variable pay element (annual bonus and long-term incentives) forms a significant proportion of the overall package. This provides a strong link between the remuneration paid to Executive Directors and the performance of the Company. This also provides a strong alignment of interest between the Executive Directors and shareholders (particularly as part of the annual bonus and all of the long term incentive is payable in the form of shares).

INDIVIDUAL ELEMENTS OF REMUNERATION

The main components of the remuneration package for Executive Directors are:

SALARY

Salaries for the Executive Directors are determined by the Remuneration Committee taking into account the experience and performance of the individual and comparing the levels of remuneration with the salaries of comparable UK based retailers.

Base salaries are reviewed annually, unless responsibilities change. In setting appropriate salary levels for the Executive Directors and considering whether there should be any increases, the Committee takes into account pay and employment conditions of employees elsewhere in the Group.

In the year under review no salary increases were awarded to the Executive Directors.

The current level of base salary for Brian Brick, Chief Executive Officer, is £250,000 per annum and for Robin Piggott, Finance Director and Company Secretary, is £170,000 per annum.

The fee level for Debbie Hewitt, appointed Chairman during the period, has been set at £80,000 per annum.

ANNUAL BONUS

For the 2011/12 financial year the maximum bonus opportunity for Brian Brick remains unchanged from 2010/11 and will be 100% of salary. The committee has reviewed the maximum bonus opportunity for Robin Piggott and in line with the market, has decided to increase the maximum bonus potential to 80%. 100% of their total bonus potential will be based on financial performance. 50% of any bonus payment will be invested in shares and deferred. These shares will be released to the Executive Directors after three years provided that they are still employed by the Company at that time. Members of the Executive Management team are also eligible to participate in the annual bonus scheme. The maximum bonus opportunity for these individuals will be 50% of salary.

The Committee considers that this is a fully market competitive bonus plan, providing an incentive designed to drive and reward excellent short term operating performance of the Group, with the deferred element providing a strong focus on share price performance over the deferral period.

For the 2010/11 financial year Brian Brick was awarded a bonus of 60% of salary and Robin Piggott a bonus of 36% of salary. Targets were based on the financial performance of the bonus. 50% of these bonus payments will be paid in cash and 50% will be invested in shares and deferred for a three year period. They will vest, without further performance conditions, as long as the individual is still employed with the Company and not under notice of termination.

DIRECTORS' REMUNERATION REPORT

CONTINUED

LONG TERM INCENTIVE

In October 2009, shareholder approval was obtained for the Moss Bros Group 2009 Long Term Incentive Plan (LTIP). Under the LTIP, members of the Executive Management Team (including Executive Directors) may receive an award of a number of ordinary shares in the Company issued in the future at a nil exercise price. The award granted under the LTIP will vest in any financial year, commencing with the financial year ended January 2010, up to a five year period ending with the financial year January 2014, subject to the satisfaction of challenging performance conditions and the requirement for continued employment. If the targets are not achieved during the five year period, the award will lapse.

During the year to 29 January 2011, under the LTIP 453,207 shares were awarded to Robin Piggott and in addition shares with an equivalent value of up to 50% of base salary were awarded to new members of the Executive Management team.

These awards for Executive Directors and other members of the Executive Management team are subject to a performance condition measured over the period of five financial years ending on January 2014. Following the publication of each year's annual results during this period, depending on the Company's performance in that year, the following percentages of the award will vest (until the targets set out below have been met in full):

- (i) the first 50% of the award will vest if the EBITDA for the Company is equal to or greater than £6 million for any financial year in the performance period;
- (ii) the next 25% of the award will vest if the EBITDA for the Company is equal to or greater than £8 million for any financial year in the performance period; and
- (iii) the final 25% of the award will vest if the EBITDA for the Company is equal to or greater than £9 million for any financial year in the performance period.

EBITDA for these purposes means Earnings before Interest, Taxation, Depreciation (including, for the sake of clarity, depreciation of hire inventory) and Amortisation, excluding the effects of Exceptional Items and after any charges arising from the LTIP.

Awards will only vest if the Remuneration Committee is satisfied that:

- (i) the EBITDA performance for the relevant financial year is reflective of the long term underlying financial performance of the Company (taking into account expected future financial performance of the Company);
- (ii) the Company's Profit Before Taxation for the relevant financial year is consistent with the calculation of the relevant EBITDA figure; and
- (iii) the Company has instituted a regular dividend payment (or the Board has unanimously determined that, although retained earnings are considered sufficient to commence the payment of dividends under a regular dividend policy, dividends should not be paid and instead retained earnings should be used for other purposes).

EBITDA has been chosen as the performance metric as it provides a strong focus on the level of profitability at an operating level. The Committee will ensure that a consistent approach (in line with our principal accounting policies) is taken in relation to its calculation.

Grant levels for the initial awards have been determined to take account of the need to provide a retentive and long-term focus to remuneration policy for the senior executive team. EBITDA at the levels required represents a sustained and significant improvement in Company's performance which would add significant shareholder value.

The LTIP has a dilution limit (for new and treasury shares) of 15% of the issued ordinary share capital of the Company in any ten year period for any share option scheme operated by the Company. As at 31 January 2011 the Company had 7,044,467 ordinary shares counting towards the 15% limit which represents 7.45% of the issued ordinary share capital of the Company.

Following the agreed disposal of the Hugo Boss Franchise Business on 3 March 2011, the Remuneration Committee agreed amendments to the terms of the LTIP performance conditions. Although this transaction was felt to be absolutely in line with the Company's strategy, the loss of the Hugo Boss EBITDA would most likely prevent the Executive from hitting at least the first two targets in the coming year and possibly all three. As the Scheme intends that a corporate event like this should not make the Scheme any harder or easier to hit, the Remuneration Committee decided to revise the performance conditions accordingly, which it feels puts the Executive in a similar place, with a similar degree of stretch. The performance conditions will now be measured over the period to January 2015 (previously January 2014) and the performance conditions are as follows:

- (i) the first 50% of the award will vest if the EBITDA for the Company is equal to or greater than £3 million for any financial year in the performance period;
- (ii) the next 25% of the award will vest if the EBITDA for the Company is equal to or greater than £5 million for any financial year in the performance period; and
- (iii) the final 25% of the award will vest if the EBITDA for the Company is equal to or greater than £9 million for any financial year in the performance period.

The target has to be achieved before release of accruals made for the provision of onerous leases in respect of the year ended January 2012.

All other conditions relating to the vesting of the awards will continue to apply, including the restoration of a regular dividend payment.

PENSION ENTITLEMENT AND BENEFITS IN KIND

The Executive Directors, Brian Brick and Robin Piggott are entitled to receive a pension contribution of up to 20% and 15% of base salary respectively.

Benefits in kind comprise the option of a company car or allowance, a private medical insurance, life assurance, permanent health insurance and clothing allowance.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

The Committee's policy is to offer service contracts with notice periods of six to twelve months. Brian Brick's contract of service which is dated 16 April 2009 is terminable on twelve months' notice by either party. Robin Piggott's service contract is terminated by either party on six months' notice. The Executive Directors' service contracts are automatically reviewed when the Executive Director attains the age of 60.

Upon termination the Executive Directors are entitled to salary and benefits for the duration of the notice period. It is the policy of the Remuneration Committee to seek to mitigate termination payments. The Executive Directors are subject to a six month non-compete clause from the date of termination.

Michael Hitchcock who left the Company on 30 April 2010 received salary, benefits and pension up until that date. In accordance with the terms of his service agreement he received £41,075 in lieu of notice and £26,458 severance pay. Michael Hitchcock's service contract was terminable by either party on six month's notice. The executive share options he held under the approved and unapproved executive share option scheme lapsed with effect of 30 April 2010 as did his award of 404,083 shares under the Moss Bros Group 2009 Long Term Incentive Plan.

DIRECTORS' REMUNERATION REPORT

CONTINUED

EXTERNAL DIRECTORSHIPS FOR EXECUTIVE DIRECTORS

The Company believes that there are benefits to the Company and for Executive Directors accepting non-executive directorships in other organisations. Executive Directors may accept a non-executive directorship with the prior agreement of the Board provided it does not conflict with the Group's interests and the time commitment does not impact upon the Executive Director's performance. The Executive Directors may retain the fees from their external directorships.

Brian Brick is a Director of Ambleside Consulting Limited. He did not receive any fees during the year to 29 January 2011 in respect of this directorship.

NON-EXECUTIVE DIRECTORS

Non-Executive Directors are generally appointed initially for a three year term and after review will normally be proposed for a further three year term. The Group takes into account the balance of skills and experience of the Board, their contribution and level of independence when considering whether to extend their appointment beyond the initial term. All other Non-Executive Directors' appointments are terminable on three months' notice on either side. The Chairman's appointment is terminable on six months' notice.

Details of their current appointments are as follows:

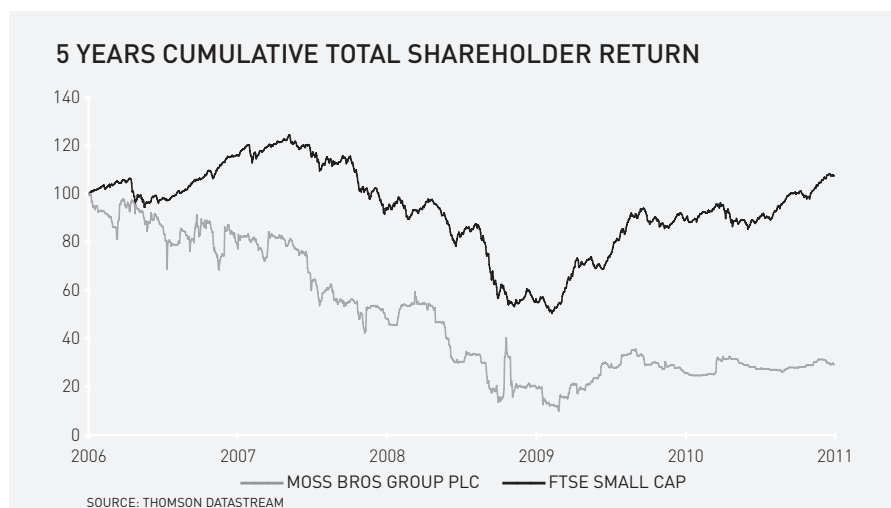
	Appointment date
Mark Bernstein	19 December 2001
Anthony Bogod	25 May 2007
Simon Berwin	29 May 2009
Debbie Hewitt (Acting Chairman from 25 March 2010, Chairman from 27 April 2010)	1 June 2009
Maurice Helfgott	19 October 2010
David Adams (resigned 25 March 2010)	23 July 2008

Non-Executive Directors are not entitled to bonus payments or pension arrangements nor do they participate in the Company's long term incentive schemes. Fees for the Non-Executive Directors are determined by the Board within the limits set by the Articles of Association and are based on information on fees paid in similar companies taking into account the experience of the individuals and the relative time commitments involved.

David Adams who left the Company on 25 March 2010 received payment in lieu of notice equivalent to four months of fees.

TOTAL SHAREHOLDER RETURN

The graph below shows the total cumulative shareholder return for the Group since 1 February 2006. The index selected was the FTSE Small Cap Index as this was the index of which the Group was a constituent for most of the period shown.



AUDITED INFORMATION
EXECUTIVE DIRECTORS' EMOLUMENTS

Full details of the emoluments of the Directors, relating to the year ended 29 January 2011 were as follows:

	Salary ^(b) £'000	Benefits ^(c) £'000	Bonus ^(a) £'000	Severance payments £'000	Total 2010/11 £'000	Total 2009/10 £'000	Pension contributions 2010/11 ^(c) £'000	Pension contributions 2009/10 £'000
Brian Brick	276	4	150	–	430	287	41	28
Robin Piggott (appointed 28/06/2010)	108	17	61	–	186	–	–	–
Michael Hitchcock (resigned 30/04/2010)	54	2	–	68	124	216	17	28
Ciaran McCloskey (resigned 05/10/2009)	–	–	–	–	–	198	–	26
Total	438	23	211	68	740	701	58	82

(a) 50% of the bonus is deferred in shares

(b) Salary includes a car allowance

(c) Robin Piggott received the equivalent of £15,000 entitled pension contributions as cash

Benefits in kind include the provision to every Executive Director of a company car or allowance, private medical insurance, life assurance, permanent health insurance and clothing allowance.

