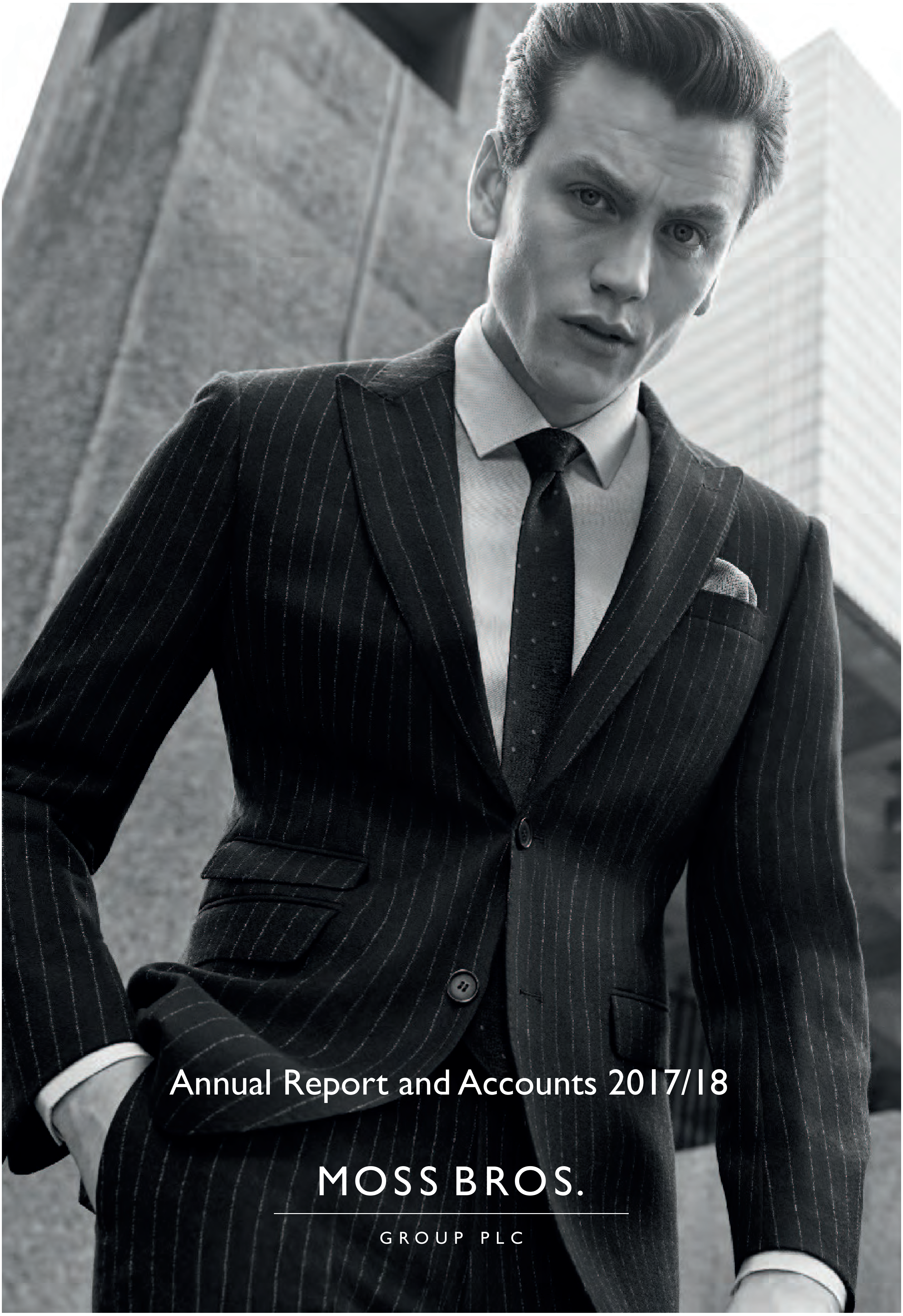

Annual Report and Accounts 2017/18

MOSS BROS.

GROUP PLC

DIRECTORS AND ADVISERS

CHAIRMAN
Debbie Hewitt

EXECUTIVE DIRECTORS
Brian Brick Chief Executive
Tony Bennett Finance Director

NON-EXECUTIVE DIRECTORS
Maurice Helfgott Senior Independent Non-Executive Director
Bryan Portman Independent Non-Executive Director
Zoe Morgan Independent Non-Executive Director
Alex Gersh Independent Non-Executive Director

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COMPANY REGISTRATION NUMBER
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CONTENTS

HEADLINES

FINANCIAL HIGHLIGHTS

- Total Group revenue, excluding VAT, was up 3.0% on the previous year to £131.8m.
- Group like-for-like* sales of £137.3m, including VAT, up 1.6% (2016/17: up 5.3%):
  - Like-for-like* retail sales including e-commerce up 2.9% (2016/17: up 6.0%)
  - Like-for-like* hire sales down -6.2% (2016/17: up 1.5%).
- E-commerce sales including VAT up 13.5% (2016/17: up 15.7%) now 12% of total sales (2016/17: 11%)
  - Mobile and tablet sales growth strong and now 48% of total e-commerce sales.
- Profit before tax delivered of £6.7m, -6.1% lower than prior year (2016/17: £7.1m).
- EBITDA** of £13.3m (2016/17: EBITDA** £13.6m), driven by increasing sales, continued tight control of costs but affected by the impact of significant cost headwinds.
- Gross margin -1.5% lower at 59.8%, due largely to the impact of the weaker pound.
- Ongoing strong cash position of £17.5m (28 January 2017: £19.5m) through close management of working capital and after a further £8.5m capital investment across the business.
- Cash generated from operating activities of £12.6m (2016/17: £16.0m).
- Basic earnings per share of 5.33 pence, down 3.3% (2016/17: 5.51 pence).
- Final dividend proposed of 1.97 pence, total dividend for the year 4.00 pence (2016/17: total dividend 5.89 pence). The cut reflects a prudent approach to capital management, modifying the existing dividend policy to ensure we are able to fully cover our future dividends with profits in FY20/21 and onwards. The business continues to be cash generative.

OPERATIONAL COMMENTARY

- A tough end to the year, with poor December footfall.
- Benefits from ongoing investment in product and development of sub-brands such as Moss London, both at home and on international marketplace sites.
- E-commerce sales made good progress. The Group is starting to personalise the interactions that we have with our customers, which delivers more targeted campaigns.
- 'Tailor Me' custom tailoring service increasing in volume and value.
- Store refits and new store openings continue to improve the quality of our store estate.

CURRENT TRADING

- Trading performance has suffered significantly from the stock shortages caused by the consolidation of key suppliers, as articulated in the 21 March 2018 trading statement, when we updated the market on expectations for the coming year. We anticipate that these issues will be resolved by late Spring 2018.
- Retail like-for-like* sales including e-commerce, including VAT, in the first 8 weeks of the new financial year are down -6.7%. Although this shows a slight improvement of the trend we reported in January, it is clear that the recovery we anticipated has been significantly hampered by the stock shortages.
- E-commerce sales, including VAT, in the first 8 weeks of the year are up 4.0%, also substantially impacted by availability.
- Hire like-for-like*, reported on a 'cash taken' basis, was -4.9% in the first 8 weeks of the year. Hire sales continue to be challenging, although Hire peak season is still to come.
- Early responses to the Spring/Summer 2018 ranges across Retail have been positive and as stock has now started to build we are seeing better sell through rates come through.

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** EBITDA is earnings before interest, tax, depreciation and amortisation. See note 25 for a reconciliation of profit on ordinary activities before tax to EBITDA.

CHAIRMAN'S STATEMENT

The combination of the poor implementation of the consolidation of suppliers, significant external cost headwinds and a more fragile consumer market, has abruptly and painfully disrupted a strong track record of growth. This was very disappointing, as it overshadows underlying progress in the strength of our product and the growth of our new brands such as Moss London and our new proposition Tailor Me. Strong trading for the first three quarters of the year enabled us to grow overall retail sales by 4.4% but due to lower footfall than anticipated during December, particularly in stores, the business reported a reduction in its full year profit before tax performance of -6.1%, to £6.7m, compared with £7.1m in the previous year. EBITDA** reduced to £13.3m, compared with £13.6m in the previous year.

Total like-for-like* sales including VAT reflected an overall increase of 1.6% on the prior year. Like-for like retail sales, including e-commerce, were 2.9% up on the previous year.

Throughout the year, we remained focused on our multi-branded and segmented pricing architecture. We continued to modernise our offer and up to the impact of our stock shortages, we continued to gain share in the suit market. The Group also faced previously highlighted external cost pressures in 2017, including increases in the National Living Wage, pension auto-enrolment, the National Minimum Wage, the Apprenticeship Levy, the revaluation of business rates, higher energy taxes and increased purchasing costs due to the combined effects of a devalued pound and commodity inflation. We took early action in the year to manage our cost base, but the impact of a significant slowdown in footfall, especially in December, and the start of our stock problems, created a shortfall to our expected profits.

In spite of these challenges, we have continued to invest in the business to ensure that we remain both relevant and appealing to our customers. The core Moss Bros master brand did grow its share, as did each of our supporting sub-brands of Moss London, Moss 1851, and Moss Esq, with Moss London expanding our reach to a younger customer. Actions to develop our product offer have included the growth of 'Tailor Me', which is gaining significant traction as a more accessible form of bespoking, allowing a significant proportion of our suit range to be personalised. This unique proposition is now available across our entire estate and we have grown sales of Tailor Me by 116% in the last 12 months.

We opened a further five new stores this year in Dundrum, Gateshead Metrocentre, Rushden Lakes, Lincoln, and Bexleyheath. A further three stores have been relocated in Bicester, Cardiff, and Bracknell and we closed four marginal stores. The total estate is now 128 outlets, compared with 127 stores last year. We have a low average lease length of 55 months and are targeting significantly improved lease terms on renewal.

We completed seven store refits, which means almost all of our store estate has now been modernised over the last six years. 108 new and refitted stores currently trade in the new format. This increased investment has impacted cash in the short term and we turn our attention now to maintaining and refining our estate to reflect the more premium positioning of our brands amongst our target customers.

We added to our management team with the recruitment of a new Buying Director, Nick Reed, who joined us from Charles Tyrwhitt in April 2017. He has enhanced our product credentials, specifically in the area of shirts and accessories. We have also proactively managed Board succession throughout the year. Bryan Portman announced his decision to step down from the Board as a Non-Executive Director and Chairman of the Audit Committee at the AGM in May 2018. Alex Gersh joined as a Non-Executive Director in November 2017. Alex is, until Summer 2018, the CFO of FTSE 100 listed business Paddy Power Betfair

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CHAIRMAN'S STATEMENT

CONTINUED

Group, having been appointed as CFO of Betfair Group plc ("Betfair") in 2012. As well as his strong listed finance experience, he brings broad strategic, commercial and digital skills, along with International consumer insight. Alex will become Chairman of the Audit Committee in May 2018, when Bryan steps down.

Although we expect the trading environment for the business in the first half of 2018 to remain challenging, we anticipate that our stock shortage will be resolved by late spring and are confident that momentum will improve as our product, service and cost initiatives take effect. The team continues to apply strong cash and working capital controls and the business continues to be debt free, with a healthy cash balance.

The Board has taken the prudent step of cutting the dividend, proposing the payment of a final dividend of 1.97 pence per share to be paid on 22 June 2018 to all shareholders on the register on 11 May 2018 (ex-dividend date 10 May 2018). The total dividend for the year is 4.00 pence per share, a decrease of 32% on the previous year. We have changed our Dividend Policy to allow the business to fully cover future dividends by FY20/21 and onwards. The business continues to be cash generative.

In the coming year, we will continue to grow the share of 'Tailor Me', accelerate the reinvention of our Hire offer, which is planned to be a much lower percentage of our sales going forward and increase our investment in our e-commerce offer, whilst investing more in our brands, colleague and service proposition. We are confident that we are well placed to leverage our specialist credentials.

Finally, I would like to recognise the fact that we differentiate ourselves through the highest levels of customer service, which is the result of the hard work of all of our people. I would like to thank them all for their contribution to the Group and continued commitment in a difficult year. We are very appreciative.

DEBBIE HEWITT
CHAIRMAN
12 April 2018

STRATEGIC REVIEW

CURRENT STRATEGY
Moss Bros Group PLC ("the Group") retails and hires formal wear for men, predominantly in the UK. The Group operates mainly through Moss Bros branded mainstream stores, promoting a number of own branded sub-brands and third party brands. The Group also trades through the premium Savoy Taylors Guild fascia in a small number of locations, where there is a historical link in areas such as the Strand in London.

The Group's vision is to be the 'first choice for men's tailoring' through creating a multi-channel menswear business focused on our target customer groups. There are three pillars to this strategy:

1) Develop and grow the Moss Bros master brand and complementary sub-brands.

2) Achieve full omni-channel capability, so that customers can shop seamlessly across all channels.

3) Deliver a consistently outstanding customer experience across all channels, through great service and great environments.

Through the customer insight project current customers told us how much they value the Moss Bros brand for its expertise, heritage, product quality and value for money. Potential customers lacked awareness of our retailing credentials and product offer. We have therefore continued to develop the positioning and awareness of the brand, and we re-launched our sub-brands under the master brand of Moss Bros in Autumn 2014. Our sub-brands now comprise:

- **Moss London** – Slim fit styles targeted at younger, style conscious customers
- **Moss 1851** – Great quality suits with a tailored fit for business and leisure
- **Moss Esq.** – Great value suits for everyday wear with regular fit

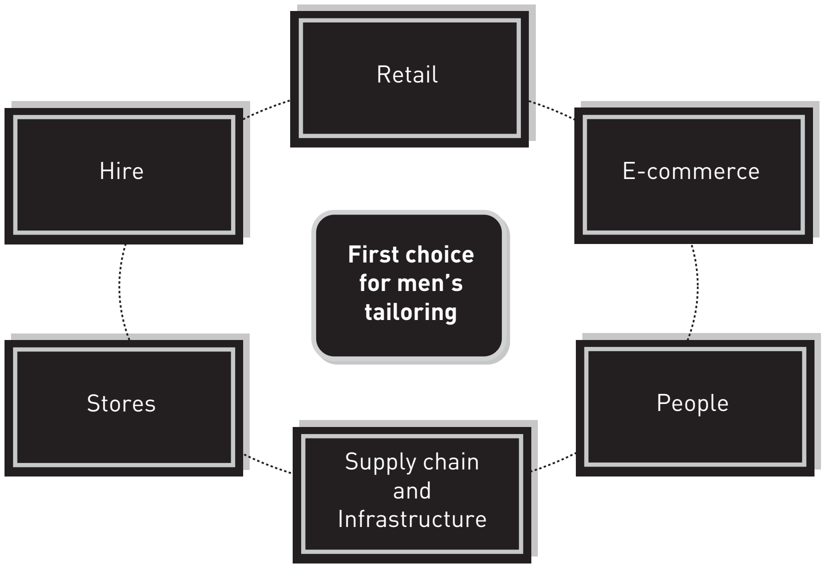
A key objective of our e-commerce initiatives is to provide a full omni-channel offer to all customers, offering a number of ways to shop. The project to create a single customer database, including full customer transaction history, is complete and offers significant customer relationship management ("CRM") opportunities for the business. Our online performance continues to grow, with significant increases in conversion rates and sales, driven by the development of our fully responsive website and a better understanding of our various customer segments.

There are also opportunities to exploit online international growth and to grow and develop our UK store estate. The UK store refurbishment programme is nearing completion, with positive results seen from refitted stores compared to non-refitted stores. The majority of refitted stores are achieving our three year payback target and an enhanced customer experience.

We plan to complete an update to our understanding of brand awareness, customer desirability, product development and trends in channel development during 2018.

STRATEGIC REVIEW
CONTINUED

MULTI-CHANNEL BUSINESS MODEL



In order that our people throughout the business are inspired and motivated to work to achieve the strategy and objectives of the business, we continue to deliver our initiative to articulate these to the wider business. The initiative, titled 'The Moss Bros Way' is centred on four themes:

- Proud to Sell
- Customer for Life
- Passionate Experts
- Winning Teams

RETAIL
There are 106 Moss Bros stores (2016/17: 105 in total) and 22 Moss Bros outlet stores (2016/17: 22) as at 27 January 2018, which trade Moss Bros own brands and carefully selected third party brands including Hugo Boss, Canali, Ted Baker, DKNY and French Connection, where the store profile demonstrates a demand for this type of product. The vast majority of the stores also have a Moss Bros Hire 'store within a store' operation within them.

In parallel with operational improvements, we have continued to review the positioning of the Moss Bros brand with current and potential customers and the overall perceived value of the offering. The concept of Moss Bros for Hire, Ready to Wear or Tailor Me underpins our vision to be 'the first choice for men's tailoring'.

HIRE
Moss Bros Hire is the market leader in the UK hire market and the number one recognised name for hire. We had 125 Moss Bros Hire outlets as at 27 January 2018 (2016/17: 124); all contained within core Moss Bros Retail and Savoy Taylors Guild Stores.

There has been a downward trend in the formality of morning wear but an increase in the hiring of more casual product such as lounge suits. Although the latter does not compensate in volume terms, the development of our product offer has given us a competitive edge, which we continue to leverage. We will continue to invest in this product development.

The gross margin for Hire has seen a small decline in recent years, as a result of improvements in quality assurance and more thorough garment finishing within the dry cleaning process along with the shorter life of finer fabrics used for our most contemporary Hire ranges. This investment has improved the customer experience and underpins the core proposition of the Hire business.

E-COMMERCE

The delivery of our omni-channel strategy is a critical pillar of our future growth.

During 2017 we continued to develop our fully responsive website and added further technology to help us understand and simplify the customer journey. Our international reach has been refocused on local currency websites in the USA and the Republic of Ireland.

Our transactional Hire website continues to grow with 'group booking' and 'my outfit' functionality gaining traction.

SUPPLY CHAIN AND COSTS

The buying team continually assesses supplier performance, to ensure the highest levels of quality and the most commercially beneficial results for the Group, to minimise lead times. Over the last few years, we have significantly extended direct sourcing from the Far East and have continued to achieve better buying margins and product quality. Although we have had stock shortage issues as a result of our supplier consolidation, the decision aims in the medium to long-term to improve both the quality and margins of our product.

Operating costs remain tightly controlled with all expenditure carefully planned and monitored. The focus has shifted to process efficiencies, enabling us to further simplify the business.

INFRASTRUCTURE

Appropriate deployment of information technology is vitally important to the success of our business and in enabling the establishment of a multi-channel shopping environment. We will continue to ensure that we have a flexible, resilient and scalable technology platform, which will underpin growth.

We also need to ensure that our customer facing technology facilitates the delivery of consistently outstanding customer service, through whichever channel a customer chooses to shop with us.

The operational efficiency of our distribution centre based in Barking is closely monitored. Options for improving its performance, including space management, are continually appraised by the operations team to streamline the business. We have planned investment in capacity in 2018/19.

PEOPLE

The need for talented and committed people across all areas of the Group requires a continuing focus on effective recruitment, induction and performance appraisal and management. Developing and nurturing talent will play a central and enhanced role in the business going forward, with our People strategy making further progress during 2017 and expected to make further progress in 2018. 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 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.

We continue to focus on ensuring opportunities are open and fair for both women and men and in March 2018 published our Gender Pay Gap data in accordance with the Equality Act 2010. Our gender pay gap is significantly lower than the national average of 18.1%, as reported by the Office of National Statistics. Our mean gender pay gap is -1.6%, meaning that when we average the pay of all employees, irrespective of role, on average, our female employees receive a higher rate of pay. This reflects the fact that we have a larger number of females than males in senior roles. We are confident that our male and female employees are paid equally for doing equivalent jobs.

CHIEF EXECUTIVE'S REVIEW

REVIEW OF OPERATIONS

The Group had a disappointing end to the year which was a combination of self-inflicted stock problems and a fragile consumer environment. In spite of this, we made progress throughout the year, building brand equity, alongside significant improvements in our multi-channel proposition, leaving us well placed to capitalise on the tailoring expertise which we possess in-store and online. The ongoing store refit programme in 2017/18 means that 108 of our 128 stores were trading in the new format at the year end. Our 'Tailor Me' personalisation service continues to develop, adding further to our proposition, making us the ideal destination whether a customer wishes to buy, rent or tailor their perfect suit.

RETAIL

We continued to pursue operational improvements across the business, which when combined with our ongoing investment in store refits during the year, benefited store only like-for-like* sales, which were up 1.2% on the previous year (2016/17: up 4.5%). Retail gross margins fell on the previous year by -1.0% as a result of the impact of the weaker pound. To address the impact of weaker sterling, we undertook a project in the second half to consolidate our suppliers. Poor implementation led to stock shortages, which had a significant effect in the last few weeks of the year and have continued to do so into the first quarter of this year. We have a robust action plan in place to remedy these shortfalls and expect this to be fully resolved late Spring 2018.

We opened 5 new stores, and closed 4 in the UK during the year. A further 3 stores were relocated into better locations. We continue to review new store and relocation opportunities in the UK and have 1 confirmed opening for 2018. The Group now trades from 128 stores (28 January 2017: 127 stores).

The inherent flexibility in our property estate gives us options in what we anticipate will be a fast changing retail landscape. The average lease length across the store portfolio is only 55 months and we are targeting improved lease terms on renewal, of a 10 year term, with a tenant only break clause at year 5. The underpinning of our retail and hire business and the demand for e-commerce 'click & collect' and 'click & return' points, together with advantageous lease deals, means there is an opportunity to reposition our store footprint on a selective and cost effective basis, with good returns.

HIRE

Overall like-for-like* hire sales fell by -6.2% in the year (2016/17: up 1.5%). The broadening of the range to include lounge suits has been successful and receives positive customer feedback, although it has not compensated for the fall seen in traditional morning wear hire. We will continue to invest in relevant new Hire product lines and to make improvements to streamline our processes and system. Our online Hire offer is seeing strong adoption of the new 'My Outfit' functionality, allowing the start of a hire journey online and completion in store.

We are confident our position as the leading hire brand will be maintained through the product and technology initiatives currently underway. Although a declining morning wear market, we do continue to take share.

E-COMMERCE

Sales grew strongly, up 13.5% on the previous year. Online sales now represent 12% of total sales (2016/17: 11%). Visitor conversion shows good growth across all electronic devices and particularly so from customers reaching us via mobile devices, since the introduction of a fully device responsive website in the second half of 2016.

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The percentage of mobile and tablet sales growth was especially strong and now comprises 48% of total e-commerce sales.

During the year, we invested in developing a detailed understanding of our customer segments and how each of those segments interacts with us. This will enable us to ensure that any communication which we do have with our customers is both timely and relevant. It will also allow us to better personalise their experience on the www.moss.co.uk website. We continue to actively acquire new customers and also focus attention on building on our existing customer repurchase behaviour.

SUPPLY CHAIN AND COSTS

We regularly review each of our supply routes and develop partnerships with suppliers who have the capability to deliver the blend of quality and value which we require. We are always careful to ensure that we do not sacrifice quality purely to obtain lower cost garments.

The majority of our product lines are either purchased directly in US Dollars or the cost of production is US Dollar based.

The second half of 2017 saw the impact on margin of the fall in the value of sterling as our foreign exchange hedging contracts placed 'pre-Brexit vote' expired. We worked hard with our suppliers to mitigate as much of the rapidly rising cost prices as we could, however, there was an impact on gross margin rates in the second half of the year as a result of the weaker pound.

We took a decision to consolidate our supply base, which in the long-term is the right decision but very poor execution has led to significant stock shortages. Albeit a painful experience, we are confident we have selected the right partners and believe the stock shortages will be resolved by late Spring 2018.

In addition to the increased cost prices, economic uncertainty in the UK and weaker consumer confidence more generally meant that we planned our stock buy for the Autumn/Winter 2017 season cautiously. With hindsight, we planned the buy too cautiously and as such exited the Autumn/Winter season with too little stock. Whilst it is positive that we exited the season without any excess stock issues, we consider that the stock shortfall impacted sales during the final quarter of the year.

Underlying store and central costs rose more slowly than turnover, but this was largely driven by 'one-off' cost reductions, versus the prior year, which will not repeat in 2018/19.

INFRASTRUCTURE

We successfully upgraded our technology infrastructure during 2017 delivering a robust and scalable platform, upon which our core business systems will operate. The ultimate benefit of this work is improved business efficiency and a better customer experience.

PEOPLE

Investment in people continues to establish a stronger service culture within the business and to support our aim to become the 'first choice for men's tailoring'. Progress has been made in building a strong training portfolio, robust recruitment and performance management and a reward and recognition framework which underpins the Moss Bros. Way.

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CHIEF EXECUTIVE'S REVIEW

CONTINUED

FINANCIAL REVIEW

Top line sales growth continued in 2017/18 with overall like-for-like* sales growth despite the challenging end to the year. Costs continued to be tightly controlled whilst ensuring that investment continued in those areas required to ensure that we continue to make progress on our strategic goals. Profit before taxation on continuing operations was £6.7m, compared with a profit of £7.1m in the previous year.

REVENUE

Overall revenue was up 3.0% (up 1.6% like-for-like*) on the previous year to £131.8m. Retail including e-commerce was up 4.4% (up 2.9% like-for-like*) on the previous year. Hire was 6.0% lower (down 6.2% like-for-like) on the previous year.

GROSS MARGIN

Underlying overall gross margin fell by 1.5% in the year (59.8% vs 61.3%), due to a combination of the impact of rising input prices as a result of the weaker pound and the reduction of Hire sales within our sales mix.

COSTS

Administrative and shops' selling and marketing costs increased by 1.2% on the prior year. We benefited from a number of non-recurring year-on-year cost reductions within Administrative expenses. Costs remain tightly controlled with expenditure focused on areas that will add value and support the development of the strategic goals of the Group.

EARNINGS PER SHARE

Basic earnings per share on total earnings were 5.33 pence compared with 5.51 pence per share last year. Diluted earnings per share, on total earnings, were 5.31 pence per share compared with 5.39 pence per share last year.

TAXATION

The Group's effective tax rate for 2017/18 was 20.3% compared with 22.7% for 2016/17. The reduction in 2017/18 is mainly due to a combination of a reduction in prevailing tax rates and timing differences between depreciation charged and capital allowances. The group expects its future effective tax rate to decrease in accordance with reductions in the main UK corporation tax rate as enacted by the Finance (No 2) Act in 2016.

The Group's current tax liability is £767,000 (2016/17: £1,181,000). The decrease in the liability is due to the lower tax charge for the current period and an increase in the value of quarterly instalment payments made during the year.

