25 March 2010

MOSS BROS GROUP PLC

THE UKs NO. 1 BRANDED SUIT SPECIALIST

Preliminary results for the 52 weeks ended 30 January 2010

“Continued good progress”

Financial Highlights

- EBITDA* before exceptional items of £3.2m, a significant increase on 2009 (2009 : £1.4m)
- Pre-tax loss before exceptional items of £(3.9)m, ahead of expectations (2009 : Pre tax loss before exceptional items £(5.0)m)
- Exceptional items of £(2.7)m (2009: £(4.3)m); total loss before tax £(6.6)m (2009: Pre tax loss £(9.3)m)
- Group like for like** sales up 1.6% in second half against a fall of 2.6% in first half, giving a full year like for like** down 0.4%
- Total gross margin up 3.4 percentage points in second half against level in first half, giving a full year ahead of last year by 1.8 percentage points
- Continued strong cash balance on 30 January 2010 of £6.3m (2009 : £8.1m); average daily cash balance £3.0m (2009 : £5.7m)
- No final dividend is being proposed consistent with last year
- Current trading: strong like for like** sales in the first seven weeks of the current year, ahead 15% on previous year; with gross profit ahead 12%

Business Overview

- Strong suit sales through the year with current trading up 8% by volume
- Appointment of group operations director, human resources director and head of logistics adds substantially to the strength of the Executive team
- 3 new stores opened in the year and further new stores planned in 2010/11
- New Hugo Boss franchise agreement for New Bond Street
- Capital expenditure tightly controlled, focused and reduced by £4.1m year on year to £3.5m

Commenting on the results and outlook, Brian Brick, Chief Executive Officer, said:

“We have made good progress on all of the operational priorities we set out at the beginning of the year and this has had a very positive impact on trading despite the difficult trading conditions last year. We continue to build clear strategic goals, an effective management team and a track record of delivering. Current trading reflects strong like for like** growth and our continued focus on the operational priorities, with the support of our strong balance sheet, gives me great confidence that we will fully leverage the potential of this business.”

*EBITDA is earnings before interest, tax, depreciation, amortisation and exceptional items

	30 January 2010 £’000	31 January 2009 £’000
Loss before taxation	(6.6)	(9.3)
Net interest	-	(0.2)
Depreciation and amortisation of non current assets	7.1	6.6
Exceptional items	2.7	4.3
EBITDA before exceptional items	3.2	1.4

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

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ACTING CHAIRMAN'S STATEMENT

The Group achieved revenue of £128.7m, a 0.7% decrease on the prior year. The financial result was a loss before tax of £(6.6)m, compared with a loss before tax of £(9.3)m in the previous year. However, the result for this year was after exceptional items of £2.7m and the adjusted loss before tax excluding these items was £(3.9)m. EBITDA (earnings before interest, tax, depreciation, amortisation and exceptional items) was £3.2m.

The results for the year ended 30 January 2010 represent 52 weeks, which compares to 53 weeks for the prior year; on a comparative 52 week basis, like for like** sales are behind 0.4% after adjusting for stores opened and closed. The impact of the additional week on the prior year loss before tax is immaterial to the overall figure being reported.

The Board is not proposing a final dividend this year and total dividends for the year are nil (2009: special dividend of 1.30 pence per share - £1.2m for the year). The Board believes it is prudent to continue to conserve cash in the current economic environment.

The context for the year was one of a continued deteriorating macroeconomic environment, as the effects of the credit crunch continued to lead the UK economy deeper into recession. In spite of this tough trading environment, the Executive management team set out and successfully implemented a clear set of operational priorities. This has led to an improvement in the sales trend and steps were taken to protect the strong balance sheet through diligent cash and working capital control, along with a detailed review of the condition and value of the entire estate. This has created the space to develop a clear and compelling strategy to leverage the full potential of the business and the early signs of progress are reflected in a strong start to this year.

