

MOSS BROS GROUP PLC

Annual Report & Accounts

28 January 2017

Company registration no. 134995

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COMPANIES HOUSE

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Brian Brick Chief Executive
Tony Bennett Finance Director

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COMPANY REGISTRATION NUMBER
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HEADLINES

Financial Highlights

- Total Group revenue, excluding VAT, was up 5.7% on the previous year to £127.9m.
- Group like-for-like* sales of £131.5m, including VAT, up 5.3% (2015/16: up 8.2%):
 - Like-for-like* retail sales up 6.0% (2015/16: up 7.6%)
 - Like-for-like* hire sales, representing 13.7% of sales, up 1.5% (2015/16: up 11.7%)
- E-commerce sales including VAT up 15.7% (2015/16: up 36.3%) now 11% of total sales
 - Mobile and tablet sales growth strong and now 43% of total e-commerce sales
- Profit before tax up 20.3% at £7.1m (2015/16: £5.9m before exceptional items).
- EBITDA*** up 8.8% to £13.6m (2015/16: EBITDA*** £12.5m), driven by improved sales, more targeted discounting and tight control of costs.
- Gross margin improved in total for the year by 1.5% to 61.3%, due to lower levels of discounting.
- Strong cash balance of £19.5m (30 January 2016: £17.3m) through close management of working capital and notwithstanding a further £8.8m capital investment across the business. Cash generated from operating activities of £16.0m (2015/16: £11.6m).
- Basic earnings per share of 5.51 pence, up 17% (2015/16: 4.71 pence before exceptional items, 2015/16: 4.65 pence after exceptional items).
- Final dividend proposed of 3.98 pence, total dividend for the year 5.89 pence, up 6.1% on the previous year (2015/16: total dividend 5.55 pence).

Operational Highlights

- Benefits from ongoing investment in a strong brand identity and store refit programme continue, delivering an environment to showcase our enhanced product range.
- E-commerce sales continue to grow, leveraging the process improvements and 'back-end' infrastructure investments made during the year.
- 'Tailor Me' custom tailoring service gaining traction with customers, nationwide.
- Senior team strengthened during the year with the recruitment of a new Finance Director, Chief Operating Officer and Customer Director, driving our focus on service delivery.

Current trading

- Retail like-for-like* sales, including VAT, in the first 7 weeks of the new financial year are up 4.3% (7 week period avoids a non LFL Easter bank holiday in week 8 last year).
- Easter, which marks the start of the wedding season, falls 3 weeks later in 2017, temporarily delaying some hire order collections and therefore revenues by three weeks. Hire orders booked for collection in 2017/18 are currently -1% on the previous year.
- Hire like for like*, reported on a 'cash taken' basis, is -14.3% in the first 7 weeks, due to the implementation of our "£10 deposit" offer in store. This clearly impacts LFL revenues and means that during the early part of the Hire season we are holding a materially smaller value of deposits on a 'cash taken' basis.
- Early responses to the Spring Summer 2017 range across Retail and to the new Hire ranges have been good
- We continue to grow our presence on the high street and online.
- The Group's trading performance continues in line with the Board's expectations.

*Like-for-like (including VAT) represents 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.

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

CHAIRMAN'S STATEMENT

I am pleased to report another year of considerable progress for the Group.

Total like-for-like* sales including VAT reflected a 5.3% increase on the prior year. Profit before taxation was up 20.3% to £7.1m, compared with £5.9m in the previous year. EBITDA** continued on a positive trend to £13.6m, compared with £12.5m in the previous year. Similarly, our cash position continues to be very strong, despite the ongoing refit programme.

The retail environment became one of the most highly competitive we have seen for some considerable time, with heavy and intense discounting. We remained focused on our multi-branded and segmented pricing architecture and traded our way through what was an unforgiving market, which saw a number of new branded entrants to the Menswear market and the exit or reduction in market share for a couple of long established brands, reinforcing the need for us to keep close to consumer trends and to modernise our offer accordingly.

The core Moss Bros master brand is now well established and we saw reasonable growth in each of our supporting sub-brands of Moss London, Moss 1851, and Moss Esq, with Moss London expanding our reach to a younger customer, capitalising on the growing trend of occasions like School Proms.

Actions to develop our product offer have included the growth of 'Tailor Me', which is achieving significant traction as a more accessible form of bespoke, enabling 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 throughout the last 12 months, undoubtedly adding to our growth in market share.

We have almost completed our store refit programme this year, completing 11 refits, which means almost all of our store estate has now been modernised over the last four years. This increased investment has impacted cash in the short term as planned but the proven payback means we are achieving the returns predicted 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 opened a further 7 stores in Westfield Stratford City, the Merry Hill shopping centre, Worcester, Belfast, Harrogate, Newbury and on Teesside. We also relocated our Hatfield store and closed 4 stores, giving us an overall store count of 127 stores, compared with 124 last year.

We continued the development of the organisation and talent by the recruitment of a new Group Finance Director Tony Bennett, who joined us in August 2016. We have also recruited a new Buying Director, Nick Reed, who joins us from Charles Tyrwhitt, the multi-channel Menswear retailer, which he joined in 2000. He has a strong product, brand and commercial background in online, multi-site and international consumer businesses, with highly relevant experience in Menswear. He will join us in April 2017.

We have a strong and stable team of Non-Executive Directors and continue to review our succession plans with rigour to be sure we manage the succession of the Board and its various Committees in a seamless way, ensuring we retain the highest levels of governance.

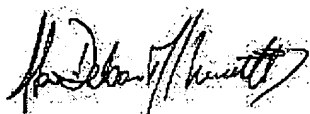
The team continues to apply strong cash and working capital controls and the business continues to be debt free, with a healthy cash balance, supporting the Board's progressive dividend and investment policies.

The Board is proposing the payment of a final dividend of 3.98 pence per share to be paid on 23 June 2017 to all shareholders on the register on 2 June 2017 (ex dividend date 1 June 2017). The recommended total dividend for the year will be 5.89 pence per share, an increase of 6.1% on the previous year. It is our intention to continue this progressive dividend policy balanced against the wider investment needs of the business.

In the coming year, we will leverage our roll out of 'Tailor Me', accelerate the reinvention of our Hire offer and leverage and continue to build the infrastructure to modernise our multi-channel offer, whilst investing more in our colleague and service propositions. This will be done in the context of significant external cost pressures from the increases in the National Living Wage, the Apprenticeship Levy, the revaluation of business rates and increased purchasing costs due to the combined effects of a devalued pound. We expect the trading environment for the business in 2017 to remain challenging.

Although we recognise external macro challenges, we are well placed to leverage our specialist credentials and to enhance our position as 'the first choice for men's tailoring'.

Finally, I would like to recognise the fact that we differentiate ourselves through the highest levels of customer service, which is the result of substantial training and hard work of all of our people. I would like to thank them all for their continued dedication and contribution to another successful year for the Group.



DEBBIE HEWITT

CHAIRMAN

5 April 2017

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

STRATEGIC REVIEW

STRATEGY AND OBJECTIVE

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 Tailors Guild fascia, 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) Implement a clear brand strategy leveraging 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.