DIVIDEND

As previously announced, the Board has reviewed its Dividend Policy. The Group has a strong balance sheet but, given the more challenging trading environment, the Board is taking a prudent approach to capital management and has decided to reduce the dividend to ensure that we are able to fully cover our future dividends with profits in FY20/21 and onwards. The Board proposes the payment of a final dividend of 1.97 pence per share (2016/17: 3.98 pence) bringing the total for the year to 4.00 pence per share, compared with 5.89 pence per share for the year ended 28 January 2017. The final dividend is to be paid on 22 June 2018 to all shareholders on the register as at 11 May 2018 (ex-dividend date 10 May 2018).

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INVESTMENT

Total capital expenditure in the year was £8.5m (2016/17: £8.8m) and depreciation and amortisation was £6.6m (2016/17: £6.5m). This included the opening of 5 new stores, 3 store relocations and the refurbishment of 7 stores. The total capital expenditure included further investment in new Moss Bros hire inventory of £1.8m (2016/17: £1.9m), whilst depreciation on hire inventory was £1.6m (2016/17: £1.6m).

CASH AND LIQUIDITY

The year end cash balance was £17.5m compared with £19.5m last year, after investment in new stores, store refits, technology and hire stock, and payment of dividends.

INVENTORY

The mix and volume of inventory in the business was reviewed during the year to ensure sufficient inventory was available to support sales across the business. As noted previously our closing stock levels were too low as we exited the Autumn/Winter 2017 season and this shortfall will be rectified for 2018. Stock at the year-end was £15.4m (2016/17: £16.7m).

TRADE AND OTHER PAYABLES

The terms and conditions with our suppliers are regularly reviewed and adjusted in order to maximise the average cash balance, whilst improving the product gross margin.

FUTURE DEVELOPMENTS

The Board continues to believe Moss Bros has a compelling proposition, with the growth of e-commerce underpinning the move to full omni-channel retailing. The development of our sub-brands during the year, particularly Moss London, has been good and we will continue to invest in product innovation both in suiting and adjacent categories such as shirts.

In order to maximise our opportunity and with the increasing role that digital has to play in marketing, we will add further resource and investment during 2018 to support our omni-channel proposition and to better serve our customer with a more personalised experience on site and in store.

The growing adoption of our Tailor Me offer further underpins our credentials as the number one men's formalwear specialist in the UK. The service will expand in 2018 to include guest brands alongside Moss own-brand fabrics.

Our ongoing investment in our People Strategy continues to establish a multi-skilled service culture across the business - our people are critically important to our service proposition.

RETAIL

The store refit programme is now entering its seventh year with the majority of stores complete. We have 108 new or refitted stores trading in the new store format. We plan to begin re-visiting some stores to test a cosmetic update to the original design to ensure that our stores remain attractive and relevant for our customers. Given the strength of our combined retail and hire offer we continue to seek expansion opportunities both through new outlets and relocations where commercially viable.

HIRE

We will continue to leverage the opportunities to grow our market share through all distribution channels including online. Investment in new product areas since 2016, such as lounge suits, has proved very successful and has provided an offset to the declining morning wear hire market. Investment in new hire stock totalled £1.8m in 2017 and is planned at a further £1.6m in 2018.

Early season booking numbers for collection in the current year (FY 2018/19) are -10.8% below last year's bookings at this point. The end-to-end customer journey within Hire can happen over an extended period of time and as a result we will continue to invest in people, systems and processes and training to ensure that each stage of that journey is consistently delivered on promise.

CHIEF EXECUTIVE'S REVIEW

CONTINUED

E-COMMERCE

We plan to continue to leverage further growth opportunities both in the UK and overseas by strengthening our e-commerce capability and building on our growth. We will invest more in new customer recruitment, lapsed customer reactivation and in segmentation/personalisation of our communication with our customers.

SUPPLY CHAIN & COSTS

Our supply chain continues to be of significant importance in delivering high quality and relevant product and service and in realising efficiencies.

In the year ahead, we will continue to see higher input costs; in product from a weaker pound, national living wage, apprenticeship levy and increases in levels of pension auto-enrolment costs. We will therefore continue to operate the company in a manner appropriate for the more competitive trading environment and we will continue to seek further ways in which to mitigate these rising costs whilst protecting the investment we are making in building and sustaining our differentiated offer.

We anticipate central costs will increase broadly in line with turnover in 2018/19 as we maintain our investment in our omni-channel capability, our people and our infrastructure.

Capital expenditure for 2018/19 is estimated at £7.4m, including £2.0m for investment in new and refitted stores, £1.5m in Technology, £1.0m in Infrastructure and £1.6m for Hire Stock.

INFRASTRUCTURE

We will invest further in our warehouse capacity during the 2018/19 year.

PEOPLE

During 2017 we have continued to develop our key people initiatives creating more depth of content to the Moss Bros Academy, introducing digital learning, setting up 4 Centres of Excellence and launching the Moss Bros Diploma in response to the Apprenticeship opportunities. 2017 has been a year of embedding the initiatives introduced in 2016 in particular developing people management capability, introducing a Sales though Service programme and Hire upskill programme to all employees.

2017 has seen a full year of The Amazing Club; recognising and celebrating talent around the business: of The Hub; improving communications through a number of channels and a second year of employee engagement which has provided actionable data to further drive engagement and productivity.

OUTLOOK

The Group had a very disappointing start to the year caused by a combination of self-inflicted stock problems and a more fragile consumer environment. We have very recently updated the market on expectations for the coming year, in our Trading Update of the 21 March 2018.

We are confident that the stock problems will be resolved by late Spring and that we will re-establish momentum.

The investments we are making to reposition our proposition should add to that momentum. Our omni-channel proposition continues to improve and we are focused on gaining better insight into our customer base as a result.

Despite these issues, it is important that we continue to increase our investment in key areas of future growth, most notably our e-commerce business, our product development, the customer experience and our Tailor Me proposition. Our offer is strong, we continue to achieve traction from our investments in the business and we are confident that the business will return to strong growth.

Our stores continue to be important in enabling customers to experience the full range of services which we offer, whilst our store teams provide help and advice alongside a passion for style, expertise and enthusiasm. Our people strategy remains an important part of our future development delivering improvements in our customer experience, leading to improved customer satisfaction and retention.

We expect macro conditions to continue to challenge us throughout 2018, however we take confidence from early reaction to the new Spring/Summer 2018 ranges.

We see the weaker trading environment as an opportunity to strengthen our core proposition compared to the competition and to utilise our strong balance sheet to invest.

BRIAN BRICK
CHIEF EXECUTIVE OFFICER
12 April 2018

This Strategic report has been prepared solely to provide information to shareholders to assess how the directors have performed their duty to promote the success of the company.

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

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. Management are satisfied that these KPIs are in line with internally assessed targets.

The first choice for men's tailoring	2017/18	2016/17
Strategic		
Growing our market by becoming fully multi-channel		
• units per customer transaction	**2.6**	2.6
• average selling price per item (including VAT)	**£42**	£43
• E-commerce share of Group revenue	**12%**	11%
Revitalise our customer offer through our store presentation		
• average transaction value (ATV)	**£110**	£113
• inventory turnover (weeks)	**16.3**	18.9
Financial		
Total group revenue (excluding VAT)		
• Retail	**Up 4.4%**	Up 6.7%
• Hire	**Down 6.0%**	Down 0.4%
• Total	**Up 3.0%**	Up 5.7%
LFL sales growth (including VAT)		
• Retail	**Up 2.9%**	Up 6.0%
• Hire	**Down 6.2%**	Up 1.5%
• Total	**Up 1.6%**	Up 5.3%
Gross profit margins		
• Retail	**57.6%**	58.6%
• Hire	**75.9%**	78.8%
• Total	**59.8%**	61.3%
Return on store capital investment on refitted stores*		
• Payback trend on refitted stores (months)	**33.9**	34.2
Corporate Social Responsibility		
• Carbon emissions ('000 tonnes)**		
Scope 1 (Directly controlled)	**405**	391
Scope 2 (Indirectly controlled)	**2,797**	3,293

* Return on store capital investment on refitted stores is calculated based on the increased monthly gross profit for the stores refitted in the 36 month period to 27 January 2018.

** Carbon emission figures unaudited.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board monitors principal risks and uncertainties and implement measures to mitigate their risk on the business. An assessment of these is shown below.

Business area	Risk to Company	Mitigation of risk	Assessment of change in risk year-on-year
Hire	The Hire business demands the highest level of customer service. This is delivered through a highly developed and efficient infrastructure which enables consistent 'delivery to promise'. **Any disruption to this infrastructure would affect our ability to maintain customer service levels.**	We have a dedicated operational team which actively seek to resolve any potential fulfilment issues ahead of delivery date. We are continually refreshing and replenishing our stock of hire garments to ensure that we are able to fulfil all orders as they become due. We continue to strengthen our back-end technology, systems and processes to ensure a robust platform for our operations. We are completing a full Hire related training programme for in-store teams before the 2018 peak to ensure the best in-store experience.	**=** The risk is ongoing; we have made additional improvements to our Hire operations during late 2017 and early 2018 and implemented further procedural changes to ensure that we operate in the most effective manner possible to deliver on customer promise.
Retail and Tailor Me	**Factors outside our control, such as an economic downturn affecting the UK or any wider economic downturn as a result of the vote to leave the EU, may have a material adverse effect on results.** As a retail business based and operating predominantly in the UK, we are particularly exposed to any economic downturn in the UK which could affect consumer confidence and therefore spending.	We continually focus on maintaining our product quality, customer service and supplier relationships, whilst retaining our competitive position, including value and pricing. Foreign currency exposure, principally the US Dollar, is hedged for 6 to 9 months in advance.	**+** This risk has increased as the economic outlook has toughened since the Brexit vote in the UK manifesting itself in weaker consumer demand and therefore reducing footfall within stores.
E-Commerce	Customer satisfaction is as important online as offline. **Difficulty navigating/transacting quickly on our website or failure to ensure a secure online market place presents a risk to our online sales generation and growth.** Maintaining a competitive edge through customers being able to interact with the product online, offering product choice and availability, and allowing multiple payment and delivery options are important in growing our online presence.	We are continually developing our website offering in order to become fully multi-channel. We have developed our understanding of our customer base during the year and will seek to provide better personalisation of site visit and relevant communication, all within privacy regulations. We have security policies, rules and technical measures in place to protect customer data.	**+** With the continuous increase in trade through e-commerce and the market trend on moving to a fully multi-channel operation, the risk has increased during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

Business area	Risk to Company	Mitigation of risk	Assessment of change in risk year-on-year
Supply chain	**A disruption to supplier continuity may adversely affect our operation.** Suppliers going out of business or unable to supply goods could have a significant impact on our ability to meet demand in store and online. As we increase the volume of garments sourced directly from supplier factories we must ensure that the supply chain critical path is closely monitored and proactively managed	We are continually reviewing and refreshing our supplier list. The diversification of product buying across a range of suppliers limits the Group's over reliance upon any individual supplier. We have implemented controls which enable us to identify early any potential deviations from product and supply chain critical paths	**+** The risk is increasing as we source more product directly from factories. We have introduced additional controls and enhanced reporting effective in 2018. Supply chain risks are closely monitored and addressed.
Costs	**Supply chain cost price increases and currency fluctuation could have a materially adverse effect on results.** A fluctuation in currency rates could materially affect the Group's cost base and margins. **A re-emergence of general price inflation could affect profitability.** We continue to face significant cost headwinds including; the impact of the 2017 business rates revaluation and the second stage increase following the introduction of the National Living Wage, Apprenticeship Levy and Pension auto-enrolment costs.	Management has in part mitigated the cost price risk as a significant proportion of inventory is direct sourced and prices have been agreed as a result of competitive tendering. In addition, the Group operates a treasury policy which hedges a significant proportion of the foreign exchange risk from such direct sourcing arrangements. Management closely monitor the effectiveness of these arrangements. If general price inflation returns this may allow an increase in retail selling prices albeit subject to market conditions. Ongoing review of store profitability, combined with shorter lease durations ensures that we proactively manage the fixed overhead of our store estate. Remuneration policies are under review to ensure we remain competitive in the marketplace.	**+** The risk has increased during the year as the cost headwinds which we face continue un-abated. Additionally, uncertainty around the Brexit process means that we have a lack of clarity on import duties and VAT. We continually monitor the potential impacts and address these via the actions noted here.
Brand image	**Maintaining our store presentation is important for attracting customers and growing our brand.** The historical underinvestment in the store estate in previous years has meant that some of our stores lack the level of presentation that we require to grow the business and the brand.	We continue with our store redevelopment programme to both modernise the look and feel of the stores and to meet more routine maintenance that has been deferred for many years. The development and launch of a new sub-brand line up, under the master brand 'Moss Bros', in Autumn 2014 has strengthened the brand identity.	**-** The risk has been reduced during the year with the progression of the store redevelopment programme and the strenghtening of the positioning of sub brands. We have also seen brand awareness improve, evidenced by an independent external survey.

Business area	Risk to Company	Mitigation of risk	Assessment of change in risk year-on-year
Distribution centre (DC)	**Operating our distribution centre from one location leaves the Group exposed to business catastrophes occurring at that location.** Any business catastrophe affecting our distribution centre could severely affect the Group's ability to supply to stores and customers.	We continually review and monitor our disaster recovery plan to ensure that all business risks are adequately covered. Our financial risk of operating from one location is mitigated through our comprehensive insurance cover.	**+** With new and increased operating pressures on the DC through our multi-channel approach, the reliance and consequent exposure to risk of the DC failing has again increased during the year.
Cyber crime	**A cyber crime attack could disable the Group's key IT systems and compromise data security.**	Customer bank or payment card details are not processed or stored in the Group's IT systems. Comprehensive security measures are in place with regular tests carried out. We have deployed additional security products to further strengthen our protection and have invested during 2017 in technology infrastructure to afford us better protection. Development in cybercrime and preventative strategies are constantly reviewed.	**+** Whilst we have invested in increased levels of protection during 2017, the frequency and severity of cybercrime attacks against companies continue to increase.
People	**The Group's reliance on key management and other personnel could put pressure on the business if they were to leave.** Attracting and retaining high calibre people is a key priority and a central focus in striving for excellent customer service across the Group's business channels.	Effective recruitment policies and people development means the Group can take full advantage of the recovery in its performance. Long term incentive share awards were granted to senior employees during the year to more closely align their interests to those of the Group and a SAYE scheme is in operation.	**+** Whilst we continue to invest in our people we are mindful of an increased risk within the senior leadership team as a result of no incentives being paid in the year. We continue to manage Board succession closely, given the similar tenure of the Chairman and CEO. The risk is continually monitored and addressed through a Management Talent Review and Board evaluation.
GDPR	**The General Data Protection Regulations come into force in May 2018.** This legislation significantly extends requirements of companies to ensure that all personal data is handled in accordance with the new regulations. The penalties for non-compliance are potentially severe.	The company has a good understanding of GDPR and has a detailed plan in place to address the resulting requirements. We already have a good understanding of where personal data is held within our business. We have engaged a third party consultancy to assist us on our path to compliance.	**N** The risk is new this year.

Key to change in Risk:
+ Risk has increased
- Risk has decreased
= No change
N New Risk

CORPORATE SOCIAL RESPONSIBILITY

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

We are committed to doing business responsibly and acknowledge that we have a role to play in the communities and the wider environment in which we operate. This report sets out the principal areas of focus and activity in the areas of people, ethical sourcing and reducing the environmental impact of the Group on the wider environment.

PEOPLE

We are a retail business, with a significant high street presence, as well as on-line activities. We are clearly differentiated by key propositions such as Hire and Tailor Me and we recognise that a great customer experience is key to our business success. This drives our policies around people.

We pay all of our employees at least the National Minimum Wage (or for over 25's the National Living Wage) appropriate to their age.

DIVERSITY

We are committed to a policy of being a fair and inclusive employer. Employment with the business offers everyone equal rights and career development and promotion prospects, regardless of age, race, gender, sexual orientation, disability or religion. We ensure as far as possible that the diversity of our teams reflects the diversity of the customers we serve.

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.

Our commitment to equality and human rights is covered in the employee handbook, which is accessible to all employees and which refers to our people policies. The various management skills courses offered cover the responsibilities of the management team in upholding our people policies to ensure a safe and respectful working environment.

The principle of Board diversity is strongly supported by the Board and is increasingly reflected in its composition. It is the Board's policy that appointments to the Board will always be based solely on merit without any discrimination relating to age, gender or any other matter that has no bearing on an individual's ability to fulfil the role of Director. This is so that the Board has the right individuals in place, recognising that diversity of thought, approach and experience is seen as an important consideration as part of the selective criteria used to assess candidates to achieve a balanced Board. The Board has considered diversity as part of its Board effectiveness review.

Further details on the Board's composition and the effectiveness review are contained in the Corporate Governance report on page 26.

During the period ended 27 January 2018, the number of employees were as follows:

EMPLOYEES (FTE)	**Male**	**%**	**Female**	**%**	**Total**
Executive Directors	2	100	0	0	2
Non-Executive Directors	2	50	2	50	4
Senior Leadership Team*	6	67	3	33	9
Other Employees	625	66	320	34	945

* Employees below Director level who have authority and responsibility for planning, directing and controlling the Company.

GENDER PAY GAP

In April 2017, Gender Pay Gap legislation came into effect under the Equality Act 2010. This requires any employer with 250 employees or more to publish their gender pay gap for their employees. We are committed to treating our people equally and fairly and welcome the opportunity to report on our gender pay gap data.

Our gender pay gap is significantly lower than the national average of 18.1%, as reported by the Office of National Statistics. Our mean gender pay gap is -1.6%, meaning that when we average the pay of all employees, irrespective of role, on average, our female employees receive a higher rate of pay. This reflects the fact that we have a larger number of females than males in senior roles. We have found no inconsistency between how we pay men and women for the same role. Our full gender pay gap report can be found at http://corp.moss.co.uk/about/gender-pay-gap/.

TRAINING

We are committed to developing and training our employees and place great importance on harnessing talent and driving business performance. We have continued to deliver training to our management teams, including sales and service skills, product knowledge, recruitment, coaching and performance management skills.

COMMUNICATION

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 performance and on other things of interest to them as employees, through our online communication portal, telephone conference calls, regular newsletters, notice boards, reports and team briefings.

We conduct an all employee engagement survey annually and were pleased that engagement levels were high with 89% of employees responding. We followed up the survey with focus groups to gain more understanding of how our teams feel and have already taken action to address the focus areas of Growth and Development, Communication and Leadership.

There will be further development of our communication channels and messaging this year, and as well as regular business updates there will be more focus on "softer" areas such as charity fund raising.

We also launched another Save As You Earn share option scheme this year, which all employees with more than 3 months' employment were invited to join.

We reported 1 accident under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (2016/17: 2), with no deaths or dangerous occurrences (2016/17: nil).

MODERN SLAVERY

Moss Bros. has a zero-tolerance approach to slavery and human trafficking and as an organisation we are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or in our supply chains. We work closely with our suppliers and their factories to ensure they operate in line with the Ethical Trading Initiative's base code; the aims of which are that employment should be freely chosen and that forced or bonded labour cannot be used.

Our full modern slavery statement can be viewed at http://corp.moss.co.uk/about/modern-slavery-statement/.

CORPORATE SOCIAL RESPONSIBILITY

CONTINUED

ANTI CORRUPTION AND BRIBERY

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. All employees must declare and keep a record of all hospitality or gifts given or received, and all expenses claims relating to hospitality, gifts, or payments to third parties must be submitted in accordance with our expenses policy and record the reason for expenditure. Anyone offered, or asked to make, a bribe, or who suspects any bribery or corruption has occurred, is obliged to notify the Company Secretary without delay. So far as we are aware, there were no incidences of bribery or corruption this year.

GREENHOUSE GAS EMISSIONS STATEMENT

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 the environment. The Board is committed to managing and improving the ways in which its activities affect the environment.

ASSESSMENT PARAMETERS

Baseline year	2017/18
Consolidation approach	Operational control
Boundary summary	All facilities under operational control were included
Consistency with the financial statements	The use of the operational control approach causes a variation to those assets used and controlled by the Group as discussed in our financial statements. The business operates from a portfolio of high street, shopping centre and factory outlet stores, as well as a distribution centre and head office, all held under operating leases. These are included in our emissions table however are not listed on our Balance Sheet. However, 9 leases have areas sublet to tenants. These areas sublet are not under our operational control and therefore are not included in our emissions table.
GHG measurement basis used	Defra 2014
Assessment methodology	Defra guidance
Materiality threshold	The Group has not applied a materiality threshold. Therefore, there are no exclusions.
Intensity measurement	Tonnes of CO_2 per £m revenue

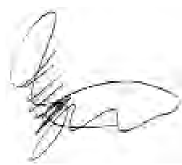
SUMMARY GHG EMISSIONS DATA FOR 2017/18

	Activity	2017/18 (tCO_2e)	(tCO_2e/£m revenue)
Scope 1	Stores distribution	230	1.69
	Business travel	51	0.38
	Gas	75	0.55
	Air conditioning	49	0.36
Scope 2	Purchased electricity	2,797	20.57
Statutory total (Scope 1 & 2)*		3,202	23.55
Intensity measurement:		2017/18	2016/17
Tonnes of CO_2e per £m revenue		23.55	28.77
Revenue (£m)		132	128

* Statutory carbon reporting disclosures required by Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The Strategic Report, from pages 2 to 21, has been reviewed and approved by the Board of Directors on 12 April 2018.

BRIAN BRICK
CHIEF EXECUTIVE OFFICER
12 April 2018



TONY BENNETT
FINANCE DIRECTOR AND COMPANY SECRETARY
12 April 2018

BOARD OF DIRECTORS

DIRECTORS

Debbie Hewitt MBE – Non-Executive Chairman. Joined the Board on 1 June 2009 as an Independent Non-Executive Director and became Non-Executive Chairman on 27 April 2010 (acting Chairman from 25 March 2010). She is Non-Executive Chairman of The Restaurant Group plc and a Non-Executive Director of Redrow plc which she will step down from in 2018. She also holds Non-Executive Director roles in private companies White Stuff, Domestic and General and BGL Group and in Visa Europe a subsidiary company of Visa Inc. She was previously the Managing Director of RAC plc.

Brian Brick – 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, Ambleside Estates Limited, Ambleside Investments Limited, Hattrick Properties and of dormant company Brijon Limited. He successfully sold Specialty Retail Company Limited in 2005.

Tony Bennett – Finance Director. Joined the Board on 15 August 2016 as Finance Director. He was previously the Finance Director for Charles Tyrwhitt, which he joined in 2009. Prior to that he was the Head of Commercial Finance at Selfridges Retail Ltd and Chief Financial Officer at Confetti Network Ltd. He has a deep commercial background in online, multi-site and international consumer businesses, with highly relevant experience in Menswear.

Maurice Helfgott – Senior Independent Non-Executive Director. Joined the Board on 19 October 2010 as Senior Independent Non-Executive Director. He is the Founder Director of Amery Capital, Chairman of Oliver Sweeney, Long Tall Sally and Unforgettable.org. He is also a Non-Executive Director of END. He was previously a main Board Director of Marks and Spencer plc.

Bryan Portman – Non-Executive Director. Joined the Board on 1 July 2011, he also chairs the Audit Committee. Bryan has been Finance Director of a number of retail and Financial Services businesses. His most recent executive role was as Chief Financial Officer of the Co-Operative Group until he left in 2007, and prior to joining the Co-Operative Group was Chief Executive at Britannic Group plc. Before that he held senior management and financial roles within Lloyds TSB Group plc and Safeway plc. He was also Chairman of Family Action charity. As announced in May 2017, Bryan will step down from the Board in May 2018.

Zoe Morgan – Non-Executive Director. Joined the Board on 1 November 2012. Zoe has been Marketing Director of a number of significant retail, consumer and Financial Services businesses including Marketing Director of the Co-Operative Group, Boots plc and HBoS. She has a broad commercial background in multi-site, retail businesses, with a strong skill set in strategy, brand management and CRM. She holds other non-executive directorships in Kind Consumer Limited and Finsbury Food Group plc.

Alex Gersh – Non-Executive Director. Joined the Board on 1 November 2017 as a Non-Executive Director. Alex is, until Summer 2018, the CFO of Paddy Power Betfair Group, having been appointed as CFO of Betfair Group plc in 2012. As well as his strong listed finance experience, he brings broad strategic, commercial and digital skills, along with international consumer insight. Alex will become Chairman of the Audit Committee in May 2018, when, as noted above, the current Chairman of Audit, Bryan Portman, steps down from the Board.

AUDIT COMMITTEE OF THE BOARD	REMUNERATION COMMITTEE OF THE BOARD	NOMINATION COMMITTEE OF THE BOARD
B Portman (Chairman)	Z Morgan (Chairman)	D Hewitt (Chairman)
M Helfgott	D Hewitt	M Helfgott
Z Morgan	B Portman	B Portman
A Gersh	M Helfgott	Z Morgan
	A Gersh	A Gersh

DIRECTORS' REPORT

The Directors of Moss Bros Group PLC present their Annual Report & Accounts and audited financial statements for the period ended 27 January 2018. The Group is also required to set out in this report a review of the business of the Group during the period ended 27 January 2018 and of the position of the Group at the period end together with a description of the principal risks and uncertainties facing it. In addition, the Group is required to set out in this report disclosures relating to likely future developments in the business of the Group, policies on diversity and employee communication and a statement on greenhouse emissions.The information which fulfils these requirements can be found in the Strategic Report. Information on financial risk management objectives can be found in note 24 in the notes to the financial statements.

DIVIDENDS

As previously announced, the Board has reviewed its Dividend Policy. The Group has a strong balance sheet but, given the more challenging trading environment, the Board is taking a prudent approach to capital management and has decided to reduce the dividend to ensure that we are able to fully cover our future dividends with profits in FY20/21 and onwards. The Board proposes the payment of a final dividend of 1.97 pence per share (2016/17: 3.98 pence) bringing the total for the year to 4.00 pence per share, compared with 5.89 pence per share for the year ended 28 January 2017. The final dividend is to be paid on 22 June 2018 to all shareholders on the register as at 11 May 2018 (ex-dividend date 10 May 2018).

SHARE CAPITAL

The Company has 100,799,873 ordinary shares of £0.05 in issue as at 27 January 2018. 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.