The Board is confident that the business can grow shareholder value to a quicker and greater extent by focusing on principally Moss, Moss Bros Hire, the Hugo Boss Franchise and Cecil Gee. The foundations are now in place to deliver this strategy.

During the last 12 months, Michael Hitchcock, Group Finance Director, Ciaran McCloskey, Trading Director, and David Adams, Chairman, resigned from the Company. The Board would like to thank all for their contribution in stabilising the business. The restructuring of the Board was progressed during the year, with the appointment of two new Non-Executive Directors; Simon Berwin was appointed on 29 May 2009 and I was appointed on 1 June 2009, subsequently becoming Acting Chairman with effect from 25 March 2010.

The Executive management team was strengthened by the appointment of a group operations director, head of logistics and human resources director all of whom have brought key skills into areas where there have historically been gaps.

Throughout the year, our employees and management have served the Group with a combination of hard work, passion and commitment and on behalf of the Board I would like to thank them for their contribution during 2009.

Strong current trading and the strength of our balance sheet with no debt, a strong average daily cash balance and a significant closing cash balance, will play a key role in the coming year. We are confident that the operational progress that has been made in 2009 will drive the business towards profit and the strong and focused leadership of the Executive management team will further leverage the Company's competitive position.

DEBBIE HEWITT Acting Chairman
24 March 2010

CHIEF EXECUTIVE'S BUSINESS REVIEW

OVERVIEW

The Group has made significant progress this year, despite the turbulent trading conditions. A strong focus on operational performance, the building of an effective management team and rigorous financial management have all combined to increase the underlying sales trend and this resulted in the earlier than expected decision to recommence the new store opening program, with three new stores opened ahead of the key Christmas trading period.

Total like for like** sales in the second half increased by 1.6% after falling 2.6% in the first half of the year leaving full year like for like** sales marginally down. In addition the second half gross margin increased 3.4 percentage points having been level in the first half.

Open, honest and collaborative communication with the key credit insurers was maintained throughout the year and will continue to ensure minimal risk to the continuity of product supply.

The Group has no debt, an overdraft facility which is not utilised at the year-end and tight working capital control. The ongoing proactive negotiations and discussions with all relevant stakeholders have helped to ensure optimum use of cash resources.

BUSINESS REVIEW

STORES

BUSINESS KEY PERFORMANCE INDICATORS

The business monitors the performance of implementing the Board's strategy with reference to clear targets set for seven key performance indicators ("KPIs"). These KPIs are applied on a Group wide basis across the stores and include the following:

- sales, which are further analysed by:
  - average transaction value (ATV)
  - units per transaction (UPT)
  - average selling price (ASP)
- gross profit margin
- cash and cash equivalents, and
- inventories.

Management assesses these KPIs against forecasts and the prior year.

MAINSTREAM

Moss embarked on a detailed operational and performance management review of all stores, resulting in a programme of training and staff development and a number of changes in management. The impact of these changes came through in the second half, where like for like** sales were up by 3%, against a fall of 2.3% in the first half, giving a full year outcome up 0.5%.

Like for like** retail gross margin was ahead of last year by 1.8 percentage points in the second half and by 0.7 percentage points for the full year. The margin performance was enhanced through the careful choice of suppliers across all product categories and the consolidation of volume into fewer suppliers throughout the year. Furthermore, Moss is concentrating on its core category, suits, and has seen a marked uplift in the demand for fashion suits as the younger man seeks to emulate the appearance of young television presenters and sporting role models.

Expansion Plans

Management took a conscious decision to pull back on the expansion plans set out in previous years, in light of continued deterioration in the wider economy. No new stores were opened in the first three quarters of the year but successful balance sheet management and the improving sales trend led the business to open three stores in the fourth quarter; East Midlands Centre, Dalton Park Centre and Uxbridge. Management have identified around 40 locations across the UK and Southern Ireland which would be ideal for one of the Group's fascia and, subject to the continuing and improving trend in sales, a select number of stores have been identified for potential opening in 2010. If more stores become available in those identified locations on favourable terms with minimal impact on cash flow, management will consider their commercial viability at the appropriate time.