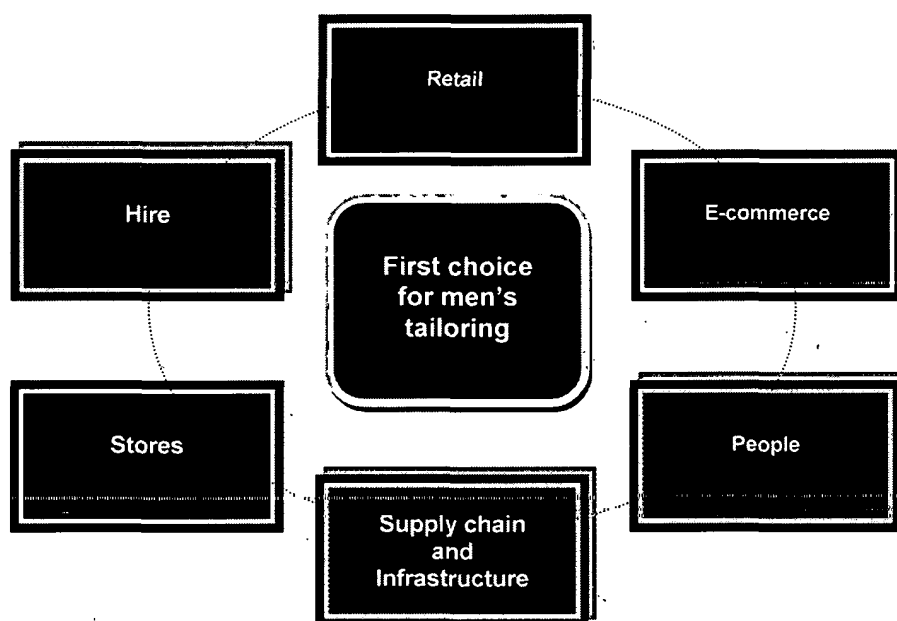
Through the customer insight project completed in 2013 our customers have told us very clearly how much they value the Moss Bros brand for its expertise, heritage, product quality and value for money. Some potential customers lacked awareness of our retailing credentials and product offer. We have therefore continued to develop the positioning 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
- **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 launch of our fully responsive website, particularly through mobile and tablet channels.

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. Refitted stores are achieving our three year payback target and an enhanced customer experience.

MULTI-CHANNEL BUSINESS MODEL



In order that staff throughout the business are inspired and motivated to work to achieve the strategy and objectives of the business, we have launched an 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 105 Moss Bros stores (2015/16: 101 in total) and 22 Moss Bros outlet stores (2015/16: 23) as at 28 January 2017, 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 Bespoke 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 124 Moss Bros Hire outlets as at 28 January 2017 (2015/16: 120); all contained within core Moss Bros Retail and Savoy Taylors Guild Stores.

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 has improved customer experience and underpinned the Hire business.

E-COMMERCE

During 2016 we launched a fully responsive website which automatically optimises itself for the device upon which a customer is browsing. We are seeing improved customer conversion as a result. Our international reach has been refocused on local currency websites in the USA, the Republic of Ireland and Australia.

Our transactional Hire website continues to grow with 'group booking' functionality gaining traction. Whilst still at an early stage of growth the results are encouraging and there is strong evidence of wedding hire customers beginning their journey online before engaging with our store estate to complete the transaction. Based on experience to date a number of further enhancements are planned for 2017 to improve customer experience and grow the business.

SUPPLY CHAIN AND COSTS

The buying team continually assesses supplier performance, to ensure the most commercially beneficial results for the Group and to minimise lead times. Over the last few years, we have broadened direct sourcing from China and neighbouring countries and continued to achieve better buying margins and product quality. Costs remain tightly controlled with all expenditure carefully planned and monitored. With a continued increase in sales, 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 our future business growth. Additionally, we need to ensure that our customer facing technology facilitates the delivery of a 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.

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 gaining momentum in 2016. The launch of the Moss Bros Way in 2016 focused our culture and behaviours around common goals to further build the business and our annual company-wide staff survey will help to benchmark progress.

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

CHIEF EXECUTIVE'S REVIEW

REVIEW OF OPERATIONS

The Group has continued to make strong progress throughout the year. The ongoing store refit programme in 2016/17 means that 97 of our 127 stores were trading in the new format at the year end. This, combined with our ongoing focus on product and brand development, has meant that our customer offer continues to go from strength to strength. Building brand equity in this way, alongside significant improvements in our multi-channel proposition, leaves us well placed to capitalise on the tailoring expertise which we possess in-store and online. Our 'Tailor Me' personalisation service further adds 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 like-for-like* sales, which were up by 6.0% on the previous year (2015/16: up by 7.6%). Retail gross margins improved on the previous year by 2.2% as a result of more focused promotional activity. Stock levels were kept closely under control throughout the year.

We opened 7 brand new stores, and closed 4 in the UK during the year. A further store was relocated into a larger and better location. We are considering additional new store opening opportunities in the UK in the next 12 months and currently have 4 confirmed openings for 2017. The Group now trades from 127 stores (30 January 2016: 124 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 56 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 hire and the demand for e-commerce 'click & collect' and 'click & return' points, together with advantageous lease deals, means there is an opportunity to expand our store footprint on a selective and cost effective basis, with good returns.

HIRE

Overall like-for-like* hire sales increased by 1.5% in the year, following very strong growth in the previous financial year (2015/16: 11.7%). The broadening of the range to include lounge suits has proved very successful and has received enthusiastic positive customer feedback. We continue to invest in our Hire business both in terms of additional Hire product lines and improvements in our underlying Hire systems. Although currently small, our online Hire offer is increasing in its contribution to the overall Hire business.

We are confident our position as the leading hire brand will be maintained through the product and technology initiatives currently underway.

E-COMMERCE

Sales grew very strongly, up 15.7% on the previous year. Online sales now represent 11% of total sales (2015/16: 10%). Visitor conversion shows strong growth across all electronic devices and is growing particularly rapidly from customers reaching us via mobile devices since the introduction of a fully device responsive website in the second half of 2016.

Mobile and tablet sales growth was particularly strong and now comprises 43% of total e-commerce sales.

Investment of both capital and expertise into the e-commerce customer experience has seen a significant reduction in the number of customer contacts received regarding their online shopping experience. This improvement has provided us with the confidence to actively acquire additional new customers and also focus attention on building on our existing customer repurchase behaviour.

The Hire website continues to gain traction and we believe it will achieve further growth, with wedding hire customers more frequently beginning their journey online before engaging with our stores to complete their transaction. We will continue to invest in enhancements to the Hire website in order to further improve the customer experience and subsequent conversion rates.

SUPPLY CHAIN AND COSTS

The effective clearance of residual stock through stores and online has enabled new seasons' stock to be introduced into stores earlier, improving the customer offer and enabling much greater scope for tactical promotions.

The increase in direct sourcing of stock from the Far East has increased our exposure to foreign exchange risk, but this was fully mitigated by our hedging policy during 2016/17.

We increased capacity at our warehouse during 2016 both in terms of volumes of stock which we can hold and also the volume of e-commerce orders which we can process.

PEOPLE

Ongoing plans are in place to establish a stronger service culture within the business, to support our aim to become the 'first choice for men's tailoring'. Investment in people through recruitment, induction, and performance management continues, with a broad range of programmes available to all of our colleagues.

FINANCIAL REVIEW

Performance improvement across the business continued in 2016/17 with strong like-for-like* sales growth and continued control over costs. Profit before taxation on continuing operations was £7.1m, compared with an underlying profit of £5.9m in the previous year, an increase of 20.3%.