SUBSTANTIAL SHAREHOLDERS

The Group had been notified of the following significant shareholders and interests in shares (being shareholders holding more than 3% of the Company's share capital) of the Group in March 2018, pursuant to Section 793 of the Act:

	Number of shares	% of voting rights and issued share capital
Legal & General Investment Management	10,509,708	10.43
Hargreave Hale	9,239,051	9.17
Soros Fund Management	8,994,200	8.92
Chelverton Asset Management	5,750,000	5.70
Artemis Investment Management (London)	5,497,275	5.45
Artemis Investment Management (Edinburgh)	5,053,554	5.01
Cavendish Asset Management	4,727,783	4.69
Schroder Investment Management	4,610,597	4.57
Hargreaves Lansdown Asset Management	4,210,025	4.18
ETX Capital	3,961,049	3.93
Moss Bros Group Director & Related Holdings	3,867,810	3.84
NFU Mutual Investment Managers	3,451,848	3.42

DIRECTORS' REPORT

CONTINUED

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 currently 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 automatic 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 16 May 2018, 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 22 of this Annual Report. All served as Directors throughout the period, and up to the date of signing this report, unless stated otherwise.

Appointments to the Board are recommended by the Nominations Committee and are made in accordance with the provisions of the Articles. In line with best practice, all Executive Directors and Non-Executive Directors have offered themselves for re-election by the shareholders at the forthcoming Annual General Meeting.

The Board confirms that, following a review of the skills and experience of the Directors it is satisfied that Maurice Helfgott, Bryan Portman, Zoe Morgan and Alex Gersh and the Chairman, Debbie Hewitt, remain independent of the management of the Group.

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 Group's existing Articles give the Directors authority to approve a Director's conflict or potential conflict of interest. Potential conflicts of interest are detailed on page 103 of this report.

The interests of the Directors in the ordinary shares of the Group on 27 January 2018 were:

	Number of shares at 27 January 2018	Number of shares at 28 January 2017
Debbie Hewitt	**720,893**	720,893
Brian Brick	**1,787,534**	1,787,534
Tony Bennett	**–**	–
Maurice Helfgott	**400,727**	400,727
Bryan Portman	**100,000**	100,000
Zoe Morgan	**76,897**	76,897
Alex Gersh	**–**	–

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 interests in the Group.

Brian Brick and Tony Bennett also participate in the Group's Long-Term Incentive Plan. Details are set out in the Directors' Remuneration Policy on pages 38 to 46.

By order of the Board

BRIAN BRICK
CHIEF EXECUTIVE OFFICER
12 April 2018

TONY BENNETT
FINANCE DIRECTOR AND COMPANY SECRETARY
12 April 2018

CORPORATE GOVERNANCE REPORT

CHAIRMAN'S INTRODUCTION

The Board has a wide range of responsibilities and my overall objective is to ensure that the Board has the right mix of skills and experience to leverage the opportunities and overcome the challenges that the Company faces and that it works effectively as a team to identify, prioritise, communicate and review the delivery of the goals of the Company. We ensure that there is the right mix of enquiry and support to the Executive Directors from the Non-Executives.

The Non-Executive Directors discuss and agree the strategy with the Executive Directors and hold the Executives accountable for its execution; we ensure that we have the most talented team to execute this strategy; and we set the tone for governance.

The Board is committed to maintaining the highest standards of corporate governance, specifically ensuring that we send out consistent messages on the core values of the Company and acceptable behaviours. We have made good progress in achieving best practice and we regularly review the context, progress and maintenance of these standards, for the benefit of all of our stakeholders.

DEBBIE HEWITT
CHAIRMAN

STATEMENT OF COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE 2014 ("THE CODE")

The Group is committed to the principles of corporate governance contained in the UK Corporate Governance Code that was issued in 2012 by the Financial Reporting Council ('the Code') for which the Board is accountable to shareholders. The Board regularly reviews the effectiveness of the Group's risk management and internal control systems, which is further discussed on pages 32 and 33.

Compliance with the Code was reviewed regularly and throughout the year ended 27 January 2018, the Board confirms that it has fully complied with the provisions set out in the code.

The Company has applied the principles set out in the Code, including both the main principles and the supporting principles, by complying with the Code as reported above. Further explanation of how the principles have been applied is set out below and in the Directors' Remuneration Report and Audit Committee Report.

LEADERSHIP

THE ROLE OF THE BOARD

At 12 April 2018, 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, Bryan Portman, Zoe Morgan, Alex Gersh and the Chairman, Debbie Hewitt, to continue to display all of the qualities of independence as set out in the Code.

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 six times a year including two meetings 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.

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.

AUDIT COMMITTEE

The Audit Committee is chaired by Bryan Portman (MBA, FCCA, FCIS), and also comprises Zoe Morgan, Maurice Helfgott (MBA) and Alex Gersh (CPA). 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 succession for the Chair of the Audit Committee has been well planned, with the stepping down of the current Chairman, Bryan Portman in May 2018 and the appointment of Alex Gersh, who joined as Non-Executive Director in November 2017. Alex will chair the Audit Committee with effect from May 2018.

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 Board has delegated to the Audit Committee responsibility for ensuring the financial statements, when taken as a whole, are fair, balanced and understandable. The Audit Committee has considered all matters brought to its attention during the year. The Audit Committee has also considered whether there were any areas where they required more information in order to decide if the annual report is fair, balanced and reasonable and made arrangements for this information to be reported to them. 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.

The Audit Committee also reviews the possible risks facing the Group, the risk management function and internal controls. In addition, the Audit Committee challenges the assumptions within the Group's forecasts and the related forecasting processes particularly in the context of their consideration of Going Concern, the Long Term Viability Statement and other key financial statement judgements. In light of the challenging consumer environment and the profit updates in January and March 2018, managements' revised forecasts for FY18/19 were subject to more focused review by the Audit Committee. The Committee's review of the interim and full year financial statements focused on the following key areas affecting the Group's financial reporting:

Store Impairments

As at 27 January 2018, the group held £19.3m of intangible and tangible fixed assets, excluding hire inventory (28 January 2017: £17.8m) (see note 13 and note 14). Given recent trading conditions, the assessment of store impairments has been of increased prominence compared to prior financial periods. The Committee consider store impairments to be a key source of estimation uncertainty as disclosed in note 2. The impairment review is subject to an element of judgement due to the assumptions made within cash flow projections. These assumptions relate to forecast sales growth and margin figures which are based on management estimates.

The Committee has considered the estimates made and the impairment amount for 2017/18 as detailed in notes 2 and 14 and consider the amount to be fair given the trading update of 21 March 2018.

Dilapidations

The estimation of costs arising from dilapidations is considered a key source of estimation uncertainty given the nature of the business.

A memorandum was prepared by the Board at the interim and year end which was reviewed by the Audit Committee which sets out these key risks and estimates and how they have been addressed by the Board in their preparation of the financial statements. The provision for dilapidations has been considered as a key source of estimation uncertainty in note 2 in the notes to financial statements on page 81.

The Committee has considered the provision disclosed in notes 2 and 22 to the accounts to be an accurate estimate of future costs incurable by the Group.

Other areas of focus considered by the Committee were:

Valuation of inventory and related provisions
Inventory is a significant value on the Group's balance sheet and there is an element of judgement relating to the inventory provision. The Committee have reviewed the calculation of the inventory provision as at 27 January 2018 and consider the increase in the provision from 28 January 2017, as detailed in note 16 appropriate. Given the size of the provision it is not considered likely that this area could give rise to material misstatement of the accounts.

Valuation of hire inventory
The estimated useful lives of hire inventory is of considerable significance to the group given the nature of the business. The Audit Committee consider that the estimated useful life of 4 – 7 years detailed in the principal accounting policies remains accurate.

Measurement and accounting for share-based payments
The assumptions behind the Group's estimate of equity instruments that will eventually vest is considered an important area by the Committee. The Committee have examined these assumptions made at 27 January 2018, detailed in note 9 and have concluded that they are fair. The judgements and estimates involved are not considered to be material to the accounts.

Revenue recognition on hire and Tailor Me deposits
Revenue is deferred until collection of goods arises. The movement and amount deferred is significant to the financial statements. The committee have reviewed the total value of hire and Tailor Me deposits as at 27 January 2018 and are satisfied this has been calculated correctly.

Onerous leases
The assumptions underlying these calculations are highly sensitive to small changes. The provision for the year detailed in note 22 has been assessed by the Committee and considered accurate. The judgements and estimates involved are not considered to give rise to a material risk of misstatement of the financial statements and as such onerous leases are not considered an area giving rise to critical accounting judgements or key sources of estimation uncertainty.

Deferred taxation
The carrying amount of deferred tax assets (see note 10) are reviewed at each balance sheet date and a judgement made over the probability of there being sufficient taxable profits arising in the future to allow all or part of the asset to be recovered.

The terms of reference for the Audit Committee are available from the Company Secretary and at http://corp.moss.co.uk/about/governance.

REMUNERATION COMMITTEE
The Remuneration Committee is chaired by Zoe Morgan and during the financial year also comprised Debbie Hewitt, Bryan Portman, Maurice Helfgott and Alex Gersh. The Annual Statement on Directors' Remuneration is set out on pages 36 and 37.

The terms of reference for the Remuneration Committee are available from the Company Secretary and at http://corp.moss.co.uk/about/governance.

NOMINATION COMMITTEE
The Nomination Committee is chaired by Debbie Hewitt and all the Non-Executive Directors are members. 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 http://corp.moss.co.uk/about/governance.

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, regularly reviews the strategic aims of the Group and capital and revenue expenditure.

DIVISION OF RESPONSIBILITIES

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 22.

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 annually.

EFFECTIVENESS

THE COMPOSITION OF THE BOARD

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.

Notwithstanding the provisions of the Articles, in compliance with best practice, all directors offer themselves for re-election annually.

Evaluation of the Board's performance has been conducted through individual questionnaires, followed by a review of the output by the Board and an action plan of improvements.

The evaluation process involves the completion of comprehensive, bespoke to Moss Bros, individual Director feedback questionnaires on all aspects of the Board, its committees and all individual Directors, including the Chairman (which was overseen by the Senior Independent Director). The completed questionnaires were collated, summarised and analysed and the Board met to discuss the findings, which were compared to the previous year's results, progress made and the setting of prioritised actions for the coming year.

This year, the evaluation identified actions which would improve the working of the Board, including:

- A comprehensive review of the Hire, Property and E-Commerce strategies to be sure that sufficient and appropriate resources are allocated to leverage the opportunities
- A broader strategic debate on service and operational effectiveness, taking into account market trends
- Commence the recruitment of an additional Non-Executive Director to address Board and Committee succession
- Extend the management talent review to cover more junior levels of management, including a review on how we build on the approach to diversity, which saw positive progress in our gender pay gap results.

CORPORATE GOVERNANCE REPORT

CONTINUED

APPOINTMENTS TO THE BOARD

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.

Copies of the Executive Directors' service contracts with the Company and copies of the Non-Executive Directors' letters of appointment with the Company are available from the Company Secretary.

TRAINING AND DEVELOPMENT

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

The Board has conducted a review of its effectiveness and the effectiveness of each individual Director. The conclusions of the review have been presented to and discussed by the Board as a whole and actions resulting from this review will be kept under review during the forthcoming year. The Senior Independent Director separately reviews the performance of the Chairman, with input from Executive and Non-Executive Directors.

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.

MEETINGS AND ATTENDANCE

The Board held seven Board meetings, three Audit meetings, five Remuneration meetings and two Nomination meetings during the year. The attendance of each of the Directors at these meetings and committee meetings where appropriate is detailed below:

		Committee meetings		
	Board meetings	Audit	Remuneration	Nomination
Number of meetings	7	3	5	2
Debbie Hewitt	7	3	5	2
Maurice Helfgott	7	2	5	2
Brian Brick	7	3	3	2
Tony Bennett	7	3	2	2
Alex Gersh*	2	1	2	–
Bryan Portman	7	3	5	2
Zoe Morgan	6	3	4	2

*Attended meetings eligible for

INFORMATION AND SUPPORT

All Directors have access to the advice of the Company Secretary, who is responsible to the Board for ensuring that procedures are followed. In addition, the Directors are able to seek appropriate independent professional advice at the Group's expense.

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.

The Board ensures two-way communication with major shareholders, through Broker briefings and feedback from the Executive Directors following meetings with major shareholders. The Chairman also meets with major shareholders on a regular basis.

AUDIT COMMITTEE AND AUDITOR

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.

During the period ended 27 January 2018, the fees paid to the Group's external auditor, Deloitte LLP, for non-audit services were £nil (2016/17: £7,000). The use of Deloitte LLP for non-audit work was carefully evaluated by the Audit Committee and the Board.

To fulfil its responsibilities regarding 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, 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. The Audit Committee conducted a competitive audit tender process in March 2018 for audit services to be provided in the 2018/19 financial period. Following recommendation from the Audit Committee, the board approved the reappointment of Deloitte as statutory auditors. The reappointment of Deloitte LLP will be subject to the approval at the AGM in May 2018.

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.

ACCOUNTABILITY

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 auditor 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, liquidity position, 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 24.

As also highlighted in note 24 to the financial statements, the Group meets its day-to-day working capital requirements through surplus cash balances.

The Board of Directors has undertaken a recent thorough review of the Group's budgets and forecasts following the release of the 21 March 2018 trading update and has produced detailed cash flow projections, which take account of reasonably possible changes in trading performance, showing that the Group is expected to operate within the level of its current surplus cash balances.

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 27 January 2018.

LONGER TERM VIABILITY STATEMENT

The Directors have assessed the Group's viability over the three year period to January 2021. This is based on the Group's strategic planning time horizon and reflects the period over which long term operational decisions are assessed.

In making their assessment the Directors have taken into account the Group's current financial and operational position, plans for future development and the principal risks and uncertainties that face the Group, as set out on pages 15 to 17. The assessment has included consideration of the 21 March 2018 trading update. The most relevant of these risks and uncertainties in terms of potential financial and operational impact on viability were included in the scenario analysis. Sensitivity analysis was also performed which modelled the impact of the risks occurring individually or in unison in order to stress-test the resilience of the Group.

Based on their assessment of the results of this analysis, the directors have a reasonable expectation that the Group will be able to meet their liabilities, as they fall due, until January 2021.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has applied principle C.2 of the UK Corporate Governance Code by establishing a continuous process for identifying, evaluating and managing the significant risks the Group faces and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The Board regularly reviews the process, which has been in place from the start of the year to the date of approval of this report and which is in accordance with revised guidance on internal control published in October 2005 (the Turnbull Guidance). The Board is also responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

In compliance with provision C.2.1 of the UK Corporate Governance Code, the Board regularly reviews the effectiveness of the Group's risk management and internal control systems. The Board's monitoring covers all material controls, including financial, operational and compliance controls. It is based principally on reviewing reports from management to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The Board has also performed a specific assessment for the purpose of this annual report. This assessment considers all significant aspects of risk management and internal control arising during the period covered by the report including the work of internal audit and loss prevention function. The audit committee assists the Board in discharging its review responsibilities.

During the course of its review of the risk management and internal control systems, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore, a confirmation in respect of necessary actions has not been considered appropriate.

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 27 January 2018 and up to the date of this Report.

The significant risks the Board has identified are detailed in the Chief Executive's Business Review.

During the period the Board has reviewed the adequacy of the current 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
12 April 2018

TONY BENNETT
FINANCE DIRECTOR AND COMPANY SECRETARY
12 April 2018

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, the Directors' Remuneration 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 chosen to prepare the parent Company financial statements under IFRSs as adopted by the EU. 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 these 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic 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.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Board considers the report and accounts, taken as a whole, to be fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

BRIAN BRICK
CHIEF EXECUTIVE OFFICER
12 April 2018

TONY BENNETT
FINANCE DIRECTOR AND COMPANY SECRETARY
12 April 2018

ANNUAL STATEMENT ON DIRECTORS' REMUNERATION

Dear Shareholder,

The following represents the Directors' remuneration report for the year ended 27 January 2018. Following the adoption of the Director's Remuneration Policy at the 2017 AGM we continue to retain our overall philosophy of adopting clear, strategically aligned and market competitive remuneration and incentive schemes. The alignment of executive remuneration structures with the objectives of the shareholders remains the principal focus, ensuring remuneration structures are fully attuned to the business strategy.

In this Annual Statement, which precedes our Annual Report on Remuneration, I have summarised our performance in 2017/18, and how this relates to our remuneration decisions and outcomes.

The significant disruption to the supply of stock from suppliers, strong external cost headwinds and a more fragile consumer market, has combined to disrupt a strong track record of growth. Whilst the very disappointing result masks underlying progress in a number of areas that were included in the short and long-term incentives, the resulting loss of shareholder value has caused the Remuneration Committee to reflect the declining profit performance and disappointing start to the new trading year in their remuneration decisions for 2017/18.

The annual bonus performance targets for 2017/18 were based 50% on profit targets and 50% on strategic performance objectives. The minimum threshold of PBT required for the payment of 2017/18 annual bonuses was not achieved (target £7.2m: actual £6.5m), and accordingly no 2017/18 annual bonus payments will be made to our Executive Directors. Some progress was made against the strategic performance measures but as the financial hurdle was not achieved, no payment will be made for the achievement of those targets. Following our commitment to giving a fuller description of the strategic objectives, the detail of this progress is described in the Annual Report on Remuneration that follows.

The April 2015 LTIP award has matured, the performance condition for which was based on the 3-year cumulative profit before tax from 31 January 2015 to 27 January 2018. The threshold cumulative PBT target of £18.5m was exceeded, with a total cumulative PBT of £19.1m, with 25% of the award due to vest. However, the Remuneration Committee judged that, given the reduction of shareholder value throughout the period, the LTIP award should not vest to any participant. Therefore 0% of this LTIP award will vest and the Scheme will lapse for all participants.

REMUNERATION IN 2018/19

We were pleased that 99.82% of shareholders voting at the 2017 AGM approved our Directors' Remuneration Policy which we are continuing to apply in 2018/19 without any alterations.

We were, however, disappointed that only 79.3% of our shareholders voting supported the vote on our Annual Report on Remuneration at the 2017 AGM. We undertook a thorough review of the reasons for this following the AGM and consulted again with a number of our largest shareholders. We discovered that a large number of the votes cast against related to how we disclosed the strategic performance targets for our annual bonus plan.

From this Directors' Remuneration Report onwards we are therefore committed to the following disclosures regarding annual bonuses:

- As before, disclosing retrospectively the target ranges for financial metrics (for the 2017/18 year this was an adjusted PBT target range); and
- Giving a fuller description of the strategic objectives whilst being respectful of commercially sensitive information.

Looking to 2018/19, we have again sought to set appropriately stretching measures for the 2018/19 annual bonus (adjusted PBT and strategic measures) and for the LTIP (cumulative adjusted PBT in the 3 financial years to 2021 and absolute TSR growth).

Executive Director salaries have also been reviewed for 2018/19. Brian Brick, our CEO, has received a salary increase of 1.5%, below that of all staff, giving a salary of £332,500 (2017/18: £327,500). Tony Bennett, our Finance Director, received a salary increase of 6.9% giving a salary of £240,000 (2017/18: £224,500). This reflects his significant contribution to the business since he joined us in August 2016. As we noted when Tony Bennett was recruited and as noted in the 2016/17 Annual Statement, the board fully intended to make a proportionate increase once he had been in post for an appropriate period, and provided that this was warranted by his performance in the role.

For completeness, the Committee also decided in the year to review the fees of the Chairman. The last review of the Chairman's fees was in February 2016. For 2018/19, the Chairman's fee has been increased to £125,000 (2017/18: £120,000). Also, whilst it is outside the remit of the Remuneration Committee, the board reviewed the fees of the Non-Executive Directors. The last review of the Non-Executive's fees was in February 2016. Revised base fee levels have been set at £47,000 (2017/18: £44,000), inclusive of any fees for acting as either Senior Independent Director or as Chairman of a Board Committee.

FORMAT OF THE REPORT AND MATTERS TO BE APPROVED AT OUR AGM

The regulations governing the Directors' remuneration reports of listed companies require that we split our report into two sections: the Directors' Remuneration Policy sets out the Company's forward-looking approach to remuneration of our Directors and the separate Annual Report on Remuneration gives details of the payments made to Directors in 2017/18, as well as other required disclosures. The Directors' Remuneration Policy has not been changed since the 2017 AGM; therefore, we will be only holding one vote on remuneration matters at the 2018 AGM, namely a vote on the Annual Report on Remuneration.

I hope you are supportive of our approach to executive pay at Moss Bros and that you will vote in favour of the resolution to be tabled at the 2018 AGM.

Zoe Morgan
CHAIRMAN OF THE REMUNERATION COMMITTEE

DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy was approved by the Company's shareholders at the Company's AGM on 19 May 2017 and has effect on all payments made to Directors from that date. For information and ease of reference, the Directors' Remuneration Policy is included below. The Directors' Remuneration Policy has not been changed since the 2017 AGM, although for completeness the "scenario charts" within the policy have been updated to reflect certain base salary changes implemented for FY 2018/19.

The Directors' Remuneration Policy is not subject to the advisory vote on the Annual Report on Remuneration at the 2018 AGM.

INTRODUCTION

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

- Ensure Executive Directors' rewards and incentives are directly aligned with the interests of the shareholders in order to reinforce the strategic priorities of the Group, optimise the performance of the Group and create sustained growth in shareholder value, without encouragement to take excessive undue risk;
- Provide the level of remuneration required to attract, retain and motivate Executive Directors and senior executives of an appropriate calibre;
- Ensure a proper balance of fixed and variable performance related components, linked to short and longer-term objectives; and
- 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 elements (annual bonus and long-term incentives) form 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 half of the annual bonus and all of the long-term incentive is payable in the form of shares.

FUTURE POLICY TABLE FOR EXECUTIVE DIRECTORS

Element	Purpose and link to strategy	Operation (including framework to assess performance)	Maximum opportunity
Salary	This is the core element of pay. Ensuring we are competitive in the market allows us to attract and retain executives to achieve our key objectives, whilst managing costs.	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. They also reflect the overall package in relation to fixed and variable pay. 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. We would only expect a material adjustment of salaries in the event that the scale and complexity of the business changed substantially over time. The salaries of any newly appointed Executive Director would reflect the scale and nature of the role and the relevant experience of any newly appointed individual. There may be annual adjustments as a newly recruited Executive develops into a role.	**Annual increases are normally capped at the general Company-wide increase for all staff, although increases above this level may be made in exceptional circumstances such as change in role, increase in responsibility, increase in scale and scope of the business.**
Benefits	To provide market competitive benefits. which drive employee engagement and commitment to our business.	Benefits typically comprise a car allowance, private medical insurance, life assurance and group income protection. Additional benefits may be provided if the Committee deems the expense to be reasonable and business related. Executive Directors are also eligible for benefits introduced to all other staff. For example, Executive Directors may be invited to participate in the Sharesave scheme approved by HMRC.	**Market competitive benefit level.** **Sharesave scheme subject to HMRC approved limits.**

DIRECTORS' REMUNERATION POLICY

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<table>
<tr><th>Element</th><th>Purpose and link to strategy</th><th>Operation (including framework to assess performance)</th><th>Maximum opportunity</th></tr>
<tr><td>Annual Bonus</td><td>To drive and reward market leading short term operating performance of the Group.

Provide a strong focus on share price performance over the deferral period.</td><td>Based on a range of stretching targets measured over one year. These might include but not exclusively PBT, brand development, cash management, customer satisfaction and retention, channel sales growth and employee engagement.

Bonus payments are determined as follows:

• Performance below the threshold performance target results in zero payment.

• Achievement of the threshold performance.

• Target results in a threshold payment no greater than 20% of the maximum opportunity.

• Payments rise from the threshold payment to 100% of the maximum opportunity for levels of performance between the threshold and maximum targets.

The committee has discretion to reduce or amend the formulaic bonus outcome if individual performance is determined to be unsatisfactory or if the individual is the subject of disciplinary action.

50% of any bonus payment is invested in shares and deferred for a three year period.

Dividend equivalents are paid on vesting shares.

Malus and Clawback provisions are in place for both cash and deferred elements.</td><td>100% of salary for the CEO.

80% of salary for other Executive Directors.</td></tr>
</table>

Element	Purpose and link to strategy	Operation (including framework to assess performance)	Maximum opportunity
Long-Term Incentive Plan	To drive long-term performance in line with Group strategy and incentivise through share ownership.	Awards have a performance period of three years. The level of vesting is determined by measures appropriate to the strategic priorities of the business. At least half of any award will be subject to financial performance measures. The remuneration committee has the discretion to determine this to be based on a single measure or a number of measures. Performance below the threshold target results in no vesting. For performance between the threshold target and maximum target, vesting starts at 25% and rises to 100% of the shares. Any awards granted under this policy to Executive Directors which vest and are exercised after the completion of the three year performance period must be held for a further two years after vesting. Malus and Clawback provisions are in place.	**Award over shares with a face value at grant of:** **100% of salary for the CEO.** **70% of salary for other Executive Directors.**
Pension	To remain competitive within the market place and to encourage flexible retirement planning for individuals.	Executive Directors are entitled to receive a pension contribution.	**20% of salary for CEO and 15% of salary for other Executive Directors.**

CHOICE OF PERFORMANCE MEASURES AND TARGET SETTING

For the annual bonus and long-term incentive, our policy is to choose performance measures which help drive and reward the achievement of our strategy and also provide alignment between employees and shareholders. The Committee reviews metrics each year to ensure they remain appropriate and reflect the future strategic direction of the Group.

Targets for each performance measure are set by the Committee with reference to internal plans and external expectations. Performance is generally measured on a 'sliding scale' so that incentive pay outs increase pro-rata for levels of performance in between the threshold and maximum performance targets.

Performance measures and targets are disclosed in the Annual Report on Remuneration. In cases where targets are commercially sensitive, for example annual profit targets for the annual bonus, they will only be disclosed retrospectively.

DIRECTORS' REMUNERATION POLICY

CONTINUED

DIFFERENCES IN PAY POLICY FOR EMPLOYEES AND EXECUTIVE DIRECTORS

No benefit of the Executive Director remuneration policy is operated exclusively for Executive Directors, and, as stated in the introduction to this Policy Report on page 38, the principles applied to the remuneration of Executive Directors are the same as those for the Company. The difference between pay for Executive Directors and employees is that Executive Director pay is structured so that the variable pay element forms a significant proportion of the overall package and the total remuneration opportunity is higher to reflect the increased responsibility of the role.

EXECUTIVE SHAREHOLDING GUIDELINES

In any event, 50% of the value awarded as part of the annual bonus scheme will be awarded as deferred shares, to be held for a period of no less than three years, and shares vesting under the LTIP scheme, if exercised, to be held for a minimum of two years after the vesting date.

Furthermore, to encourage Executive Directors to use vested LTIP shares to build and maintain a significant shareholding, executives who receive a long-term incentive award which exceeds 50% of salary are required to retain all of the post-tax number of shares until a minimum shareholding of 100% has been achieved.