Refits

The strategy for cyclical refits across the Moss fascia remains. The business is continuing to look at the next generation of retail format for suit buying and any refit programme will incorporate the results of this review. Three next generation Moss formats will be tested in 2010 and the pace and intensity of this programme will be dictated by the success of the pilots.

Factory Outlets

Factory outlets demonstrated good growth in this year. Like for like** sales were ahead 3.5% with like for like** retail gross margins also ahead of last year. The operating model for outlets has been further tuned.

FASHION

Demand for branded fashion was subdued in the first half of the year as the recession had a significant impact on the higher priced fashion product; however the new Autumn/Winter product across all fascia proved very successful in the second half with sales growth of 1.2% in this period. The net result saw like for like** sales decline 0.9%, whilst like for like** retail gross margin was higher by 2.3 percentage points.

Hugo Boss

The Group operates 16 Hugo Boss stores in the UK. Hugo Boss maintains its position as one of the true global brands which commands loyal customers who are less sensitive to the economic situation. The Group works closely with Hugo Boss in the UK to drive strong sales figures from this fascia. The Group has identified Hugo Boss as the branded franchise of choice and to this end will convert its existing Canali store in New Bond Street into a premium Hugo Boss store. In addition the Group will continue to refurbish the Hugo Boss stores in line with the franchise agreements.

Canali

Our second Canali store, which opened in the City of London last year, proved less successful than envisaged. The Canali store in New Bond Street London is being converted to a premium Hugo Boss store and the Canali store in Eldon Street in the City of London has already been converted into a Savoy Taylors Guild store, thereby bringing an end to the Canali franchise agreement.

Cecil Gee

Cecil Gee was a story of two halves; although the fascia struggled in the first half, a strategic review by management of the in-store merchandising and realignment to a narrower band of brands within the stores has led to a material and positive turnaround in performance in the second half of the year. The Cecil Gee stores now concentrate on four key brands, Hugo Boss, Ralph Lauren, Diesel and Superdry, with other high fashion brands relevant to each store's size and location. As the independent sector finds it increasingly hard to survive in a highly competitive market place, high fashion brands are looking to operators with scale, such as Cecil Gee, to ensure an outlet for their product and this puts the Cecil Gee fascia in a strong position.

HIRE

Moss Bros Hire is the number one recognised brand name in the UK hire market. The strength of the brand has enabled it to increase market share in a tough year, as it was evident as the year progressed that the hire market in general contracted; the continued recession in the UK led to a material drop in the corporate hire market for both black tie events and morning suits for corporate entertaining at events such as Royal Ascot. Wedding hire bookings were also down. Like for like** sales recorded a decrease of 2.9%.

The investment of a total of £2.0m during the last two years to introduce a new Hire supply chain infrastructure is due for completion by the end of March 2010 in readiness for uplift in activity in the hire market. The Group has put considerable focus on the ever increasing School Prom hire market and the strength of Moss Bros Hire's branding should help to secure a further increase in overall hire market share as a result.

INTERNET SHOPPING

Moss.co.uk continues to seek the ideal product, promotion and merchandising for its on-line presence. This year it moved onto a new platform, which is far better suited to its promotional stance, and built up a new team to lead the continuing internet development. The intention is to further roll-out the internet presence by putting Cecil Gee on-line, which it is intended to launch for the Autumn/Winter 2010/11 season.

SUPPLY CHAIN

The business has over the last few years moved the mix in its product supply source from mainland Europe into China and achieved a higher intake gross margin as a result and enhanced quality. The buying team is continually assessing supplier performance, supply routes and supply options to ensure the most commercially beneficial results for the Group. The business was very adept at planning for currency movements through 2009 by the timely ordering of stock, allowing much more scope for tactical promotions to lead the market. In addition, the increase in VAT in January 2010 was planned for.