REVENUE

Overall revenue was up 5.7% (up 5.3% like-for-like*) on the previous year to £127.9m. Retail was up 6.7% (up 6.0% like-for-like*) on the previous year. Hire was 0.4% lower (up 1.5% like-for-like) on the previous year.

GROSS MARGIN

Underlying overall gross margin increased by 1.5% in the year (61.3% vs 59.8%), due to removal of the Spring 2016 mid-season sale and more targeted promotional campaigns leading to lower levels of discounting.

COSTS

Administrative and shops' selling and marketing costs before exceptional items increased by 7.3% on the prior year, as planned. Costs remain tightly controlled with expenditure focused on areas that will add value and support the development of the strategic goals of the Group.

EXCEPTIONAL ITEMS

Exceptional items are significant items of an unusual or non-recurring nature which are disclosed separately in the Income Statement to provide a clearer understanding of the underlying financial performance in the period. See note 6 for further details.

There were no exceptional items during the year 2016/17. Last year, an exceptional credit and an exceptional debit were incurred during the year, and in accordance with our accounting policies have been separately reported as exceptional, due to their size and one-off nature.

EARNINGS PER SHARE

Basic earnings per share on total earnings were 5.51 pence compared with 4.65 pence (after exceptional items) per share last year. Diluted earnings per share, on total earnings, were 5.39 pence per share compared with 4.50 pence (after exceptional items) per share last year.

TAXATION

The Group's effective tax rate for 2016/17 is 22.7% compared with 21.2% for 2015/16. The increase in 2016/17 is mainly due to timing differences between depreciation charged and capital allowances.

DIVIDEND

Given the strong progress made in 2016/17 and ongoing cash generation the Board feels it is appropriate to propose the payment of a final dividend of 3.98 pence per share (2015/16: 3.75 pence) bringing the total for the year to 5.89 pence per share, compared with 5.55 pence per share for the year ended 30 January 2016, an increase of 6.1%. The final dividend is to be paid on 23 June 2017 to all shareholders on the register as at 2 June 2017 (ex dividend date 1 June 2017).

INVESTMENT

Total capital expenditure in the year was £8.8m (2015/16: £9.6m) and depreciation and amortisation was £6.5m (2015/16: £6.6m). This included the opening of 7 new stores, 1 store relocation and the refurbishment of 11 stores. The total capital expenditure included further investment in new Moss Bros hire inventory of £1.9m (2015/16: £2.4m), whilst depreciation on hire inventory was £1.6m (2015/16: £1.5m).

CASH AND LIQUIDITY

The year end cash balance was £19.5m compared with £17.3m last year after investment in new stores, store refits and hire stock, and payment of dividends in line with our progressive dividend policy. Reduction in working capital partly results from timing of year end.

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 including earlier intake of new season's lines to maximise full price sales and gross margin. Stock at the year end was £16.7m (2015/16: £14.4m).

TRADE AND OTHER PAYABLES

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

FUTURE DEVELOPMENTS

The Board continues to believe Moss Bros has an exciting future, with the growth of e-commerce underpinning the move to full omni-channel retailing. The adoption of Moss Bros as the master brand supported by complementary sub brands and introduction of carefully targeted marketing activity has proved very successful. In order to maximise this opportunity, and with the increasing role that digital has to play in marketing, we will add further resource and investment during 2017 to support our omni-channel proposition.

Continuity of brand presentation and pricing across all our channels is paramount in ensuring excellent customer service and therefore customer experience. The introduction of customer relationship management ("CRM") and the leveraging of our customer database will enhance communication with the customer and perception of the brand.

Our ongoing investment in our People Strategy continues to establish a service culture across the business - our people are critically important to the future of the business. Our "Tailor Me" personalisation service is available in all stores - a simplified set of bespoke options offering a custom made suit, ready for collection within 30 days of placing an order.

RETAIL

The store refit programme is now entering its sixth year, with 97 new or refitted stores trading in the new look store format. Given the strength of our combined retail and hire offer we are continuing to seek expansion opportunities both through new outlets and relocations where we move to larger, better positioned sites.

HIRE

We will continue to leverage the opportunities to grow our market share through all distribution channels including online. Investment in new product areas in 2016, such as lounge suits, has proved very successful and more investment is planned for 2017. Investment in new hire stock totalled £1.9m in 2016 and is planned at a further £1.8m in 2017.

Early season booking numbers for collection in the current year (FY 2017/18) are -1% last year's bookings at this point. It should be noted that Easter, which typically marks the start of the wedding season, falls three weeks later this year. The newly introduced product areas continue to show the most rapid growth. The business continues to be in excellent shape to gain market share.

Moss Hire provides us with a rich source of customer data, many of whom are currently unaware of, or do not consider the Moss Retail or Tailor Me offer. We continue to believe the opportunities for CRM, in the context of a multi-channel offer, are significant.

E-COMMERCE

We plan to exploit further growth opportunities both in the UK and overseas by strengthening our e-commerce capability and building on our success, leveraging the advantages that full omni-channel capability will bring, including investment in CRM to better communicate with both existing customers and potential new customers.

SUPPLY CHAIN & COSTS

Our supply chain continues to be of significant importance in delivering service and efficiencies.

In the year ahead, in common with many retailers, we expect to see higher input costs; in product from a weaker pound, business rates and employee costs. We are therefore preparing the company for a more competitive trading environment and we are seeking to find ways in which to mitigate these rising costs whilst protecting the investment we are making in building and sustaining growth.

We anticipate central costs will increase broadly in line with turnover in 2017/18 as we maintain our investment in our omni-channel capability, our people and our technology infrastructure alongside increases in our occupational and employment related costs.

Capital expenditure for 2017/18 is estimated at £10.2m, including £4.5m for investment in 17 new or refitted stores, £2.9m in Technology and £1.8m for hire stock.

INFRASTRUCTURE

We successfully upgraded our retail website and commenced integration of our Hire system into our core business systems during 2017. We will continue to invest in IT as appropriate to ensure that we have a resilient and scalable platform on which to support the development of the business in all areas.

As well as introducing the latest technology, the IT investments will focus on improving business efficiency and delivering a better customer experience.

PEOPLE

During 2016 we have continued to develop our key people initiatives and have made good progress in establishing a strong training and development portfolio; The Moss Bros. Academy. We have integrated The Moss Bros. Way, our values framework, across key people processes and in particular recruitment. We have established an employee recognition scheme, a communication platform and an engagement survey which is now in its second year. We have made progress on internal promotions, including Store career paths and appointments from Stores to Head Office.

The focus for 2017 is building management capability, change management and embedding customer behaviours and to support this we are equipping 4 Centres of Excellence; model stores that will showcase a multi-functional store with the customer experience at its core. These regional training stores will significantly increase our training reach and further boost the cultural change that is vital to delivering our growth.

OUTLOOK

We continue to make good progress in the delivery of our strategic priorities. The modernisation of the store portfolio is achieving the anticipated returns and we are continuing to make good progress on the implementation of our omni-channel proposition, which is reflected in continued growth in our online sales. Our people strategy is an important part of the future development of the Moss Bros brand, through improvements in our customer experience, leading to improved customer satisfaction and retention.