Based on performance during the year, it was determined that bonuses of a total of £211,200 should be payable to Executive Directors. Bonuses were awarded taking into account the financial performance of the business and progress on the Group's strategic agenda. Half of any bonus is deferred in shares in line with the policy: accordingly for Brian Brick £75,000 and for Robin Piggott £30,600 of the bonus above is deferred in shares.

Following cessation of employment during the year, Michael Hitchcock was not eligible to receive any bonus for 2010/11.

NON-EXECUTIVE DIRECTORS' EMOLUMENTS

Details of the Non-Executive Directors' emoluments for the year ended 29 January 2011 are set out below:

	Fee £'000	Benefits ^(d) £'000	Termination Payments £'000	2010/11 Total £'000	2009/10 Total £'000
David Adams ^(b)	13	1	27	41	81
Debbie Hewitt ^(c)	114	2	–	116	28
Anthony Bogod	36	2	–	38	30
Simon Berwin	29	–	–	29	17
Mark Bernstein	29	1	–	30	25
Maurice Helfgott ^(a)	11	–	–	11	–
Total	232	6	27	265	181

(a) Maurice Helfgott was appointed a Non-Executive Director part way through the period under review

(b) David Adams resigned as Chairman and as a Non-Executive Director part way through the period under review

(c) Fee includes an additional fee of £40,000, which was approved by the Board to reflect additional time spent in the role as Acting Chairman, in resourcing new Board appointments and in the negotiation and execution of the Hugo Boss Franchise Business disposal

(d) Clothing allowance benefit which is available to all Directors, except Maurice Helfgott, as this benefit was withdrawn for newly appointed Non-Executives in 2010/11

DIRECTORS' REMUNERATION REPORT

CONTINUED

MOSS BROS GROUP 2009 LONG TERM INCENTIVE PLAN (LTIP)

Details of the awards held by the Executive Directors under the Moss Bros Group 2009 Long Term Incentive Plan are set out below:

	At 31 January 2010	Granted during the period	Lapsed during the period	At 29 January 2011	Date of award	Performance period	Exercise period	Share price on date of Grant £	Exercise Price £
Brian Brick ^(a)	5,128,205	-	-	5,128,205	16.11.2009	16.11.2009 – 31.01.2014	16.11.2009 – 15.11.2019	0.2545	-
Robin Piggott	-	453,207	-	453,207	08.10.2010	08.10.2010 – 31.01.2014	08.10.2010 – 07.11.2020	0.2288	-
Michael Hitchcock	404,083	-	(404,083)	-	16.11.2009	16.11.2009 – 31.01.2014	n/a	0.2545	-

(a) Brian Brick's award was based on the share price on the date he was appointed as Chief Executive Officer, 19 March 2009, a share price of 9.95p.

All awards granted under the LTIP are subject to continued employment and the satisfaction of the performance conditions set out on page 22. None of the above awards have vested or been exercised in the period under review. The awards granted to Michael Hitchcock lapsed on 30 April 2010. All awards have a nil exercise price.

Following the agreed disposal of the Hugo Boss Franchise Business on 3 March 2011, the Remuneration Committee agreed amendments to the LTIP as set out on page 23.

SHARE OPTIONS

Share options have been granted in the past and are exercisable between three and ten years from the date of grant subject to the performance criteria being achieved over the three years following grant. The performance criteria in respect of the Executive Share Options granted at 47.50 pence in 2007 was 20% compound growth in basic earnings per share. All options for Executive Directors under this scheme have lapsed.

There were no Executive Share Option scheme grants made during the period under review.

The table below details movements in the options granted to Directors who held office during the period to 29 January 2011.

	At 31 January 2010	Granted	Lapsed	At 29 January 2011	Exercise price (pence)	Earliest date of exercise	Expiry date
Michael Hitchcock							
UNAPPROVED EXECUTIVE SHARE OPTION SCHEME	694,895	-	(694,895)	-	47.50	07.11.2010	30.04.2010 ^(a)
APPROVED EXECUTIVE SHARE OPTION SCHEME	63,000	-	(63,000)	-	47.50	07.11.2010	30.04.2010 ^(a)
	757,895	-	(757,895)	-			

(a) Date of termination of employment.

DIRECTORS' INTERESTS

The beneficial interests of the Directors who served at the end of the year, together with those of their families are shown in the Report of the Directors on page 13.

The mid market price of the Company's shares during the period ranged from 20.00 pence to 27.48 pence. At 29 January 2011, the mid market price was 24.70 pence.

By Order of the Board

A handwritten signature in black ink, appearing to read 'M Helfgott', with a long horizontal stroke extending to the right.

MAURICE HELFGOTT
CHAIRMAN OF THE REMUNERATION COMMITTEE
29 March 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

IN RESPECT OF THE ANNUAL REPORT, THE DIRECTORS' REMUNERATION REPORT AND THE FINANCIAL STATEMENTS

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 that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board



BRIAN BRICK
CHIEF EXECUTIVE OFFICER
29 March 2011



ROBIN PIGGOTT
FINANCE DIRECTOR AND COMPANY SECRETARY
29 March 2011

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MOSS BROS GROUP PLC

We have audited the financial statements of Moss Bros Group PLC for the 52 weeks ended 29 January 2011 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and the Company Balance Sheet and the related notes 1 to 39. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, 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 the 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 29 January 2011 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

SEPARATE OPINION IN RELATION TO IFRSS AS ISSUED BY THE IASB

As explained in note 1 to the Group financial statements, the Group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

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 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 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 returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, contained within the Directors' report, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

EDWARD HANSON

(SENIOR STATUTORY AUDITOR) FOR AND ON BEHALF OF DELOITTE LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

29 March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

	52 weeks to 29 January 2011			52 weeks to 30 January 2010 *			
	Notes	Underlying £'000	Exceptional items (Notes 1 & 6) £'000	Total £'000	Underlying £'000	Exceptional items (Notes 1 & 6) £'000	Total £'000
REVENUE		136,438	-	136,438	128,747	-	128,747
Cost of sales		(60,813)	-	(60,813)	(57,747)	-	(57,747)
GROSS PROFIT		75,625	-	75,625	71,000	-	71,000
Administrative expenses		(6,095)	(800)	(6,895)	(5,136)	(178)	(5,314)
Shops' selling and marketing costs		(72,200)	(3,988)	(76,188)	(69,778)	(2,553)	(72,331)
OPERATING LOSS		(2,670)	(4,788)	(7,458)	(3,914)	(2,731)	(6,645)
Investment revenues	4	1	-	1	24	-	24
Financial costs	4	(47)	-	(47)	(24)	-	(24)
LOSS BEFORE TAXATION	5	(2,716)	(4,788)	(7,504)	(3,914)	(2,731)	(6,645)
Taxation	10	913	973	1,886	749	134	883
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	18	(1,803)	(3,815)	(5,618)	(3,165)	(2,597)	(5,762)
Basic loss per share	11			(5.94)p			(6.10)p
Diluted loss per share	11			(5.94)p			(6.10)p

* See note 1 for details of restatement applied to the Consolidated Statement of Comprehensive Income for the 52 week period ended 30 January 2010.

All revenue and profits relate to the continuing operations of the Group and includes the Hugo Boss Franchise Business the disposal of which is to be completed on 1 April 2011.

There are no other items of comprehensive income in the period other than the loss in the period.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

	Share capital £'000	Share premium account £'000	Retained earnings* £'000	Total equity* £'000
52 WEEKS ENDED 30 JANUARY 2010				
BALANCE AT 1 FEBRUARY 2009 as originally stated	4,727	8,673	25,985	39,385
Effect of restatement	-	-	(1,521)	(1,521)
BALANCE AT 1 FEBRUARY 2009 as restated	4,727	8,673	24,464	37,864
Loss for the period	-	-	(5,762)	(5,762)
Credit to equity for equity settled share-based payments	-	-	110	110
BALANCE AT 30 JANUARY 2010	4,727	8,673	18,812	32,212

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
52 WEEKS ENDED 29 JANUARY 2011				
BALANCE AT 31 JANUARY 2010	4,727	8,673	18,812	32,212
Loss for the period	-	-	(5,618)	(5,618)
Credit to equity for equity settled share-based payments	-	-	277	277
BALANCE AT 29 JANUARY 2011	4,727	8,673	13,471	26,871

* See note 1 for details of restatement applied to the Consolidated Statement of Comprehensive Income for the 52 week period ended 30 January 2010 and the Consolidated Statement of Financial Position as at 30 January 2010 and 31 January 2009.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 29 JANUARY 2011

	Notes	29 January 2011 £'000	30 January 2010* £'000	31 January 2009* £'000
ASSETS				
Intangible assets	13	1,276	1,609	1,849
Property, plant and equipment	14	17,809	21,810	27,069
Lease improvements	14	2,231	1,700	2,542
TOTAL NON-CURRENT ASSETS		21,316	25,119	31,460
Inventories	15	18,928	16,925	15,394
Trade and other receivables	16	5,907	5,782	6,411
Cash and cash equivalents	23	6,936	6,279	8,107
Current tax asset		-	-	44
TOTAL CURRENT ASSETS		31,771	28,986	29,956
TOTAL ASSETS		53,087	54,105	61,416
LIABILITIES				
Trade and other payables	19	19,667	16,635	17,193
Provisions	21	1,205	-	200
Current tax liability		10	22	-
TOTAL CURRENT LIABILITIES		20,882	16,657	17,393
Other payables	20	2,732	2,579	2,504
Provisions	21	1,802	-	-
Deferred tax liabilities	10	800	2,657	3,655
TOTAL NON-CURRENT LIABILITIES		5,334	5,236	6,159
TOTAL LIABILITIES		26,216	21,893	23,552
NET ASSETS		26,871	32,212	37,864
EQUITY				
Issued capital	17	4,727	4,727	4,727
Share premium account		8,673	8,673	8,673
Retained earnings	18	13,471	18,812	24,464
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		26,871	32,212	37,864

* See note 1 for details of restatement applied to the Consolidated Statement of Financial Position as at 30 January 2010 and 31 January 2009.

The financial statements (registered number 134995) on pages 32 to 55 were approved by the Board of Directors on 29 March 2011 and were signed on its behalf by:



BRIAN BRICK
CHIEF EXECUTIVE OFFICER
29 March 2011



ROBIN PIGGOTT
FINANCE DIRECTOR
29 March 2011

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

		52 weeks to 29 January 2011 £'000	52 weeks to 30 January* 2010 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss before taxation		(7,458)	(6,645)
Adjustments for:			
Amortisation of intangible assets	13	506	647
Impairment of property, plant and equipment	14	901	2,251
Depreciation of property, plant and equipment	14	6,666	6,464
Loss on sale of property, plant and equipment		633	35
Increase in inventories		(2,003)	(1,531)
(Increase) / decrease in receivables		(125)	629
Increase / (decrease) in payables		3,185	(732)
Increase in provisions		3,007	-
Share-based payments expense		277	110
Taxation received		17	-
NET CASH FROM OPERATING ACTIVITIES		5,606	1,228
CASH FLOWS USED IN INVESTING ACTIVITIES			
Finance income (net)	4	(46)	-
Purchase of intangible assets	13	(173)	(407)
Purchase of property, plant and equipment	14	(4,776)	(3,082)
Proceeds on disposal of property, plant and equipment		46	433
NET CASH USED IN INVESTING ACTIVITIES		(4,949)	(3,056)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	12	-	-
Proceeds from the issue of shares		-	-
NET CASH USED IN FINANCING ACTIVITIES		-	-
Cash and cash equivalents at beginning of period		6,279	8,107
Increase/(decrease) in cash and cash equivalents		657	(1,828)
Cash and cash equivalents at end of period		6,936	6,279

* See note 1 for details of restatement applied to the Consolidated Statement of Comprehensive Income for the 52 week period ended 30 January 2010 and the Consolidated Statement of Financial Position as at 30 January 2010 and 31 January 2009.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

1. PRINCIPAL ACCOUNTING POLICIES

Moss Bros Group PLC ("the Company") is a public limited company incorporated in Great Britain and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the Group's operations and its principal activities are set out in note 3 and in the business review on pages 3 to 9. The consolidated financial statements of the Company for the 52 weeks ended 29 January 2011 ("the period") comprise the Company and its subsidiaries (together "the Group").

BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the group financial statements comply with Article 4 of the EU IAS Regulation. The Company has elected to prepare its parent company accounts under UK Generally Accepted Accounting Practices ("UK GAAP"); these are presented on pages 56 to 64.

The preparation of financial information in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting policies are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The financial statements have been prepared on the historical cost basis except where IFRSs require an alternative treatment. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The Group's significant accounting policies are set out in note 1, together with the judgements made by management in applying these policies, which have the most significant effect on the amounts recognised in the financial statements, apart from those involving estimations, which are dealt with separately in note 2. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements except as set out below. The estimates and underlying assumptions are reviewed on an on-going basis.

The Group and Company financial statements are presented in sterling because that is the currency of the primary economic environment in which the Group operates and all values in tables are rounded to the nearest thousand pounds except when otherwise indicated.

The accounting policies adopted for the period are consistent with those adopted in the financial statements for the 52 weeks ended 30 January 2010 and 53 weeks ended 31 January 2009. These can be seen via www.moss.co.uk.

PRIOR YEAR RESTATEMENT

The Consolidated Group Statement of Comprehensive Income for the 52 weeks ended 30 January 2010 and the Consolidated Statements of Financial Position as at 30 January 2010 and 31 January 2009 have been restated to recognise deferred revenue in respect of hire sales at the point of the service is provided to the customer. The deferred revenue relates to deposits received from customers prior to the year end but where the related hire suits were not collected for use until after the year end. Previously, the deposits were recorded as revenue when received from the customers and not when the hire was made, which was inconsistent with the Company's stated policy.

In accordance with the policy for hire sales, the prior period Group Statement of Comprehensive Income and Consolidated Statement of Financial Position have been restated in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Also, in accordance with IAS 1 (revised) 'Presentation of Financial Statements', a Consolidated Statement of Financial Position as at 31 January 2009 is presented together with related notes.

IMPACT ON COMPARATIVE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	52 weeks to 30 January 2010 £'000
Increase in revenue	10
Decrease in loss before taxation	10
Decrease in basic loss per share	0.01 pence
Decrease in diluted loss per share	0.01 pence

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

PRIOR YEAR RESTATEMENT CONTINUED

IMPACT ON COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 January 2010 £'000	31 January 2009 £'000
Increase in deferred revenue	1,511	1,521

ADOPTION OF NEW AND REVISED STANDARDS

STANDARDS NOT AFFECTING THE REPORTED RESULTS NOR THE FINANCIAL POSITION

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

IFRS 3(2008) 'Business Combinations' and IAS 27(2008) 'Consolidated and Separate Financial Statements'. These standards have introduced a number of changes in the accounting for business combinations when acquiring a subsidiary or an associate. IFRS 3(2008) has also introduced additional disclosure requirements for acquisitions.

Amendment to IFRS 2 'Share-based Payment'. IFRS 2 has been amended, following the issue of IFRS 3(2008), to confirm that the contribution of a business on the formation of a joint venture and common control transactions are not within the scope of IFRS 2.

IFRIC 17 'Distributions of Non-cash Assets to Owners'. The Interpretation provides guidance on when an entity should recognise a non-cash dividend payable, how to measure the dividend payable and how to account for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when the payable is settled.

IFRS 2 (amended) Group Cash-settled Share-based Payment Transactions. The amendment clarifies the accounting for share-based payment transactions between group entities.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 1 (amended)	Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
IFRS 9	Financial Instruments
IAS 12 (amended)	Deferred Tax
IAS 24 (amended)	Related Party Disclosures
IAS 32 (amended)	Classification of Rights Issues
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IFRIC 14 (amended)	Prepayments of a Minimum Funding Requirement

Improvements to IFRSs (May 2010)

The adoption of IFRS 9 which the Group plans to adopt for the year beginning on 1 January 2013 will impact both the measurement and disclosures of Financial Instruments.

The directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Group in future periods.

CONSOLIDATION

The consolidated Group accounts incorporate the accounts of Moss Bros Group PLC and its subsidiaries, all of which have made up their accounts to 29 January 2011. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany balances, income, expenditure and expenses are eliminated on consolidation.

GOING CONCERN

The Directors have at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources in place for operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 18.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

REVENUE

Revenue comprises sales to third parties (excluding VAT) and is derived from the retail sale and hire of clothing and ancillary goods. Revenue is recognised on exchange of goods; for the hire of clothing, the exchange of goods occurs when the hire clothing and ancillary goods are collected for use by the customer. At this point it is deemed that all risks and rewards have been transferred. Hire deposits are held within deferred revenue until this date. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

COST OF SALES

Cost of sales includes all costs of purchases and costs incurred in bringing inventories to their present location and condition. Costs of purchase comprise the purchase price, other taxes and transport costs. Inventory write downs are included in cost of sales when recognised.

FOREIGN EXCHANGE

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the income statement.

LEASES

Leases under the terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in payables. As at 29 January 2011, 30 January 2010 and 31 January 2009, the Company had no finance leases. All other leases are defined as operating leases.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Amounts payable in respect of contingent rents are recognised in the period to which the sales relate.

Lease incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of expense on a straight line basis.

DIVIDENDS

Dividends are not accrued until approved by Shareholders.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profits as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

DEFERRED TAX

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if a temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

EXCEPTIONAL ITEMS

Certain items do not reflect the Group's underlying trading performance due to their significance and one-off nature, and have been classified as exceptional. Transactional related costs, redundancy costs, store impairments and provisions for onerous property lease contracts have a material impact on the absolute amount of and trend in the result for the period. Therefore, such items are disclosed as exceptional on the face of the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits.

GOVERNMENT GRANTS

Grants/compensation received in respect of expenses incurred are credited to the income statement to match the related expense. Grants/compensation received in respect of capital expenditure incurred are credited to property, plant and equipment and amortised to the income statement over the lives of the related assets.

PENSIONS

Contributions payable to the Group Personnel Pension Plan and other post retirement benefits are charged to the income statement in the period to which they relate. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

SHARE-BASED PAYMENT TRANSACTIONS

The Company has applied the requirements of IFRS 2 'Share-based Payments'. In accordance with IFRS 1, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005.

The share option plan allows employees to acquire shares in Moss Bros Group PLC, the parent company. The fair value of options granted are recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date, as discussed in note 9, and is expensed over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of options that are expected to vest and adjusted for the effect of non market based vesting conditions.

In 2009/10 a new Long Term Incentive Plan (LTIP) was approved and the fair value is measured at grant date and recognised over the estimated vesting period. The fair value of the LTIP is recognised as an employee expense with a corresponding increase in equity.

INTANGIBLE ASSETS

Computer software and the directly related development costs that are not an integral part of the related hardware are classified as an intangible asset and stated at cost less accumulated amortisation. Amortisation is charged on a straight line basis over five years.

PROPERTY, PLANT AND EQUIPMENT

Depreciation is calculated so as to write down on a straight-line basis the cost of non-current assets over their estimated useful lives to their estimated residual values. The rates used are as follows:

Fixtures and fittings	5 – 10 years
Computer hardware	5 years
Vehicles	6 years

Hire inventory is written down to nil over its estimated useful economic life of five years.

At each balance sheet date, the Group reviews the carrying value of its property plant and equipment and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The Group considers all the assets of a particular store to be one cash generating unit for the purposes of impairment estimate and the related assets of a particular store are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing value in use of a store cash generating unit, the estimated future cash flows are discounted to their present value.

If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to the recoverable amount. An impairment loss is recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

LEASEHOLD IMPROVEMENTS

Leasehold improvements are written off over the shorter of the period of the lease or the useful economic life of the assets on a straight-line basis.

Location premiums are paid to enter a property which is in a desirable location, stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated on location premiums over the useful economic life on a straight line basis.

INVENTORIES

Retail inventory is valued at the lower of cost (weighted average by season) and estimated net realisable value (estimated selling price less estimated costs of completion and costs to be incurred in selling and distribution). Net realisable value is estimated as discussed in note 2. Volume discounts received and receivable are deducted from the cost of inventories.

PROVISIONS

Provisions are when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and where appropriate the risks specific to the liability.

Provisions for onerous property lease contracts are recognised when the Group believes that the unavoidable costs of meeting the lease obligations exceed the economic benefits to be received under the lease. Where material, these provisions are discounted to their present value. Provisions are recognised on a lease by lease basis.

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. To achieve this, the Board of Directors monitors the balance sheet, working capital, the cash flows and the level of dividends paid to shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. At present, key management with the exception of Brian Brick who holds 113,000 ordinary shares and Robin Piggott who holds 16,839 ordinary shares, do not hold any ordinary shares. At present, Non-Executive Directors with the exception of Debbie Hewitt who holds 295,265 ordinary shares, do not hold any ordinary shares. Share options and shares to be issued under the LTIP which are outstanding amounts to just under 7.45% (2009/10: 9.89%) of the issued share capital on the assumption that they all vest and are exercised.

There were no changes in the Company's approach to capital management during the period.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the above accounting policies, management has made appropriate estimates in many areas and the actual outcome may differ from those calculated. The key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial period are:

IMPAIRMENT CALCULATIONS

The carrying amount of non-current assets on the balance sheet are dependent on the estimates of future profits and cash flows arising from the Company's operations.

The key assumptions for the value used in calculating any impairment loss referred to in the property, plant and equipment accounting policy note, are regarding expected growth rates to individual stores during the period and discount rates applied to the forecast cash flows. Management estimates discount rates using a pre-tax discount rate based on the weighted average cost of capital for the Group. Sales and cost growth rates are based on the managements' best expectations of future business performance over a maximum period of five years.

As a result an impairment loss of £901,000 was recognised for the period ended 29 January 2011 (2009/10: £2,251,000).

ONEROUS PROPERTY LEASE CONTRACTS

The Company provides for onerous property lease contracts where the Group believes that the unavoidable costs of meeting the lease obligations exceed the economic benefit until the end of the lease. The provision is calculated as the lower of contracted rental costs, estimated net exit costs and the forecast operating losses through to the end of the lease. These provisions are based on the best estimate of the liability at the balance sheet date, the actual liability being dependent on future events such as economic conditions and marketplace demand. Expectations will be revised each period until the actual liability arises, with any difference accounted for in the period in which the revision is made.

The provision for onerous property lease contracts is discounted to reflect the time value of money.

As a result a provision for onerous leases of £3,007,000 was recognised for the period ended 29 January 2011 (2009/10: £nil).

2. KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

SHARE-BASED PAYMENT TRANSACTIONS

The fair values of the options granted, and shares granted under the LTIP, that are referred to in the accounting policies note, are measured using the Black-Scholes model, taking into account the terms and conditions upon which the options and shares were granted. Details of the assumptions used are set out in note 9. The cumulative amount recorded in the income statement in respect of share-based payment transactions, is £277,000 (2009/10: £110,000) and solely relates to the LTIP. The Company does not consider that any of the outstanding share options granted in prior years, and which are dependent on non-market related performance conditions, will vest.

INVENTORY PROVISIONS

Net realisable value is the selling price of inventory in the ordinary course of business less estimated selling costs. Provision is made for the estimated obsolescence of old seasons' lines based on historical margin trends and for the estimated loss of inventory from shop theft based on historical data. The provision at 29 January 2011 was £867,000 (2009/10: £915,000).

3. REVENUE AND BUSINESS SEGMENTS

OPERATING SEGMENTS

The majority of the Company's turnover arose in the United Kingdom, with the exception of one store in Ireland.

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive Officer to allocate resources to the segments and to assess their performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the split between Retail and Hire.

Information regarding the Group's operating segments is reported below.

The following is an analysis of the Group's revenue and gross profit in the current and prior periods:

KEY FINANCIALS	52 weeks to 29 January 2011 £'000	52 weeks to 30 January* 2010 £'000
Revenue		
Retail	120,958	114,550
Hire	15,480	14,197
Total revenue	136,438	128,747
Gross profit		
Retail	64,936	61,098
Hire	10,689	9,902
Total gross profit	75,625	71,000
Administrative expenses	(6,895)	(5,314)
Shops' selling and marketing costs	(76,188)	(72,331)
Operating loss	(7,458)	(6,645)
Investment revenues	1	24
Financial costs	(47)	(24)
Loss before taxation	(7,504)	(6,645)

*See note 1 for details of restatement applied to the Consolidated Statement of Comprehensive Income for the 52 week period ended 30 January 2010.