DISTRIBUTION CENTRE

The efficiency of the Group's distribution centre has freed up capacity to allow for greater volumes; this has led to the business taking on some third party product on an outsourcing basis to leverage off the existing cost base to good effect. As the expected volumes increase through the coming year, the business has confidence in the facility to meet this growth.

PERFORMANCE MANAGEMENT

The retail sector generally has seen some dramatic shifts in the last two years and we believe that only the strongest retailers will see out the current recession. Customers still demand new and fashionable product, looking for value for money and quality as a prerequisite. Having the right environment is imperative for customers to be able to experience the depth of the product offering; the Group has taken great strides in all these areas and will continue to build on this in the future. There is a genuine feeling internally that all fascias identified as being key to the future growth of the Group are very much on the right track.

With the need for talented and passionate people across all areas of the Group, this means a continuing review of performance to assess areas for development. With this in mind the business has recently hired an experienced human resources professional to ensure that the business hires and develops the right people to deliver opportunities for the Group. The totally collaborative approach between all functions to bring stock to the consumer gets enormous focus on a daily basis; there is always room for improvement no matter what level of success is achieved and continuous training takes place to ensure this objective is met.

RISKS AND UNCERTAINTIES

CASH AND FUNDING

Cash and funding remains the key risk in the current uncertain macroeconomic climate, made continually more acute by the lack of liquidity in the UK banking sector. The Group has access to a £5m uncommitted facility which is due for renewal on 31 March 2010. The Group's bankers have indicated their intention to renew the facilities for a further year at the same level and final discussions as to the terms of those renewed facilities are currently taking place. Once the terms of the renewed facilities have been agreed, the Group expects this level of funding to be made available to 31 March 2011. Management has been successful at ensuring the maximum cash is available for the business at any one time. Cash balances are managed and monitored on a daily basis; the peaks and troughs in the cash cycle are well known through experience and appropriate cash management takes place to limit the use of existing banking facilities.

STOCK AND CONTINUITY OF SUPPLY

Demand forecasting, inventory ordering and inventory intake are totally aligned to the cash management focus discussed above. The placing of all orders is subject to diligent product demand forecasting models and ongoing rates of sale of all product lines. The mix and ageing of the stock balance at the year end is on balance the best it has been for a number of years.

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

PROPERTY
The business operates from a portfolio of high street, shopping centre and factory outlet stores all held under operating leases. Each store is evaluated annually to assess its ongoing commercial viability. There are a number of locations in the UK and Southern Ireland which would suit one of the businesses' fascias, and the Group engages property agents to identify opportunities for the development of its store portfolio. In the current macro environment, even more stringent and enhanced financial hurdles are required to be met before any consideration is given to new stores. There are increasingly more favourable opportunities being presented to the Group and negotiations are being engaged within this context to the Group's advantage.

STAFF HIRING AND RETENTION
The Group has a reputation for attracting some of the brightest young talent in fashion and it tries to ensure that it not only maintains this attraction but also retains talent. There is a strong capability, passion and drive at all levels in the business to ensure that the Group will come out of the current recession ideally placed to take full advantage of a recovery.

RETAIL MARKET FORECAST
The business is planning for growth but has total control to react should the UK economy go into a "double-dip" scenario. The diligent manner in which management has controlled the business through the last year has provided a strong foundation on which to build the business.