Executives who receive a long-term incentive award of 50% of salary are expected to build a holding of 50% of salary, along the same lines as above. Executives who receive an award below 50% of salary are expected to build a holding of 15% of salary, along the same lines as above. For the purpose of this calculation, the value of shares is calculated using the higher of their acquisition price and current market price.

NED POLICY TABLE

Element	Purpose and link to strategy	Operation	Maximum opportunity
Fees	Attract and retain high calibre Non-Executive Directors.	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. Any reasonable business related expenses can be reimbursed. Fees for the Non-Executive Directors are normally reviewed in alternate years.	**Current fee levels are set out in the Annual Report on Remuneration.** **Annual fee increases can be made but overall fee limit will be within the limit set out in the Company's Articles of Association[1].**

1. The maximum aggregate annual fees payable to the Non-Executive Directors is £300,000 (exclusive of VAT if applicable) or such larger sum as the company in general meeting or by ordinary resolution shall from time to time determine.

Non-Executive Directors are not entitled to bonus payments, any other benefits (except where the benefit is historical) or pension arrangements nor do they participate in the Company's long-term incentive schemes.

APPROACH TO RECRUITMENT

The principle applied in recruitment of a new Executive Director is for the remuneration package to be set in accordance with the terms of the approved remuneration policy for existing directors in force at the time of appointment. In addition, the Committee may offer additional cash and/or share-based 'buy out' awards when it considers these to be in the best interests of the Company and, therefore, shareholders, including awards made under Listing Rule 9.4.2 R. Any such 'buy out' payments would be based solely on remuneration lost when leaving the former employer and would reflect the delivery mechanism (i.e. cash, shares, options), time horizons and performance requirements attaching to that remuneration. Shareholders will be informed of any such payments at the time of appointment.

As a result of this policy, the maximum ongoing variable remuneration (i.e. excluding buyout awards), which could be granted to a new Executive Director is 200% of salary.

In the case of an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms on grant, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue, provided that they are put to shareholders for approval at the first AGM following their appointment.

Other aspects of our recruitment policy include:

- Where it is appropriate to offer a below median salary initially, a series of increases to the desired salary positioning may be given over the proceeding few years subject to individual performance and experience in role.
- Different performance measures may be set initially for the annual bonus, taking into account the responsibilities of the individual, and the point in the financial year that they joined.
- An LTIP award can be made shortly after a new Director is appointed.
- A new Director may receive fees for professional advice as appropriate.
- A new Director may receive relocation assistance if applicable.

POLICY ON PAYMENT FOR LOSS OF OFFICE

Elements of fixed remuneration are treated as follows:

Upon termination by either party 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.

In addition, the Company can make a payment in lieu of notice equal to base salary that would have been paid over the notice period. In addition, any statutory entitlements or sums to settle or compromise claims in connection with the termination would be paid as necessary.

Elements of variable remuneration would be treated as follows:

Annual bonus

Under the Annual Incentive Plan, an employee who ceases employment or is under notice prior to the payment of bonus typically will not receive any payment. However, the Committee has discretion, where an individual is considered a 'good leaver', to make a bonus payment, payable in cash, but pro-rated for the period of time served from the start of the financial year to the date of termination and not for any period in lieu of notice or garden leave. Any such bonus payment typically would be subject to the normal bonus targets, tested at the end of the year, and would take into account performance over the notice period.

Long-Term Incentive Plan

Under the LTIP, unvested awards will normally lapse upon cessation of employment. However, in line with the plan rules, the Committee has discretion, where an individual is considered a 'good leaver', to allow awards to vest at the normal vesting date, or earlier, if circumstances warrant it. If the Committee exercises this discretion, awards are normally pro-rated to reflect time served since the date of grant and based on the achievement of the performance criteria.

DIRECTORS' REMUNERATION POLICY

CONTINUED

SAYE

The Executive Directors participate on the same basis as for other employees.

APPROACH TO SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

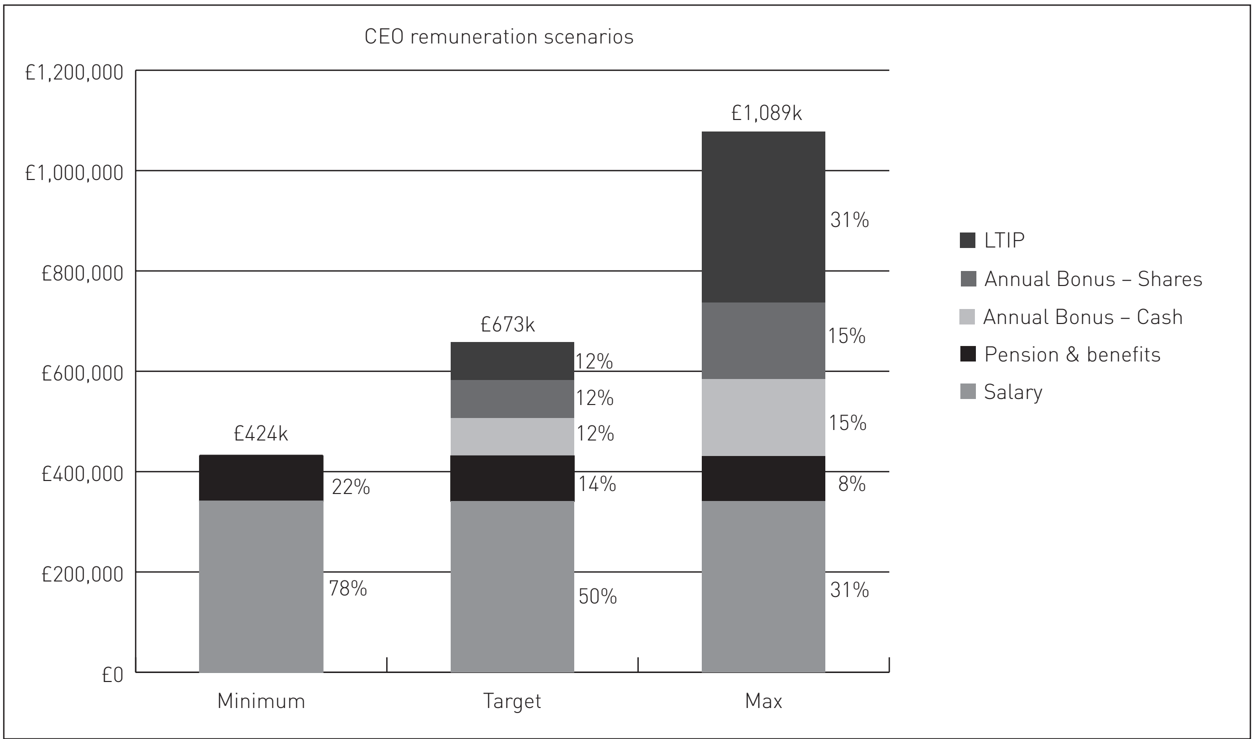
The Committee's policy is to offer service contracts for Executive Directors with notice periods of six to twelve months. In addition, the Executive Directors are subject to a six month non-compete clause from the date of termination.

For the Chairman, appointment is terminable on six months' notice. All other Non-Executive Directors' appointments are terminable on three months' notice on either side.

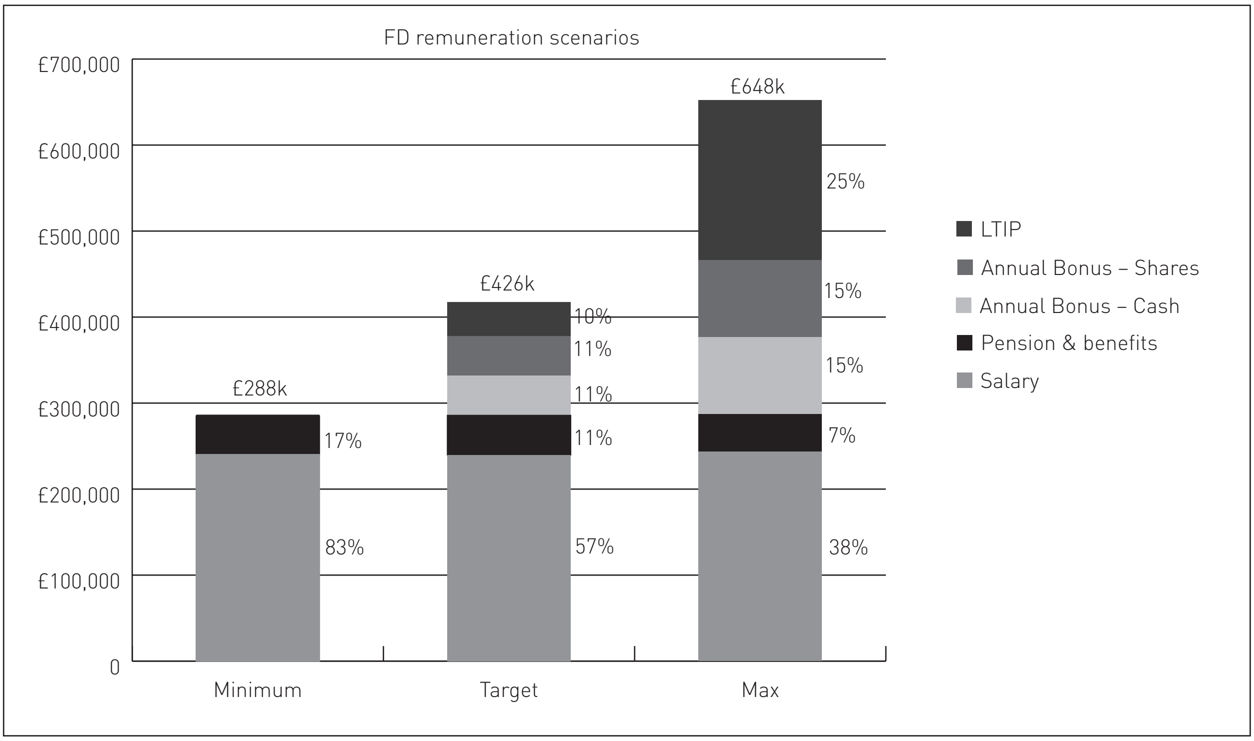
ILLUSTRATION OF REMUNERATION SCENARIOS

The charts below show scenarios for the CEO and FD, based on 2017/18 remuneration:

CEO remuneration scenarios – Unaudited



FD remuneration scenarios – Unaudited



Note that the charts above aim to show how the remuneration policy set out above for Executive Directors will apply in 2018/19 using the following assumptions:

<table>
<tr><td rowspan="7">Minimum</td><td colspan="5">Consists of fixed remuneration only (i.e. base salary, benefits and pension).</td></tr>
<tr><td colspan="5">Base salary is the salary to be paid in 2018/19.</td></tr>
<tr><td colspan="5">Benefits measured as benefits paid in the year ended 27 January 2018 as set out in the single figure table.</td></tr>
<tr><td colspan="5">Pension measured as the defined contribution to be paid in 2018/19.</td></tr>
<tr><td>£'000</td><td>Base Salary</td><td>Benefits</td><td>Pension</td><td>Total Fixed</td></tr>
<tr><td>Brian Brick</td><td>£332,500</td><td>£25,000</td><td>£66,500</td><td>£424,000</td></tr>
<tr><td>Tony Bennett</td><td>£240,000</td><td>£12,000</td><td>£36,000</td><td>£288,000</td></tr>
<tr><td>Target</td><td colspan="5">Based on what the Executive Director would receive if performance was 'on-target'. Therefore, includes fixed remuneration as above plus a threshold bonus payout of 50% of maximum (CEO 50% salary: FD 40% salary) and an assumed target level of vesting under the PSP (i.e. 25% of maximum, excluding share price appreciation and dividends).</td></tr>
<tr><td>Maximum</td><td colspan="5">Based on what the Director would receive if performance was at 'maximum'. Therefore, includes fixed pay as above plus a maximum bonus payout of 100% of maximum (CEO 100% salary: FD 80% salary) and full vesting of an illustrative 100% of salary award under the PSP (CEO 100% salary: FD 70% salary) (excluding share price appreciation and dividends).</td></tr>
</table>

STATEMENT OF CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE GROUP

The Moss Bros Remuneration Committee does not consult directly with employees when determining remuneration policy for Executive Directors. However, remuneration and pay increases across the Group are taken into account when setting pay levels for Directors.

DIRECTORS' REMUNERATION POLICY

CONTINUED

STATEMENT OF CONSIDERATION OF SHAREHOLDER VIEWS

The Remuneration Committee considers shareholder feedback received in relation to the AGM each year. When any material changes are proposed to the remuneration policy, the Remuneration Committee Chairman will inform major shareholders in advance, and will generally offer a meeting to discuss these.

KEY AREAS OF DISCRETION

Finally, we have chosen to highlight key areas of discretion in the application of our remuneration policy. These discretions are implicit in the policy stated above, but we have listed them for clarity. Key areas of discretion include, but are not limited to:

- Whether annual bonus is paid to Executive Directors once notice has been served.
- Discretion in exceptional circumstances to amend previously set annual incentive targets or to adjust the proposed pay-out to ensure a fair and appropriate outcome.
- Certain decisions relating to the Long-Term Incentive Plan awards for which the Committee has discretion as set out in the rules of the relevant share plans which have been approved by shareholders.
- The decisions on exercise of malus and/or clawback rights.

LEGACY ARRANGEMENTS

For the avoidance of doubt, in approving this Policy Report, authority is given to the Company to honour any commitments entered into with current or former Executive Directors before this remuneration policy came into force or before an individual became an Executive Director (such as the payment of outstanding incentive awards, and clothing allowance for Directors) even where it is not consistent with the policy prevailing at the time such commitment is fulfilled. Details of any payments to former Executive Directors will be set out in the Annual Report on Remuneration as they arise.

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 one 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 directorship.

Details of outside directorships held by the Executive Directors and any fees that they received are provided on page 52 of the Annual Report on Remuneration.

ANNUAL REPORT ON REMUNERATION

This part of the report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and 9.8.8R of the Listing Rules. The Annual Report on Remuneration will be put to an advisory shareholder vote at the 2018 AGM which is scheduled to be held on 16 May 2018. The information on pages 47 to 58 has been audited, except for the disclosure under payments for other directorships on page 52 and the total shareholder return graph on page 56.

IMPLEMENTATION OF REMUNERATION POLICY IN 2018/19

Executive Directors' Base Salaries

The Remuneration Committee has awarded a cost of living salary increase of 1.5% to Brian Brick for the forthcoming year, with effect from 1 February 2018. This increase will take Brian Brick's base salary from £327,500 to £332,500.

As described in the Committee Chairman's Annual Statement on Directors' remuneration, the Remuneration Committee has awarded a salary increase of 6.9% to Tony Bennett for the forthcoming year, with effect from 1 February 2018. This increase will take Tony Bennett's base salary from £224,500 to £240,000.

Pension and Benefits

There will be no changes to pension or benefits provision which will be consistent with the Directors' Remuneration Policy set out on pages 38 to 46.

Annual Bonus

The annual bonus in 2018/19 will be consistent with the Director's Remuneration Policy in relation to the maximum bonus opportunity (100% of base salary for the CEO; 80% for the Finance Director). Similar to last year performance measures will be based 50% on the achievement of adjusted PBT targets, and 50% on the achievement of strategic objectives. To ensure that the bonus is self-funding, no bonus will be payable if the minimum PBT target is not met.

The performance measures will cover Digital, Hire, Brand, In Store Customer Conversion and Employee Engagement. The level of performance against each objective will be disclosed in the 2018/19 Annual Report on Remuneration.

In line with our policy, 50% of any bonus outcome for 2018/19 will be deferred in shares.

Malus (being the forfeiture of unvested awards) and clawback (being the ability of the Company to claim repayment of paid amounts as a debt) provisions apply to Annual Bonus payments (including any future deferred amounts). These provisions may be applied where the Remuneration Committee considers it appropriate to do so following:

- misstatement of accounts,
- error, inaccuracy or misleading information used in determining the vesting or payout of awards, or
- an act that justifies summary dismissal for misconduct.

Long-term Incentive Plan (LTIP)

LTIP Awards will be made in April 2018 on the same terms as set out in the policy table. These will be subject to Malus (being the forfeiture of unvested awards) and clawback (being the ability of the Company to claim repayment of paid amounts as a debt) provisions and a two-year holding period for Executive Directors. For Brian Brick this award will be over shares equivalent to 100% of salary and for Tony Bennett this award will be over shares equivalent to 70% of salary. As well as the holding period, the executives have to achieve a shareholding guideline of 100% of salary (post shares sold to cover any tax) before they can sell any shares that vest.

The performance measures applicable to the 2018-2021 LTIP Awards are anticipated to be:

- a cumulative adjusted PBT measure as to 70% of each award; and
- an absolute Total Shareholder Return (TSR) measure as to 30% of each award.

The targets set for each performance measure are expected to be as follows:

	Performance measure		
		Cumulative Profit before Tax	TSR
LTIP Target Performance period 28/01/2018 – 29/01/2021	Target for 25% vesting	£11.6m	100% absolute percentage increase over the performance period[1]
	Target for 50% vesting	£13.0m	
	Target for 75% vesting	£15.0m	
	Target for 100% vesting	£17.0m	175% absolute percentage increase over the performance period[1]

1. For levels of performance in between these targets, vesting is determined using interpolation.

Cumulative Profit Before Tax for these purposes means operating profit after any charges arising from the LTIP, excluding exceptional profits, onerous lease provision release, movement in hire deposits and other material accruals unless the Remuneration Committee considers them appropriate to include.

TSR for these purposes is the percentage increase over the performance period of the value of a holding of shares, assuming that any dividends are re-invested and appropriate adjustments made to reflect changes in share capital. It is intended that the calculation of TSR will be based on data provided by an external financial information provider.

Note that the Remuneration Committee may adjust the targets for LTIP in order to neutralise the effect of any changes to the capital base.

Non-Executive Directors' Remuneration

In line with the policy, fees were reviewed for 2018/19. The previous review was 2016/17 and the next review of fees will be in 2020/21.

Annualised fees	2018/19	2017/18
Debbie Hewitt	£125,000	£120,000
Maurice Helfgott	£47,000[1]	£44,000
Bryan Portman	£47,000[2]	£44,000
Alex Gersh	£44,000[3]	£11,000[4]
Zoe Morgan	£47,000[5]	£44,000

1. This reflects a base NED fee of £42,000 and a £5,000 Senior Independent Director Fee.
2. This reflects a base NED fee of £42,000 and a £5,000 Audit Committee Chair Fee.
3. This reflects a base NED fee of £42,000 and a £2,000 fee to reflect his transition to Audit Committee Chair. This will be increased by a further £3,000 (to £5,000) when Bryan Portman steps down and Alex Gersh is appointed Audit Committee Chair.
4. This reflects a pro rata fee, as Alex Gersh joined part way through the year on 1 November 2017.
5. This reflects a base NED fee of £42,000 and a £5,000 Remuneration Committee Chair Fee.

SINGLE TOTAL FIGURE OF REMUNERATION

The detailed emoluments received by the Executive and Non-Executive Directors for the year ended 27 January 2018 are detailed below:

Director £000	Financial year	Base Salary/ Fees	Benefits[1]	Pension Contributions[2]	Annual Bonus[3]	Long-term incentive[4,5]	**Total[7]**
Brian Brick	2017/18	328	25	66	–	3	**422**
	2016/17	321	26	64	241	132	784
Tony Bennett	2017/18	225	12	34	–	3	**274**
	2016/17	102	5	15	55	–	177
Debbie Hewitt	2017/18	120	–	–	–	–	**120**
	2016/17	120	1	–	–	–	121
Maurice Helfgott	2017/18	44	–	–	–	–	**44**
	2016/17	44	–	–	–	–	44
Bryan Portman	2017/18	44	–	–	–	–	**44**
	2016/17	44	–	–	–	–	44
Alex Gersh[6]	2017/18	11	–	–	–	–	**11**
	2016/17	–	–	–	–	–	–
Zoe Morgan	2017/18	44	–	–	–	–	**44**
	2016/17	44	–	–	–	–	44

1. Taxable benefits include the provision to every Executive Director of private medical insurance (Brian Brick £7k; Tony Bennett £2k), life assurance, group income protection, and car allowance (Brian Brick £18k; Tony Bennett £10k). A clothing allowance benefit is available to Debbie Hewitt and Brian Brick.
2. Brian Brick received a pension contribution of 20% of salary; Tony Bennett received a pension contribution of 15% of salary.
3. Annual Bonus payments for performance in the relevant financial year. Note that this includes the 50% of payment element deferred in shares for three years.
4. Long-term incentive awards vesting under the LTIP. The figure for 2017/18 represents the vesting of awards relating to the 2015-18 LTIP which were scheduled to vest in April 2018. Although the performance conditions for this award would have allowed vesting at 25% (£56k to Brian Brick), the Committee used its discretion to withhold payment, reflecting the reduction in shareholder value throughout the period. Further detail is set out on page 36. For Brian Brick and Tony Bennett the figures include the intrinsic gain on the Sharesave options granted in the year (£3,252).
5. LTIP awards for 2014-2017 were previously valued using the daily average share price over the three-month period to 28 January 2017 of 99 pence. These have been re-valued based on the share price on the date of vesting (4 April 2017) of 101 pence.
6. Alex Gersh was appointed on 1 November 2017.
7. The aggregate remuneration of all Executive and Non-Executive Directors under salary, fees, benefits, cash supplements in lieu of pensions and annual incentive was £959k (2016/17: £1,214k).

ADDITIONAL INFORMATION IN RESPECT OF THE SINGLE FIGURE TABLE

2017/18 Annual Bonus

For 2017/18, the maximum bonus opportunity for Brian Brick was 100% of salary, and for Tony Bennett was 80% of salary. The bonus was payable 50% on the achievement of PBT targets, and 50% based on the achievement of strategic objectives, subject to the achievement of a minimum level of PBT. As the minimum PBT target was not met no annual bonus was awarded in respect of 2017/18. The performance measures, targets and payments are set out below:

Measure	Threshold target	Payment for threshold	Maximum target	Payment for maximum	2017/18 Outcome	Payment
2017/18 Adjusted PBT[1]	£7.2m	20% of maximum	£7.3m	50% of maximum	£6.5m	£Nil

1. Adjusted PBT for annual bonus purposes for 2017/18 means operating profit after any charges arising from the LTIP and excludes exceptional profits, onerous lease provision release, movement in revenue deposits and other material accruals unless the Remuneration Committee considers them appropriate to include.

The strategic objectives against which bonus would have been payable, had the minimum level of PBT been achieved, included progress on our brand awareness, customer and employee engagement, development of our Hire and Digital business and operating platforms. The weightings and progress against each of the measures is set out below, although no bonus is payable as the minimum level of PBT was not achieved.

Strategic Objective	% Bonus Potential	2017/18 Achievement	% Bonus Paid
Brand Awareness This measure targeted a 2% point increase in the response to the following prompted question: "Below is a list of menswear retailers. Including any already mentioned, please indicate which of these you are aware of where you can purchase suits"	5%	The Brand Awareness increased by 5% points. The target was therefore exceeded against the pre-set levels Had bonus been payable, an award of 5% would have been paid	0%
Customer Engagement Customer satisfaction is measured using NPS (promoters-detractors) with the data being sourced for both retail and hire, instore and online. The target was set with a minimum of it being level to the previous year and a maximum of 5.8% improvement	5%	The NPS score was achieved in stores though the overall target was not met at the pre-set target levels	0%

Strategic Objective	% Bonus Potential	2017/18 Achievement	% Bonus Paid
Employee Engagement Using a 3rd party Engagement consultancy an annual all employee survey is conducted and the target measures fully engaged, as opposed to an average engagement score	5%	Improvements were seen on an already good result in 2016/17. The overall performance missed target by 1% at the pre-set target levels. The progress in many areas was substantial particularly in the DC and Head Office. The completion rate was particularly pleasing. Due to the progress made the Remuneration Committee judged that, had bonus been payable, a partial award of 3% would have been paid	0%
Hire performance and progress on strategic plan This measure required progress to be made on managing the challenging Hire market along with building a sustainable future Hire business	20%	The Remuneration Committee made a qualitative assessment of this measure and judged that insufficient progress had been made and that the target had not been met	0%
Digital Performance This measure targeted a 15.5% increase in active customers. Using a 3rd party analytics consultancy the number of customers who purchased from Moss Bros within the last 12 months is captured	15%	Good growth was seen in active customers and the target was 99% met. Due to the progress made the Remuneration Committee judged that, had bonus been payable, a partial award of 9% would have been paid	0%
Total	50%	Had profit threshold been met a total award of 17% would have been made	0%

Long-term incentive plan vesting

Moss Bros cumulative adjusted PBT[3] for the three years to 27 January 2018 of £19.1m exceeded the threshold performance target of £18.5m relating to outstanding share awards made under the 2015 LTIP Award. Although 25% of the shares qualified to vest, the Remuneration Committee judged that, based on the reduction of shareholder value throughout the period and the disappointing start to the 2018/19 financial year, the Committee would use its discretion to withhold vesting. As a result, 0% of the shares awarded under the LTIP in April 2015 will vest to Brian Brick and Robin Piggott and the awards will lapse in full (forfeited values were £56k and £9k respectively).

Executive[1]	Number of shares subject to LTIP award	Cumulative adjusted PBT performance target and corresponding % of shares vesting[3]				Cumulative adjusted PBT outcome[3]	% of shares vesting[4]	Value of shares vesting[4]
		£18.5m	**£20.0m**	**£22.0m**	**£24.0m**			
Brian Brick	286,439	25%	50%	75%	100%	£19.1m	0%	£Nil
Robin Piggott[2]	46,987	25%	50%	75%	100%	£19.1m	0%	£Nil

1. Tony Bennett was not employed by the Company during the period when the 2015 LTIP Award was granted.
2. Robin Piggott (left on 12 August 2016), was employed by the Company during the period when the 2015 LTIP Award was granted. His entitlement of 2015 LTIP Award was prorated for his service period.
3. Cumulative adjusted PBT performance target for the 2015 LTIP Award means operating profit after any charges arising from the LTIP. It excludes exceptional profits, onerous lease provision release, interest, movement in hire deposits and other material accruals unless the Remuneration Committee considers them appropriate to include.

PAYMENTS FOR LOSS OF OFFICE

No director left office during the year and accordingly no compensation for loss of office was paid.

PAYMENTS TO PAST DIRECTORS

Robin Piggott, who left Moss Bros. on 12 August 2016, exercised the following shares on 24 April 2017;

1. 41,120 shares with an exercise value of £41,531.20 being the vesting of the 2014-2017 LTIP
2. 35,930 shares with an exercise value of £36,289.30 being the vesting of the 2013/14 deferred bonus award.