The retail landscape in 2017 will undoubtedly be tough, with an uncertain consumer environment set against the wider political backdrop and alongside rising costs of operation and a weaker pound. We continue to anticipate and prepare for a more competitive trading environment, whilst ensuring that we protect our ongoing investment in the business in order to sustain growth.

The early response to the 2017 Spring/Summer ranges is positive, with retail like-for-like* sales continuing to improve year on year.

The Group's trading performance continues in line with the Board's expectations.



BRIAN BRICK
CHIEF EXECUTIVE OFFICER

5 April 2017

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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.

First choice for men's tailoring		
	2016/17	2015/16
Strategic		
Growing our market by becoming fully multi-channel	2.6	2.5
• units per customer transaction	£43	£42
• average selling price per item	11%	10%
• E-commerce share of Group revenue		
Revitalise our customer offer through our store presentation	£113	£106
• average transaction value (ATV)		
• inventory turnover (weeks)	18.9	16.7
Financial		
Total group revenue (excluding VAT)		
• Retail	Up 6.7%	Up 5.5%
• Hire	Down 0.4%	Up 5.6%
• Total	Up 5.7%	Up 5.5%
LFL sales growth (including VAT)		
• Retail	Up 6.0%	Up 7.6%
• Hire	Up 1.5%	Up 11.7%
• Total	Up 5.3%	Up 8.2%
Gross profit margins		
• Retail	58.6%	56.4%
• Hire	78.8%	80.5%
• Total	61.3%	59.8%
Return on store capital investment on refitted stores*		
• Payback trend on refitted stores (months)	34.2	34.9
Corporate Social Responsibility		
• Carbon emissions ('000 tonnes)		
Scope 1 (Directly controlled)	391	429
Scope 2 (Indirectly controlled)	3,293	3,850

* Return on store capital investment on refitted stores is calculated based on the increased monthly gross profit on refitted stores divided by capital expenditure incurred based on a target payback period of 36 months.

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	<p>The Hire business demands the highest level of customer service.</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>We have previously strengthened our market position through the introduction of a new transactional Hire website and back-end system improvements are in development.</p>	<p>The risk is ongoing; however we have expanded our customer service team and have carried out a full review of all systems and processes.</p>
Retail and Tailor Me	<p>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 .</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 value and pricing.</p> <p>Foreign currency exposure, principally the US Dollar, is hedged for between 6 to 9 months in advance.</p>	<p>The risk has remained consistent.</p> <p>The macro risks associated with the EU referendum are difficult to quantify until we have further clarity on timelines and approach from both UK government and EU negotiators.</p>
E-Commerce	<p>Customer satisfaction is as important online as offline.</p> <p>Ease of navigation/ability to transact quickly on the website is key to generating sales online.</p> <p>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.</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 Retail website has continued to see increases in conversion rates and average order values.</p> <p>We have developed a fully responsive website during the year which provides a more appropriate browsing experience for the increasing proportion of visitors to the site using mobile or tablet technology.</p> <p>We have security policies, rules and technical measures in place to protect customer data.</p>	<p>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.</p>

BUSINESS AREA	RISK TO COMPANY	MITIGATION OF RISK	ASSESSMENT OF CHANGE IN RISK YEAR ON YEAR
Brand image	<p>Maintaining our store presentation is important for attracting customers and growing our brand.</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 development and launch of a new sub brand line up, under the master brand 'Moss Bros', in Autumn 2014 has strengthened the brand identity.</p>	<p>The risk has been reduced during the year with the progression of the store redevelopment programme.</p>
Costs	<p>Supply chain cost price increases and currency fluctuation could have a materially adverse affect on results.</p> <p>A fluctuation in currency rates could materially affect the Group's cost base and margins.</p> <p>A re-emergence of general price inflation could affect profitability.</p> <p>There are significant external cost pressures from the increases in the National Living Wage, 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.</p>	<p>Management mitigates cost price risk by continual review of supplier arrangements.</p> <p>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.</p> <p>If general price inflation returns this may allow an increase retail selling prices albeit subject to market conditions.</p> <p>Ongoing review of store profitability, combined with shorter lease durations.</p> <p>Remuneration policies are under review to ensure we remain competitive in the marketplace.</p>	<p>The risk is ongoing, however, and is continually monitored and addressed.</p> <p>The risk has increased but we continually monitor and evaluate planned and proposed expenditure to ensure that it remains commercially sensible.</p>
Supply chain	<p>A disruption to supplier continuity may adversely affect our operation.</p> <p>Suppliers going out of business could have a significant impact on our ability to meet demand in store and online.</p>	<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.</p>	<p>The risk is ongoing, however, and is continually monitored and addressed.</p>

BUSINESS AREA	RISK TO COMPANY	MITIGATION OF RISK	ASSESSMENT OF CHANGE IN RISK YEAR ON YEAR
Supplier dependency – Failure of major supplier	In an uncertain economic environment, supplier failure and subsequent failure to supply product or services will impact business performance.	<p>Monitor supplier financial performance through constant dialogue to reveal evidence of supplier in difficulty.</p> <p>Review ability to source product/services from alternative supplier at pace.</p> <p>Review and document contingency plans should supplier fail.</p>	Risk likely to increase with greater uncertainty in macroeconomic environment.
Distribution centre (DC)	<p>Operating our distribution centre from one location leaves the Group exposed to business catastrophes occurring at that location.</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 comprehensive insurance cover.</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.
Cyber crime	A cyber crime attack could disable the Group's key IT systems and compromise data security.	<p>Customer bank or payment card details are not processed or stored in the Group's IT systems.</p> <p>Comprehensive security measures are in place with regular tests carried out.</p> <p>Development in cyber crime and preventative strategies are constantly reviewed.</p>	Frequency and severity of cyber crime attacks against companies have increased significantly.
People	<p>The Group's reliance on key management and other personnel could put pressure on the business if they were to leave.</p> <p>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.</p>	<p>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.</p>	The risk is ongoing however is continually monitored and addressed.

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 for Group Environmental Management.

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 store management teams, including selling skills, product knowledge, recruitment skills and performance management.

DIVERSITY

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

During the period ended 28 January 2017, 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*	7	64	4	36	11
Other Employees	614	67	307	33	921

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

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 matters of concern to them as employees, through our online communication portal, telephone conference calls, regular newsletters, notice boards, reports, team briefings and conferences.

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	2016/17
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 all held under operating leases. These are included in our emissions table however are not listed on our Statement of Financial Position. 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 2016/17		
	2016/17	
Activity	(tCO ₂ e)	(tCO ₂ e/£m revenue)
Scope 1		
Stores distribution		
	222	1.73
Business travel		
	77	0.60
Gas		
	81	0.63
Air conditioning		
	11	0.08
Scope 2		
Purchased electricity	3,293	25.73
Statutory total (Scope 1 & 2)*	3,684	28.77
Intensity measurement:		
	2016/17	2015/16
Tonnes of CO ₂ e per £m revenue	28.77	35.40
Revenue (£m)	128	121

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

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 became Non-Executive Chairman of The Restaurant Group plc in May 2016 and is also a Non-Executive Director of NCC Group plc and Redrow plc. She also holds a Non-Executive Director role in private companies White Stuff, Visa UK, Domestic and General and BGL Group. 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 (from August 2016) – 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.