FINANCIAL REVIEW

TRADING RESULTS	2009/10 1st half	2009/10 2nd half	2009/10 Full year
Revenue v last year (like for like)*	-2.6%	+1.6%	-0.4%
% Gross margin	56.0%	54.4%	55.1%
% Gross margin v last year	+0.0%	+3.4%	+1.8%
EBITDA before exceptional items	£0.6m	£2.6m	£3.2m
Loss before taxation and exceptional items	£(3.0)m	£(0.9)m	£(3.9)m
Loss before taxation	£(3.0)m	£(3.6)m	£(6.6)m

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

The year was undoubtedly impacted by the recessionary market conditions, but effective operational improvements allowed the underlying run rate to improve in the second half, with strong like for likes** of 1.6% against last year. The second half would have been better still but for the material impact of the snow in January. It is challenging for retailers of the Group's size, with a largely fixed operating cost base, to mitigate the gross profit impact of a negative movement in sales on bottom line performance. Conversely, an increase in sales provides strong leverage on bottom line performance.

REVENUE

The impact of operational improvements in the second half lifted the overall figures for the year and would have been better again but for the snow at the end of the year. The fashion fascia had a good second half following a poor first half, to leave the full year like for like** figures, Hugo Boss +0.1%, Canali +3.4% and Cecil Gee -5.0%. Cecil Gee has responded favourably to a strategic review of merchandising towards the end of the year, with a second half like for like** of -0.7%, an improvement which has continued into 2010.

The factory outlets fared marginally better than the Moss stores with like for like** figures of +3.5% and -0.6% respectively as the former bounced back from a challenging time the year before. Continued intense sales training and strong performance management lifted our KPIs for ATV, ASP and UPT.

GROSS MARGIN

Gross margin has increased 1.8 percentage points. This was despite considerable promotional pressure from our competitors who clearly sacrificed gross margin to attract sales. The exercise to consolidate volume into a smaller number of suppliers and attain a better unit purchase price has enabled tactical promotions to attract new and retain existing customers. Extensive sales training has increased the number of products per transaction and encouraged customers to trade up to higher price points which command a higher gross margin.

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

OPERATING COSTS

Administrative expenses, shop's selling and marketing costs ("operating costs") decreased by 0.6% in the year, an increase of 0.6% after adjusting for exceptional items and the accelerated depreciation charge referred to below. After adjusting for new and closed stores, like for like** store operating costs in the year have increased by 2.9%. This reflects an increase in like for like** occupancy costs of 3.3% and an investment in better calibre store managers who are delivering the expected return on sales. Cost responsibility is operated across the business with continuous action being taken to mitigate as much as possible the effects of the recession on reducing cash margins. Operating costs include an extra charge of £0.6m for accelerated depreciation following a review of Hugo Boss assets within the business and a conscious decision to align the useful economic life of these assets to the ongoing franchise agreements for each store.

EXCEPTIONAL ITEMS

An impairment review of assets under IAS36 has resulted in a write down in fixed asset values of certain stores amounting to £2.2m; a significant amount of this impairment relates to the conversion of the two Canali stores, the strategic withdrawal from a number of stores due to their leases coming to an end, rebranding of some stores and a number of loss making stores. Other exceptional adjustments were made which have resulted in a charge totaling £0.5m. A tax credit of £0.1m is applied to the exceptional items resulting in a total exceptional charge after tax of £2.6m.

TAXATION

The tax credit amounts to £0.9m (2009: tax credit of £0.3m).

LOSS PER SHARE

Loss per share was (6.11) pence compared to (9.48) pence per share last year.

DIVIDEND

The Board is not proposing a final dividend this year, nor did it propose an interim dividend (2009: no final dividend, a special dividend of 1.30 pence per share was paid on 28 July 2008). Management believes it is still prudent to conserve cash in the current economic environment. It is however managements intention to return to paying dividends to its shareholders when the economic conditions and the business performance make it sustainable to do so.

INVESTMENT

Capital expenditure in the year (excluding spend on hire inventory) was £2.7m (2009:£6.5m) and depreciation was £5.6m (2009:£7.4m). This included the opening of 3 new stores and the refitting or re-branding of 4 stores across all fascias. In addition there was further investment in new Moss Bros Hire inventory of £0.7m (2009: £1.1m), whilst depreciation on hire inventory was £1.5m (2009:£1.6m).