PAYMENTS FOR OTHER DIRECTORSHIPS – UNAUDITED

Brian Brick is a director of Ambleside Consulting Limited. He is the only fee earning Director of Ambleside Consulting Limited. His continuation as a Director of Ambleside was agreed by the Board when he became CEO of Moss Bros in March 2009. Brian Brick did not receive any fee income during the year to 27 January 2018 relating to the consulting activities of Ambleside Consulting Limited.

In the past, Ambleside has provided consulting assignments to SFD, a visual display and merchandising company, who, up until March 2012, provided services to Moss Bros. For clarity, Ambleside provided no consulting services to SFD in the financial year to 27 January 2018.

As per the disclosure on page 22, Brian Brick is also a director of three property companies, Ambleside Estates, Ambleside Investments and Hattrick Properties and of a dormant company Brijon Ltd. These companies are/have been personal investment vehicles for Brian Brick.

SCHEME INTERESTS AWARDED DURING THE YEAR

LTIP awards granted in the year

On 20 April 2017 Executive Directors received awards under the LTIP. These awards were in line with the policy set out in the Directors' Remuneration Policy and details of these awards are set out below. The vesting proportion of these awards will be included in the single figure table in the 2019/20 Annual Report on Remuneration, once the performance period has ended.

Executive Director	Number of shares subject to LTIP awards[1]	Basis	Face Value[2]	Performance period	Cumulative PBT[3]		TSR[4]	
					% of award vesting	Target	% of award vesting	Target[5]
Brian Brick	324,578	100% of base salary	327,499	29 January 2017 to 25 January 2020	25%	£23.0m	25%	10% p.a.
					50%	£25.0m		
					75%	£28.0m		
					100%	£30.0m	100%	20% p.a.
Tony Bennett	155,401	70% of base salary	156,800	29 January 2017 to 25 January 2020	25%	£23.0m	25%	10% p.a.
					50%	£25.0m		
					75%	£28.0m		
					100%	£30.0m	100%	20% p.a.

1. LTIP awards are structured as nil-cost options.
2. Based on a share price of 100.9p which was the share price used to calculate the share allocation.
3. Cumulative adjusted PBT performance measure applies to 70% of each award.
4. Absolute TSR performance measure applies to 30% of each award.
5. For levels of performance in between these targets, vesting is determined using interpolation.

Deferred share awards granted in the year

On 20th April 2017, Executive Directors received awards of nil-cost options with regard to the deferral of half of their annual bonus award for 2016/17. These awards will vest on 20th April 2020 subject to continued employment and will be subject to the malus and clawback provisions outlined in the Directors' Remuneration Policy. Their value is included in the 2016/17 row of this year's single figure table.

Executive Director	No. of shares subject to deferred share awards granted in 2017/18
Brian Brick	119,301
Tony Bennett	27,254

Sharesave options granted in the year

The Group operates a tax-advantaged Sharesave scheme. All eligible employees, including Executive Directors, may be invited to participate on similar terms to save up to a maximum of £500 each month for a fixed period of three years. During the year Brian Brick and Tony Bennett participated in this scheme and were granted options, details of which are set out below.

Executive Director	Date of grant	Number of shares subject to Sharesave options granted during period	Basis	Face Value[1]	Exercise price	Vesting Date
Brian Brick	12 May 2017	11,138	£250 per month	£11,249	80.8 pence	12 May 2020
Tony Bennett	12 May 2017	11,138	£250 per month	£11,249	80.8 pence	12 May 2020

1. Face value calculated based on a share price of 101p which was the share price used to calculate the Sharesave exercise price.

DIRECTORS' INTERESTS IN SHARES

The tables below set out details of Executive Directors outstanding share awards (which will vest in future years subject to performance and/or continued service).

LTIP

	At 28 January 2017	Granted during the period	Exercised/ lapsed during the period	At 27 January 2018	Date of award	Performance period	Exercise period	Share price on date of grant £	Exercise price £	Share price on date of exercise
Brian Brick	260,692	–	(260,692)	–	14.04.2014	25.01.2014-31.01.2017	04.04.2017-04.04.2024	1.14	–	–
	286,439	–	–	286,439	14.04.2015	01.02.2015-27.01.2018	04.04.2018-04.04.2025	1.05	–	–
	310,445	–	–	310,445	12.04.2016	31.01.2016-26.01.2019	04.04.2019-04.04.2025	1.02	–	–
	–	324,578	–	324,578	20.04.2017	29.01.2017-25.01.2020	04.04.2020-04.04.2027	1.01	–	–
	857,576	324,578	(260,692)	921,462						
Tony Bennett	61,228	–	–	61,228	31.10.2016	31.01.2016-26.01.2019	04.04.2019-04.04.2025	1.02	–	–
		155,401	–	155,401	20.04.2017	29.01.2017-25.01.2020	04.04.2020-04.04.2027	1.01	–	–
	61,228	155,401	–	216,629						

1. Gains of Executive Directors from share options exercised and vesting shares under the LTIP in 2017 were £171,356 (2016/17: £354,407), relating to Brian Brick and Robin Piggott.

All awards granted under the LTIP are subject to continued employment and the satisfaction of the performance conditions set out below.

LONG-TERM INCENTIVE PLANS

The performance conditions applicable to the outstanding LTIP awards are as follows:

Year of grant	Grant % of salary	Condition(s)	Threshold 25% vesting	On-target 50% vesting	75% vesting	Maximum 100% vesting	Performance period
2015	CEO: 100% FD: 70%	Cumulative PBT	£18.5m	£20.0m	£22.0m	£24.0m	3 financial years ending January 2018
2016	CEO: 100% FD: 70%	Cumulative PBT	£22.5m	£25.5m	£27.0m	£29.0m	3 financial years ending January 2019
2017	CEO: 100% FD: 70%	Cumulative PBT	£23.0m	£25.0m	£28.0m	£30.0m	3 financial years ending January 2020
		TSR	10% p.a.			20% p.a.	

LTIP awards are granted as nil-cost options over a number of ordinary shares in the Company, subject to continued employment and performance conditions.

For the 2015 and 2016 LTIP awards the Remuneration Committee considered that the performance condition should be based on cumulative PBT and that the targets may be adjusted in order to neutralise the effect of any changes to the capital base. By making it a cumulative measure, it avoids a windfall from the performance of one particular year and therefore promotes reward for a more progressive growth pattern.

As highlighted in the 2016/17 Annual Report on Remuneration a second performance condition, based on TSR in respect of 30% of the award, was applied to the 2017 LTIP awards (in addition to the cumulative PBT measure in respect of 70% of the award).

Share ownership

As set out in the Directors' Remuneration Policy, Executive Directors will be required to retain all of the post-tax number of shares until a minimum shareholding has been achieved. Executives who receive an award which exceeds 50% of salary are expected to build a holding equal in value to 100% of salary, before they are allowed to sell the vested shares. Executives who receive an award of 50% of salary are expected to build a holding of 50% of salary, along the same lines as above. Executives who receive an award below 50% salary are expected to build a holding of 15% of salary, along the same lines as above.

As at 27th January 2018, Brian Brick has met the guideline. Tony Bennett was appointed to the Board in 2016 and will be required to retain all vesting share awards until he complies with the share ownership guideline.

	Interests in ordinary shares (No. shares)		Share awards subject to performance conditions[1] (No. shares)		Share awards subject to service conditions[2] (No. shares)		Sharesave options[3] (No. shares)		Total (No. shares)	
	28 January 2017	27 January 2018	28 January 2017	27 January 2018	28 January 2017	27 January 2018	28 January 2017	27 January 2018	28 January 2017	27 January 2018
Brian Brick	1,787,534	1,787,534	857,576	921,462	69,696	119,301	18,528	22,020	2,733,334	2,868,191
Tony Bennett	–	–	61,228	216,629	–	27,254	–	11,138	61,228	255,021
Debbie Hewitt	720,893	720,893	–	–	–	–	–	–	720,893	720,893
Maurice Helfgott	400,727	400,727	–	–	–	–	–	–	400,727	400,727
Bryan Portman	100,000	100,000	–	–	–	–	–	–	100,000	100,000
Zoe Morgan	76,897	76,897	–	–	–	–	–	–	76,897	76,897

The beneficial and non-beneficial interests of the directors in the share capital of Moss Bros at 27 January 2018 are set out above:

1. These awards represent the outstanding LTIP interests which are included in the table on page 49.
2. These awards represent the nil-cost options awarded in respect of deferred annual bonus. Brian Brick has one award outstanding which will vest subject to continued employment on 11 April 2020.
3. Represents the Sharesave scheme interest which will vest on 1 June 2019 and 1 June 2020.
4. During the year ended 27 January 2018, the highest mid-market price of the Company's shares was 120p and the lowest mid-market price was 63.8p. At 26 January 2018 (the last dealing day prior to year-end), the Company's share price was 65.6p.

RELATIVE IMPORTANCE OF THE SPEND ON PAY

The following table sets out the percentage change in distributions to shareholders and employee remuneration costs.

	2017/18	2016/17	% Change
Employee remuneration costs (£'000)[1]	23,810	23,151	2.8%
Distributions to shareholders (£'000)[2]	6,040	5,687	6.2%

1. Based on the figure shown in note 8 to the Financial Statements.
2. Based on the cash returned to shareholders in 2017/18 through dividends as shown in note 12 to the Financial Statements. Note that no share buyback programmes are in operation.

ANNUAL REPORT ON REMUNERATION

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PERCENTAGE INCREASE IN THE REMUNERATION OF THE CHIEF EXECUTIVE

The table below shows the movement in the salary, benefits and annual bonus for the Chief Executive between the current and previous financial year compared to all employees of the Company.

Element of remuneration		% Change in 2017/18
Salary	Chief executive	2.0%
	Average per FTE* employee	3.4%
Taxable benefits	Chief executive	(6.1%)
	Average per FTE* employee	(14.6%)
Annual Bonus	Chief executive	(100.0%)
	Average per FTE* employee	(36.8%)

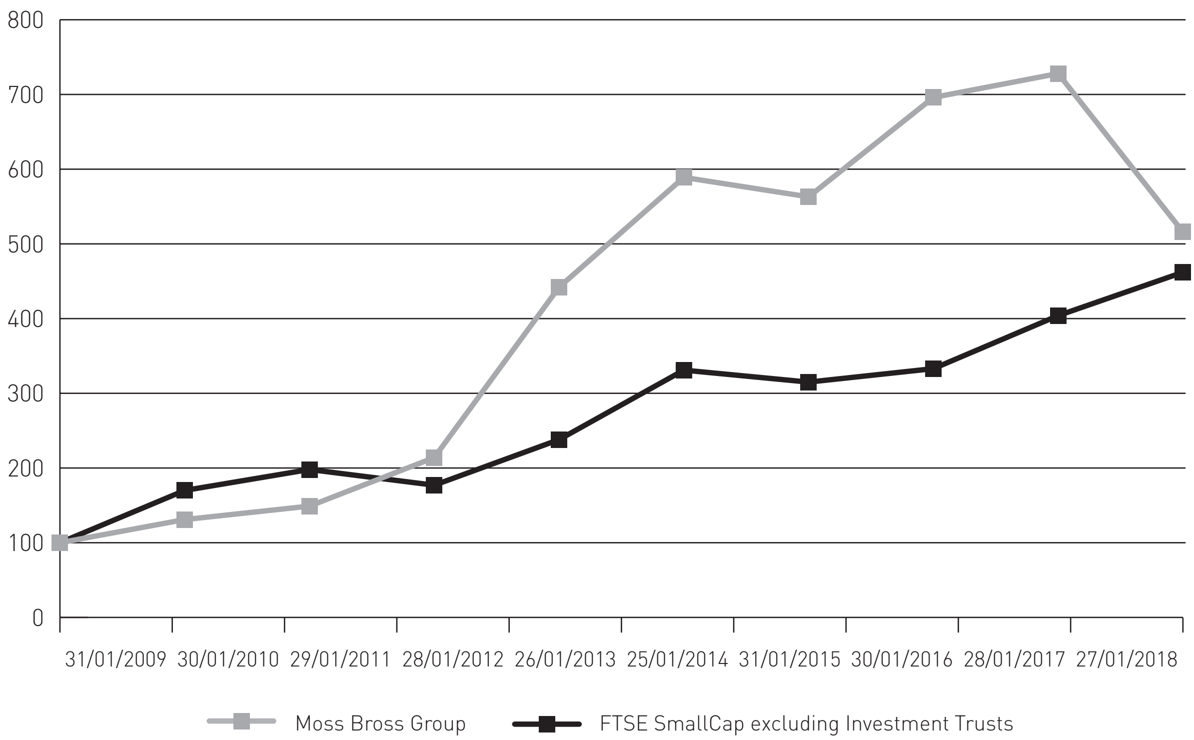
* FTE means the average monthly number of full-time equivalent staff employed by the Company during the period.

The Remuneration Committee is cognisant of requests from, amongst others, the Investment Association, for companies to publish ratios comparing CEO to employee pay. The Remuneration Committee has not, however, published this data in the Annual Report on Remuneration given the absence of a common methodology for these comparisons; the Company's expectation is that it will publish ratios showing comparisons in future years when, as can be expected, UK regulations develop a common methodology.

PERFORMANCE GRAPH AND SINGLE FIGURE TABLE

The graph below shows the total cumulative shareholder return for the Group since 1 February 2009 (unaudited). The index selected was the FTSE Small Cap Index (excluding investment trusts) as this was the index of which the Group was a constituent for most of the period shown.

9 YEARS CUMULATIVE TOTAL SHAREHOLDER RETURN



The table below shows the total remuneration for the Chief Executive Officer over the same nine year period. Note that all LTIP share awards are valued at the year end date prior to the date of vest. All deferred bonus shares are valued at the date of grant of the award.

Year Ending	CEO	Total Remuneration (£000)	Annual Bonus (% of max)[1]	Long-term incentives (% of max)[2]
27/01/2018	Brian Brick	422	0%	0%
28/01/2017	Brian Brick	784	75%	50%
30/01/2016	Brian Brick	642	0%	50%
31/01/2015	Brian Brick	779	0%	75%
25/01/2014	Brian Brick	1,498	55%	25%
26/01/2013	Brian Brick	652	100%	0%
28/01/2012	Brian Brick	2,422	100%	75%
29/01/2011	Brian Brick	471	60%	0%
30/01/2010	Brian Brick	315	20%	0%

1. Note that this shows the annual bonus payments as a percentage of the maximum opportunity.
2. Shows the number of shares which vested as a percentage of the maximum number of shares which could have vested. Further details regarding vesting of LTIP awards is set out on page 36.

MEMBERSHIP AND ATTENDANCE

During the period ended 27 January 2018, the Committee consisted of the following Non-Executive Directors:

- Zoe Morgan (Chairman)
- Maurice Helfgott
- Debbie Hewitt (Chairman of the Company)
- Bryan Portman
- Alex Gersh

Maurice Helfgott, Bryan Portman and Zoe Morgan are independent Non-Executive Directors. The Company Chairman, Debbie Hewitt (who is considered independent), is also a member of the Committee. Moss Bros. Group plc falls under the category of a 'small company' as defined by the UK Corporate Governance Code, which only requires two independent Non-Executive Directors to sit on the Remuneration Committee. The Committee met three times during the year. Committee attendance is set out on page 30. Mr Brick (CEO), Mr Bennett (Finance Director) and Ms Gomez (People Director) attended by invitation as appropriate.

Adviser to the committee

During 2017/18, the Committee received advice from New Bridge Street (a trading name of AON Corporation) and FIT Remuneration Consultants LLP ("FIT"), on senior executive remuneration and employee share schemes. The Committee decided to tender the role of Remuneration Consultant in the year and in December, after a full competitive tender, they selected FIT. New Bridge Street and FIT are each members of the Remuneration Consultants Group and comply with its code of conduct. Neither New Bridge Street, AON Corporation nor FIT provided other services to the Company during the period. FIT do not advise management and the Committee is therefore comfortable that FIT's advice is objective and independent. For the year under review total fees charged were:

NBS £6,625
FIT £2,000

ANNUAL REPORT ON REMUNERATION

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SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Brian Brick's contract of service which is dated 16 April 2009 is terminable on twelve months' notice by either party, and subject to a non-compete clause of six months. Tony Bennett's service contract which is dated 10 February 2016 is terminable by either party on six months' notice and also subject to a non-compete clause of six months. Non-Executive Directors' appointment dates and notice periods are set out below:

Details of their current appointments are as follows:	Appointment date	Notice Period
Debbie Hewitt[1]	1 June 2009	6 months
Maurice Helfgott	19 October 2010	3 months
Bryan Portman[2]	1 July 2011	3 months
Alex Gersh	1 November 2017	3 months
Zoe Morgan	1 November 2012	3 months

1. Appointed Chairman 25 March 2010.
2. Bryan Portman announced his intention to retire from the Board on 16 May 2018.

DILUTION

The LTIP has a dilution limit (for new and treasury shares) of 15% of the issued ordinary share capital of the Company in any 10 year period for any share option scheme operated by the Company. As at 27 January 2018 the Company had utilised 9,802,192 (2016/17: 9,284,679) ordinary shares through LTIP, deferred share awards and Sharesave awards counting towards the 15% limit which represents 9.7% (2016/17: 9.2%) of the issued ordinary share capital of the Company.

STATEMENT OF SHAREHOLDER VOTING

At last year's AGM, the Annual Report on Remuneration and Directors' Remuneration Policy received the following votes from shareholders:

	Annual Report on Remuneration	Directors' Remuneration Policy
Votes cast in favour (%)	41,396,581 (79.30%)	52,512,669 (99.82%)
Votes cast against (%)	10,804,040 (20.70%)	93,429 (0.18%)
Total votes cast (%)	52,200,621 (100%)	52,606,098 (100%)
Votes withheld	5,579,238	5,173,761

As stated in the Remuneration Committee Chairman's letter, a thorough review was undertaken to identify the reasons for the significant vote against the Annual Report on Remuneration at last year's AGM. The principal reason for the votes against the report was how we disclosed the performance targets for our annual bonus plan in the past and we believe we have addressed this in this report.

Zoe Morgan
CHAIRMAN OF THE REMUNERATION COMMITTEE
12 April 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOSS BROS GROUP PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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 27 January 2018 and of the group's profit for the 52 weeks then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements of Moss Bros Group plc (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

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SUMMARY OF OUR AUDIT APPROACH

Key audit matters	The key audit matters that we identified in the current year were: Store impairments The valuation of inventory and related provisions The provision for property dilapidations Within this report, any key audit matters where there has been further increased focus this year are identified with and any key audit matters which had the same level of focus as the prior year identified with .
Materiality	The materiality that we used for the group financial statements was £0.54 million (2016/17: £0.59 million), which was determined on the basis of profit before tax.
Scoping	Our audit of the Group which consists of a full scope audit of Moss Bros Group PLC as the only trading entity and analytical procedures performed on the other dormant subsidiaries. All audit work for the group was performed directly by the audit engagement team.
Significant changes in our audit approach	Revenue recognition in relation to hire and Tailor Me deposits and the provision for customer returns is no longer a key audit matter, due to the mechanical nature of the calculations and the consistency of the calculation methodologies with previous periods. The accounting for share-based payments is no longer a key audit matter, due to the quantum of the charge in the current and prior years. There have been no other significant changes in our audit approach compared to the prior year.

CONCLUSIONS RELATING TO GOING CONCERN, PRINCIPAL RISKS AND VIABILITY STATEMENT

Going concern	
We have reviewed the directors' statement in note 1 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements. We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.	**We confirm that we have nothing material to report, add or draw attention to in respect of these matters.**

Principal risks and viability statement	
Based solely on reading the directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the directors' assessment of the group's and the company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to: • the disclosures on pages 15 to 17 that describe the principal risks and explain how they are being managed or mitigated; • the directors' confirmation on page 32 that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity; or • the directors' explanation as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. We are also required to report whether the directors' statement relating to the prospects of the group required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	**We confirm that we have nothing material to report, add or draw attention to in respect of these matters.**

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

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Store impairments	
Key audit matter description	As at 27 January 2018, the group held £19.3m of intangible and tangible fixed assets, excluding hire inventory (28 January 2017: £17.8m) (see Note 13 and Note 14). As described in the accounting policies in Note 1 and within key sources of estimation uncertainty in Note 2, there is a risk of material misstatement that the carrying value of these assets may be higher than the recoverable amount, particularly where stores are loss-making or demonstrating indicators of poor or declining performance. This key audit matter has been subject to increased focus this year in light of increased consumer market pressures and also the stock availability impact referred to in management's profit warning on 21 March 2018. This is also identified as a key area of focus within the Audit Committeee's report on pages 27 and 28. As required by IAS 36 *Impairment of assets*, management performs an annual assessment of indicators of impairment for the fixed assets within each store. Where indicators of impairment are present, the recoverable amount of the fixed assets within the store is calculated and an impairment loss recognised to reduce the assets' carrying value to the recoverable amount. The impairment review is subject to an element of judgement due to the assumptions made within cash flow projections. These assumptions relate to forecast sales growth and margin figures which are based on management estimates. These assumptions were revised in light of the profit warning referred to above. Within the store portfolio there are 12 stores which have opened within the last two years with a total net book value of £2.6m. As new stores can take up to three years to establish a stable level of trading, there is increased judgement in relation to the forecast sales and margins for these stores. An impairment charge of £148,000 has been recorded in the period (period to 28 January 2017: no charge) reflecting the continued challenging market conditions.
How the scope of our audit responded to the key audit matter	We assessed the impairment model and calculations by: – assessing the design and implementation of management's processes and controls for identifying indicators of impairment and for performing detailed impairment reviews; – challenging the completeness of management's assessment of indicators of impairment to include consideration of stores with declining margins, those performing below budget, those with a marginal positive income compared with the carrying value of those assets, and those being considered for closure or relocation; – assessing the reliability of the cash flow projections through comparison of 2017/18 forecasts to actual performance and reviewing performance since 27 January 2018;

	– comparing the key revenue and gross margin assumptions driving the cash flow projections to external industry and other benchmark data and discussing these with management and the Audit Committee in the light of the profit warning as noted above; – evaluating management's longer-term plans for each store where there was an indicator of impairment through our knowledge of the business and inquiries of non-financial management; – for new stores or significant refits, obtaining the views of our internal property experts as to the trading potential for each of the sites; and – performing sensitivity analysis to identify stores which are close to meeting one or more of management's stated impairment critiera, and assessing the potential requirement for further impairment. In light of the profit warning we reassessed the sensitivity analysis we had applied to determine whether the sales and margin sensitivities were still sufficiently challenging.
Key observations	We reported to the Audit Committee that our audit procedures were performed satisfactorily and we are satisfied that the impairment charge recognised of £148,000 is appropriate.

Valuation of inventory and related provisions	
Key audit matter description	Inventory is presented net of provisions for: obsolescence and items to be sold at less than cost; and shrinkage. There is an element of judgement relating to these provisions which are based on historical evidence, management estimates of post year end trading volumes, and the current economic conditions. In addition, there are complexities in the calculation of the shrinkage provision. The changing trends and economic environment require judgements in respect of provisions to be reassessed at each reporting date. In addition, the inventory profile at 27 January 2018 was different to prior years due to the inventory shortages referred to in the 21 March 2018 trading update. Due to the high level of management judgement involved in calculating the inventory provisions, we have determined that there was a potential for possible manipulation of this balance. Total net inventory valuation as at 27 January 2018 is £15.4m (28 January 2017: £16.7m) with provisions held against inventory of £0.6m (28 January 2017: £0.5m) (see Note 16). The provision for obsolescence and items to be sold at less than cost is £0.5m (28 January 2017: £0.4m) and the provision for shrinkage is £0.1m (28 January 2017: £0.1m). Provisions represent 3.8% of gross inventory (28 January 2017: 2.7%). The inventory balance has decreased year on year due to stock shortages resulting from the consolidation of key suppliers and decreases in purchasing of new season stock. These are discussed within the accounting policy within Note 1. This is also identified as another area of focus within the Audit Committeee's report on pages 27 and 28.

How the scope of our audit responded to the key audit matter	We considered the inventory provision for obsolescence and items to be sold at less than cost through performing the following procedures: – testing the operating effectiveness of key controls around the valuation of provisions within the inventory cycle. We visited the Distribution Centre in Barking to test controls around the perpetual counting process, in addition to attending a sample of five store counts; – checking the mathematical accuracy of management's recorded provision; – assessing the historical accuracy of the provisioning methodology by assessing previously provided amounts to actual utilisation; – challenging the provision against each season's stock based on historical sales data, current price lists and stock levels; and – considering selling prices achieved subsequent to the year end. We recalculated the shrinkage provision using data from the loss prevention team and attended stock counts where we witnessed the controls in place around recording the volume of shrinkage.
Key observations	We reported to the Audit Committee that the audit response procedures were performed satisfactorily and we are satisfied that the provisions recorded in respect of inventory are appropriate.

Provision for property dilapidations

Key audit matter description	The Group's retail stores and outlets are occupied under operating leases. The Group maintains a provision in respect of dilapidation costs by estimating the cost of dilapidations to be incurred for stores with leases expiring within 18 months of the year end, stores where the lease has expired prior to the year end, or stores where a schedule has been served by the landlord. The provision is calculated on the same basis as in 2016/17. Management judgement is involved in calculating these provisions as there are estimates involved in determining which leases to hold a provison for, and the size of the provision for each store based on the estimate of costs, particularly where no schedule has been served. The dilapidations provision has decreased from £1.1m as at 28 January 2017 to £0.8m as at 27 January 2018 (see Note 22). This is identified as a key source of estimation uncertainty in Note 2 and within the accounting policy within Note 1. This is also identified as a key area of focus within the Audit Committee's report on pages 27 and 28.
How the scope of our audit responded to the key audit matter	We performed the following procedures in relation to the dilapidation provision: • assessing the design and implementation of the controls in place in relation to the calculation of the provision for dilapidations; • assessing the ongoing applicability of the dilapidation provisioning policy in the light of claims received during the period; • reviewing leases expiring within 18 months of the year end for which no provision has been made to determine if the provision is complete;

	• verifying the utilisation, additions and releases of the provision by agreeing them to supporting documentation where possible or assessing them against similar current and historical claims where no supporting documentation was available, and by corroborating these through discussion with the group's property manager; and • assessing the historical forecasting accuracy of the provision by assessing previously provided amounts to settled dilapidations payments.
Key observations	We reported to the Audit Committee that the audit response procedures were performed satisfactorily and we are satisfied that the provision for dilapidations is appropriate.

