

**17 April 2014**

**Moss Bros Group Plc (“the Company”)**

**Annual Financial Report - DTR 6.3.5 Disclosure**

Following the release on 26 March 2014 of the Company's preliminary results announcement for the financial year ended 25 January 2014 (the 'Preliminary Announcement'), the Company announces that its annual report and accounts for the financial year ended 25 January 2014, notice of Annual General Meeting for 2014 and form of proxy for use at the Annual General Meeting of the Company are being issued to shareholders today.

The Annual General Meeting of the Company is to be held on 23 May 2014 at 12 noon at the Company's registered office, 8 St John's Hill, Clapham, London, SW11 1SA. Copies of the Annual Report and Accounts, the Notice of Annual General Meeting and form of proxy are available on the Investor Relations page of the Company's website [www.mossbros.co.uk](http://www.mossbros.co.uk)

Copies of the Annual Report and Accounts, the Notice of AGM and the Proxy Form will shortly be available for inspection at the UK National Storage Mechanism at <http://www.morningstar.co.uk/uk/NSM>

Robin Piggott

Company Secretary

**COMPLIANCE WITH DISCLOSURE AND TRANSPARENCY RULE 6.3.5 - EXTRACTS FROM THE ANNUAL REPORT AND ACCOUNTS**

The information below, which is extracted from the 2014 Annual Report and Accounts, is included solely for the purpose of complying with DTR 6.3.5 and the requirements it imposes on issuers as to how to make public annual financial reports. It should be read in conjunction with the Company's Preliminary Announcement issued on 26 March 2014. Together these constitute the material required by DTR 6.3.5 to be communicated to the media in unedited full text through a Regulatory Information Service. This material is not a substitute for reading the full 2014 Annual Report and Accounts. Page numbers and cross-references in the extracted information below refer to page numbers and cross-references in the 2014 Annual Report and Accounts.

The information contained in this announcement and in the Preliminary Announcement does not constitute the Group's statutory accounts as defined in the Companies Act 2006 but is derived from those accounts. The statutory accounts for the year ended 25 January 2014 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 23 May 2014. On 26 March 2014, the group announced its draft financial statements for the 52 weeks ending 25 January 2014. The auditors have subsequently reported on those accounts, which were unchanged, their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) Companies Act 2006 or equivalent preceding legislation.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The following statement is extracted from page 28 of the 2014 Annual Report and Accounts and is repeated here for the purposes of complying with Disclosure and Transparency Rule 6.3.5. This statement relates solely to the 2014 Annual Report and Accounts and is not connected to the extracted information set out in this announcement or the Preliminary Announcement.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## 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.

<b>BUSINESS AREA</b>	<b>RISK TO COMPANY</b>	<b>MITIGATION OF RISK</b>	<b>ASSESSMENT OF CHANGE IN RISK YEAR ON YEAR</b>
<b>Hire</b>	<p><b>The Hire business demands the highest level of customer service</b></p> <p>This is delivered through a highly developed and efficient infrastructure which enables consistent 'delivery to promise'.</p> <p>Any disruption to this infrastructure would affect our ability to maintain customer service levels.</p>	<p>We have a dedicated customer service team which actively seek to resolve any customer service issues arising.</p> <p>We are continually refreshing and replenishing our stock of hire garments to ensure we are able to cater for all occasions whenever they fall due.</p>	<p>The risk is ongoing, however we are better able to address customer service issues as we have expanded our customer service team during the year.</p> <p>We have opened up our market during the year through the introduction of a new transactional Hire website which went live in November 2013 in preparation for the 2014 weddings season.</p>
<b>Retail and Bespoke</b>	<p><b>Factors outside our control, such as an economic downturn affecting the UK, may have a material adverse effect on results</b></p> <p>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.</p>	<p>We continually focus on maintaining our product quality, customer service and supplier relationships, whilst retaining our competitive position, including in value and pricing.</p>	<p>This risk has reduced during 13/14 through greater market development with cross-channel and geographical market expansion overseas. The current economic outlook is also generally perceived to be stronger than it was in 12/13.</p> <p>We have improved our product range with mix and match and package offerings appealing to all levels of customer profile.</p>

<p><b>E-Commerce</b></p>	<p><b>Customer service is as important online as offline</b></p> <p>Ease of navigation/ability to transact quickly on the website is key to generating sales online.</p> <p>Keeping up with competitor offerings in being able to interact with the product online, offering product choice and availability, and allowing multiple payment and delivery options are key to growing our online presence.</p> <p>Ensuring a secure online marketplace is also vital for customers to be able to transact safely.</p>	<p>We are continually developing our website offering in order to become fully multi-channel.</p> <p>Our new 'click and collect' Retail website which went live in January 2013 has seen significant increases in customer traffic flow and conversion rates from launch.</p> <p>We have implemented security policies, rules and technical measures to protect customer data.</p>	<p>With the increase in trade through e-commerce and importance in our strategy of becoming fully multichannel, the risk has increased during the year.</p> <p>The risk has been partly mitigated through the introduction of new and improved ecommerce channels.</p>
<p><b>Brand image</b></p>	<p><b>Maintaining our store presentation is important for attracting customers and growing our brand</b></p> <p>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.</p>	<p>We are undergoing a 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.</p>	<p>The risk has been reduced during the year with the progression of the store redevelopment programme.</p>
<p><b>Costs</b></p>	<p><b>Cost price increases and currency fluctuation could have a materially adverse affect on results</b></p> <p>A fluctuation in currency rates could materially affect the Group's cost base and margins.</p>	<p>Management has 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.</p> <p>In addition, the Group operates a treasury policy which hedges the foreign exchange risk from such direct sourcing arrangements. Management closely</p>	<p>The risk is ongoing however is continually monitored and addressed.</p>

		monitor the effectiveness of these arrangements.	
<b>Supply chain</b>	<p><b>A disruption to supplier continuity may adversely affect our operation</b></p> <p>Suppliers going out of business could have a significant impact on our ability to meet demand in store and online.</p>	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.	The risk is ongoing however is continually addressed.
<b>Distribution centre (DC)</b>	<p><b>Operating our distribution centre from one location leaves the Group exposed to business catastrophes occurring at that location</b></p> <p>Any business catastrophe affecting our distribution centre could severely affect the Group's ability to supply to stores and customers.</p>	<p>We continually review and monitor our disaster recovery plan to ensure that all business risks are adequately covered.</p> <p>Our financial risk of operating from one location is mitigated through our insurance cover.</p>	<p>With new and increased operating pressures on the DC through multi-channel, the reliance and consequent exposure to risk of the DC failing has increased during the year.</p> <p>We continually review and improve management processes within our distribution chain.</p>
<b>People</b>	<p><b>The Group's reliance on key management and other personnel could put pressure on the business if they were to leave</b></p> <p>Attracting and retaining high calibre people is a key priority and a central focus in striving for excellent customer service across</p>	People development continues to be improved so that 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	The risk is ongoing, however we are in a strong position to review our resource requirements with a view to effective recruitment and selection to limit such pressures on the business.

	the Group's business channels.	align their interests to those of the Group and a SAYE scheme is in operation.	
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## 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 39 to 49. 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:

	2013/14	2012/13
	£'000	£'000
Short-term employee benefits	1,323	1,138
Termination payments	160	-
Contributions to defined contribution plans	62	51
Proceeds from share-based payments	11	290
	1,556	1,479

Total remuneration is included in administrative expenses and relates to 14 employees in the period ended 25 January 2014 (2012/13: 10).

## 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.

ENQUIRIES:

Robin Piggott

Moss Bros Group plc

Company Secretary

17 April 2014