CASH

Despite the continued, albeit lower, operating losses, the year-end cash balance is still £6.3m compared to £8.1m last year. Diligent and controlled working capital management has maintained an average daily cash balance of £3.0m.

INVENTORY

A great deal of diligent and focused effort has gone into ensuring the inventory levels are optimum for the business and that cash does not become a restraint and hold back current season stock buys.
The mix of stock in the business is on balance the best it has been for a number of years with the right stock in the right location at key times during the year; the collaborative work undertaken with suppliers ensures that additional stock is available at short notice for those product lines that prove very successful.

TRADE AND OTHER PAYABLES

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

OUTLOOK

In spite of tough trading conditions, the business has made progress on all of the operational priorities set out at the beginning of the year and this has had a very positive impact on trading. The business continues to build clear strategic goals, an effective Management team and has a track record of delivering. Our continued focus on the operational priorities and the support of our strong balance sheet gives great confidence that the full potential of this business will be fully leveraged.

BRIAN BRICK CHIEF EXECUTIVE
24 March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 30 JANUARY 2010

	Note	**52 weeks to 30 January 2010 Underlying £'000**	**Exceptional items (note 3) £'000**	**Total £'000**	53 weeks to 31 January 2009 Underlying £'000	Exceptional items (note 3) £'000	Total £'000
REVENUE		**128,737**	**–**	**128,737**	129,684	–	129,684
Cost of sales		**(57,747)**	**–**	**(57,747)**	(60,481)	(600)	(61,081)
GROSS PROFIT/(LOSS)		**70,990**	**–**	**70,990**	69,203	(600)	68,603
Administrative expenses		**(5,136)**	**(178)**	**(5,314)**	(5,612)	(990)	(6,602)
Shops' selling and marketing costs		**(69,778)**	**(2,553)**	**(72,331)**	(68,847)	(2,691)	(71,538)
OPERATING LOSS		**(3,924)**	**(2,731)**	**(6,655)**	(5,256)	(4,281)	(9,537)
Investment revenues		**24**	**–**	**24**	288	–	288
Financial costs		**(24)**	**–**	**(24)**	(33)	–	(33)
LOSS BEFORE TAXATION		**(3,924)**	**(2,731)**	**(6,655)**	(5,001)	(4,281)	(9,282)
Taxation		**749**	**134**	**883**	(41)	359	318
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(3,175)**	**(2,597)**	**(5,772)**	(5,042)	(3,922)	(8,964)
Basic loss per share	4			**(6.11)p**			(9.48)p
Diluted loss per share	4			**(6.11)p**			(9.48)p

All revenue and profits/losses relate to the continuing operations of the Group. All of the losses are attributable to the owners of the parent company.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 30 JANUARY 2010

53 WEEKS ENDED 31 JANUARY 2009	Share capital £'000	Share premium account £'000	Retained earnings £'000	**Total equity £'000**
BALANCE AT 27 JANUARY 2008	4,724	8,666	36,177	49,567
Loss for the year	–	–	(8,964)	(8,964)
Issue of share capital	3	7	–	10
Dividends	–	–	(1,228)	(1,228)
BALANCE AT 31 JANUARY 2009	**4,727**	**8,673**	**25,985**	**39,385**

52 WEEKS ENDED 30 JANUARY 2010	Share capital £'000	Share premium account £'000	Retained earnings £'000	**Total equity £'000**
BALANCE AT 1 FEBRUARY 2009	4,727	8,673	25,985	39,385
Loss for the year	–	–	(5,772)	(5,772)
Credit to equity for equity settled share based payments	–	–	110	110
BALANCE AT 30 JANUARY 2010	**4,727**	**8,673**	**20,323**	**33,723**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JANUARY 2010