OUR APPLICATION OF MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£0.54 million (2016/17: £0.59 million)	£0.53 million
Basis for determining materiality	8% of profit before tax (2016/17: 8% of profit before tax).	8% of profit before tax.
Rationale for the benchmark applied	Profit before tax has been chosen for the basis for materiality as this is the measure by which stakeholders and the market assess the wider performance of the entity. The 8% benchmark for profit before tax reflects the low margin nature of the retail industry and is also considered appropriate in light of the revenue (below 0.5% of revenue) and equity (below 2% of equity) benchmarks.	The parent company represents 100% of the group's revenues and profits and 99% of the equity. Therefore the same rationale applies as for the group.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £27,000 (2016/17: £29,000) for the group, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit of the Group which consists of a full scope audit of Moss Bros Group PLC as the only trading entity and analytical procedures performed on the other dormant subsidiaries. All audit work for the group was performed directly by the audit engagement team.

INDEPENDENT AUDITOR'S REPORT

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Other information	
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that: • *Fair, balanced and understandable* – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or • *Audit committee reporting* – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or • *Directors' statement of compliance with the UK Corporate Governance Code* – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.	**We have nothing to report in respect of these matters.**

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITOR'S REPORT

CONTINUED

<table>
<tr><th colspan="2">Matters on which we are required to report by exception</th></tr>
<tr><td>Adequacy of explanations received and accounting records
Under the Companies Act 2006 we are required to report to you if, in our opinion:
• we have not received all the information and explanations we require for our audit; or
• 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 are not in agreement with the accounting records and returns.</td><td>We have nothing to report in respect of these matters.</td></tr>
<tr><td>Directors' remuneration
Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.</td><td>We have nothing to report in respect of these matters.</td></tr>
</table>

OTHER MATTERS

Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board in May 2008 to audit the financial statements for the 52 week period ending 31 January 2009. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 10 years, covering the years ending 31 January 2009 to 27 January 2018. Following a competitive tender process, the Board intends to appoint Deloitte LLP as its auditor for the 52 week period ending 26 January 2019 subject to shareholder approval at the 2019 AGM.

Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

CATHERINE LUCY NEWMAN FCA (Senior Statutory Auditor)
FOR AND ON BEHALF OF DELOITTE LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

12 April 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 27 JANUARY 2018

	Notes	**52 weeks to 27 January 2018 Total £'000**	52 weeks to 28 January 2017 Total £'000
CONTINUING OPERATIONS			
Revenue		**131,774**	127,930
Cost of sales		**(52,948)**	(49,528)
Gross profit		**78,826**	78,402
Administrative expenses		**(5,937)**	(6,620)
Shops' selling and marketing costs		**(66,234)**	(64,705)
Operating profit		**6,655**	7,077
Other gains and losses	24	**21**	26
Investment revenues	5	**37**	48
Finance costs	5	**–**	(5)
Profit on ordinary activities before taxation	6	**6,713**	7,146
Tax charge	10	**(1,362)**	(1,623)
Profit after taxation attributable to equity holders of the parent	19	**5,351**	5,523
OTHER COMPREHENSIVE INCOME – ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY INTO PROFIT OR LOSS			
Cash flow hedges			
Change in fair value of effective portion		**(1,853)**	(212)
Other comprehensive income for the year, net of tax		**(1,853)**	(212)
Total comprehensive income for the year		**3,498**	5,311
Earnings per share (pence)			
Basic – total	11	**5.33p**	5.51p
Diluted – total	11	**5.31p**	5.39p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 27 JANUARY 2018

52 WEEKS ENDED 28 JANUARY 2017	Share capital £'000	Share premium account £'000	Share-based payments £'000	Employee benefit trust £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
BALANCE AT 30 JANUARY 2016	5,040	8,673	775	(682)	630	22,901	37,337
Profit for the period	–	–	–	–	–	5,523	5,523
Other comprehensive income:							
Cash flow hedging movement	–	–	–	–	(212)	–	(212)
Total comprehensive (loss)/income for the period	–	–	–	–	(212)	5,523	5,311
Dividends paid (note 12)	–	–	–	–	–	(5,687)	(5,687)
Credit to equity for equity settled share–based payments	–	–	392	–	–	–	392
Exercise of shares held under option	–	–	(480)	–	–	480	–
Movement on deferred tax on equity settled share–based payments	–	–	(50)	–	–	–	(50)
Movement on current tax on exercise of equity settled share–based payments	–	–	–	–	–	113	113
Sale of shares by employee benefit trust	–	–	–	544	–	(544)	–
SAYE exercise – employee contributions	–	–	–	–	–	83	83
BALANCE AT 28 JANUARY 2017	**5,040**	**8,673**	**637**	**(138)**	**418**	**22,869**	**37,499**

52 WEEKS ENDED 27 JANUARY 2018	Share capital £'000	Share premium account £'000	Share–based payments £'000	Employee benefit trust £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
BALANCE AT 29 JANUARY 2017	5,040	8,673	637	(138)	418	22,869	37,499
Profit for the period	–	–	–	–	–	5,351	5,351
Other comprehensive income:							
Cash flow hedging movement	–	–	–	–	(1,853)	–	(1,853)
Total comprehensive (loss)/income for the period	–	–	–	–	(1,853)	5,351	3,498
Dividends paid (note 12)	–	–	–	–	–	(6,040)	(6,040)
Debit to equity for equity settled share–based payments	–	–	(72)	–	–	–	(72)
Exercise of shares held under option	–	–	(382)	–	–	382	–
Movement on deferred tax on equity settled share–based payments	–	–	(6)	–	–	–	(6)
Movement on current tax on exercise of equity settled share–based payments	–	–	–	–	–	8	8
Sale of shares by employee benefit trust	–	–	–	286	–	(286)	–
Subscription to employee benefit trust	–	–	–	(466)	–	–	(466)
SAYE exercise – employee contributors	–	–	–	–	–	–	–
BALANCE AT 27 JANUARY 2018	**5,040**	**8,673**	**177**	**(318)**	**(1,435)**	**22,284**	**34,421**

CONSOLIDATED BALANCE SHEET

AS AT 27 JANUARY 2018

	Notes	**27 January 2018 £'000**	28 January 2017 £'000
ASSETS			
Intangible assets	13	**2,177**	1,443
Property, plant and equipment	14	**19,354**	18,792
Leasehold improvements	14	**1,336**	1,252
Deferred tax assets	10	**1,277**	1,200
TOTAL NON-CURRENT ASSETS		**24,144**	22,687
Inventories	16	**15,393**	16,709
Trade and other receivables	17	**4,594**	3,688
Cash and cash equivalents	24	**17,477**	19,518
Derivative financial instruments	24	**–**	411
TOTAL CURRENT ASSETS		**37,464**	40,326
TOTAL ASSETS		**61,608**	63,013
LIABILITIES			
Trade and other payables	20	**18,383**	17,157
Derivative financial instruments	24	**1,421**	–
Provisions	22	**1,205**	1,252
Current tax liability		**767**	1,181
TOTAL CURRENT LIABILITIES		**21,776**	19,590
Other payables	21	**3,481**	3,208
Provisions	22	**908**	1,321
Deferred tax liabilities	10	**1,022**	1,395
TOTAL NON-CURRENT LIABILITIES		**5,411**	5,924
TOTAL LIABILITIES		**27,187**	25,514
NET ASSETS		**34,421**	37,499
EQUITY			
Called up share capital	18	**5,040**	5,040
Share premium account	19	**8,673**	8,673
Share-based payments	19	**177**	637
Employee benefit trust	19	**(318)**	(138)
Hedge reserve	19, 24	**(1,435)**	418
Retained earnings	19	**22,284**	22,869
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		**34,421**	37,499

The financial statements of Moss Bros Group plc (registered number 00134995) on pages 69 to 103 were approved by the Board of Directors on 12 April 2018 and were signed on its behalf by:

BRIAN BRICK
CHIEF EXECUTIVE OFFICER
12 April 2018

TONY BENNETT
FINANCE DIRECTOR
12 April 2018

GROUP AND COMPANY CONSOLIDATED CASH FLOW STATEMENT

FOR THE 52 WEEKS ENDED 27 JANUARY 2018

	Notes	**52 weeks to 27 January 2018 £'000**	52 weeks to 28 January 2017 £'000
OPERATING ACTIVITIES			
Profit after taxation		**5,351**	5,523
Adjustments for:			
Taxation charge	10	**1,362**	1,623
Other gains	24	**(21)**	(26)
Investment revenues	5	**(37)**	(48)
Financial costs	5	**–**	5
Amortisation of intangible assets	13	**862**	801
Impairment of tangible fixed assets	14	**148**	–
Depreciation of tangible fixed assets	14	**5,720**	5,905
Amortisation of compulsory purchase compensation receipt	6, 14	**–**	(203)
Loss on disposal of property, plant and equipment		**348**	636
Decrease/(Increase) in inventories		**1,316**	(2,281)
Increase in receivables		**(906)**	(675)
Increase in payables		**1,612**	5,718
(Decrease)/Increase in provisions		**(461)**	96
Share-based payments (credit)/expense	9	**(91)**	444
Exercise of share options		**(382)**	(480)
Taxation paid		**(2,222)**	(1,072)
NET CASH FROM OPERATING ACTIVITIES		**12,599**	15,966
INVESTING ACTIVITIES			
Interest received	5	**37**	48
Interest paid	5	**–**	(5)
Purchase of intangible assets	13	**(1,652)**	(650)
Purchase of property, plant and equipment	14	**(6,826)**	(8,115)
Proceeds from the sale of property, plant and equipment		**21**	138
NET CASH USED IN INVESTING ACTIVITIES		**(8,420)**	(8,584)
FINANCING ACTIVITIES			
Dividends paid		**(6,040)**	(5,687)
Proceeds of employee benefit trust share sale		**286**	544
Subscription to employee benefit trust		**(466)**	–
Excess SAYE receipt between cost and exercise price		**–**	20
NET CASH USED IN FINANCING ACTIVITIES		**(6,220)**	(5,123)
Cash and cash equivalents at beginning of period		**19,518**	17,259
Net (decrease)/increase in cash and cash equivalents		**(2,041)**	2,259
Cash and cash equivalents at end of period		**17,477**	19,518

COMPANY BALANCE SHEET

AS AT 27 JANUARY 2018

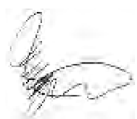
	Notes	**27 January 2018 £'000**	28 January 2017 £'000
ASSETS			
Intangible assets	13	**2,177**	1,443
Property, plant and equipment	14	**19,354**	18,792
Leasehold improvements	14	**1,336**	1,252
Investments	15	**9,502**	9,502
Deferred tax assets	10	**1,277**	1,200
TOTAL NON-CURRENT ASSETS		**33,646**	32,189
Inventories	16	**15,393**	16,709
Trade and other receivables	17	**6,745**	5,839
Cash and cash equivalents	24	**17,477**	19,518
Derivative financial instruments	24	**–**	411
TOTAL CURRENT ASSETS		**39,615**	42,477
TOTAL ASSETS		**73,261**	74,666
LIABILITIES			
Trade and other payables	20	**30,565**	29,339
Derivative financial instruments	24	**1,421**	–
Provisions falling due within one year	22	**1,205**	1,252
Current tax liability		**767**	1,181
TOTAL CURRENT LIABILITIES		**33,958**	31,772
Other payables	21	**3,482**	3,209
Provisions falling due after one year	22	**908**	1,321
Deferred tax liabilities	10	**1,022**	1,395
TOTAL NON-CURRENT LIABILITIES		**5,412**	5,925
TOTAL LIABILITIES		**39,370**	37,697
NET ASSETS		**33,891**	36,969
EQUITY			
Called up share capital	18	**5,040**	5,040
Share premium account	19	**8,673**	8,673
Share-based payments	19	**177**	637
Employee benefit trust	19	**(318)**	(138)
Acquisition reserve	19	**4,370**	4,370
Hedge reserve	19, 24	**(1,435)**	418
Profit and loss account	19	**17,384**	17,969
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	19	**33,891**	36,969

The Company profit after taxation for the year ended 27 January 2018 was £5,351,000 (28 January 2017: £5,523,000).

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 financial statements of Moss Bros Group plc (registered number 00134995) were approved by the Board of Directors on 12 April 2018 and were signed on its behalf by:

BRIAN BRICK
CHIEF EXECUTIVE OFFICER
12 April 2018



TONY BENNETT
FINANCE DIRECTOR
12 April 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 27 JANUARY 2018

1. PRINCIPAL ACCOUNTING POLICIES

Moss Bros Group PLC ("the Company") is a public limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is 8 St John's Hill, Clapham Junction, London, SW11 1SA. The Company is registered in England and Wales. The nature of the Group's operations and its principal activities are set out in the Strategic Review on pages 5 to 7. The consolidated financial statements of the Company for the 52 weeks ended 27 January 2018 ("the period") comprise the Company and its subsidiaries (together "the Group").

BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The Group and Company 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 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 for financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. 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 this note, together with the judgements made by management in applying these policies. Management consider there to be no critical accounting judgements. The key sources of estimation uncertainty are disclosed 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 ongoing 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 28 January 2017. These can be seen via http://corp.moss.co.uk/reports/

Management consider there to be no significant areas of judgement.

NEW AND REVISED IFRSS IN ISSUE BUT NOT YET EFFECTIVE

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 9	Financial Instruments
IFRS 15	Revenue from contracts with customers (and the related clarifications)
IFRS 16	Leases
IFRS 17	Insurance contracts
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions
IFRS 4 (amendments)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
IAS 40 (amendments)	Transfers of Investment Property
Annual Improvements to IFRSs 2014 - 2016 Cycle	Sale or contribution of Assets between an investor and its Associate or Joint Venture
IFRIC 22	Foreign Currency Transactions and Advanced Consideration
IFRIC 23	Uncertainty over Income Tax Treatments

Beyond the information below, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

IFRS 9 –

IFRS 9 is effective for accounting periods commencing on or after 1 January 2018. For Moss Bros Group Plc, the effective date is the financial year commencing 28 January 2018. IFRS 9 'Financial instruments' will supersede IAS 39.

The standard has been split into three main phases:

Phase 1: Classification and measurement of financial assets and liabilities
Phase 2: Impairment of financial assets
Phase 3: Hedge accounting

The Group has conducted an assessment of the impact of this standard and does not expect IFRS 9 to have any material impact in relation to the classification and measurement of financial assets and liabilities. The standard's requirements regarding impairment of financial assets is not expected to have a material effect on the Group due to the short-term nature of the Group's financial assets and the immaterial impact of prior credit losses. There are no anticipated changes regarding hedge accounting other than additional disclosure requirements. Moss Bros Group Plc has elected to continue to apply the hedge accounting requirements of IAS 39 for the period beginning 28 January 2018.

IFRS 15 –

IFRS 15 'Revenue from Contracts with Customers' is effective for periods beginning on or after 1 January 2018. This standard supersedes all other revenue standards. For Moss Bros Group Plc, the effective date is the financial year commencing 28 January 2018.

The core principle of the standard is to recognise revenue on a principles based approach on the basis that revenue should only be recognised once the performance obligations have been satisfied. The standard applies to all contracts with customers, except for those which are in the scope of other standards.

Specifically, the standard introduces a 5-step approach to revenue recognition:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation

The Group has performed an assessment of the potential impact of implementing the standard. It was identified that in relation to the key revenue streams, there is only one performance obligation per transaction.

The three material separate performance obligations identified were as follows:

1. Retail revenue, where promised goods are transferred on the day of purchase
2. Hire revenue, where promised goods are transferred on the day of exchange of the promised goods
3. E-commerce revenue, where promised goods are transferred on the day the goods are despatched

The implementation of IFRS 15 is expected to impact the Group in two areas. The returns provision will be classified as a "right of return" asset and a refund liability, which will be held gross on the balance sheet. As the Group has identified one performance obligation in relation to hire revenue, certain costs associated with the hire of goods will no longer be deferred. The impact of implementing the new standard in each of these areas is not expected to be material.

IFRS 16 –

IFRS 16 'Leases' was issued on 13 January 2016 and is effective for periods beginning on or after 1 January 2019. For Moss Bros Group Plc, the effective date is the financial year commencing 27 January 2019. The standard represents a significant change in the accounting and reporting of leases for lessees providing a single lessee accounting model. This requires lessees to recognise assets and liabilities for all leases unless the underlying asset is of immaterial value or the lease term is 12 months or less. The standard has the potential to require the capitalisation of the lease elements of contracts held by the Group which under the existing accounting standards would not be considered a lease. Accounting requirements for lessors are not significantly changed from IAS 17.

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

The Group has compiled a team to assess the impact of the new standard. To date this has involved assessing the accounting impacts of the new standard, the processes and systems needed to collect the necessary data, including potential changes required. From work performed it is expected that the implementation of IFRS 16 will have a significant impact on Moss Bros Group Plc. Upon adoption, lease agreements will give rise to both a right of use asset and a lease liability for future lease payables. Depreciation of the right of use asset will be recognised in the income statement on a straight-line basis, with interest recognised on the lease liability. This will result in a change to the net charge taken to the income statement over the life of the lease. These charges will replace the lease costs currently charged to the income statement. The Group is in the process of assessing the impact of the new standard and will provide a further update in the Half-Year Results for the 26 weeks ended 26 July 2018 and a full assessment in the Annual Report and Accounts for the period ended 26 January 2019.

The assessment process to quantify the full impact of IFRS 16 is ongoing and it is not yet practicable to provide a reliable estimate of the financial impact on the Group's results. See note 14 in relation to operating lease commitments under IAS 17.

CONSOLIDATION

The consolidated Group accounts incorporate the accounts of the Company and entities controlled by the Company (its subsidiaries), all of which have made up their accounts to 27 January 2018. Subsidiaries are entities controlled by the Company. Control is achieved when the Company has the power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and has the ability to use its power to affect its returns.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost, less amounts written off for any impairment in value. All investments in subsidiary undertakings are held by the Company and are eliminated upon consolidation.

COMPANY FINANCIAL STATEMENTS

The Company financial statements have been prepared in accordance with IFRS as adopted by the EU and under the historical cost convention except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The following Company accounting policies 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 only cash flow statement is the same as the Group as presented in the Consolidated Cash Flow Statement. The movements in the Company only equity balances are the same as those detailed in the Consolidated Statement of Changes in Equity.

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, liquidity position and funding, together with the Group's objectives.

The Board of Directors has undertaken a recent thorough review of the Group's budgets and forecasts following the release of the 21 March 2018 trading update and has produced detailed cash flow projections which take account of reasonably possible changes in trading performance and potential mitigating actions. These cash flow projections show that the Group is expected to operate within the level of its current surplus cash balances.

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.

REVENUE

Revenue comprises sales to third parties (excluding VAT) and is derived from the retail sale and hire of clothing and ancillary goods. For store retail purchases, revenue is recognised on exchange of goods, as this is the point at which it is deemed all risks and rewards have been transferred. For the hire of clothing, the exchange of goods occurs when the hire clothing and ancillary goods are collected for use by the customer. For Tailor Me, the exchange of goods occurs upon collection. Deposits and advances taken in relation to Hire and Tailor Me are held within deferred revenue until the collection date. E-commerce revenue is recognised at despatch date as this is the point where it is deemed all risks and rewards have been transferred. Upon despatch the courier company becomes responsible for successful delivery. 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.

The Group offers a full refund on retail sales within 28 days. Management holds a provision, against retail sales, to estimate the value of returns made in the 28 days following the year end where the sale was made during the period. Revenue is stated net of this provision.

COST OF SALES & INVENTORIES

Inventory 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. These costs are recognised as cost of sales upon sale of inventory. Inventory write downs are included in cost of sales when recognised.

Retail inventory is valued at the lower of cost (weighted average by season) and estimated net realisable value (estimated selling price less costs to be incurred in selling and distribution). Cost includes all direct expenditure and other attributable costs incurred in bringing inventories to their present location and condition. Net realisable value is estimated as discussed in note 16. Volume discounts received and receivable are deducted from the cost of inventories. The classification of hire inventory as property, plant and equipment is discussed in the property, plant and depreciation accounting policy.

All inventories are finished goods.

Provision is made for the estimated obsolescence of old seasons' lines based on historical margin trends and items where cost exceeds net realisable value. Shrinkage and the estimated loss of inventory from shop theft, based on historical data, is also included within the provision.

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 Statement of Comprehensive Income.

LEASES

Leases under the terms of which the Group 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 27 January 2018 and 28 January 2017, the Group had no finance leases. All other leases are defined as operating leases.

Payments made under operating leases are recognised in the Statement of Comprehensive Income 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.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

A. Trade and Other Receivables. Trade receivables represent amounts due in respect of sub-tenant income. Trade and other receivables are recorded initially at fair value and subsequently measured at amortised cost. Due to the short-term nature of these types of receivables, any interest is immaterial. Generally, this results in the items being carried at nominal value.

B. Cash and cash equivalents. Cash and cash balances comprise cash balances and call deposits where they have a maturity date from acquisition of three months or less or include a cancellation option for the Group to access the deposits within three months.

C. Trade and Other payables. Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost. Due to the short-term nature of these types of payables, any interest is immaterial. Generally, this results in the items being carried at nominal value.

D. Derivative financial instruments. The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in note 24.

   Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. During both the current and prior period, the Group has only entered into cash flow hedges. The group enters in to cash flow hedges to protect against foreign currency movements in its direct sourcing inventory purchase commitments.

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

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

E. Hedge Accounting. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and at interim and period end, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the Statement of Comprehensive Income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income at that time is accumulated in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

DIVIDENDS

Dividends are not accrued until approved by Shareholders.

TAXATION

Group

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 Statement of Comprehensive Income 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 substantively 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 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

Deferred tax is not discounted.

PENSIONS

The Group contributes to defined contribution scheme. Contributions payable to the Group Personnel Pension Plan and other post-retirement benefits are charged to the Statement of Comprehensive Income 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.

The Group does not operate or contribute to any defined benefit plans.

SHARE-BASED PAYMENTS

The Group has LTIP, SAYE and deferred bonus shares share-based payment schemes in place.

Equity-settled share-based payments to employees are measured at the fair value of the equity instrument at the grant date.

The fair values of all options granted under the LTIP, SAYE and deferred bonus shares schemes, with the exception of the 2017 LTIP grant, are measured using the Black-Scholes model, taking into account the terms and conditions upon which the options and shares were granted.

The 2017 LTIP grant has performance conditions which are split between market based and non-market based conditions. The Monte Carlo valuation model has been used to determine fair value at grant date of the market based proportion of the grant. The Black-Scholes model is used for the non-market based proportion of the grant. Details are set out in note 9.

The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves. The fair value of market based portion of the 2017 LTIP grant was determined at the grant date and is not subsequently revised.

The Group and Company have applied the requirements of IFRS2 'Share-based Payments'.

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. Capitalised software costs include external direct costs of goods and services, as well as internal payroll-related costs for employees who are directly associated with capital projects. For both internally generated and other intangible assets, amortisation is charged on a straight-line basis over three to five years.

In accordance with IAS 38, internal development costs are only recognised when the Group are able to demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The inhouse software developed by the Group is used internally to improve operating procedures, creating probable future economic benefits for the Group.

1. PRINCIPAL ACCOUNTING POLICIES CONTINUED

PROPERTY, PLANT AND EQUIPMENT

Plant, property and equipment is held at cost less accumulated depreciation and any impairment cost.

Depreciation is calculated so as to write down on a straight-line basis the cost of plant, property and equipment over their estimated useful lives to their estimated residual values. The rates used are as follows:

Fixtures and fittings	2–10 years
Computer hardware	5 years
Vehicles	6 years
Hire inventory	4–7 years

Hire inventory is held as property, plant and equipment and depreciated over its estimated useful life. The classification differs from other inventories held as the assets are retained by the group and hired to customers on a short-term basis.

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.

Where the assets of a store are required to be impaired leasehold improvements are treated as part of the cash-generating unit for impairment.

IMPAIRMENT

At each balance sheet date, the Group reviews the carrying value of its property plant and equipment, leasehold improvements 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 review.

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.

This is identified in note 2 as a key source of estimation uncertainty.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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. Where an onerous lease is recognised, any property, plant and equipment, leasehold improvements or intangible assets related to the lease contract are impaired as required by IAS 37 paragraph 69.

Provisions for dilapidations for store operating leases are recognised when the Group believes that the likelihood of incurring costs to rectify the store is probable, due to a contractual obligation when vacating premises at lease expiry, and a reliable estimate can be made for the obligation. Costs of rectifying the store are deemed probable once the store has been approved for closure. Estimates are derived through negotiations, reliable third-party opinion or comparable historical information. All leases that are due to be exited within 18 months from the year end date are assessed. Provisions are not discounted to present value as the value of discount is immaterial.

This is identified in note 2 as a key source of estimation uncertainty.

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.

The Company's approach to capital management and policy is to spread cash deposits across three UK based banks to minimise the risks associated with default by any one bank. The banks selected are amongst those with the highest available credit ratings.

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

See note 24.

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:

STORE IMPAIRMENT

As per IAS 36 "Impairment of Assets" at the end of each reporting period an impairment review is carried out to identify any indicators of impairment for each cash generating unit ("CGU"). Where indicators of impairment are present, the recoverable amount is calculated and an impairment loss recognised to reduce the carrying value of the asset to its recoverable amount.

The Group has identified each store to be a separate CGU. The total number of stores at 27 January 2018 was 128 (28 January 2017: 127). The assets which are identified for impairment are all classes of property, plant and equipment and leasehold improvements, including associated intangibles. See notes 13 and 14.

The following criteria are used to identify stores to be considered for impairment:

- Three consecutive years of negative EBITDA* and forecast negative EBITDA* in the following year; or
- Two consecutive years of negative EBITDA* and forecast negative EBITDA* in the following year and no clear turnaround strategy to turn the store into profitability; or
- EBITDA* more than £10,000 lower than 2016/17; or
- Stores expected to be closed or relocated during the next financial year.

Management have carried out a full detailed review of stores where indicators of impairment were present including determining their value in use through a discounted cashflow valuation, and performing a sensitivity analysis. Ten stores exhibited indicators of impairment which included one store due to close in 2018/19.

The estimate that is considered to give rise to the most significant risk of material misstatement within the discounted cashflow model is budgeted sales for 2018/19. The discounted cashflow model was based on revised budgeted sales for 2018/19, taking into account the trading update of 21 March 2018. Other assumptions which are not considered to be key estimates and do not give significant risk to material misstatements are in relation to future sales growth rates, future gross margin growth rates, cost increases in future years and the discount rate used in the cashflow model. Discounted cashflows are calculated until the end of each store's operating lease.

Based on the results of this analysis an impairment charge of £148,000 (2016/17: £nil) has been recognised for two stores, one of which is due for closure.

For the remaining eight stores, the aggregate headroom, the amount by which the recoverable amount exceeds the carrying value of the assets, is £6.7m on a net book value of fixed assets of £2.6m.