The accounting policies for the reportable segments are the same as the Group's accounting policies described in note 1.

Only revenue and gross profit have been reported for the Group's business segments; Retail and Hire, as the main operating costs, being property, related overheads and staff, cannot be separately identified as they both use the same stores and hence operating profit is not reported to the Chief Executive Officer by Retail and Hire. Revenue and gross profit are the measures reported to the Chief Executive Officer for the purpose of resource allocation and assessment of segmental performance.

On the same basis, assets cannot be allocated between Retail and Hire, and are not reported to the Chief Executive Officer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

4. INVESTMENT REVENUE AND FINANCIAL COSTS

	2010/11 £'000	2009/10 £'000
Interest receivable on bank deposits	1	24
Interest payable on bank overdrafts	(47)	(24)
	(46)	-

5. LOSS ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS AND TAXATION

Loss on ordinary activities before taxation is stated after charging/(crediting) the following:

	2010/11 £'000	2009/10 £'000
Staff costs	28,059	26,511
Depreciation of property, plant and equipment	5,525	6,027
Depreciation of leasehold improvements	501	437
Amortisation of intangibles	506	647
Loss on disposal of property, plant and equipment	633	-
Government grants – LDA credit	(102)	(102)
Operating lease charges – land and buildings	25,013	24,590
– other	172	171
Other operating income	(432)	(649)

6. EXCEPTIONAL ITEMS

	2010/11 £'000	2009/10 £'000
Administrative expenses:		
Costs arising from management restructuring – redundancy	388	178
Non contingent fees arising from the disposal of the Hugo Boss Franchise Business	412	-
Total exceptional administrative expenses	800	178
Shop selling and marketing costs:		
Costs arising from management restructuring - redundancy	80	-
Other property related losses		
– impairment of property, plant and equipment	901	2,251
– provision for onerous property lease contracts	3,007	-
Other	-	302
Total exceptional shop selling and marketing costs	3,988	2,553
Tax credit related to exceptional items	(973)	(134)

7. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	2010/11 £'000	2009/10 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	83	83
Fees payable to the Company's auditor for other services to the Company – the audit of the Company's subsidiaries pursuant to legislation	10	10
Total audit fees	93	93
Other services pursuant to legislation ⁽¹⁾	167	19
Tax services	79	46
Total non-audit fees	246	65
Total fees paid to the Company's auditor	339	158

⁽¹⁾ Includes £140,000 fees in relation to Reporting Accountant's work on the Class 1 disposal of the Hugo Boss Franchise Business.

8. STAFF NUMBERS AND COSTS

Including Executive Directors, the average monthly number of full-time equivalent staff employed by the Company during the period was as follows:

	2010/11 Number	2009/10 Number
Distribution	111	108
Selling and marketing	1,008	960
Administration	44	36
	1,163	1,104

The aggregate staff costs recognised in the income statement were as follows:

	2010/11 £'000	2009/10 £'000
Wages and salaries	25,291	24,005
Social security costs	2,192	2,051
Contributions to defined contribution plans	299	345
Share-based payments (note 9)	277	110
	28,059	26,511

Directors' emoluments are disclosed within the Directors' Remuneration Report on pages 20 to 27.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

9. SHARE-BASED PAYMENTS

EQUITY SETTLED SHARE OPTION SCHEME

On 7 November 2007 and 5 November 2008 share options were granted to Directors and senior employees to purchase shares in Moss Bros Group PLC under the Executive Share Option Scheme. During the period to 29 January 2011 no additional grants were made. In accordance with these plans, options are exercisable at the market price of the shares at the date of grant. These grants are subject to IFRS 2 as set out in note 1.

There was no charge for these schemes in the current period (2009/10: £nil).

Grant date/employees entitled	Number of share options	Vesting conditions	Contractual life of options
Option grant to two Directors and senior employees on 7 November 2007	2,427,632 ⁽¹⁾	Three years of service. Earnings per Share must increase by 20% CAGR ⁽²⁾ by the vesting date	10 years (7 years after end of vesting period)
Option grant to one senior employee on 5 November 2008	244,000	Three years of service. EBITDA to be greater than £8.0m by the vesting date	10 years (7 years after end of vesting period)

⁽¹⁾ Share options include the option 757,895 shares held by Michael Hitchcock that lapsed following his resignation on 30 April 2010 and the remaining 1,669,737 shares lapsed during the year as the vesting conditions were not achieved.

⁽²⁾ CAGR is compound annual growth rate.

Fair value of share options and assumptions	Nov 2007 grant	Nov 2008 grant
Fair value at grant date (pence per share)	11.75	5.22
Share price (pence per share)	47.50	12.25
Exercise price (pence per share)	47.50	12.25
Expected volatility (expressed as weighted average volatility used in the modelling under the Black-Scholes model)	29%	49.5%
Option life (years)	4	4
Expected dividend yield	1.70%	Nil
Risk-free interest rate (based on national government bonds)	4.00%	3.12%

RECONCILIATION OF SHARE OPTIONS

	2010/11		2009/10	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Options outstanding at the beginning of the period	2,671,632	44.28	5,347,082	48.58
Lapsed in the period	(2,427,632)	47.50	(2,675,450)	50.83
Options outstanding at the end of the period	244,000	12.25	2,671,632	44.28
Fully exercisable at the end of the period	-	-	-	-

The weighted average contractual life of options outstanding is 8.0 years (2009/10 – 8.1 years).

Executive share option scheme: Options are outstanding in respect of the following ordinary shares at 29 January 2011:

	Number of ordinary shares	Exercisable option price per share (pence)	Exercisable option dates (calendar year)
	244,000	12.25	2012/2018

9. SHARE-BASED PAYMENTS CONTINUED

LONG TERM INCENTIVE PLAN

On 7 November 2009 a new equity settled Long Term Incentive Plan (LTIP) was approved and 6,681,160 shares were awarded to Directors and senior employees. Under the same 2009 LTIP, 497,660 shares were awarded to senior employees on 23 April 2010 and 453,207 shares were awarded to a Director on 8 October 2010. In accordance with this plan, the shares are exercisable at nil cost, subject to the satisfaction of performance conditions and the requirement for the continued employment during the vesting period. The fair value is measured at grant date and recognised over the vesting period. These grants are accounted for in accordance with IFRS 2.

A current period expense of £277,000, has been recognised in relation to share based payments (2009/10: £110,000).

Grant date/employees entitled	Number shares under the LTIP at 29 January 2011	Contractual life of shares
Option grant to two Directors and senior employees on 7 November 2009	6,168,613 ⁽¹⁾	5 years
Option grant to senior employees on 23 April 2010	178,647 ⁽²⁾	4 years
Option grant to one Director on 8 October 2010	453,207	4 years

Vesting conditions – see Directors' Remuneration Report page 22.

⁽¹⁾ Shares include 504,041 shares held by senior employees that will lapse in 2011/12 following their resignation after the year-end after which the vesting conditions will not have been met.

⁽²⁾ Shares include 178,647 shares held by a senior employee that will lapse in 2011/12 following the resignation after the year-end after which the vesting conditions will not have been met.

Fair value of share options and assumption	Oct 2010 grant	Apr 2010 grant	Nov 2009 grant
Fair value at grant date (pence per share)	20.76	22.34	23.85
Share price (pence per share)	22.88	25.00	25.45
Exercise price (pence per share)	–	–	–
Expected volatility (expressed as weighted average volatility used in the modelling under the Black-Scholes model)	48.2%	42.1%	21.0%
Option life (years)	3.25	3.75	2.17
Expected dividend yield	3.0%	3.0%	3.0%
Risk-free interest rate	0.5%	0.5%	0.5%

RECONCILIATION OF SHARE AWARDS

	2010/11		2009/10	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Share awards outstanding at the beginning of the period ⁽¹⁾	6,681,160	–	–	–
Granted in the period ⁽²⁾	950,867	–	6,681,160	–
Lapsed in the period	(831,560)	–	–	–
Share awards outstanding at the end of the period	6,800,467	–	6,681,160	–
Fully exercisable at the end of the period	–	–	–	–

⁽¹⁾ Shares include 504,041 held by senior employees that will lapse in 2011/12 following their resignation after the year end after which the vesting conditions will not have been met.

⁽²⁾ Shares include 178,647 held by a senior employee that will lapse in 2011/12 following the resignation after the year end after which the vesting conditions will not have been met.

All shares are exercised at Nil cost.

Expected volatility was determined by calculating the historical volatility of the Group's share price over the period of four years. The expected life used in the model has been based on management's best estimate of the Group meeting the performance conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

10. TAXATION

(A) TAXATION RECOGNISED IN THE INCOME STATEMENT IS AS FOLLOWS:	2010/11 £'000	2009/10 £'000
Current tax (credit)/charge		
Current period	10	22
Adjustment for prior periods	(39)	93
	(29)	115
Deferred tax credit		
Current period	(733)	(998)
Adjustment for prior periods	(1,095)	-
Effect of change in tax rate	(29)	-
	(1,857)	(998)
Total taxation credit in the income statement	(1,886)	(883)

(B) FACTORS AFFECTING THE TAX CREDIT FOR THE PERIOD	2010/11 £'000	2009/10* £'000
Loss on ordinary activities before tax	(7,504)	(6,645)
Loss before tax multiplied by rate of corporation tax in the UK of 28% (2010 – 28%)	(2,101)	(1,861)
Items not deductible for tax purposes	295	61
Depreciation on assets not qualifying for capital allowances	316	283
Reversal of previously recognised deferred tax asset	-	332
Adjustment in respect of prior period	(1,134)	91
Deferred tax assets not recognised	757	189
Foreign tax payable	10	22
Effect of change in tax rate	(29)	-
Tax credit for the period	(1,886)	(883)

*See note 1 for details of restatement applied to the Consolidated Statement of Comprehensive Income for the 52 week period ended 30 January 2010.

(C) ANALYSIS OF DEFERRED TAX LIABILITY	2010/11 £'000	2009/10 £'000	2008/09 £'000
The deferred tax liability comprises:			
Deferred capital gains	(800)	(2,657)	(2,657)
Accelerated capital allowances	-	(819)	(1,841)
Other short-term timing differences	-	12	67
Group tax loss carried forward	-	807	776
Deferred tax liability	(800)	(2,657)	(3,655)

Deferred tax assets and liabilities have been offset in accordance with the Company's accounting policy. The following is an analysis of deferred tax balances for balance sheet purposes:

	2010/11 £'000	2009/10 £'000	2008/09 £'000
Deferred tax assets	-	819	843
Deferred tax liabilities	(800)	(3,476)	(4,498)
	(800)	(2,657)	(3,655)

10. TAXATION CONTINUED

(D) MOVEMENT IN DEFERRED TAX LIABILITY

	£'000
Liability at 31 January 2010	(2,657)
Credit for the period	1,857
Liability at 29 January 2011	(800)

There are potential deferred tax assets in relation to 'trading losses' (£636,000), 'capital allowances' (£49,000), and 'other short term temporary differences' (£8,000) that have not been recognised on the basis that their future economic benefit is uncertain. All of these assets may be carried forward indefinitely.

11. EARNINGS PER SHARE

Basic loss per ordinary share is based on the weighted average of 94,530,752 (2009/10: 94,530,752) ordinary shares in issue during the period and are calculated by reference to the loss attributable to shareholders of £5,618,000 (2009/10: loss of £5,762,000 *).

Diluted loss per ordinary share is based upon the weighted average of 94,530,752 (2009/10: 94,530,752) ordinary shares which excludes the effects of share options and shares under the LTIP, 7,282,728 (2009/10: 6,393,020) that were anti-dilutive for the periods presented but could dilute earnings per share in the future and are calculated by reference to the loss attributable to shareholders as stated above. In the current and prior period the weighted average number of ordinary shares was not diluted, as per IAS 33 'Earnings per Share', as this would decrease the basic loss per share.

*See note 1 for details of restatement applied to the Consolidated Statement of Comprehensive Income for the 52 week period ended 30 January 2010.