	30 January 2010 £'000	31 January 2009 £'000
ASSETS		
Intangible assets	**1,609**	1,849
Property, plant and equipment	**21,810**	27,069
Lease improvements	**1,700**	2,542
TOTAL NON-CURRENT ASSETS	**25,119**	31,460
Inventories	**16,925**	15,394
Trade and other receivables	**5,782**	6,411
Cash and cash equivalents	**6,279**	8,107
Current tax asset	**–**	44
TOTAL CURRENT ASSETS	**28,986**	29,956
TOTAL ASSETS	**54,105**	61,416
EQUITY		
Issued capital	**4,727**	4,727
Share premium account	**8,673**	8,673
Retained earnings	**20,323**	25,985
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	**33,723**	39,385
LIABILITIES		
Other payables	**2,579**	2,504
Deferred tax liabilities	**2,657**	3,655
TOTAL NON-CURRENT LIABILITIES	**5,236**	6,159
Trade and other payables	**15,124**	15,672
Provisions	**–**	200
Current tax liability	**22**	-
TOTAL CURRENT LIABILITIES	**15,146**	15,872
TOTAL LIABILITIES	**20,382**	22,031
TOTAL EQUITY AND LIABILITIES	**54,105**	61,416

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 52 WEEKS ENDED 30 JANUARY 2010

	52 weeks to 30 January 2010 £'000	53 weeks to 31 January 2009 £'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(6,655)**	(9,537)
Adjustments for:		
Amortisation of intangible assets	**647**	516
Impairment of property, plant and equipment	**2,251**	2,406
Depreciation of property, plant and equipment	**6,464**	6,113
Loss on sale of property, plant and equipment	**35**	18
(Increase)/decrease in inventories	**(1,531)**	3,785
Decrease in receivables	**629**	1,341
Decrease in payables	**(722)**	(3,483)
Share based payments charge	**110**	–
NET CASH FROM OPERATING ACTIVITIES	**1,228**	1,159
CASH FLOWS USED IN INVESTING ACTIVITIES		
Finance income (net)	**–**	255
Purchase of intangible assets	**(407)**	(461)
Purchase of property, plant and equipment	**(3,082)**	(7,169)
Proceeds on disposal of property, plant and equipment	**433**	–
NET CASH USED IN INVESTING ACTIVITIES	**(3,056)**	(7,375)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**–**	(1,228)
Proceeds from the issue of shares	**–**	10
NET CASH USED IN FINANCING ACTIVITIES	**–**	(1,218)
Cash and cash equivalents at beginning of year	**8,107**	15,541
Decrease in cash and cash equivalents	**(1,828)**	(7,434)
Cash and cash equivalents at end of year	**6,279**	8,107

1. Basis of Preparation

The financial information set out above is based on the Company's financial statements which are prepared in accordance with International Financial Reporting Standards as adopted for use in the EU.

From the Group's perspective, there are no applicable differences between IFRS adopted for use in the European Union and IFRS as issued by the International Accounting Standards Board.

The accounting policies applied by the Group in these consolidated preliminary results are the same as those applied by the Group in its consolidated financial statements as at and for the period ended 31 January 2009 except as described below.

In the current financial year, the Group has adopted International Accounting Standard 1 "Presentation of Financial Statements" (revised 2007) (IAS1), International Financial Reporting Standard 8 "Operating Segments" (IFRS 8) and International Accounting Standard 38 "Intangible Assets" (IAS 38).

The implementation of IAS 1 (revised 2007) resulted in changes to disclosure, with the inclusion of a Consolidated Statement of Comprehensive Income and Consolidated Statement of Changes in Equity

IFRS 8 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 to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 "Segment Reporting") required the Group to identify two sets of segments (business and geographical), using a risk and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments . As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has changed to retail and hire.

IAS 38 Intangible Assets has been amended to state that an entity is permitted to recognize a prepayment asset for advertising or promotional expenditure only up to the point at which the entity has the right to access the goods purchased or up to the point of receipt of services. Mail order catalogues have been specifically identified as a form of advertising and promotional activities. The adoption of the amendment to IAS 38 has not led to any significant impact on the Financial Statements.