Robin Piggott - Finance Director. Joined the Board on 28 June 2010 as Finance Director. He joined Alexon Group plc in 1987 holding a variety of financial and commercial roles and becoming Finance Director in 1995. Prior to this he held senior financial roles at Granada Group plc and Geest Industries plc. Mr Piggott retired from the Board at the 2016 AGM. Thereafter he remained employed as Finance Director until 12 August 2016

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 is also Chairman of Family Action charity.

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, The Good Care Group and Burbidge & Son Limited.

AUDIT COMMITTEE OF THE BOARD

B Portman (Chairman)

M Helfgott
Z Morgan

REMUNERATION COMMITTEE OF THE BOARD

Z Morgan (Chairman)

D Hewitt
B Portman
M Helfgott

NOMINATION COMMITTEE OF THE BOARD

D Hewitt (Chairman)

M Helfgott
B Portman
Z Morgan

DIRECTORS' REPORT

The Directors of Moss Bros Group PLC present their Annual Report & Accounts and audited financial statements for the period ended 28 January 2017. The Group is also required to set out in this report a review of the business of the Group during the period ended 28 January 2017 and of the position of the Group at the period end together with a description of the principal risks and uncertainties facing it. The information which fulfils these requirements can be found in the Strategic Report.

DIVIDENDS

Given the excellent progress made in 2016/17 and the exciting prospects for further growth the Board feels it is appropriate to propose the payment of a final dividend.

A dividend of 3.98 pence per share (2015/16: 3.75 pence per share) is proposed to be paid on 23 June 2017 to all shareholders on the register as at 2 June 2017 (ex dividend date 1 June 2017) and in line with the Board's policy, will be monitored to ensure we achieve robust dividend cover over time. It is the Board's intention to achieve a one-third, two-third split for the interim and final dividend in future years.

SHARE CAPITAL

The Company has 100,799,873 ordinary shares of £0.05 in issue as at 28 January 2017. 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 2017, pursuant to Section 793 of the Act:

	Number of shares	% of voting rights and issued share capital
Legal & General Investment Management	10,835,880	10.75
Hargreave Hale	10,699,416	10.61
SFM UK Management LLP	8,994,200	8.92
Cavendish Asset Management	4,964,544	4.93
Chelverton Asset Management	4,685,000	4.65
Schroder Investment Management	4,610,597	4.57
Artemis Investment Management (London)	4,587,020	4.55
Artemis Investment Management (Edinburgh)	4,423,029	4.39
ETX Capital	3,980,800	3.95
Moss Bros Group Director & Related Holdings	3,867,810	3.84
NFU Mutual Investment Managers	3,526,848	3.50

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 compensation for loss of office or employment which occurs because of a takeover bid.

ANNUAL GENERAL MEETING

The Resolutions to be proposed at the Annual General Meeting which will be held on 19 May 2017, 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:

- 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.
- 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 17 of this Annual Report. All served as Directors throughout the period.

Appointments to the Board are recommended by the Nominations Committee and are made in accordance with the provisions of the Articles. 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 and Zoe Morgan 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.

The interests of the Directors in the ordinary shares of the Group on 28 January 2017 were:

	Number of shares at 28 January 2017	Number of shares at 30 January 2016
Debbie Hewitt	720,893	720,893
Brian Brick	1,787,534	2,231,453
Robin Piggott	276,513	270,513
Tony Bennett	-	-
Maurice Helfgott	400,727	400,727
Bryan Portman	100,000	100,000
Zoe Morgan	76,897	76,897

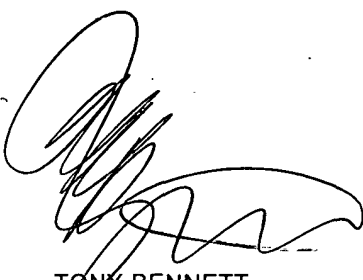
No Director has any interests in the shares of any subsidiary undertaking. There has been no change in the beneficial interests held by the Directors since the balance sheet date. No other Directors have interests in the Group.

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 28 to 33.

By order of the Board



BRIAN BRICK
CHIEF EXECUTIVE OFFICER
5 April 2017



TONY BENNETT
FINANCE DIRECTOR AND COMPANY SECRETARY
5 April 2017

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 page 24.

Compliance with the Code reviewed regularly and throughout the period ended 28 January 2017, 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 5 April 2017, the Board consisted of the Chairman, three 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 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 and Maurice Helfgott (MBA). 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.

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. The Committee's review of the interim and full year financial statements focused on the following key areas affecting the Group's financial reporting:

Valuation of property plant and equipment

The estimated useful lives of non-current assets is considered to be a key area of judgement, particularly given the nature of the business.

Valuation of inventory and related provisions

Inventory is a significant value on the Group's statement of financial position and there is an element of judgement relating to the inventory provision.

Measurement and accounting for share-based payments

The assumptions behind the Group's estimate of equity instruments that will eventually vest is considered a key area of judgement.

Revenue recognition on hire and bespoke deposits

Revenue is deferred until collection of goods arises. The movement and amount deferred is significant to the financial statements.

Other areas of focus considered by the Committee were:

Onerous leases

The assumptions underlying these calculations are highly sensitive to small changes.

Deferred taxation

The carrying amount of deferred tax assets 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.

Dilapidations

The estimation of costs arising from dilapidations is considered a key area of judgement 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 judgements and how they have been addressed by the Board in their preparation of the financial statements. These areas of focus were also addressed at the planning stage of the external audit and the external auditor's conclusions were closely monitored by the Committee.

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 and Maurice Helfgott. The Annual Statement on Directors' Remuneration is set out on page 27.

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 17.

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. This includes a review of progress on the actions agreed in the previous year's review, a review of the individual contribution of Non Executives and a review of the Chairman.

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

	Board meetings	Audit	Committee meetings Remuneration	Nomination
Number of meetings	6	3	3	2
Debbie Hewitt	6	-	-	2
Maurice Helfgott	6	3	3	2
Brian Brick	6	-	-	-
Tony Bennett*	3	-	-	-
Robin Piggott*	3	-	-	-
Bryan Portman	6	3	3	2
Zoe Morgan	6	3	3	2

*Both attended meetings they were 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

During the period ended 28 January 2017, the Group's external auditor, Deloitte LLP, provided advice to the Group. In addition, the senior statutory audit partner was rotated in the year. The fees paid to Deloitte for non-audit services were £7,000 (2015/16: £7,000). The use of Deloitte LLP for non-audit work was carefully evaluated by the Audit Committee and the Board.

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

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

- the external auditor's plan for the current year, noting the role of the senior statutory audit partner, 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.

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 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 28 January 2017.

LONGER TERM VIABILITY STATEMENT

The Directors have assessed the Group's viability over the three year period to January 2020. 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 12 to 14. The most relevant of these risks and uncertainties in terms of potential financial and operational impact 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 2020.

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 28 January 2017 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
5 April 2017



TONY BENNETT
FINANCE DIRECTOR AND COMPANY SECRETARY
5 April 2017

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:

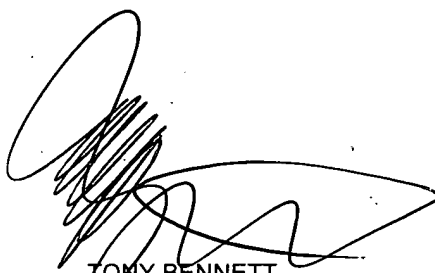
- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as 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
5 April 2017



TONY BENNETT
FINANCE DIRECTOR AND COMPANY SECRETARY
5 April 2017

ANNUAL STATEMENT ON DIRECTORS' REMUNERATION

Dear Shareholder,

I am pleased to present the Directors' remuneration report for the year ended 28 January 2017. During the year we continued to operate within the Remuneration Policy that was put to a binding shareholder vote at the 2014 AGM. This policy was adopted for three years. As this period is coming to an end, the Committee has reviewed the policy during the year to assess its appropriateness and alignment to business strategy.