12. DIVIDEND

	2010/11 £'000	2009/10 £'000
Dividend at nil pence per share	-	-

No final dividend or interim dividend was declared for the period ended 29 January 2011 and 30 January 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

13. INTANGIBLE NON-CURRENT ASSETS

MOVEMENTS IN PERIOD AND PRIOR PERIOD

IT software
£'000

COST OR VALUATION

At 31 January 2009 2,870

Additions 407

At 30 January 2010 3,277

AMORTISATION

At 31 January 2009 1,021

Charge for the period 647

At 30 January 2010 1,668

NET BOOK VALUE

At 30 January 2010 1,609

At 31 January 2009 1,849

COST OR VALUATION

At 30 January 2010 3,277

Additions 173

At 29 January 2011 **3,450**

AMORTISATION

At 30 January 2010 1,668

Charge for the period 506

At 29 January 2011 **2,174**

NET BOOK VALUE

At 29 January 2011 **1,276**

At 30 January 2010 1,609

Amortisation charges are recorded within shops' selling and marketing costs.

14. PROPERTY, PLANT AND EQUIPMENT

(A) MOVEMENTS IN PERIOD AND PRIOR PERIOD

	Freehold land and buildings £'000	Fixtures, vehicles and equipment £'000	Hire inventory £'000	Property, plant and equipment total £'000	Lease improvements £'000	Total £'000
COST OR VALUATION:						
At 31 January 2009	859	75,704	11,035	87,598	6,424	94,022
Additions	–	2,085	743	2,828	254	3,082
Disposals	(859)	(210)	–	(1,069)	–	(1,069)
At 30 January 2010	–	77,579	11,778	89,357	6,678	96,035
DEPRECIATION:						
At 31 January 2009	459	52,614	7,456	60,529	3,882	64,411
Charged in period	–	4,560	1,467	6,027	437	6,464
Impairment charge	–	1,592	–	1,592	659	2,251
Disposals	(459)	(142)	–	(601)	–	(601)
At 30 January 2010	–	58,624	8,923	67,547	4,978	72,525
NET BOOK VALUE:						
At 30 January 2010	–	18,955	2,855	21,810	1,700	23,510
At 31 January 2009	400	23,090	3,579	27,069	2,542	29,611
COST OR VALUATION:						
At 30 January 2010	–	77,579	11,778	89,357	6,678	96,035
Additions	–	3,039	721	3,760	1,016	4,776
Disposals	–	(19,839)	(2,227)	(22,066)	(2,857)	(24,923)
Reclassification ⁽¹⁾	–	(938)	–	(938)	298	(640)
AT 29 JANUARY 2011	–	59,841	10,272	70,113	5,135	75,248
DEPRECIATION:						
At 30 January 2010	–	58,624	8,923	67,547	4,978	72,525
Charged in period	–	4,267	1,258	5,525	501	6,026
Impairment charge	–	719	–	719	182	901
Disposals	–	(19,577)	(1,910)	(21,487)	(2,757)	(24,244)
AT 29 JANUARY 2011	–	44,033	8,271	52,304	2,904	55,208
NET BOOK VALUE:						
AT 29 JANUARY 2011	–	15,808	2,001	17,809	2,231	20,040
At 30 January 2010	–	18,955	2,855	21,810	1,700	23,510

⁽¹⁾ During the current financial period, management conducted a detailed review of property, plant and equipment, and £298,000 was reclassified from fixtures, vehicles and equipment to lease improvements. A credit balance of £640,000 within accruals was reclassified in the Consolidated Statement of Financial Position to property, plant and equipment from rent premiums held within accruals.

Lease improvements relate to leasehold buildings as the element of land contained in these leases is minimal.

Included within lease improvements at 29 January 2011 are £175,000 location premiums (30 January 2010: £318,000). Location premiums relate to premiums paid to enter a property which is in a desirable location.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

14. PROPERTY, PLANT AND EQUIPMENT CONTINUED

(B) COMMITMENTS

Capital commitments for which no provision has been made in the financial statements were as follows:

	2010/11 £'000	2009/10 £'000	2008/09 £'000
Contracted	799	1,070	1,975

(C) OPERATING LEASES

Total commitments under non-cancellable operating leases are as follows:

	2010/11		2009/10		2008/09	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Payments falling due:						
– within one year	23,300	46	21,773	64	22,354	70
– in the second to fifth year	68,575	47	66,240	88	71,694	63
– over five years	48,650	–	46,478	–	55,735	–
	140,525	93	134,491	152	149,783	133

The majority of these leases are subject to rent review and a small number have contingent rentals payable based on revenue exceeding a minimum amount in the relevant store.

15. INVENTORIES

	2010/11 £'000	2009/10 £'000	2008/09 £'000
Retail inventory	19,795	17,840	16,496
Retail inventory provisions	(867)	(915)	(1,102)
	18,928	16,925	15,394

16. TRADE AND OTHER RECEIVABLES

	2010/11 £'000	2009/10 £'000	2008/09 £'000
Trade receivables	128	184	248
Other receivables	132	390	174
Prepayments and accrued income	5,647	5,208	5,989
	5,907	5,782	6,411

The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

17. SHARE CAPITAL

	2010/11 £'000	2009/10 £'000	2008/09 £'000
AUTHORISED:			
120,000,000 ordinary shares of 5 pence each (2009/10: 120,000,000 and 2008/09: 120,000,000)	6,000	6,000	6,000
ALLOTTED, CALLED UP AND FULLY PAID:			
Balance at beginning of the period:			
94,530,752 ordinary shares of 5 pence each (2009/10: 94,530,752 and 2008/09: 94,479,751)	4,727	4,727	4,724
Number of ordinary shares of 5 pence each issued during the periods pursuant to exercise of share options (2009/10: nil and 2008/09: 51,001)	-	-	3
	4,727	4,727	4,727

No options were exercised during the current or prior period. The average share price of the ordinary shares as at the date of exercise of the above options during 2008/9 was 46.75 pence.

18. RETAINED EARNINGS

	Own shares £'000	Retained earnings* £'000	Total* £'000
At 26 January 2008 as originally stated	(210)	36,387	36,177
Effect of restatement	-	(1,444)	(1,444)
At 26 January 2008 as restated	(210)	34,943	34,733
Loss after taxation	-	(9,041)	(9,041)
Dividends paid	-	(1,228)	(1,228)
At 31 January 2009	(210)	24,674	24,464
Loss after taxation	-	(5,762)	(5,762)
Credit to equity for equity settled share based payments	-	110	110
At 30 January 2010	(210)	19,022	18,812
Loss after taxation	-	(5,618)	(5,618)
Credit to equity for equity settled share based payments	-	277	277
AT 29 JANUARY 2011	(210)	13,681	13,471

*See note 1 for details of restatement applied to the Consolidated Statement of Comprehensive Income for the 52 week period ended 30 January 2010 and the Consolidated Statement of Financial Position as at 30 January 2010 and 31 January 2009.

The Group has an employee benefit trust which holds 300,000 Shares (2009/10: 300,000 and 2008/09: 300,000) in the Company for the benefit of the Group's employees. None of its shares has been allocated to a specific scheme. At 29 January 2011 the shares had a carrying value of £0.2m and a market value of £0.1m. (2009/10: carrying value of £0.2m and market value of £0.1m and 2008/09: carrying value of £0.2m and market value of £0.1m). This has been consolidated within retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

19. TRADE AND OTHER PAYABLES DUE WITHIN ONE YEAR

	2010/11 £'000	2009/10* £'000	2008/09* £'000
Trade payables	7,112	8,204	9,949
Other payables including taxation and social security	5,376	2,751	3,539
Accruals and deferred income	7,179	5,680	3,705
	19,667	16,635	17,193
Other payables including taxation and social security comprise:			
Other taxes	2,691	1,816	2,730
Social security	598	642	590
	3,289	2,458	3,320
Other payables	2,087	293	219
	5,376	2,751	3,539

*See note 1 for details of restatement applied to the Consolidated Statement of Financial Position as at 30 January 2010 and 31 January 2009.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 23.

The fair value of the trade and other payables is not materially different to the values disclosed above.

20. OTHER PAYABLES DUE AFTER ONE YEAR

	2010/11 £'000	2009/10 £'000	2008/09 £'000
Accruals and deferred income	2,732	2,579	2,504

21. PROVISIONS

	Property provisions £'000	Other provisions £'000	Total £'000
At 27 January 2008	–	300	300
Utilised during the period	–	(300)	(300)
Amount provided in the period	–	200	200
At 31 January 2009	–	200	200
Utilised during the period	–	(200)	(200)
At 30 January 2010	–	–	–
Amount provided in the period	3,007	–	–
AT 29 JANUARY 2011	3,007	–	3,007
	2010/11 £'000	2009/10 £'000	2008/09 £'000
Current	1,205	–	200
Non-current	1,802	–	–
	3,007	–	200

The provision in the current year is the estimated future cost of the Group's onerous property lease contracts. This property provision has been discounted to reflect the time value of money.

22. PENSIONS

On 31 January 2009 the money purchase scheme was wound up. As at 29 January 2011 there are no outstanding contributions relating to the money purchase scheme (2009/10: Enil and 2008/09: Enil).

The Group currently operates a defined contribution scheme. As at 29 January 2011 there were £31,000 outstanding contributions relating to the defined contribution scheme (2009/10: £44,000 and 2008/09: £41,000).

23. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

(A) MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

The Company's financial instruments comprise cash and various items such as trade receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to manage the Company's liquidity.

The Company has not entered into any derivative transactions during the period and it is the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks.

CREDIT RISK

Management has a credit policy in place and the exposure to credit risk is maintained on an ongoing basis. At the Balance Sheet date, there were no significant concentrations of credit risk.

The carrying amount of each financial asset represents the maximum credit exposure.

LIQUIDITY RISK

The Company finances its operations primarily through retained profits, surplus cash balances and when needed through a £5.0m revolving business loan agreement with Lloyds TSB Bank plc which expires on 31 May 2011. This replaced the £5.0m uncommitted overdraft facility with Lloyds TSB Bank plc from 1 June 2010. The cash generated pursuant to the disposal of the Hugo Boss Franchised Business to Hugo Boss UK Limited, details of which are set in the Chief Executive Business Review on pages 3 to 9, will provide the Company with sufficient working capital such that it will not need to renew the current facilities and will operate debt free. The Company's cash position is monitored daily by management and funds are only invested in investments approved by the Board.

FOREIGN CURRENCY RISK

The Company's policy is to mitigate all currency exposures on purchases by buying the amount of currency required at the time the obligation is known and holding it in a designated bank account until it is needed. The direct foreign currency risk that the Company is exposed to is negligible. The Company also maximises the purchase from sterling denominated suppliers to reduce the risk of exposure to exchange rate fluctuations. The Company does not buy derivatives and therefore there are nil outstanding financial instruments as at 29 January 2011 (2009/10: Enil and 2008/09: Enil).

INTEREST RATE RISK

Interest rate risk arises from the variable interest rate on the Company's overdraft facility to finance seasonal working capital requirement and on the variable interest rate on short-term deposits. The Company is not exposed to any other interest rate risk.

(B) FINANCIAL ASSETS

(i) Trade receivables

	Carrying value		
	2010/11	2009/10	2008/09
	£'000	£'000	£'000
Trade receivables	181	184	248
Allowance for doubtful debts	(53)	-	-
	128	184	248

The Company recognised an allowance for doubtful debts where the trade receivable was considered irrecoverable on the basis of ageing and historical experience. In the current period £53,000 was provided for (2009/10: Enil and 2008/09: Enil). If the Company believes that a specific balance is irrecoverable, it will be written off. The Company does not require collateral in respect of these financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 JANUARY 2011

23. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES CONTINUED

(B) FINANCIAL ASSETS CONTINUED

(ii) Cash and cash equivalents

	Floating rate financial assets		
	2010/11	2009/10	2008/09
	£'000	£'000	£'000
Currency:			
Sterling	6,522	6,022	8,044
Other	414	257	63
Total	6,936	6,279	8,107

Cash and cash equivalents generate interest income related to Base Rate minus 30 basis points (2009/10: Base Rate plus 10 basis points and 2008/09: Base Rate plus 10 basis points). The Company has no fixed rate financial instruments. Based on the average daily cash balance, the effective interest rate on financial assets is 0.0% (2009/10: 0.8% and 2008/09: 4.48%).

(C) FINANCIAL LIABILITIES

There were no financial liabilities after excluding current trade payables as at 29 January 2011 (2009/10: £nil and 2008/09: £nil).

(D) FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

As at 29 January 2011, 30 January 2010 and 31 January 2009, there was no material difference between the fair values and book values of the Company's financial assets or liabilities.