These consolidated preliminary results have been prepared in accordance with the recognition and measurement criteria of IFRS. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 30 January 2010.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 January 2010 or 31 January 2009, but is derived from those accounts. Statutory accounts for 2009 have been delivered to the Registrar of Companies and those for 2010 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; 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.

2. 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 current economic conditions create general uncertainty in the corporate market place over the availability of bank financing in the foreseeable future.

The Group meets its day to day working capital requirements through surplus cash balances and when needed through a £5m uncommitted overdraft facility which is due for renewal on 31 March

2010. The Group's bankers have indicated their intention to renew facilities for a further year at the same level, and final discussions as to the terms of those renewed facilities are currently taking place. Once the terms of the renewed facility have been agreed, the Group expects this level of funding to be made available to 31 March 2011.

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

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

3. Exceptional Items

	2009 £'000	2009 £'000
Cost of sales:		
Stock provision adjustment	-	600
Administration expenses:		
Costs arising from management restructuring	178	367
Redundancy provision	-	200
Bid defence costs	-	423
Total exceptional administration expenses	178	990
Shop selling and marketing costs:		
Other property related losses - impairment charge	2,251	2,406
-cost of exit of leasehold property	-	185
Other	302	100
Total shop selling and marketing costs	2,553	2,691
Tax credit related to exceptional items	(134)	(359)

4. Earnings per Share

Basic loss per ordinary share is based on the weighted average of 94,530,752 (2009 – 94,521,817) ordinary shares in issue during the year and are calculated by reference to the loss attributable to shareholders of £5,772,000 (2009 – loss of £8,964,000).

Diluted loss per ordinary share is based upon the weighted average of 94,530,752 (2009 – 94,521,817) ordinary shares which excludes the effects of share options and shares granted under the Long Term Incentive Plan of 6,393,020 (2009 – 8,554,626) that were anti-dilutive for the year presented but could dilute earnings per share in the future and are calculated by reference to the loss attributable to shareholders as stated above. In the current and prior year the weighted average number of ordinary shares was not diluted, as per IAS(33) "earnings per share", as this would decrease the basic loss per share.

5. REVENUE AND BUSINESS SEGMENTS

OPERATING SEGMENTS

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

The Group has adopted IFRS 8 Operating Segments with affect from the current year. IFRS 8 required operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segmental Reporting) required the Group to identify two sets of segments (business and geographical), using a risks and returns approach, with the Group's system of internal financial reporting to key management personnel serving only as a starting point for the identification of such segments. As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has changed.

In prior years, segment information reported externally was not further analysed as management considered that all revenues derive from the same business segment, being the sale and hire of menswear. However, information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance is more specifically focused on the split between retail and hire.

Information regarding the Group's operating segments is reported below. Amounts reported for the prior years have been restated to conform to the requirements of IFRS 8.

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

KEY FINANCIALS	**52 weeks to 30 January 2010 £'000**	53 weeks to 31 January 2009 £'000
Revenue		
Retail	**114,550**	114,916
Hire	**14,187**	14,768
Total revenue	**128,737**	129,684
Gross profit		
Retail	**61,098**	58,175
Hire	**9,892**	10,428
Total gross profit	**70,990**	68,603
Administrative expenses	**(5,314)**	(6,602)
Shops' selling and marketing costs	**(72,331)**	(71,538)
Operating loss	**(6,655)**	(9,537)
Investment revenues	**24**	288
Financial costs	**(24)**	(33)
Loss before taxation	**(6,655)**	(9,282)

The accounting policies for the reportable segments are the same as the Group's accounting policies.

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 by retail and hire. Revenue and gross profit are the measures reported to the Chief Executive for the purpose of resource allocation and assessment of segmental performance. On the same basis assets cannot be allocated between retail and hire, and are not reported to the Chief Executive.