As a result of this review, including consultation with major shareholders, the Committee have decided that the current policy remains appropriate and no changes are proposed to the structure of remuneration or the quantum of incentives. Some minor amendments have been made to clarify areas of flexibility in the policy and to add to some of the measures.

In this Annual Statement, which precedes our Annual Report on Remuneration, I have summarised our performance in 2016/17 and how this relates to remuneration decisions and outcomes.

Performance has continued to improve throughout 2016/17. We have remained focused on delivering a clear strategy to leverage the Moss Bros brand, growing our e-commerce business and continuing to implement our store refit programme. Careful management of stock and strong cash generation contributed to the team delivering a robust financial performance, with annual pre-tax profit growth, before exceptional items, of 20.3% and a 6.1% increase in the annual dividend payment.

The Committee's underlying policy on salary increases is that they will normally be in line with increases for employees within the business. This approach has been applied consistently by the Committee for all executive directors in recent years and this year too. It is worth noting that the Committee may award larger increases where appropriate, such as to reflect change in the size and complexity of the Company or the scope of the role, or to reflect market positioning following a new, less experienced appointment. This is relevant to our newly appointed Finance Director in the coming years.

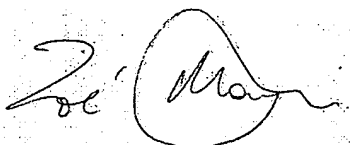
The annual bonus performance targets for 2016/17 were based 50% on profit targets and 50% on strategic performance objectives. The 20.3% growth meant that the team hit the maximum profit target and 50% of bonus entitlement will be paid for this target. The strategic objectives included brand development, net promoter score, development of the hire strategy, e-commerce growth and employee engagement. The business made progress on some, but not all of these measures and 25% of bonus entitlement will be paid for progress on these measures. A total bonus payment of 75% of entitlement will be paid. The detail of this is described in the Annual Report on Remuneration that follows.

The April 2014 LTIP award has matured, the performance condition for which was based on the 3 year cumulative profit before tax from 26 January 2014 to 28 January 2017. 50% of the original share award will vest. Detail of this award is described in the Annual Report on Remuneration that follows.

Looking forward, the Committee intends to keep the same annual bonus structure in 2017/18, with strategic performance objectives alongside profit targets. These objectives will include brand development, hire and e-commerce performance and customer satisfaction. The profit and strategic targets will each account for half of the bonus entitlement. As in prior years, the bonus will continue to be self-funding and as such, no bonus will be payable if the minimum profit target is not met.

In relation to the LTIP for 2017-20, the Committee intends to make awards which up to 70% will vest after 3 years if a demanding cumulative PBT performance target is satisfied. We will also add a measure of Total Shareholder Return (TSR) for the first time this coming year, to further align executive incentives with outcomes for shareholders. Up to 30% of the potential will relate to this measure.

At the 2017 Annual General Meeting, the Annual Statement and Annual Report on Remuneration for 2016/17 will be put to an advisory vote and the new Directors' Remuneration Policy will be put to a binding shareholder vote, which, if approved, will apply for the next three years. This meeting provides shareholders with the opportunity to vote on how the Committee has implemented the previous remuneration policy and on the proposed remuneration policy. 2016/17 was another year of good progress for Moss Bros and, in this context, we look forward to receiving your support on our approach to Remuneration at the Annual General Meeting.



Zoe Morgan
Chairman of the Remuneration Committee

DIRECTORS' REMUNERATION POLICY

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).

For the purposes of section 226D(6)(b) of the Companies Act 2006 this policy will take effect from the date of the 2017 AGM, which is scheduled to be held on May 19th 2017.

Future Policy Table for Executive Directors

Element	Purpose and link to strategy	Operation (including framework to assess performance)	Maximum opportunity
Salary	<p>This is the core element of pay.</p> <p>Ensuring we are competitive in the market allows us to attract and retain executives to achieve our key objectives, whilst managing costs</p>	<p>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.</p> <p>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.</p> <p>We would only expect a material adjustment of salaries in the event that the scale and complexity of the business changed substantially over time.</p> <p>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.</p>	<p>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</p>
Benefits	<p>To provide market competitive benefits, which drive employee engagement and commitment to our business</p>	<p>Benefits typically comprise a car allowance, private medical insurance, life assurance and group income protection.</p> <p>Additional benefits may be provided if the Committee deems the expense to be reasonable and business related.</p> <p>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.</p>	<p>Market competitive benefit level.</p> <p>Sharesave scheme subject to HMRC approved limits.</p>
Annual Bonus	<p>To drive and reward market leading short term operating</p>	<p>Based on a range of stretching targets measured over one year. These might include but not exclusively PBT, brand development, cash management,</p>	<p>100% of salary for the CEO</p>

	<p>performance of the Group</p> <p>Provide a strong focus on share price performance over the deferral period</p>	<p>customer satisfaction and retention, channel sales growth and employee engagement</p> <p>Bonus payments are determined as follows:</p> <ul style="list-style-type: none"> • 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 <p>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</p> <p>50% of any bonus payment is invested in shares and deferred for a three year period</p> <p>Dividend equivalents are paid on vesting shares</p> <p>Clawback provisions are in place for both cash and deferred elements</p>	<p>80% of salary for other Executive Directors</p>
Long-Term Incentive Plan	<p>To drive long-term performance in line with Group strategy and incentivise through share ownership</p>	<p>Awards have a performance period of three years.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Malus and Clawback provisions are in place</p>	<p>Award over shares with a face value at grant of:</p> <p>100% of salary for the CEO</p> <p>70% of salary for other Executive Directors</p>
Pension	<p>To remain competitive within the market place and to encourage flexible retirement planning for individuals</p>	<p>Executive Directors are entitled to receive a pension contribution</p>	<p>20% of salary for CEO and 15% of salary for other Executive Directors</p>

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.

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 28, 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	<p>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.</p> <p>Any reasonable business related expenses can be reimbursed.</p> <p>Fees for the Non-Executive Directors are normally reviewed in alternate years.</p>	<p>Current fee levels are set out in the Annual Report on Remuneration.</p> <p>Annual fee increases can be made but overall fee limit will be within the limit set out in the Company's Articles of Association.</p>

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.