24. EVENTS AFTER THE BALANCE SHEET DATE

DISPOSAL OF THE HUGO BOSS FRANCHISE BUSINESS

Moss Bros Group PLC announced on 7 February 2011 that it had entered into a conditional sale and purchase agreement with Hugo Boss UK Limited, relating to the disposal of the Hugo Boss Franchised Business, for a cash consideration of £16.5m. The disposal constitutes a Class 1 transaction pursuant to Chapter 10 of the Listing Rules and was subsequently approved on 3 March 2011 by the shareholders of the Company at an Extraordinary General Meeting. The transfer of the business to Hugo Boss UK Limited will take place on 1 April 2011 with £4.2m to be received on that date, and the balance in instalments as each lease is assigned to the purchaser.

The proceeds from the disposal will provide the Company funding to eliminate debt and invest in the core business.

The agreed sale and purchase agreement will dispose of the 15 Hugo Boss branded retail stores in the UK, currently operated by the Company under the Franchise Agreement with Hugo Boss AG. Hugo Boss UK Limited will acquire the business and assets of the Hugo Boss Franchised Business as a going concern, including all the leases, inventory and property, plant & equipment associated with the 15 Hugo Boss franchised stores. In addition all the employees who currently work in the Hugo Boss franchised stores and those in the Head Office working directly on Hugo Boss Franchised Business, will be transferred across. The cash consideration of £16.5m is subject to subsequent adjustment to reflect the amount of transferred inventory and consent of the superior landlords. The Company is confident that all these consents will be obtained.

The 15 Hugo Boss franchised stores had sales of £33.0m (2009/10: £33.0m) and operating profits £3.4m (after exceptional items £nil) for the 52 weeks ended 29 January 2011 (2009/10: £0.7m after exceptional impairment of £1.1m). As at the same date, the 15 Hugo Boss franchised stores had net assets £10.8m and total assets of £11.2m. The estimated pre tax profit on disposal as at 1 April 2011 is £6.8m.

25. RELATED PARTY TRANSACTIONS

The Group had no material related party transactions which might reasonably be expected to influence decisions made by users of these Financial Statements. Directors' remuneration is disclosed in the Directors' Remuneration Report on pages 20 to 27. Other related parties are key management (employees below Director level who have authority and responsibility for planning, directing and controlling the Company) and major Shareholders. The key management personnel compensation is as follows:

	2010/11	2009/10
	£'000	£'000
Short-term employee benefits	1,097	882
Termination payments	15	111
Contributions to defined contribution plans	31	29
Share-based payments	26	20
	1,169	1,042

Total remuneration is included in administrative expenses and relates to 11 employees in the period ended 29 January 2011 (2009/10: 13).

TRADING TRANSACTIONS

During the period, the Group entered into the following transactions with related parties who are not members of the Group:

BERWIN & BERWIN LIMITED

	52 weeks to	52 weeks to
	29 January	30 January
	2011	2010
	£'000	£'000
Total inventory purchases (excluding VAT)	6,679	6,816
Total inventory purchases since appointment of Simon Berwin as a Director (excluding VAT)	6,679	4,715

Berwin & Berwin Limited, a key supplier, is considered a related party of the Group because a Non-Executive Director (appointed 29 May 2009) of Moss Bros Group PLC, Simon Berwin, is the Chief Executive and a significant shareholder of Berwin & Berwin Limited. £606,000 was payable to Berwin & Berwin Limited as at 29 January 2011 (30 January 2010: £227,000).

Purchases of goods from related parties were made on an arm's length basis, consistent with the previous terms.

On 13 September 2009 an agreement was made with Berwin Retail Limited, to supply hire to Berwin Retail Limited to be sold through their House of Fraser concessions. This agreement was terminated in the current period by mutual accord with all stores closed by 29 January 2011. Berwin Retail Limited is considered a related party of the Group because Simon Berwin is a Non-Executive Director of Moss Bros Group PLC, and is also the Managing Director and a significant shareholder of Berwin Retail Limited. Total sales in the current period were £248,000 (2009/10: £82,000). There was no outstanding liability with Berwin Retail Limited at 29 January 2011 (30 January 2010: £3,000).

During 2010/11, the Group purchased £237,000 of inventory from Baumler AG. Baumler AG is considered a related party of the Group because on 2 December 2009, Berwin & Berwin Limited acquired Baumler AG under a joint venture. No purchases were made in 2009/10 since Baumler AG became a related party. There was no outstanding liability with Baumler at 29 January 2011 (30 January 2010: Enil).

On 22 December 2010, Moss Bros Group PLC entered into a short term lease with Berkeley Burke Trustee Company Limited, a pension fund and the superior landlord, for a store in Hounslow. Berkeley Burke Trustee Company Limited is considered a related party of the Group because Brian Brick is a beneficiary of the pension fund. The company intends to take a long term lease in financial year 2011/12 on an arm's length basis.

COMPANY BALANCE SHEET

AS AT 29 JANUARY 2011

	Notes	29 January 2011 £'000	30 January 2010* £'000
FIXED ASSETS			
Tangible assets	28	21,932	25,787
Investments	29	9,502	9,502
		31,434	35,289
CURRENT ASSETS			
Stocks	30	18,928	16,925
Debtors	31	7,805	7,856
Cash and liquid resources		6,900	5,943
		33,633	30,724
CREDITORS			
Amount falling due within one year	32	(32,260)	(28,918)
Provisions falling due within one year	33	(1,205)	-
		(33,465)	(28,918)
NET CURRENT ASSETS		168	1,806
TOTAL ASSETS LESS CURRENT LIABILITIES		31,602	37,095
CREDITORS			
Amount falling due after one year	32	(1,609)	(1,897)
Provisions falling due after one year	33	(1,802)	-
Deferred tax liability	34	(800)	-
NET ASSETS		27,391	35,198
CAPITAL AND RESERVES			
Called up share capital	35	4,727	4,727
Share premium account	36	8,673	8,673
Acquisition reserve	36	4,370	4,370
Profit and loss account	36	9,621	17,428
SHAREHOLDERS' FUNDS	36	27,391	35,198

*See note 26 for details of restatement applied to the Company Balance Sheet as at 30 January 2010.

The financial statements (registered number 134995) on pages 56 to 64 were approved by the Board of Directors on 29 March 2011 and were signed on its behalf by:



BRIAN BRICK
CHIEF EXECUTIVE OFFICER

26. PRINCIPAL COMPANY ACCOUNTING POLICIES

The following accounting policies, which are in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention, have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year.

The Company is exempt from the requirement to prepare a cash flow statement in accordance with Financial Reporting Standard Number 1.

The Company made a loss after taxation for the 52 week period to 29 January 2011 of £8,084,000 (2009/10 – loss of £5,626,000 as restated).

PRIOR YEAR RESTATEMENT

The Company Balance Sheet as at 30 January 2010 has been restated to recognise deferred revenue in respect of hire sales at the point of the service is provided to the customer. The deferred revenue relates to deposits received from customers prior to the year end but where the related hire suits were not collected for use until after the year end. Previously, the deposits were recorded as revenue when received from the customers and not when the hire was made, which was inconsistent with the Company's stated policy.

In accordance with the policy for hire sales, the prior period Company Balance sheet has been restated in accordance with FRS 3 'Reporting Financial Performance.'

IMPACT ON COMPARATIVE COMPANY BALANCE SHEET

	30 January 2010 £'000
Increase in deferred revenue	1,511

GOING CONCERN

The Directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources in operational existence for the foreseeable future. Thus they continue to adopt a going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 18.

TURNOVER

Turnover comprises sales to third parties (excluding VAT) and is derived from the retail sale and hire of clothing and ancillary goods. Turnover is recognised on exchange of goods; for the hire of clothing, the exchange of goods occurs when the hire clothing and ancillary goods are collected for use by the customer. At this point it is deemed that all risks and rewards have been transferred. Hire deposits are held within deferred revenue until this date. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

COST OF SALES

Cost of sales includes all costs of purchases and costs incurred in bringing stock to their present location and condition. Costs of purchase comprise the purchase price, other taxes and transport costs. Stock write downs are included in cost of sales when recognised.

FOREIGN EXCHANGE

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

TANGIBLE FIXED ASSETS

Depreciation is calculated so as to write down on a straight line basis the cost of tangible fixed assets over their estimated useful lives to their estimated residual values. The rates used are as follows:

Fixtures and fittings	5 - 10 years
Computer hardware and software	5 years
Vehicles	6 years

Hire stock is written down to nil over its estimated useful economic life of five years.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

26. PRINCIPAL COMPANY ACCOUNTING POLICIES CONTINUED

Leasehold improvements are written off over the shorter of the period of the lease or the useful economic life on a straight-line basis.

Location premiums are paid to enter a property which is in a desirable location, stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated on location premiums written off over the useful economic life on a straight line basis.

At each balance sheet date, the Company reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The Group considers all the assets of a particular store to be one cash generating unit for the purposes of impairment estimate and the related assets of a particular store are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing value in use of a store cash generating unit, the estimated future cash flows are discounted to their present value using a pre-tax discount rate.

If the recoverable amount of a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to the recoverable amount. An impairment loss is recognised as an expense immediately.

INVESTMENTS

Investments are stated at cost, less amounts written off for any impairment in value.

PENSIONS

Contributions payable to the Group Personnel Pension Plan in respect of pension costs and other post retirement benefits are charged to the profit and loss account in the period to which they relate. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

STOCKS

Retail stock is valued at the lower of cost (weighted average by season) and estimated net realisable value (estimated selling price less estimated costs of completion and costs to be incurred in selling and distribution). Volume discounts received and receivable are deducted from the cost of stock.

TAXATION

Tax on the loss for the periods represented comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted during the course of the that period and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not discounted.

TRADE DEBTORS

Trade debtors represent amounts due from retailers in respect of concessions from which the Company trades less commissions due.

GOVERNMENT GRANTS

Grants/compensation received in respect of expenses incurred are credited to the profit and loss account to match the related expense. Grants/compensation received in respect of capital expenditure incurred are credited to creditors and amortised to the profit and loss account over the lives of the related assets.

26. PRINCIPAL COMPANY ACCOUNTING POLICIES CONTINUED

PROVISIONS

Provisions are when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and where appropriate the risks specific to the liability.

Provisions for onerous property lease contracts are recognised when the Company believes that the unavoidable costs of meeting the lease obligations exceed the economic benefits to be received under the lease. Where material, these provisions are discounted to their present value. Provisions are recognised on a lease by lease basis.

LEASES

As at 29 January 2011, the Company had no finance leases. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease. Benefits received and receivable as an incentive to sign an operating lease are spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

SHARE-BASED PAYMENT TRANSACTIONS

The Company has applied the requirements of FRS 20 'Share-based Payments'.

The share option plan allows employees to acquire shares in Moss Bros Group PLC, the parent company. The fair value of options granted are recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date, as discussed in note 2, and is expensed over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of options that are expected to vest and adjusted for the effect of non market based vesting conditions.

In 2009/10 a new Long Term Incentive Plan (LTIP) was approved and the fair value is measured at grant date and recognised over the estimated vesting period. The fair value of the LTIP is recognised as an employee expense with a corresponding increase in equity. In 2010/11 there were further approved grants to the LTIP scheme.

DIVIDENDS

Dividends are not accrued until approved by Shareholders.

27. PROFIT AND LOSS ACCOUNT INFORMATION

(A) STAFF NUMBERS

Including Executive Directors, the average monthly number of full-time equivalent staff employed by the Company during the period was as follows:

	2010/11 Number	2009/10 Number
Distribution	111	108
Selling and marketing	1,002	953
Administration	44	36
	1,157	1,097

(B) DIVIDENDS

	2010/11 £'000	2009/10 £'000
Dividend at nil pence per share	-	-

No final dividend or interim dividend was declared for the period ended 29 January 2011 and 30 January 2010.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

28. TANGIBLE ASSETS

	Leasehold improvements £'000	Hire inventory £'000	Fixtures, vehicles and equipment £'000	Total £'000
COST OR VALUATION:				
At 30 January 2010	6,678	11,778	81,884	100,340
Additions	1,016	721	3,212	4,949
Disposals	(2,857)	(2,227)	(19,839)	(24,923)
Reclassification ⁽¹⁾	298	–	(938)	(640)
AT 29 JANUARY 2011	5,135	10,272	64,319	79,726
DEPRECIATION:				
At 30 January 2010	4,978	8,923	60,652	74,553
Charged in period	501	1,258	4,825	6,584
Impairment charge	182	–	719	901
Disposals	(2,757)	(1,910)	(19,577)	(24,244)
AT 29 JANUARY 2011	2,904	8,271	46,619	57,794
NET BOOK VALUE:				
AT 29 JANUARY 2011	2,231	2,001	17,700	21,932
At 30 January 2010	1,700	2,855	21,232	25,787

⁽¹⁾ During the current financial period, management conducted a detailed review of property, plant and equipment, and £298,000 was reclassified from fixtures, vehicles and equipment to leasehold improvements. A credit balance of £640,000 within accruals was reclassified in the balance sheet to tangible assets from rent premiums held within accruals.