A sensitivity analysis has been performed in relation to the 2018/19 budgeted sales for the remaining eight stores which exhibit indicators of impairment. The reduction in sales applied to individual stores in the sensitivity range between 5% and 23%. For the remaining eight stores, there is no impairment under the sensitivity analysis at an individual CGU level and the aggregate headroom is £4.9m.

Management will continue to closely monitor trading performance of each store to ensure appropriate asset values are impaired at the earliest point, if required.

* EBITDA is earnings before interest, tax, depreciation and amortisation. See note 25 for a reconciliation of profit on ordinary activities before tax to EBITDA.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

PROVISION FOR DILAPIDATIONS

Provisions for dilapidations for store operating leases are recognised when the Group believes that the likelihood of incurring costs to rectify the store is probable, due to a contractual obligation when vacating premises at lease expiry, and a reliable estimate can be made for the obligation. Provisions are held in relation to stores with leases expiring within 18 months of the balance sheet date, where the lease is not expected to be renewed and where it is reasonable to expect the landlord to follow up with a claim.

The provision at 27 January 2018 is £837,000 (28 January 2017: £1,095,000), see note 22. The provision at 27 January 2018 relates to 16 stores, of which £413,000 relating to eight stores is subject to estimation uncertainty where no claim has yet been received from the landlord.

A summary of the number of stores together with the movement in the value of the provisions is summarised below:

	No. of stores	Dilapidation Provision £'000
28 January 2017		
Claims received	11	690
Claims yet to be received	10	405
Total at 28 January 2017	21	1,095
Additional provision during the period		260
Release during the period		(176)
Utilisation during the period		(342)
At 27 January 2018		**837**
27 January 2018		
Claims received	8	424
Claims yet to be received	8	413
Total at 27 January 2018	**16**	**837**

Estimates for dilapidation provisions are based on reliable third-party opinion, being independent surveyors; ongoing negotiations with landlords in relation to claims received; and an accurate settlement history against past provisions. The Group expects to resolve provisions within the next financial year where a claim has been received. As at 27 January 2018, claims had been received in relation to eight stores for which total provisions held were £424,000. The group expects to resolve provisions in relation to the eight stores where a claim has not been received within three to four years. The range of reasonably possible outcomes in aggregate for the eight stores where a claim has not been received from the landlord is estimated to be between £282,000 and £939,000.

3. ALTERNATIVE PERFORMANCE MEASURES

GROUP AND COMPANY

In reporting financial information, the Group presents alternative performance measures "APMs" which are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered a substitute for or superior to IFRS measures, provide stakeholders with additional or helpful information on the performance of the business. The APMs are consistent with how the business performance is planned and reported within the internal management reporting to the board.

The key APMs that the group uses are 'like-for-like-sales (including VAT)' and 'EBITDA'. 'Like-for-like-sales (including VAT)' is defined as 'financial information for e-commerce and stores open during both the current and prior financial periods and compares 52 weeks against 52 weeks, except for stores refitted in the period, where the period closed for refit is excluded from both the current and prior financial periods. Like-for-like Hire and Tailor Me sales are calculated on cash receipts in the period, before adjustment for the movement in the level of deposits held.'

A reconciliation of 'like for like sales' to revenue as stated in the financial statements is presented below.

EBITDA is defined as 'Earnings before interest, tax, depreciation and amortisation. A reconciliation to profit on ordinary activities before taxation as stated in the consolidated statement of comprehensive income is shown in note 25.

	52 weeks to 27 January 2018 £m	52 weeks to 28 January 2017 £m
Total like-for-like sales (including VAT)	**137.3**	135.1
VAT	**(22.8)**	(22.4)
Total like-for-like sales (net of VAT)	**114.5**	112.7
Non like-for-like store sales (net of VAT)	**15.8**	14.1
Other revenue	**1.5**	1.1
Total revenue	**131.8**	127.9

4. REVENUE AND BUSINESS SEGMENTS

OPERATING SEGMENTS (GROUP AND COMPANY)

The majority of the Group's turnover arose in the United Kingdom, with the exception of three stores 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. The Chief Executive Officer is the Chief Operating Decision Maker.

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 Mainstream Retail and Hire. This is consistent with the prior year.

Information regarding the Group's continuing operating segments is reported below. Ecommerce is not identified separately as an operating segment due to increasing levels of cross-over between physical store sales and customers and ecommerce sales and customers as we pursue our strategic goal of achieving full omni-channel capability.

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 split by Retail and Hire. Revenue and gross profit are the measures reported to the Chief Executive Officer.

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

Revenues outside of the United Kingdom represent less than 4% of Group revenues.

4. REVENUE AND BUSINESS SEGMENTS CONTINUED

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

KEY FINANCIALS

CONTINUING OPERATIONS	**52 weeks to 27 January 2018 £'000**	52 weeks to 28 January 2017 £'000
Revenue		
Retail	**115,683**	110,812
Hire	**16,091**	17,118
Total revenue	**131,774**	127,930
Gross profit		
Retail	**66,606**	64,920
Hire	**12,220**	13,482
Total gross profit	**78,826**	78,402
Gross Margin %		
Retail	**57.6%**	58.6%
Hire	**75.9%**	78.8%
Total gross margin	**59.8%**	61.3%
Administrative expenses	**(5,937)**	(6,620)
Shops' selling and marketing costs	**(66,234)**	(64,705)
Operating profit	**6,655**	7,077
Other gains and losses	**21**	26
Investment revenues	**37**	48
Finance costs	**–**	(5)
Profit before taxation	**6,713**	7,146

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

5. INVESTMENT INCOME AND FINANCE COSTS

CONTINUING OPERATIONS – GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Interest receivable on bank deposits	**37**	48
Interest payable on corporation tax	**–**	(2)
Interest payable on bank accounts	**–**	(3)
	37	43

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

CONTINUING OPERATIONS – GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Staff costs (note 8)	**26,087**	25,922
Depreciation of property, plant and equipment net of the amortisation of the LDA credit amounting to (£nil) (2016/17: (£203k))	**5,511**	5,505
Depreciation of leasehold improvements	**209**	197
Amortisation of intangibles	**862**	801
Loss on disposal of property, plant and equipment	**348**	636
Operating lease charges – land and buildings	**20,279**	19,308
– other	**38**	1
Other operating income from sublets	**(541)**	(612)
Rent paid contingent on turnover	**554**	667
Onerous lease and dilapidations provision release and utilisation	**846**	320

7. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**110**	94
Audit related assurance services:		
Non-audit fees	**–**	7
Total auditor's remuneration	**110**	101

8. STAFF NUMBERS AND COSTS

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

GROUP AND COMPANY	**2017/18 Number**	2016/17 Number
Distribution	**99**	95
Selling and marketing	**803**	789
Administration	**58**	54
Total	**960**	938

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

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Wages and salaries	**23,810**	23,151
Social security costs	**1,915**	1,929
Contributions to defined contribution plans	**445**	450
Share-based payments (note 9)	**(83)**	392
	26,087	25,922

Directors' emoluments are disclosed within the Annual Report on Remuneration on pages 47 to 58. Key management personnel's emoluments are disclosed with note 26 Related Party Transactions on page 103.

9. SHARE-BASED PAYMENTS

GROUP AND COMPANY

The Group operates a number of share-based payments schemes: the Sharesave scheme and an equity-settled Long-Term Incentive Plan (LTIP).

The Group and Company has applied the requirements of IFRS2 'Share-based Payments'.

SAVE AS YOU EARN SHARE OPTION SCHEME

A save as you earn scheme was approved and adopted in 2012/13. Under the terms of the scheme, the Board may offer options to purchase ordinary shares in the Company once in each financial year to those employees who enter into an HM Revenue & Customs (HMRC) approved Save As You Earn (SAYE) saving contract. For the 2017/18 plan, in line with HMRC regulations, the Board limited the maximum amount saved to £500 per month per employee (2016/17 plan: £500 per month per employee). The price at which options were offered is the average closing price for 3 consecutive dealing days preceding the offer date. For 2017, the exercise price offered was discounted by 20%. The options may normally be exercised during the six-month period after the completion of the SAYE contract, 3 years after entering the scheme.

	2017 3-year plan	2016 3-year plan	2015 3-year plan
Options outstanding at the beginning of the period	**–**	556,190	89,632
Granted	**394,270**	–	–
Forfeited	**(44,101)**	(106,424)	(32,514)
Options outstanding at the end of the period	**350,169**	449,766	57,118
Exercise price (pence)	**80.80**	82.70	104.60

The fair values of the options granted during the year have been calculated using the Black-Scholes model assuming the inputs shown below:

	2017 3-year plan	2016 3-year plan	2015 3-year plan
Grant date	**May 2017**	May 2016	May 2015
Fair value at grant date (pence per share)	**21.45**	20.78	12.30
Share price at grant date (pence per share)	**103.00**	100.50	104.75
Exercise price (pence per share)	**80.80**	82.70	104.60
Expected volatility (expressed as weighted average volatility used in the modelling under the Black – Scholes model)	**32.5%**	32.4%	20.5%
Option life (years)	**3.0**	3.0	3.0
Expected dividend yield	**6.0%**	5.3%	3.0%
Risk-free interest rate	**0.23%**	0.62%	1.94%

The resulting fair value is expensed over the service period of three years on the assumption that 15% of options will lapse over the service period as employees leave the Group.

LONG-TERM INCENTIVE PLAN

On 1 April 2015 and 5 May 2015 a new equity settled Long-Term Incentive Plan (LTIP) was approved by shareholders and 763,302 shares and 73,800 shares, respectively, were awarded to directors and senior employees. In accordance with this plan, the shares are exercisable at nil cost, subject to the satisfaction of performance conditions and the requirement for 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.

On 12 April 2016 and 31 October 2016 a new equity settled Long-Term Incentive Plan (LTIP) was approved by shareholders and 879,447 shares and 61,228 shares, respectively, were awarded to directors and senior employees. In accordance with this plan, the shares are exercisable at nil cost, subject to the satisfaction of performance conditions and the requirement for 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.

On 20 April 2017 a new equity settled Long-Term Incentive Plan (LTIP) was approved by shareholders and 1,075,466 shares were awarded to directors and senior employees. In accordance with this plan, the shares are exercisable at nil cost, subject to the satisfaction of performance conditions and the requirement for 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.

RECONCILIATION OF SHARE AWARDS

Fair value of share options and assumption*	April 2017 Grant		October 2016 Grant	April 2016 Grant	May 2015 Grant	April 2015 Grant
Options originally granted less lapsed options	1,075,466		61,228	879,447	73,800	541,236
Unvested options at 29 January 2017	–		61,228	788,421	73,800	507,091
Granted	1,075,466		–	–	–	–
Lapsed	(152,032)		–	(88,399)	–	–
Vested **			–	–	–	–
Unvested options at 27 January 2018	923,434		61,228	700,022	73,800	507,091
Options unexercised at 27 January 2018	923,434		61,228	700,022	–	–
Valuation model	Monte Carlo	Black Scholes	Black Scholes			
Fair value at grant date (pence per share)	32.81	84.36	83.65	87.00	83.89	98.25
Share price (pence per share)	101	101	99.25	102.00	91.79	107.50
Exercise price (pence per share)	–	–	–	–	–	–
Expected volatility (expressed as weighted average volatility used in the modelling under the Black – Scholes model/Monte Carlo)	31%	32.40%	34.30%	31.9%	21.2%	20.0%
Option life (years)	3.00	3.00	3.00	3.00	3.00	3.00
Contractual life of shares (years)	3	3	3	3	3	3
Expected dividend yield	6.00%	6.00%	5.70%	5.3%	3.0%	3.0%
Risk-free interest rate	0.13%	0.22%	0.62%	0.62%	1.94%	1.94%

* The fair value of LTIP share awards are subject to both market and non-market conditions. See note 1, principal accounting policies. 70% of 2017 grant is subject to non-market based conditions, 30% is subject to market based conditions.

** Based on the year ended 27 January 2018 in respect of the 2015 scheme, 25% of the original grant of these options will vest based on satisfying the performance conditions. These options were unexercised at 28 January 2017.

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

Vesting conditions – see the Annual Report on Remuneration on pages 47 to 58.

DEFERRED BONUS SHARES

In accordance with the Directors' Remuneration Policy, 50% of any bonus awarded to directors and senior employees is invested in shares and deferred for a three-year period. In accordance with the terms of this plan, the shares are exercisable at nil cost, subject to continued employment during the vesting period and awarded based on annual performance. This type of award was reintroduced during 2017/18. As a consequence, there is nil opening balance.

9. SHARE-BASED PAYMENTS CONTINUED

Fair value of share options and assumption	April 2017 Award[1]
Unvested options at 28 January 2017	–
Vested	–
Unvested options at 27 January 2018	244,113
Options unexercised at 27 January 2018	244,113
Fair value at measurement date (pence per share)	84.36
Share price (pence per share)	101.0
Exercise price (pence per share)	–
Expected volatility (expressed as weighted average volatility used in the modeling under the Black - Scholes model)	32.4%
Option life (years)	3.00
Expected dividend yield	6.0%
Risk-free interest rate	0.2%

(1) April 2017 grant was awarded in 2017/18 and is based on annual performance for the 2016/17 financial year.

Expected volatility was determined by calculating the historical volatility of the Group's share price over the period of three years. The expected life used in the model has been based on management's best estimate of the Group meeting the performance conditions. There were no outstanding deferred bonus share awards outstanding as at 28 January 2017.

Vesting conditions – see the Annual Report on Remuneration on pages 47 to 58.

SHARE-BASED PAYMENT CHARGE

The amount recorded in the statement of comprehensive income in respect of share-based payment transactions, is IFRS 2 credit of £83,000 and employer's National Insurance credit of £8,000 (2016/17: IFRS 2 charge of £392,000 and employer's National Insurance charge £52,000) and relates to the LTIP, Deferred Bonus Shares and SAYE scheme. A credit balance has been recognised in 2017/18 due to the reversal of previously recognised non-market based charges as a consequence of changes in vesting estimates.

RECONCILIATION OF SHARE AWARDS	SAYE Number	LTIP Number	Deferred Bonus Number
Share awards outstanding at 28 January 2017	748,573	1,985,902	131,920
Granted in the period	394,270	1,075,466	244,113
Exercised in the period	(1,088)	(282,320)[1]	(131,920)
Lapsed in the period	(284,702)	(513,473)	–
Share awards outstanding at the end of the period	**857,053**	**2,265,575**	**244,113**
Fully exercisable at the end of the period	**–**	**–**	**–**

(1) This represents the exercise of awards granted in April 2014 which vested during 2017/18.

All shares apart from SAYE options are exercised at £nil cost. Option price for SAYE options stated on page 86.

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

Vesting conditions – see the Annual Report on Remuneration on pages 47 to 58.

10. TAXATION

(A) TAXATION RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME IS AS FOLLOWS: GROUP AND COMPANY – CONTINUING OPERATIONS	**2017/18** **£'000**	2016/17 £'000
Current tax charge		
Current period	**1,892**	2,104
Adjustment for prior periods	**(75)**	(80)
	1,817	2,024
Deferred tax (credit)/charge		
Current period	**(362)**	(406)
Adjustment for prior periods	**(93)**	(77)
Effect of change of tax rate on opening deferred tax balances	**–**	82
	(455)	(401)
Total taxation charge in the Statement of Comprehensive Income	**1,362**	1,623

(B) FACTORS AFFECTING THE TAX CHARGE FOR THE PERIOD GROUP AND COMPANY – CONTINUING OPERATIONS	**2017/18** **£'000**	2016/17 £'000
Profit on ordinary activities before tax	**6,713**	7,146
Profit before tax multiplied by rate of corporation tax in the UK of 19.16% (2016/17: 20%)	**1,286**	1,429
Income taxed at different rates on foreign jurisdictions*	**(48)**	(48)
Depreciation on assets not qualifying for capital allowances**	**258**	303
Adjustment in respect of prior period	**(168)**	(157)
Impact on share based payments	**27**	9
Other permanent differences	**(47)**	5
Effect of the change of tax rate	**54**	82
Taxation charge for the period	**1,362**	1,623

(C) ANALYSIS OF DEFERRED TAX LIABILITY GROUP AND COMPANY	**2017/18** **£'000**	2016/17 £'000
The deferred tax liability comprises:		
Deferred capital gains	**(1,022)**	(1,395)
Deferred tax liability	**(1,022)**	(1,395)

(D) ANALYSIS OF DEFERRED TAX ASSET GROUP AND COMPANY	**2017/18** **£'000**	2016/17 £'000
The deferred tax asset comprises:		
Accelerated capital allowances	**1,158**	1,068
Share-based payments	**24**	125
Other short-term timing differences	**95**	7
Deferred tax asset	**1,277**	1,200

* Income taxed at different rates on foreign jurisdictions relates to the profit for the year for the Group's Irish stores taxed at 12.5%.

** Depreciation on assets not qualifying for capital allowances relates to structural improvements such as flooring and wall partitioning.

10. TAXATION CONTINUED

(E) MOVEMENT IN DEFERRED TAX ASSET AND LIABILITY

GROUP AND COMPANY	**£'000**
Liability at 30 January 2016	**(659)**
Credit to income due to continuing operations	**401**
Credit to equity due to continuing operations	**63**
Liability at 28 January 2017	**(195)**
Credit to income due to continuing operations	**455**
Debit to equity due to continuing operations	**(6)**
Asset at 27 January 2018	**254**

At 27 January 2018 the deferred tax asset in respect of capital allowances, share-based payments and other short-term temporary differences was recognised on the basis that the Company is profitable in 2017/18 and forecasts to be profitable in future years.

At the balance sheet date, the Finance (No 2) Act 2016 had been substantively enacted confirming that the main UK corporation tax rate will reduce from 19% to 17% from 1 April 2020. Therefore, at 27 January 2018, deferred tax assets and liabilities have been calculated at the rate at which the temporary difference is expected to reverse. These reductions may also reduce the Group's future current tax charges accordingly.

11. EARNINGS PER SHARE

Basic earnings per ordinary share is based on the weighted average of 100,458,586 (2016/17: 100,211,983) ordinary shares in issue during the period after deducting for shares held by the Employee Benefit Trust and are calculated by reference to the profit attributable to shareholders of £5,351,000 (2016/17: £5,523,000).

Diluted earnings per ordinary share is based upon the weighted average of 100,798,679 (2016/17: 102,559,814) ordinary shares after deducting shares held by the Employee Benefit Trust, which include the effects of shares under SAYE, LTIP and Deferred Bonus Shares of 3,026,649, that were non-dilutive for the period presented and could dilute earnings per share in the future and are calculated by reference to the profit attributable to shareholders as stated above.

Basic earnings per share	**2017/18 pence**	2016/17 pence
Basic earnings per share	**5.33**	5.51

Diluted earnings per share	**2017/18 pence**	2016/17 pence
Diluted earnings per share	**5.31**	5.39

12. DIVIDEND

Amounts recognised as distributions to equity holders in the period:

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Final dividend for the year ended 28 January 2017: 3.98 pence per share (30 January 2016: 3.75 pence per share)	**4,000**	3,766
Interim dividend for the year ended 27 January 2018 of 2.03 pence per share (28 January 2017: 1.91 pence per share)	**2,040**	1,921
	6,040	5,687

Given the profit made in 2017/18 the Board feels it is appropriate to propose the payment of a final dividend. A dividend of 1.97 pence per share is proposed to be paid on 22 June 2018 to all shareholders on the register as at 11 May 2018 (ex-dividend date 10 May 2018).

13. INTANGIBLE NON-CURRENT ASSETS

GROUP AND COMPANY	IT software £'000
COST	
At 30 January 2016	7,822
Additions	650
Disposals	(357)
At 28 January 2017	**8,115**
AMORTISATION	
At 30 January 2016	6,026
Charge for the period	801
Disposals	(155)
At 28 January 2017	**6,672**
NET BOOK VALUE	
At 28 January 2017	**1,443**
At 30 January 2016	1,796
COST	
At 28 January 2017	8,115
Additions	1,652
Disposals	(136)
At 27 January 2018	**9,631**
AMORTISATION	
At 28 January 2017	6,672
Charge for the period	862
Disposals	(80)
At 27 January 2018	**7,454**
NET BOOK VALUE	
At 27 January 2018	**2,177**
At 28 January 2017	1,443

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

The Group has capitalised £336,000 of IT personnel costs during the year (2016/17: £228,000) which are included within Intangible Non-Current Asset Additions. These costs relate specifically to IT time incurred on developing the Group's IT infrastructure. At 27 January 2018, the total cost of IT personnel costs included within Intangible Non-Current Assets was £1,343,000 (2016/17: £967,000) with associated net book value of £544,216 (2016/17: £276,000).

14. PROPERTY, PLANT AND EQUIPMENT

(A)

GROUP AND COMPANY	Fixtures, vehicles and equipment £'000	Hire inventory £'000	Property, plant and equipment total £'000	Leasehold improvements £'000	Total £'000
COST:					
At 30 January 2016	61,270	10,076	71,346	3,501	74,847
Additions	5,772	1,907	7,679	436	8,115
Disposals	(1,171)	(1,718)	(2,889)	(103)	(2,992)
At 28 January 2017	**65,871**	**10,265**	**76,136**	**3,834**	**79,970**
DEPRECIATION:					
At 30 January 2016	47,723	6,436	54,159	2,485	56,644
Charged in period	3,952	1,553	5,505	197	5,702
Disposals	(980)	(1,340)	(2,320)	(100)	(2,420)
At 28 January 2017	**50,695**	**6,649**	**57,344**	**2,582**	**59,926**
NET BOOK VALUE:					
At 28 January 2017	**15,176**	**3,616**	**18,792**	**1,252**	**20,044**
At 30 January 2016	13,547	3,640	17,187	1,016	18,203

GROUP AND COMPANY					
COST:					
At 28 January 2017	65,871	10,265	76,136	3,834	79,970
Additions	4,751	1,778	6,529	297	6,826
Disposals	(3,413)	(797)	(4,210)	(344)	(4,554)
At 27 January 2018	**67,209**	**11,246**	**78,455**	**3,787**	**82,242**
DEPRECIATION:					
At 28 January 2017	50,695	6,649	57,344	2,582	59,926
Charged in period	3,958	1,553	5,511	209	5,720
Impairment charge for the period	148	–	148	–	148
Disposals	(3,332)	(570)	(3,902)	(340)	(4,242)
At 27 January 2018	**51,469**	**7,632**	**59,101**	**2,451**	**61,552**
NET BOOK VALUE:					
At 27 January 2018	**15,740**	**3,614**	**19,354**	**1,336**	**20,690**
At 28 January 2017	15,176	3,616	18,792	1,252	20,044

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

Included within leasehold improvements at 27 January 2018 are £105,000 of location premiums (28 January 2017: £110,000). Location premiums relate to premiums paid to enter a property which is in a desirable location.

During 2017/18 the Group progressed with the store development programme which commenced during 2012/13. A charge of £0.5m was taken in 2012/13 to reflect accelerated depreciation on existing fixtures and fittings in those stores, so that the value of fixtures and fittings replaced on refit will be written off by the date of refit. Management have reassessed the useful economic lives of these assets and a £107,000 charge (2016/17: £71,000 charge) to the Statement of Comprehensive Income has been made during the year ended 27 January 2018. This has been treated as a prospective revision to the Group's estimate for depreciation in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

(B) COMMITMENTS

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

GROUP AND COMPANY	**2017/18** **£'000**	2016/17 £'000
Contracted	**708**	1,235

(C) OPERATING LEASES

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

GROUP AND COMPANY	**2017/18** **Land and buildings £'000**	**2017/18** **Other £'000**	2016/17 Land and buildings £'000	2016/17 Other £'000
Payments falling due				
– within one year	**18,925**	**53**	17,147	–
– in the second to fifth year	**54,791**	**76**	52,364	–
– over five years	**23,315**	**–**	18,349	–
	97,031	**129**	87,860	–

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.

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

GROUP AND COMPANY	**2017/18 Land and buildings £'000**	2016/17 Land and buildings £'000
Income falling due		
– within one year	**194**	256
– in the second to fifth year	**454**	647
– over five years	**–**	–
	648	903

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

15. FIXED ASSET INVESTMENTS

COMPANY	2017/18 £'000	2016/17 £'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

Subsidiary undertakings at the end of the period are as follows:

Subsidiary undertakings*	Principal Activities	Registered Number	Country of Incorporation
Fairdale Textiles Limited	Dormant	00438113	United Kingdom
Blazer Limited	Dormant	00439370	United Kingdom
Shirt Co Limited	Dormant	00738766	United Kingdom
L&A Froomberg Limited	Dormant	00439372	United Kingdom
Moss Bros Group Qualifying Employee Share Ownership Trustee Limited	Employee Benefit Trust	03456045	United Kingdom
Gee 2 Limited**	Dormant	01709826	United Kingdom
Our Big Day Limited	Dormant	03848549	United Kingdom
Tannetje Limited	Dormant	01609223	United Kingdom
Cecil Gee (Menswear) Limited	Dormant	00463099	United Kingdom
Delanco Meyer (Textiles) Limited**	Dormant	01365354	United Kingdom
Suit Co Limited	Dormant	00439701	United Kingdom
Broadpark Limited	Dormant	00784180	United Kingdom
City Menswear Limited	Dormant	00674640	United Kingdom
Savoy Taylors Guild Limited	Dormant	00084063	United Kingdom
Cecil Gee Limited	Dormant	01722127	United Kingdom
Hagee (London) Limited	Dormant	00405696	United Kingdom
Beale & Inman Limited	Dormant	00428889	United Kingdom
Vavasseur & Company Limited	Dormant	00366409	United Kingdom
Dehavilland Limited	Dormant	00441804	United Kingdom
Brand Centre Holdings Limited	Dormant	03399179	United Kingdom
Brand Centre (Lifestyle) Limited	Dormant	03487162	United Kingdom

The registered office of all subsidiary undertakings is 8 St John's Hill, London, SW11 1SA. All subsidiaries included in the table above have taken advantage of the exemption from audit, permitted under s479A of the Companies Act.

* All holdings are 100% except for Delanco Meyer (Textiles) Limited and Gee 2 Limited.

** Moss Bros Group plc has a 50% holding in Delanco Meyer (Textiles) Limited and Gee 2 Limited.

16. INVENTORIES

GROUP AND COMPANY	2017/18 £'000	2016/17 £'000
Retail inventory	**15,990**	17,169
Retail inventory provisions	**(597)**	(460)
	15,393	16,709

During the year ended 27 January 2018 there was a write down of inventories recognised as an expense of £255,000 (2016/2017: £347,000).