SAYE

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

Approach to service contracts and letters of appointment

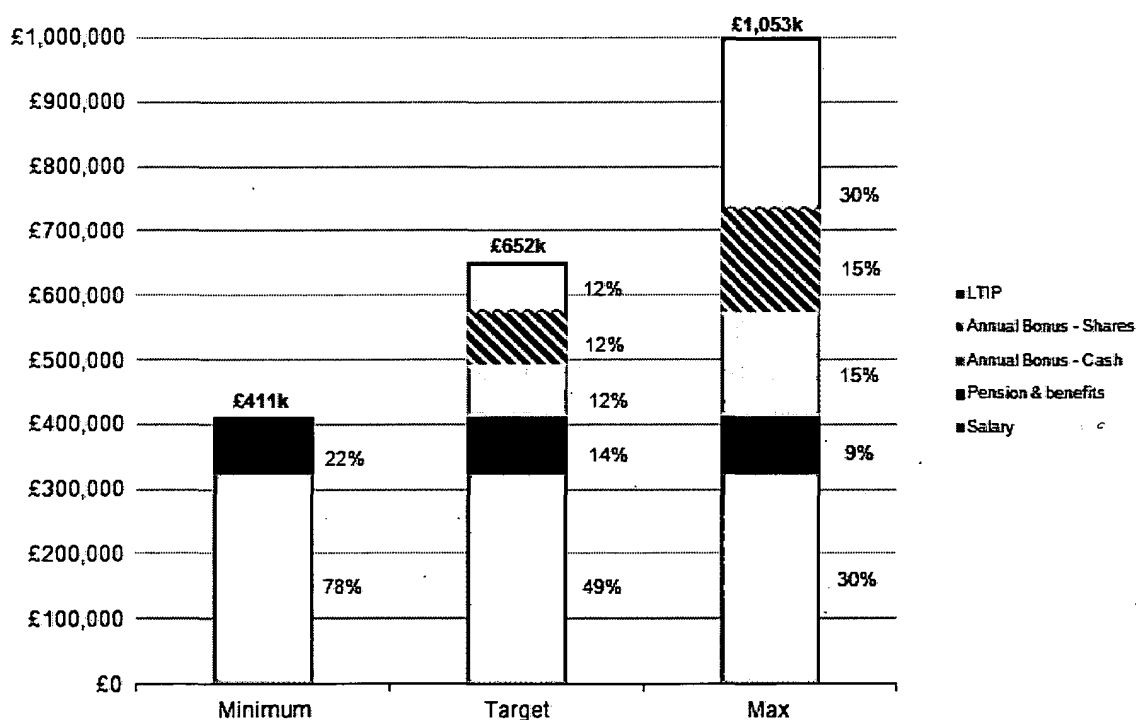
The Committee's policy is to offer service contracts for Executive Directors with notice periods of six to twelve months. In addition, the Executive Directors are subject to a six month non-compete clause from the date of termination.

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.

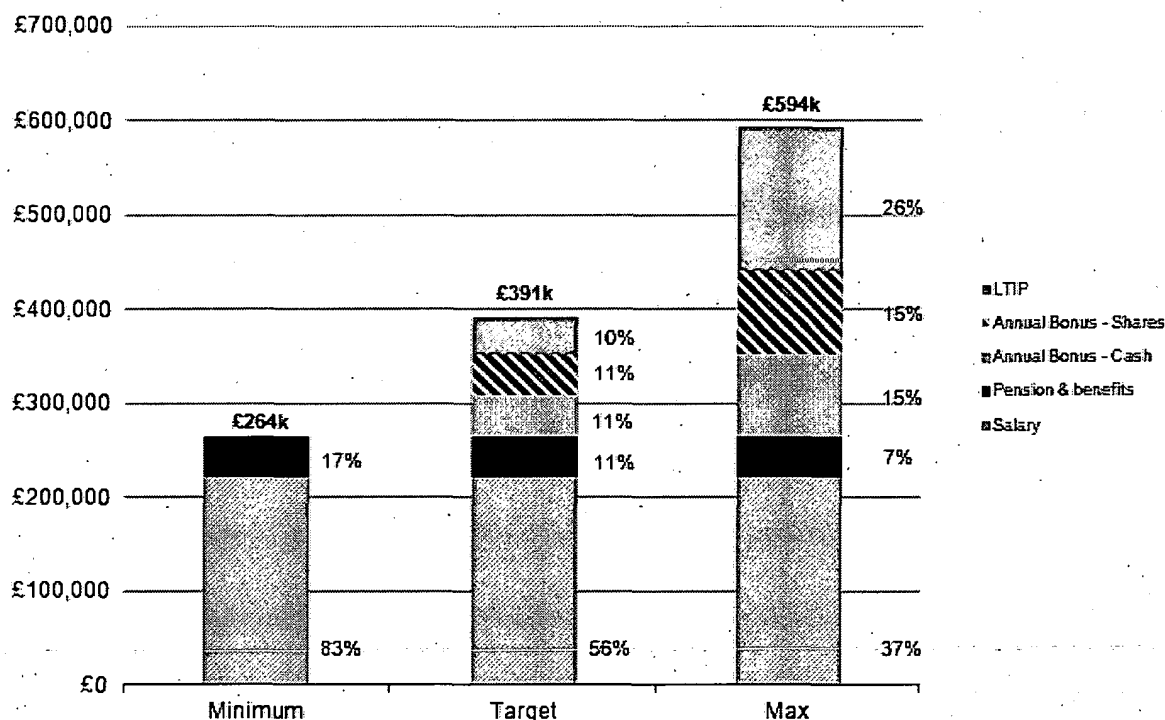
Illustration of remuneration scenarios

The charts below show scenarios for the CEO and current FD, based on 2016/17 remuneration:

CEO remuneration scenarios



FD remuneration scenarios



Note that the charts are indicative as share price movement and dividend accrual (for deferred shares relating to the annual bonus) have been excluded. Assumptions made for each scenario are as follows:

- Minimum: fixed remuneration only (i.e. salary, benefits and pension). Benefits based on 2016/17 disclosed benefit amounts.
- Target: fixed remuneration plus half of maximum annual bonus opportunity plus 25% vesting of the maximum award under the Long-Term Incentive Plan.
- Maximum: fixed remuneration plus maximum annual bonus opportunity plus 100% vesting of the maximum award under the Long-Term Incentive Plan.

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

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 payout 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 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.

In the case of the CEO, the Committee approved two non-executive directorships, which were held prior to him joining the Board and which were fulfilled through Mr Brick's consulting Company, Ambleside Consulting Limited. Brian Brick has stepped down from one of these roles. The second role, which he retains, is with SFD, a visual display and merchandising company. In the view of the Committee, this role is not overly burdensome on his time and the Committee has approved him retaining these fees. The Committee keeps this role under review and reserves the right to ask him to step down if time commitments require him to do so. In any case, no Executive Director, including the CEO would be allowed more than one paid Non-Executive Directorship.

Details of outside directorships held by the Executive Directors and any fees that they received are provided on page 37 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 Remuneration Report will be put to an advisory shareholder vote at the 2017 AGM which is scheduled to be held on 19th May 2017. The information on pages 34 to 42 has been audited, except for the disclosure under payments for other directorships on page 37.

Implementation of remuneration policy in 2017/18

Executive Directors' Base Salaries

The Remuneration Committee has awarded a cost of living salary increase of 2.0% for the forthcoming year, with effect from 1 February 2017. This increase will take Brian Brick's base salary from £321,000 to £327,500 and Tony Bennett's base salary from £220,000 to £224,500. This increase reflects the annual increase awarded to all other employees which is 2.6%

Pension and Benefits

There will be no changes to pension or benefits provision.

Annual Bonus

The annual bonus in 2017/18 will be consistent with the policy detailed in the Director's Remuneration Policy in relation to the maximum bonus opportunity. Similar to last year performance measures will be based 50% on the achievement of 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 together with the level of performance against each objective, will be disclosed in the 2017/18 Annual Report on Remuneration.