Leasehold improvements relate to leasehold buildings as the element of land contained in these leases is minimal.

Included within leasehold improvements at 29 January 2011 are £175,000 location premiums (30 January 2010: £318,000). Location premiums relate to premiums paid to enter a property which is in a desirable location.

COMMITMENTS

Capital commitments for which no provision has been made in the financial statements were as follows:

	2010/11 £'000	2009/10 £'000
Contracted	799	1,070

Annual commitments under non-cancellable operating leases are as follows:

	2010/11		2009/10	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Payments falling due:				
– within one year	700	7	1,186	7
– in the second to fifth year	10,688	39	9,276	57
– over five years	11,770	–	11,311	–
	23,158	46	21,733	64

The majority of these leases are subject to rent review and a small number have contingent rentals payable based on revenue exceeding a minimum amount in the relevant store.

29. FIXED ASSET INVESTMENTS

	2010/11 £'000	2009/10 £'000
Subsidiary undertakings cost at the beginning of the period	15,351	15,351
Provision at the beginning of the period	(5,849)	(5,849)
Carrying value at the end of the period	9,502	9,502

The Company has one principal subsidiary, Moss Bros (Ireland) Limited, which is registered in Ireland and whose issued share capital is wholly owned by the Company. A full list of subsidiaries will be submitted with the Group's annual return.

30. STOCKS

	2010/11 £'000	2009/10 £'000
Retail stock	19,795	17,840
Retail stock provisions	(867)	(915)
	18,928	16,925

31. DEBTORS

	2010/11 £'000	2009/10 £'000
Trade debtors	128	184
Amounts owed by Group undertakings	1,955	2,212
Other receivables	105	368
Tax recoverable	-	-
Prepayments and accrued income	5,617	5,092
	7,805	7,856

32. CREDITORS

	2010/11 £'000	2009/10* £'000
Amounts falling due within one year		
Trade creditors	7,111	8,145
Amounts owed to group undertakings	12,182	12,181
Other creditors including taxation and social security	5,361	2,751
Accruals and deferred income	7,606	5,841
	32,260	28,918

*See note 26 for details of restatement applied to the Company Balance Sheet as at 30 January 2010.

Other creditors including taxation and social security comprise:

	2010/11 £'000	2009/10 £'000
Other taxes	2,676	1,816
Social security	598	642
	3,274	2,458
Other creditors	2,087	293
	5,361	2,751
Amounts falling due after one year		
Accruals and deferred income	1,609	1,897

The fair value of creditors is not materially different to the values disclosed above.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

33. PROVISIONS

	Property provisions £'000	Total £'000
At 30 January 2010	-	-
Amount provided in the period	3,007	3,007
AT 29 JANUARY 2011	3,007	3,007
	2010/11 £'000	2009/10 £'000
Amounts falling due within one year	1,205	-
Amounts falling due after one year	1,802	-
	3,007	-

The provision in the current year is the estimated future cost of the Company's onerous property lease contracts. This property provision has been discounted to reflect the time value of money.

34. DEFERRED TAX LIABILITY

	2010/11 £'000	2009/10 £'000
The deferred tax liability comprises:		
Accelerated capital allowances	-	819
Other short-term timing differences	-	(12)
Tax loss carried forward	-	(807)
Deferred capital gains	800	-
Deferred tax liability	800	-

Deferred tax assets and liabilities have been offset in accordance with the Company's accounting policy. The following is an analysis of deferred tax balances for balance sheet purposes:

	2010/11 £'000	2009/10 £'000
Deferred tax (asset)	-	(819)
Deferred tax liability	800	819
	800	-

MOVEMENT IN DEFERRED TAX LIABILITY

	£'000
Liability at 31 January 2010	-
Charge for the period	800
LIABILITY AT 29 JANUARY 2011	800

35. SHARE CAPITAL

	2010/11 £'000	2009/10 £'000
(A) AUTHORISED:		
120,000,000 ordinary shares of 5 pence each (2009/10: 120,000,000)	6,000	6,000
AUTHORISED AND ALLOTTED SHARE CAPITAL:		
Allotted, called up and fully paid		
Balance at beginning of the period:		
94,530,752 ordinary shares of 5 pence each (2009/10: 94,530,752)	4,727	4,727

No options were exercised during the current or prior period.

(B) SHARE BASED PAYMENTS

Full disclosure of the Group and Company's share-based payments under FRS 20 'Share-based Payments' and IFRS 2 'Share-based Payments' is provided in note 9 to the Group financial statements. These are no disclosure differences. All share options under the Equity Settled Share Option Scheme and shares under the Long Term Incentive Plan in the Group were granted to Directors and senior employees of the Company.

36. RESERVES

	Share capital £'000	Share premium £'000	Acquisition reserve £'000	Retained earnings* £'000	Total £'000
At 30 January 2010	4,727	8,673	4,370	17,428	35,198
Loss after taxation	-	-	-	(8,084)	(8,084)
Credit to equity for equity settled share based payments	-	-	-	277	277
At 29 January 2011	4,727	8,673	4,370	9,621	27,391

*See note 26 for details of restatement applied to the Company Balance Sheet as at 30 January 2010.

37. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010/11 £'000	2009/10* £'000
Total equity at beginning of period	35,198	42,235
Effect of restatement		(1,521)
Re-stated balance as at 1 February 2009		40,714
Loss for the period	(8,084)	(5,626)
Credit to equity for equity settled share based payments	277	110
Net movement in equity during the period	(7,807)	(5,516)
Closing Shareholders' funds	27,391	35,198

*See note 26 for details of restatement applied to the Company Balance Sheet as at 30 January 2010.

38. EVENTS AFTER THE BALANCE SHEET DATE

Full disclosure of the Group and Company's events after the Balance Sheet date under FRS 21 'Events after the Balance Sheet Date' and IAS 10 'Events after the Reporting Date' is provided in note 24 to the Group financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

39. RELATED PARTY TRANSACTIONS

The Group had no material related party transactions which might reasonably be expected to influence decisions made by users of these Financial Statements. Directors' remuneration is disclosed in the Directors' Remuneration Report on pages 20 to 27.

TRADING TRANSACTIONS

During the period, the Company entered into the following transactions with related parties who are not members of the Group:

BERWIN & BERWIN LIMITED

	52 weeks to 29 January 2011 £'000	52 weeks to 30 January 2010 £'000
Total inventory purchases (excluding VAT)	6,679	6,816
Total inventory purchases since appointment of Simon Berwin as a Director (excluding VAT)	6,679	4,715

Berwin & Berwin Limited; a key supplier, is considered a related party of the Group because a Non-Executive Director (appointed 29 May 2009) of Moss Bros Group PLC, Simon Berwin, is the Chief Executive and a significant shareholder of Berwin & Berwin Limited. £606,000 was payable to Berwin & Berwin Limited as at 29 January 2011 (30 January 2010: £227,000).

Purchases of goods from related parties were made on an arm's length basis, consistent with the previous terms.

On 13 September 2009 an agreement was made with Berwin Retail Limited, to supply hire to Berwin Retail Limited to be sold through their House of Fraser concessions. This agreement was terminated in the current period by mutual accord with all stores closed by 29 January 2011. Berwin Retail Limited is considered a related party of the Group because Simon Berwin is a Non-Executive Director of Moss Bros Group PLC, and is also the Managing Director and a significant shareholder of Berwin Retail Limited. Total sales in the current period were £248,000 (2009/10: £82,000). There was no outstanding liability with Berwin Retail Limited at 29 January 2011 (30 January 2010: £3,000).

During 2010/11, the Group purchased £237,000 of inventory from Baumler AG. Baumler AG is considered a related party of the Group because on 2 December 2009, Berwin & Berwin Limited acquired Baumler AG under a joint venture. No purchases were made in 2009/10 since Baumler AG became a related party. There was no outstanding liability with Baumler at 29 January 2011 (30 January 2010: £nil).

On 22 December 2010, Moss Bros Group PLC entered into a short term lease with Berkeley Burke Trustee Company Limited, a pension fund and the superior landlord, for a store in Hounslow. Berkeley Burke Trustee Company Limited is considered a related party of the Group because Brian Brick is a beneficiary of the pension fund. The company intends to take a long term lease in financial year 2011/12 on an arm's length basis.

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Moss Bros Group PLC, please forward this document and the accompanying form of proxy to the person through whom the sale or transfer was affected, for transmission to the purchaser or transferee.

A form of proxy for the Annual General Meeting is enclosed. Whether or not you intend to be present at the meeting, please complete the form of proxy and return it in accordance with the instructions printed on it so as to reach Moss Bros Group PLC's registrar no later than 10 a.m. on 17 May 2011. Alternatively, you can register your proxy vote electronically, either by means of a website provided by the Company's registrar or, if you are a CREST member, by using the service provided by Euroclear. Further details are given in the notes to this document on page 67. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting in person, should you so wish.

Notice is hereby given that the ninety-eighth Annual General Meeting of Moss Bros Group PLC (the "Company") will be held at 8 St. John's Hill, London SW11 1SA on Thursday, 19 May 2011 at 10 a.m. for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions:

ORDINARY RESOLUTIONS

1. To receive the Directors' and Auditors' report and the accounts for the financial year ended 29 January 2011.
2. To approve the Directors' remuneration report for the financial year ended 29 January 2011.
3. To re-appoint Robin Piggott as a Director of the Company, who retires and offers himself for re-appointment.
4. To re-appoint Simon Berwin as a Director of the Company, who retires and offers himself for re-appointment.
5. To re-appoint Maurice Helfgott as a Director of the Company, who retires and offers himself for re-appointment.
6. To re-appoint Deloitte LLP as the auditors of the Company until the conclusion of the next Annual General Meeting.
7. To authorise the Directors to set the remuneration of the independent auditors as they shall in their discretion see fit.
8. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares (as defined in section 540 of the Companies Act 2006) and grant rights to subscribe for, or convert security into, shares:
 - (a) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Companies Act 2006) of £1,575,512.50 (representing 31,510,250 shares) (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and
 - (b) comprising equity securities (as defined in section 560 of the Companies Act 2006) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Companies Act 2006) of £3,151,025.05 (representing 63,020,501 shares) (such amount to be reduced by any allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever,

these authorisations to expire at the conclusion of the next Annual General Meeting of the Company (or if earlier on 18 May 2012, (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired).