17. TRADE AND OTHER RECEIVABLES

GROUP	**2017/18 £'000**	2016/17 £'000
Trade receivables	**223**	291
Other receivables	**829**	366
Prepayments and accrued income	**3,542**	3,031
	4,594	3,688

COMPANY	**2017/18 £'000**	2016/17 £'000
Trade receivables	**223**	291
Amounts owed by Group undertakings	**2,151**	2,151
Other receivables	**829**	366
Prepayments and accrued income	**3,542**	3,031
	6,745	5,839

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

All amounts owed by Group undertakings relate to current receivables held with subsidiaries of the Group, are non-interest bearing and are repayable on demand.

18. SHARE CAPITAL

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
AUTHORISED:		
Ordinary shares of 5 pence each	**6,000**	6,000
ALLOTTED, CALLED UP AND FULLY PAID:		
Ordinary shares of 5 pence each	**5,040**	5,040

19. RESERVES

GROUP	Share capital £'000	Share premium £'000	Share-based payments £'000	Employee benefit trust £'000	Hedging reserve £'000	Retained earnings £'000	Total £'000
At 30 January 2016	5,040	8,673	775	(682)	630	22,901	37,337
Profit after taxation	–	–	–	–	–	5,523	5,523
Cash flow hedging movement	–	–	–	–	(212)	–	(212)
Dividends paid	–	–	–	–	–	(5,687)	(5,687)
Credit to equity for equity settled share-based payments	–	–	392	–	–	–	392
Exercise of shares held under option	–	–	(480)	–	–	480	–
Movement on deferred tax on equity settled share-based payments	–	–	(50)	–	–	–	(50)
Movement on current tax on exercise of equity settled share based payments	–	–	–	–	–	113	113
Sale of shares by employee benefit trust	–	–	–	544	–	(544)	–
SAYE exercise – employee contributions	–	–	–	–	–	83	83
At 28 January 2017	5,040	8,673	637	(138)	418	22,869	37,499
Profit after taxation	–	–	–	–	–	5,351	5,351
Cash flow hedging movement	–	–	–	–	(1,853)	–	(1,853)
Dividends paid	–	–	–	–	–	(6,040)	(6,040)
Debit to equity for equity settled share-based payments	–	–	(72)	–	–	–	(72)
Exercise of shares held under option	–	–	(382)	–	–	382	–
Movement on deferred tax on equity settled share-based payments	–	–	(6)	–	–	–	(6)
Movement on current tax on exercise of equity settled share based payments	–	–	–	–	–	8	8
Sale of shares by employee benefit trust	–	–	–	286	–	(286)	–
Subscription to employee benefit trust	–	–	–	(466)	–	–	(466)
SAYE exercise – employee contributions	–	–	–	–	–	–	–
At 27 January 2018	5,040	8,673	177	(318)	(1,435)	22,284	34,421

COMPANY	Share capital £'000	Share premium £'000	Share-based payments £'000	Employee benefit trust £'000	Hedging reserve £'000	Retained earnings £'000	Acquisition reserve £'000	Total £'000
At 30 January 2016	5,040	8,673	775	(682)	630	18,001	4,370	36,807
Profit after taxation	–	–	–	–	–	5,523	–	5,523
Cash flow hedging movement	–	–	–	–	(212)	–	–	(212)
Dividends paid	–	–	–	–	–	(5,687)	–	(5,687)
Credit to equity for equity settled share-based payments	–	–	392	–	–	–	–	392
Exercise of shares held under option	–	–	(480)	–	–	480	–	–
Movement on deferred tax on equity settled share-based payments	–	–	(50)	–	–	–	–	(50)
Movement on current tax on exercise of equity settled share based payments	–	–	–	–	–	113	–	113
Sale of shares by employee benefit trust	–	–	–	544	–	(544)	–	–
SAYE exercise – employee contributions	–	–	–	–	–	83	–	83
At 28 January 2017	5,040	8,673	637	(138)	418	17,969	4,370	36,969
Profit after taxation	–	–	–	–	–	5,351	–	5,351
Cash flow hedging movement	–	–	–	–	(1,853)	–	–	(1,853)
Dividends paid	–	–	–	–	–	(6,040)	–	(6,040)
Debit to equity for equity settled share-based payments	–	–	(72)	–	–	–	–	(72)
Exercise of shares held under option	–	–	(382)	–	–	382	–	–
Movement on deferred tax on equity settled share-based payments	–	–	(6)	–	–	–	–	(6)
Movement on current tax on exercise of equity settled share-based payments		–	–	–	–	8	–	8
Sale of shares by employee benefit trust		–	–	286	–	(286)	–	–
Subscription to employee benefit trust	–	–	–	(466)	–	–	–	(466)
SAYE exercise – employee contributions	–	–	–	–	–	–	–	–
At 27 January 2018	5,040	8,673	177	(318)	(1,435)	17,384	4,370	33,891

The Group has an employee benefit trust which holds 300,034 shares (2016/17: 265,363) in the Company for the benefit of the Group's employees. None of its shares has been allocated to a specific scheme. At 27 January 2018 the shares had a carrying value of £318,000 and a market value of £209,000 (2016/17: carrying value of £139,000 and market value of £136,000). All dividends on shares held by the employee benefit trust are waived.

20. TRADE AND OTHER PAYABLES DUE WITHIN ONE YEAR

GROUP	2017/18 £'000	2016/17 £'000
Trade payables	**4,685**	4,059
Other payables including taxation and social security	**6,692**	6,228
Accruals and deferred income	**7,006**	6,870
	18,383	17,157
Other payables including taxation and social security comprise:		
Other taxes	**2,287**	1,821
Social security	**523**	534
	2,810	2,355
Other payables	**3,882**	3,873
	6,692	6,228

COMPANY Amounts falling due within one year	2017/18 £'000	2016/17 £'000
Trade payables	**4,685**	4,059
Amounts owed to group undertakings	**12,182**	12,182
Other payables including taxation and social security	**6,692**	6,228
Accruals and deferred income	**7,006**	6,870
	30,565	29,339

Other payables including taxation and social security comprise:

	2017/18 £'000	2016/17 £'000
Other taxes	**2,287**	1,821
Social security	**523**	534
	2,810	2,355
Other payables	**3,882**	3,873
	6,692	6,228

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

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 24. The fair value of the trade and other payables is not materially different to the values disclosed above.

All amounts owed to Group undertakings relate to current payables held with subsidiaries of the Group, are non-interest bearing and are repayable on demand.

21. OTHER PAYABLES DUE AFTER ONE YEAR

GROUP	2017/18 £'000	2016/17 £'000
Accruals and deferred income	**3,481**	3,208

COMPANY	2017/18 £'000	2016/17 £'000
Amounts falling due after one year Accruals and deferred income	**3,482**	3,209

22. PROVISIONS

GROUP AND COMPANY	Dilapidations provision £'000	Onerous property lease provisions £'000	Total £'000
At 30 January 2016	793	1,685	2,478
Additional provision during the period*	415	–	415
Release during the period	–	–	–
Utilisation during the period**	(113)	(207)	(320)
At 28 January 2017	1,095	1,478	2,573
Additional provision during the period*	260	126	386
Release during the period	(176)	(47)	(223)
Utilisation during the period**	(342)	(281)	(623)
At 27 January 2018	**837**	**1,276**	**2,113**

	Dilapidations provision £'000	Onerous property lease provisions £'000	2017/18 Total £'000	2016/17 Total £'000
Current Balance Sheet	837	368	1,205	1,252
Non-current Balance Sheet	–	908	908	1,321
	837	1276	2,113	2,573

* The additional provision of £260,000 on dilapidations during the period reflects the Group's estimate of obligations arising under operating leases in line with the company policy.

** The utilisation of £342,000 of the dilapidations provision and £281,000 of the onerous property lease provision was in respect of continuing and closed stores.

The onerous property lease provision at 27 January 2018 of £1,276,000 (2016/17: £1,478,000) is the estimated future cost of the Group's onerous property lease contracts and will be released over the lease terms up until 2024. The net release to the Statement of Comprehensive Income on stores which closed during the year and on continuing stores was £229,000 (2016/17: release of £267,000). This has been discounted to reflect the time value of money. The effect of the unwinding of the discount rate on the release for the year was a debit of £27,000 (2016/17: debit of £59,000).

The dilapidations provision at 27 January 2018 of £837,000 (2016/17: £1,095,000) is the estimated future cost of the Group's dilapidations costs and is expected to be utilised within the next three to four years.

23. PENSIONS

GROUP AND COMPANY

The Group currently contributes to a defined contribution scheme. As at 27 January 2018 there was £47,000 of outstanding contributions relating to the defined contribution scheme (2016/17: £42,000). The charge for the period was £334,000 (2016/17: £333,000) and contributions paid were £331,000 (2016/17: £332,000).

24. 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 derivative forward foreign currency transactions, 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 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

Cash balances are managed and monitored on a daily basis and the peaks and troughs in the cash cycle are well known through experience. The Company continues to operate the business from a debt free position and current trading levels generate a healthy cash flow.

FOREIGN CURRENCY RISK

The Company's policy is to mitigate all currency exposures on purchases either 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 or by taking out forward foreign currency contracts and applying hedge accounting. Details of forward foreign currency contracts outstanding as at 27 January 2018 are detailed in note (E) below.

Foreign currency sensitivity analysis

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Effect of 10% appreciation in foreign exchange rates against sterling on monetary assets and liabilities		
Sterling against US Dollar		
Profit or loss	**(154)**	57
Other equity	**–**	–

The impact of changes in foreign exchange rates on the Group's monetary assets and liabilities results from retranslation of US Dollar cash balances and trade payables. A negative number indicates a charge to the income statement where the US Dollar weakens 10% against Sterling.

The sensitivity analysis excludes the impact of movements in market variables on the carrying amount of trade and other payables due to the low associated sensitivity, and are reported before the effect of tax. It has been prepared reflecting the position at 27 January 2018. Consequently, the analysis relates to the position at that date and is not necessarily representative of 2017/18 then ended.

The effect shown above would be reversed in the event of an equal and opposite change in foreign exchange rate.

INTEREST RATE RISK

Interest rate risk arises from investment of cash balances on short-term deposits. The Company is not exposed to any other interest rate risk.

(B) FINANCIAL ASSETS

(i) Trade receivables

	Carrying value	
GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Trade receivables	**223**	291
Allowance for doubtful debts	**–**	–
	223	291

The Group recognises an allowance for doubtful debts where trade receivables are considered irrecoverable on the basis of aging and historical experience. No allowance was required in the current or prior year. Any irrecoverable balances have been written off. The Group does not require collateral in respect of these financial assets.

(ii) Cash and cash equivalents

GROUP AND COMPANY	Floating rate financial assets 2017/18 £'000	2016/17 £'000
Currency		
Sterling	**14,247**	18,800
US Dollar	**2,289**	(49)
Other	**941**	767
Total	**17,477**	19,518

Cash and cash equivalents generate interest income on short-term deposits. The Company has no fixed rate financial instruments. Based on the average cash balance, the effective interest rate on financial assets is 0.22% (2016/17: 0.25%).

(C) FINANCIAL LIABILITIES

The Group's only financial liabilities as at 27 January 2018 and 28 January 2017 were derivative financial instruments, as detailed below, and current trade payables.

(D) FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

As at 27 January 2018 and 28 January 2017, there was no material difference between the fair values and book values of the Company's financial assets or liabilities.

(E) DERIVATIVE FINANCIAL INSTRUMENTS

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Financial (liabilities)/assets designated as cash flow hedges		
Forward foreign currency contracts	**(1,421)**	411
	(1,421)	411

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Financial liabilities carried at fair value through profit and loss (FVTPL)		
Forward foreign currency contracts	**–**	–
	–	–

In the current year the Group entered into several forward foreign currency contracts, to protect the cost to the Group of 2017/18 inventory purchases and hedge against the risk of exchange rate fluctuations. During 2017/18 the Group had entered into £29,789,024 (2016/17: £12,934,382) US dollar forward contracts which were outstanding at 27 January 2018. In the current year, these have been designated as cash flow hedges. The associated fair value gains and losses will be transferred to inventories when the purchases occur during the next 12 months, at which time the amount deferred in equity will be reclassified to the Statement of Comprehensive Income. At 27 January 2018, a debit balance of £1,435,000 has been deferred in equity (2016/17: credit balance £418,000). The ineffective portion of cash flow hedges recognised in "Other gains and losses" within the Statement of Comprehensive Income is a credit of £21,000 (2016/17: credit of £26,000).

24. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES CONTINUED

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimism of the debt and equity balance. The Group's overall strategy remains unchanged from 2011/12.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 19.

The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and risks associated with each class of capital.

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.

The Company's approach to capital management is to spread cash deposits across three UK based banks to minimise the risks associated with default by any one bank. The banks selected are amongst those with the highest available credit ratings.

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

SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted (including criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 1.

CATEGORIES OF FINANCIAL INSTRUMENTS

The net fair value of derivatives by hedge designation at the balance sheet date is:

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Financial assets		
Cash flow hedges	**–**	411
	–	411

GROUP AND COMPANY	**2017/18 £'000**	2016/17 £'000
Financial liabilities		
Cash flow hedges	**(1,421)**	–
	(1,421)	–

All derivatives are categorised as level 2 under the requirements of IFRS 7 and they are valued using techniques based significantly on observed market data.

25. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")

EBITDA as reported in the Headlines on page 2 is calculated as follows:

GROUP AND COMPANY	**52 weeks to 27 January 2018 £'000**	52 weeks to 28 January 2017 £'000
Profit on ordinary activities before tax	**6,713**	7,146
Deduct:		
Investment revenues	**(37)**	(48)
Finance costs	**–**	5
Add:		
Depreciation of property, plant and equipment	**5,720**	5,905
Amortisation of intangible assets	**862**	801
Amortisation of compulsory purchase compensation	**–**	(203)
EBITDA*	**13,258**	13,606

* EBITDA is earnings before interest, tax, depreciation and amortisation.

26. 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 Annual Report on Remuneration on pages 47 and 48. 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:

	2017/18 £'000	2016/17 £'000
Short-term employee benefits	**1,488**	1,389
Termination payments	**123**	66
Contributions to defined contribution plans	**68**	79
Share-based payments expense	**54**	240
	1,733	1,774

Total remuneration is included in administrative expenses and relates to 10 employees in the period ended 27 January 2018 (2016/17: 11).

TRADING TRANSACTIONS

The Group entered into the following transactions with related parties who are not members of the Group:

Berkeley Burke Trustee Company Limited is considered a related party of the Group because Brian Brick, Chief Executive Officer of Moss Bros Group plc is a beneficiary of the pension fund. On 8 December 2011, Moss Bros Group plc agreed a long-term lease with Berkeley Burke Trustee Company Limited, a pension fund and the superior landlord, for a store in Hounslow, on an arm's length basis.

AAK Limited is considered a related party of the Group because Maurice Helfgott, Senior Independent Non-Executive Director of Moss Bros Group plc, has a close relative holding a key management position with significant influence and who is a significant shareholder at AAK Limited. All transactions with AAK Limited have been on an arm's length basis. At 27 January 2018, total purchase from AAK Limited was £2.5m, including VAT, (28 January 2017: £4.3m, including VAT), of which £14,000 (28 January 2017: £177,000) was outstanding at year end.

Moss Bros agreed a sublet of a store lease to White Stuff Ltd. Debbie Hewitt, Chairman of Moss Bros Group plc, is also Chairman and director of White Stuff. The transaction was on arm's length commercial terms and Debbie Hewitt took no part in determining the commercial terms offered by Moss Bros or in the decision to accept them taken by White Stuff. The sublet is from June 2014 until December 2021 at a rent of £50,000 per year. A capital contribution of £50,000 was paid to White Stuff on completion of the agreement. At 27 January 2018 the balance due from White Stuff was £nil (28 January 2018: £212) in respect of service charges payable in arrears.

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 effected, 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, Link Asset Services, by no later than 12 noon on 14 May 2018 or, in the event of any adjournment, at 12 noon on the date which is two days before the day of the adjourned meeting. Alternatively, you can register your proxy vote electronically, either by means of a website provided by the Moss Bros Group PLC'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 notice. 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 Annual General Meeting of Moss Bros Group PLC (the "Company") will be held at 8 St. John's Hill, Clapham Junction, London, SW11 1SA on 16 May 2018 at 12 noon for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 13 to 15 (inclusive) as special resolutions. All other resolutions will be proposed as ordinary resolutions. Voting on all resolutions will be by way of poll.

ORDINARY RESOLUTIONS

1. To receive the annual Directors' and Auditors' reports and the accounts for the financial year ended 27 January 2018.
2. To approve the Directors' remuneration report (excluding the Directors' remuneration policy) for the financial year ended 27 January 2018 as set out on pages 38 to 46 of the Company's Annual Report and Accounts 2017/2018.
3. To elect Alex Gersh as a Director of the Company.
4. To re-elect Tony Bennett as a Director of the Company.
5. To re-elect Brian Brick as a Director of the Company.
6. To re-elect Zoe Morgan as a Director of the Company.
7. To re-elect Maurice Helfgott as a Director of the Company.
8. To re-elect Debbie Hewitt as a Director of the Company.
9. To re-elect Deloitte LLP as the auditor of the Company until the conclusion of the Company's next Annual General Meeting.
10. To authorise the Directors to set the remuneration of the auditor as they shall in their discretion see fit.
11. To declare a final dividend for the financial year ended 27 January 2018 of 1.97 pence per ordinary share, payable on 22 June 2018 to ordinary shareholders on the register at the close of business on 11 May 2018.
12. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares (as defined in section 540 of the Act) and grant rights to subscribe for, or convert any security into, shares up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £1,679,997.88 (representing 33,599,957 shares), this authorisation to expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 27 July 2019), (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).

SPECIAL RESOLUTIONS

13. That, subject to the passing of resolution 12 set out in the notice of the 2018 Annual General Meeting of the Company, the Directors be generally empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority conferred by that resolution as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities for cash in connection with, or pursuant to, 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 the respective number of ordinary shares held by them on the record date for 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 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; and

(b) the allotment (otherwise than pursuant to sub-paragraph (a) of this resolution) of equity securities up to an aggregate nominal amount of £251,999.68,

and the power hereby granted shall expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 27 July 2019) 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 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.

14. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of any of its 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 number of ordinary shares which may be purchased is 10,079,987 ordinary shares of 5p each (representing approximately 10 per cent. of the issued ordinary share capital of the Company at 12 April 2018, being the last practicable date prior to the date of this document)

(b) the minimum price that 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 an ordinary share 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 is contracted to be purchased; and

(ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out;

(d) unless previously renewed, revoked or varied, the authority conferred by this resolution shall expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 27 July 2019); and

(e) 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 this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.

15. That a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 clear days' notice.

By Order of the Board

TONY BENNETT
COMPANY SECRETARY
12 April 2018

Registered Office:
8 St. John's Hill
Clapham Junction
London
SW11 1SA
Registered in England and Wales No. 00134995

NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

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 2018 Annual General Meeting on 16 May 2018 and will also be available for inspection 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 **http://corp.moss.co.uk/reports/**

2. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and section 360(B)(2) of the Act, 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 close of business on 14 May 2018 or, in the event of any adjournment, at close of business on the date which is two days before the day of the 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, speak and vote at the Annual General 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 2018 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), or other instrument appointing a proxy must be received by post or by hand (during normal business hours) with the Company's registrars, Link Asset Services at PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF 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.signalshares.com**. Please see the form of proxy for further details.

   Return of a completed form of proxy, or other instrument appointing a proxy or any CREST Proxy Instruction will not preclude a member from attending and voting personally at the meeting if he/she wishes to do so.

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, being 12 noon on 14 May 2018. 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.

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 Act (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 a member of the Company.

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 12 April 2018 (being the last practicable date prior to the date of this document) the Company's issued share capital consists of 100,799,873 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 100,799,873.

11. You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

12. Under section 338 and section 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date 6 clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

13. Voting on all resolutions at the Annual General Meeting will be by way of a poll. This means that you will be asked to complete a poll card if you attend in person. The Company believes that this is the best way of representing the views of as many shareholders as possible in the voting process.

EXPLANATORY NOTES

1. **Resolution 2.** This resolution is to approve the Directors' remuneration report (other than the part containing the Directors' remuneration policy) for the financial year ended on 27 January 2018. You can find the report on pages 47 to 58 of the Company's Annual Report and Accounts 2017/2018, which is available on the Company's website **http://corp.moss.co.uk/reports/**. As this vote is an advisory vote, no entitlement of a Director to remuneration is conditional on it. This resolution is put annually as required by the Act.

2. **Resolutions 3 to 8.** As required by the UK Corporate Governance Code, biographical details of each of the Directors standing for election and re-election appear on page 22 of the Company's Annual Report and Accounts 2017/2018. Under the Company's articles of association, one-third of the Directors are required to retire by rotation each year. However, in accordance with the UK Corporate Governance Code, all the Directors will submit themselves for annual re-election by shareholders. The Chairman is

satisfied that, following individual formal performance evaluations, the performance of the Directors standing for election and re-election continues to be effective and to demonstrate commitment to the role.

3. **Resolution 9.** The Company is required to appoint auditors at each Annual General Meeting, to hold office until the end of the next Annual General Meeting. The Company has selected Deloitte LLP to remain its auditor following its recent tender process in March 2018. Therefore, it is being proposed that Deloitte LLP be re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting.

4. **Resolution 12.** 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 12 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 2019 or on 27 July 2019, whichever is earlier. Resolution 12 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £1,678,317, representing approximately one-third (33.33 per cent.) of the Company's existing issued share capital and calculated as at 12 April 2018 (being the latest practicable date prior to the date of this document).

   As at 12 April 2018 (being the last practicable date prior to the date of this document) the Company holds no treasury shares.

5. **Resolution 13.** 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 meeting. Accordingly, resolution 13 will be proposed as a special resolution to grant such 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 £251,999.68 (being five per cent. of the Company's issued ordinary share capital at 12 April 2018, being the latest practicable date prior to the date of this document). If given, this power will expire on 27 July 2019 or at the conclusion of the Annual General Meeting in 2019, whichever is the earlier.

   The figure of five per cent. reflects the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights for general unrestricted use (the "Statement of Principles"). Your Directors will have due regard to the Statement of Principles in relation to any exercise of this power, in particular the requirement for advance consultation with shareholders before making any non pre-emptive cash issue pursuant to this resolution which exceeds 7.5 per cent of the Company's issued ordinary share capital in any rolling three year period. Your Directors are not seeking authority for the disapplication of pre-emption rights (for an additional five per cent. of the Company's issued ordinary share capital) for use for an acquisition or other capital investment of a kind contemplated by the Statement of Principles.

6. **Resolution 14.** This resolution will give the Company authority to purchase its own shares in the markets up to a limit of 10 per cent of its issued ordinary share capital. The maximum and minimum prices are stated in the resolution. Your Directors believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares. Your Directors will exercise this authority only if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally.

   In the event that shares are purchased, they may either be cancelled (and the number of shares in issue would be reduced accordingly) or, in accordance with the Act, be retained as treasury shares. The Company will consider holding repurchased shares pursuant to the authority conferred by this resolution as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

   As at 12 April 2018, being the last practicable date prior to the date of this document, the total number of options over ordinary shares in the capital of the Company that were outstanding under all of the Company's share option plans was 3,366,741, which if exercised would represent 3.34 per cent. of the Company's issued share capital at that date. If the Company were to purchase its own shares to the fullest possible extent of its authority from shareholders (existing and being sought), this number of outstanding options could potentially represent 3.71 per cent of the issued share capital of the Company.

7. **Resolution 15.** 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 15 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 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.

8. **Recommendation**

Your Directors believe that all the proposed resolutions to be considered at the 2018 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.

9. **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 Annual General Meeting continue to be effective and to demonstrate commitment to their role."

Debbie Hewitt
Chairman

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MOSS BROS GROUP PLC

FORM OF PROXY FOR USE BY SHAREHOLDERS AT THE ANNUAL GENERAL MEETING OF MOSS BROS GROUP PLC (THE "COMPANY") TO BE HELD AT 12 NOON ON 16 MAY 2018 AT 8 ST. JOHN'S HILL, CLAPHAM JUNCTION, 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 CAPITALS 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 her, 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 12 noon on 16 May 2018 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 below.)

		For	Against	Vote Withheld	Discretion
Resolution 1	To receive the annual accounts and reports of the Directors and auditors for the financial year ended 27 January 2018				
Resolution 2	To approve the Directors' remuneration report (excluding the Directors' remuneration policy) for the financial year ended 27 January 2018				
Resolution 3	To elect Alex Gersh as a Director of the Company				
Resolution 4	To re-elect Tony Bennet as a Director of the Company				
Resolution 5	To re-elect Brian Brick as a Director of the Company				
Resolution 6	To re-elect Zoe Morgan as a Director of the Company				
Resolution 7	To re-elect Maurice Helfgott as a Director of the Company				
Resolution 8	To re-elect Debbie Hewitt as a Director of the Company				
Resolution 9	To re-elect Deloitte LLP as auditor of the Company				
Resolution 10	To authorise the Directors to set the remuneration of the auditor				
Resolution 11	To declare a final dividend for the financial year ended 27 January 2018 of 1.97 pence per ordinary share				
Resolution 12	To authorise the Directors to allot shares pursuant to section 551 of the Companies Act 2006				
Resolution 13	To authorise the Directors to dis-apply pre-emption rights pursuant to sections 570 of the Companies Act 2006				
Resolution 14	To authorise the Company to make market purchases of its ordinary shares pursuant to section 701 of the Companies Act 2006				
Resolution 15	To approve general meetings of the Company (other than annual general meetings) to be held on not less than 14 clear days' notice				

Signature ______________________

Dated this ______________________ day of ______________________ 2018

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

NOTES

1. 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:
   (a) 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.
   (b) 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.
   (c) To appoint more than one proxy, you may photocopy this form of proxy. 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 Annual General Meeting'. All forms must be signed and should be returned together in the same envelope.
2. Unless otherwise indicated the proxy will vote as he thinks fit or, at his discretion, abstain from voting.
3. The form of proxy must arrive at Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF during usual business hours accompanied by any power of attorney or other authority under which it is executed (if applicable) (or a duly certified copy of such power of attorney or authority) no later than 12 noon on 14 May 2018.
4. A corporation must execute the form of proxy under either its common seal or the hand of a duly authorised officer or attorney.
5. 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).
6. 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.
7. 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.
8. 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.
9. You may also vote your shares electronically at **www.signalshares.com**. If you prefer, you may return the proxy form to Link Asset Services in an envelope addressed to FREEPOST PXS. Please note that delivery using this service can take up to 5 business days.

Please trim along dotted line,
fold and insert into the
supplied reply paid envelope.