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

SPECIAL RESOLUTIONS:

9. That, subject to the passing of resolution 8 set out above, the Directors be generally empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) of the Company for cash pursuant to the authority conferred by resolution 8 above as if section 561 of the Companies Act 2006 did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of or invitation to acquire equity securities in favour of the holders of ordinary shares of the Company in proportion (as nearly as practicable) to their respective holding of ordinary shares on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, record dates or legal, regulatory or practical problems which may arise in any overseas territory or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £236,326,


and the power hereby granted shall expire at the conclusion of the next Annual General Meeting of the Company save 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 but otherwise in accordance with the foregoing provisions of this power in which case the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

10. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of any ordinary shares of 5p each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine provided that:

- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 9,453,075 ordinary shares of 5p each (representing 10 per cent. of the issued ordinary share capital of the Company at 29 January 2011);
- (b) the minimum price which may be paid for each ordinary share shall be 5p which is an amount exclusive of expenses, if any;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:
 - (i) 105 per cent. of the average of the middle market quotations for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share purchase is made; and
 - (ii) that stipulated by article 5(1) of the EU Buyback and Stabilisation Regulation 2003 (No. 2273/2003);
- (d) unless previously renewed, revoked or varied, the authority conferred by this resolution shall expire on 18 months from the passing of the resolution or, if earlier, at the conclusion of the Company's next Annual General Meeting in 2012 save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

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

By Order of the Board



Robin Piggott
19 April 2011

Registered Office:
8 St. Johns Hill,
London
SW11 1SA

NOTES

1. Copies of the executive Directors' service contracts with the Company and copies of the non-executive Directors' letters of appointment with the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public bank holidays excepted) from the date of this notice until the close of the Company's 2011 Annual General Meeting on 19 May 2011 and will also be available at the place of the meeting for at least 15 minutes prior to and throughout the meeting. A copy of this notice and other information required by section 311A of the Companies Act 2006 (the "Act") can be found at www.mossbros.co.uk/investors/annual_reports.htm.
2. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the Annual General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on the date which is two days before the day of the meeting (or any adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend, speak and vote in their place. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
4. A Form of Proxy for the 2011 Annual General Meeting is enclosed. To be valid, the completed and signed Form of Proxy together with the power of attorney or authority, if any, under which it is signed (or a duly certified copy of any such power or authority) must be lodged with the Company's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible but not less than 48 hours before the time of the meeting. If you are a CREST member, see note 5 below. Alternatively, a member may appoint a proxy electronically, or may wish to vote electronically online, at www.capitashareportal.com. Please see the form of proxy for further details.

Return of a completed Form of Proxy will not preclude a member from attending and voting personally at the meeting.

5. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

6. Any person to whom this notice is sent who is a person currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (a "nominated person") may have a right under an agreement between him/her and such member by whom he/she was nominated, to be appointed, or to have someone else appointed, as a proxy for the Annual General Meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement of the above rights of the members in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
8. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
9. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) 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 Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act, (in each case) that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
10. As at 18 April 2011 the Company's issued share capital consists of 94,530,752 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 94,530,752.
11. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including the [Chairman's letter] and proxy form) to communicate with the Company for any purposes other than those expressly stated.
12. Arrangements will be put in place at the meeting in order to facilitate voting by representatives of members which are corporations on a poll (if required) in accordance with the procedures set out in the Institute of Chartered Secretaries and Administrators' January 2008 guidance note on 'Proxies and Corporate Representatives at General Meetings'.
13. As required by the UK Corporate Governance Code, the reasons why the Board of Directors of the Company believes that the Directors standing for re-appointment should be re-appointed are set out in the Directors' Report.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING ("AGM") OF MOSS BROS GROUP PLC ("THE COMPANY")

Note from the Chairman:

"I can confirm, as required by the UK Corporate Governance Code, that having fully evaluated their performances, the Board is of the view that each of the Directors offering themselves for re-appointment at the AGM continue to be effective and to demonstrate commitment to their role."

Debbie Hewitt

At the AGM, resolutions will be proposed as explained below.

The ordinary resolutions will be passed if the votes cast for the resolutions are more than those cast against. The resolutions to be proposed as special resolutions will be passed if at least 75 per cent. of the votes cast for and against the resolutions are in favour.

Resolution 1 – Receiving the accounts

An ordinary resolution will be proposed that the report of the Directors and the accounts for the financial year ended 29 January 2011 together with the report of the Auditors on those accounts be received.

Resolution 2 – Receiving the Directors' remuneration report

This resolution is to approve the Directors' remuneration report for the financial year ended on 29 January 2011. You can find the report on pages 20 to 27 of this document.

Resolution 3 – Re-election of Robin Piggott as a Director of the Company

An ordinary resolution will be proposed to re-elect Robin Piggott, having been appointed by the Board as a Director with effect from 28 June 2010, who is retiring and, being eligible, offers himself for re-election as a Director of the Company.

Resolution 4 – Re-election of Simon Berwin as a Director of the Company

An ordinary resolution will be proposed to re-elect Simon Berwin, who is retiring by rotation and, being eligible, offers himself for re-election as a Director of the Company.

Resolution 5 – Re-election of Maurice Helfgott as a Director of the Company

An ordinary resolution will be proposed to re-elect Maurice Helfgott, having been appointed by the Board as a Director with effect from 19 October 2010, who is retiring and, being eligible, offers himself for re-election as a Director of the Company.

Resolution 6 – Re-appointment of Auditors

An ordinary resolution will be proposed that Deloitte LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

Resolution 7 – Remuneration of Auditors

An ordinary resolution will be proposed to authorise the Directors to fix the remuneration of the Auditors as they in their discretion deem fit.

Resolution 8 – Authority to allot relevant securities

Your directors may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders. The authority granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, resolution 8 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares. If given, these authorities will expire at the Annual General Meeting in 2012 or on 31 July 2012, whichever is the earlier.

Paragraph (a) of resolution 8 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £1,575,512.50, representing approximately one third (33.33 per cent.) of the Company's existing issued share capital and calculated as at 18 April 2011. In accordance with the latest institutional guidelines issued by the ABI, paragraph (b) of resolution 8 will also allow Directors to allot, including the ordinary shares referred to in paragraph (a) of resolution 8, further ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £3,151,025.05, representing approximately two thirds (66.67 per cent.) of the Company's existing issued share capital calculated as at 18 April 2011. The Directors have no present intention of exercising this authority. However, if they do exercise the authority, the directors intend to follow emerging best practice as regards its use (including, where appropriate, the directors standing for re-election) as recommended by the ABI.

As at the date of this notice the Company holds no treasury shares.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING ("AGM") OF MOSS BROS GROUP PLC ("THE COMPANY") CONTINUED

Resolution 9 – Authority to disapply pre-emption rights

Your Directors also require a power from shareholders to allot equity securities for cash and otherwise than to existing shareholders pro rata to their holdings. The power granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, resolution 9 will be proposed as a special resolution to grant such a power. Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities for cash up to an aggregate nominal value of £236,326 (being five per cent. of the Company's issued ordinary share capital at 18 April 2011. If given, this power will expire on 31 July 2012 or at the conclusion of the Annual General Meeting in 2012, whichever is the earlier. Your directors will have due regard to institutional guidelines in relation to any exercise of this power, in particular the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this resolution which exceeds 7.5 per cent. of the Company's issued share capital in any rolling three year period.

Resolution 10 – Authority to make market purchases

A special resolution will be proposed to authorise the Company to make one or more market purchases for the purposes of section 701 of the Companies Act 2006 (the "Act"). The maximum number of ordinary shares which may be acquired pursuant to this authority is 9,453,075, representing 10 per cent of the issued share capital of the Company as at 18 April 2011. The maximum and minimum prices are stated in the resolution. This authority will expire at the conclusion of the Annual General Meeting in 2012 or on the date 18 months from the passing of the resolution, whichever is the earlier.

The Directors currently have no intention of using their authority to make market purchases but believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares. Should this change and the Directors decide to make market purchases, they will only do so if such market purchases are expected to result in an increase in the Company's earnings per share and are in the best interests of the Company's shareholders as a whole. The Directors must ensure that any market purchases made, are made between a minimum price of 5 pence per ordinary share and a maximum price equal to the higher of (i) 105 per cent. of the average of the middle market quotations for the ordinary shares of the Company (derived from the Stock Exchange Daily Official List) for the five business days prior to the date of purchase, or (ii) that stipulated by article 5(1) of the EU Buyback and Stabilisation Regulation 2003 (No. 2273/2003).

As at 18 April 2011, the total number of options over shares that were outstanding under all of the Company's share option plans was 7,044,467, which if exercised would represent 7.45 per cent of the Company's issued share capital at that date. **If the Directors use their full authority to make market purchases, the Company's shares under option (currently 7,044,467 representing approximately 7.45 per cent. of the issued share capital of the Company will represent an increased percentage of the issued share capital being approximately 8.28 per cent. of the issued share capital of the Company.**

Resolution 11 - Notice of meetings

Changes made to the Act by the Companies (Shareholders' Rights) Regulations 2009 increase the notice period required for general meetings of the Company to at least 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (Annual General Meetings will continue to be held on at least 21 clear days' notice.)

Until the coming into force of the Companies (Shareholders' Rights) Regulations 2009 on 3 August 2009, the Company was able to call general meetings other than an annual general meeting on at least 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, resolution 11 seeks the necessary shareholder approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

The flexibility offered by this special resolution will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting.

Note that the changes to the Act mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Recommendation

Your Directors believe that all the proposed resolutions to be considered at the 2011 Annual General Meeting as set out in this document are in the best interests of the Company and its shareholders as a whole. Accordingly, your directors unanimously recommend that you vote in favour of them as they intend to do in respect of their own beneficial holdings.

MOSS BROS GROUP PLC

FORM OF PROXY FOR USE BY SHAREHOLDERS AT THE NINETY-EIGHTH ANNUAL GENERAL MEETING OF MOSS BROS GROUP PLC (THE "COMPANY") TO BE HELD AT 10 A.M. ON 19 MAY 2011 AT 8 ST. JOHN'S HILL, LONDON SW11 1SA.

Please read the notice of meeting and the explanatory notes before completing this proxy form.

I/We (name(s) in full) (IN BLOCK CAPITAL PLEASE) _____

of (address(es)) _____

being the holder(s) of ordinary shares of 5p each in the capital of the Company, hereby appoint the Chairman, or failing him the Senior Non-Executive Director, or _____

to act as my/our proxy to exercise all or any of my/our rights to attend, speak and to vote in respect of my/our voting entitlement on my/our behalf at the Annual General Meeting of the Company to be held at 10 a.m. on 19 May 2011 and at any adjournment thereof.

If you want your proxy to vote in a certain way on the resolutions specified, please place a mark in the relevant boxes. If you fail to select any of the given options, your proxy can vote as he or she chooses or can decide not to vote at all. The proxy can do this on any resolution put to the meeting.

Please tick here if this proxy appointment is one of multiple appointments being made.
(For the appointment of more than one proxy, please refer to note 1 overleaf.)

		For	Against	Vote Withheld	Discretion
Resolution 1	To receive the accounts and reports of the directors and auditors for the financial year ended 29 January 2011	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To approve the Directors' remuneration report for the financial year ended 29 January 2011	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To re-elect Robin Piggott as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To re-elect Simon Berwin as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	To re-elect Maurice Helfgott as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	To re-appoint Deloitte LLP as auditors of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	To authorise the directors to set the remuneration of the auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	To authorise the directors to allot shares pursuant to section 551 of the Companies Act 2006	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	To authorise the directors to dis-apply pre-emption rights pursuant to sections 570 of the Companies Act 2006	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	To authorise the Company to make market purchases of its ordinary shares pursuant to section 701 of the Companies Act 2006	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	To approve general meetings (other than annual general meetings) to be held on not less than 14 clear days' notice.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature _____

Dated this _____ day of _____ 2011

To facilitate arrangements for the meeting, please tick here (without commitment on your part) if you propose to attend the meeting.

NOTES

- To appoint as a proxy a person other than the Chairman of the meeting insert the full name in the space provided. A proxy need not be a member of the Company. You can also appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:
 - To appoint the Chairman as your sole proxy in respect of all your shares, simply fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
 - To appoint a person other than the Chairman as your sole proxy in respect of all your shares, delete the words 'the Chairman, or failing him the Senior Non-Executive Director, or, and insert the name of your proxy in the spaces provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
 - To appoint more than one proxy, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write 'the Chairman of the Meeting'. All forms must be signed and should be returned together in the same envelope.
- Unless otherwise indicated the proxy will vote as he thinks fit or, at his discretion, abstain from voting.
- The Form of Proxy must arrive at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU during usual business hours accompanied by any Power of attorney under which it is executed (if applicable) no later than 10 a.m. on 17 May 2011.
- A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer or attorney.
- In the case of joint holders, the signature of any one holder will be sufficient, but the names of the joint holders should be stated. The vote of the senior joint holder (according to the order in which the names stand in the register in respect of the holding) who tenders a vote in person or by proxy shall be accepted to the exclusion of the vote of the other joint holder(s).
- The 'Vote Withheld' option is to enable you to abstain on any particular resolution. Such a vote is not a vote in law and will not be counted in the votes 'For' and 'Against' a resolution.
- Shares held in uncertified form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.
- Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the Meeting should you subsequently decide to do so.
- If you prefer, you may return the proxy form to the Registrar in an envelope addressed to FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, BR3 4TU.

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