The targets relating to the 2016/17 bonus payments are shown below and as this is a transition year to our new policy, we are also disclosing 2015/16 and 2014/15 bonus targets and achievement against those targets.

Clawback will apply to any bonus payments from the 2014/15 financial year onwards.

Long-term Incentive Plan (LTIP)

LTIP Awards will be made in April 2017 on the same terms as set out in the policy table. These will be subject to clawback provisions and a two year holding period for executive directors. For Brian Brick this award will be equivalent to 100% of salary and for Tony Bennett this award will be 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 conditions are anticipated to be as follows:

2017/18 Award			
LTIP Target Performance period 31/01/2017-26/01/2020	Performance measure		
	Cumulative Profit before Tax		TSR*
	Target for 25% vesting	£23.0m	10% per annum Compound Annual Growth Rate
	Target for 50% vesting	£25.0m	
	Target for 75% vesting	£28.0m	
	Target for 100% vesting	£30.0m	20% per annum Compound Annual Growth Rate

*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 Committee may adjust the targets in order to neutralise the effect of any changes to the capital base.

Non-Executive Directors' Remuneration

In line with the policy, and the approval to review fees in alternate years there are no changes for 2017/18

Annualised fees	2017/18	2016/17
Debbie Hewitt	£120,000	£120,000
Maurice Helfgott	£44,000	£44,000
Bryan Portman	£44,000	£44,000
Zoe Morgan	£44,000	£44,000

Single Total Figure of Remuneration

The detailed emoluments received by the Executive and Non-Executive Directors for the year ended 28 January 2017 are detailed below:

Director £000		Base Salary / Fees	Benefits (¹)	Pension Contributions	Annual Bonus (²)	Long-term incentive (³)	Total
Brian Brick	2016/17	321	26	64	241	129	781
	2015/16	311	25	62	-	244	642
Tony Bennett (⁴)	2016/17	102	5	15	55	-	177
	2015/16	-	-	-	-	-	-
Robin Piggott (⁵)	2016/17	107	8	16	-	39	170
	2015/16	202	16	30	-	111	359
Debbie Hewitt	2016/17	120	1	-	-	-	121
	2015/16	105	2	-	-	-	107
Maurice Helfgott	2016/17	44	-	-	-	-	44
	2015/16	41	-	-	-	-	41
Bryan Portman	2016/17	44	-	-	-	-	44
	2015/16	41	-	-	-	-	41
Zoe Morgan	2016/17	44	-	-	-	-	44
	2015/16	41	-	-	-	-	41

1. Taxable benefits include the provision to every Executive Director of private medical insurance, life assurance, group income protection, and car allowance. A clothing allowance benefit is available to Debbie Hewitt and Brian Brick.
2. 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.
3. Long-term incentive awards vesting under the LTIP. The figure for 2016/17 represents the vesting of awards relating to the 2014-17 LTIP which will vest in April 2017. Further detail is set out on page 37. Note that awards which will vest for performance periods ending in 2016/17 were valued using the average share price over the three month period to 28 January 2017.
4. These amounts reflect Tony Bennett's joining date of 15 August 2016
5. These amounts reflect Robin Piggott's leaving date of 12 August 2016

Additional information in respect of the single figure table

Annual Bonus

Our previous policy was to disclose annual bonus targets retrospectively after two years. Following a review of our policy, the Committee has decided to disclose annual bonus targets in the annual report to which the annual bonus payment relates. As a result, this year is a transition year in which we are disclosing the targets for three annual bonus awards: the 2016/17 annual bonus; the 2015/16 annual bonus, and; the 2014/15 annual bonus. These disclosures are set out below:

2016/17 Annual Bonus

For 2016/17, the maximum bonus opportunity for Brian Brick was 100% of salary, and for Tony Bennett was 80% of salary, paid prorata to the number of full months of service he had completed in the year. The bonus opportunity for Robin Piggott was 80% but no bonus was payable as outlined in Payments for Loss of Office. 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. A total bonus of 75% of potential was paid, 50% of which was in deferred shares. The performance measures, targets and payments are set out below:

Measure	Threshold target	Payment for threshold	Maximum target	Payment for maximum	2016/17 Outcome	Payment
2016/17 Adjusted PBT (¹)	£6.7m	20% of maximum	£6.9m	50% of maximum	£7.0m	50%

(1) Adjusted PBT for annual bonus purposes for 2016/17 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 included progress on our brand awareness, customer and employee engagement, development of our Hire and Digital business and operating platforms. Across these measures 25% out of a maximum potential award of 50% was made as follows:

Strategic Objective	% Bonus Potential	% Bonus Paid
Brand Awareness	5%	5%
Customer Engagement	5%	5%
Employee Engagement	5%	5%
Hire performance and progress on strategic plan	20%	2%
Digital Performance	15%	8%
Total	50%	25%

2015/16 Annual Bonus

For 2015/16, the maximum bonus opportunity for Brian Brick was 100% of salary and for Robin Piggott 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. No bonus was paid, as the threshold PBT was not achieved. The performance measures, targets and payments are set out below:

Measure	Threshold target	Payment for threshold	Maximum target	Payment for maximum	2015/16 Outcome	Payment
2015/16 Adjusted PBT ⁽¹⁾	£5.7m	20% of maximum	£6.3m	50% of maximum	£5.8m	Nil

(1) Adjusted PBT for annual bonus purposes for 2015/16 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 included brand development, customer and employee engagement; developing our Digital platform and Hire business, including new products. Across these measures 0% out of a maximum potential award of 50% was made because the threshold profit required was not achieved.

Strategic Objective	% Bonus Potential	% Bonus Paid ⁽²⁾
Implement Brand Tracking	5%	0%
Customer Engagement	5%	0%
Employee Engagement	5%	0%
Development of Hire	20%	0%
Development of Digital	15%	0%
Total	50%	0%

(2) No bonus was payable for the strategic objectives as the minimum bonus payment for meeting threshold would have had the effect of reducing PBT below threshold.

2014/15 Annual Bonus

For 2014/15, the maximum bonus opportunity for Brian Brick was 100% of salary and for Robin Piggott 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. No bonus was paid, as the threshold PBT was not achieved. The performance measures, targets and payments are set out below:

Measure	Threshold target	Payment for threshold	Maximum target	Payment for maximum	2014/15 Outcome	Payment
2014/15 Adjusted PBT ⁽¹⁾	£4.4m	20% of maximum	£5.0m	50% of maximum	£4.1m	Nil

(1) Adjusted PBT for annual bonus purposes for 2014/15 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 incentive performance targets for 2014/15 introduced strategic performance objectives alongside the profit targets for the first time. These objectives included the development of our Hire strategy, Online growth and brand and

customer satisfaction tracking. Across these measures 0% out of a maximum potential award of 50% was made because the threshold profit required was not achieved.

Strategic Objective	% Bonus Potential	% Bonus Paid ⁽¹⁾
Developing Brand and Customer Tracking	15%	0%
Developing the Hire Strategy	20%	0%
Online Growth	15%	0%
Total	50%	0%

(1) No bonus was payable for the strategic objectives as the threshold PBT target was not met.

Long-term incentive plan vesting

Moss Bros cumulative adjusted² PBT for the three years to 28 January 2017 of £16.6m exceeded the threshold performance target of £15.5m relating to outstanding share awards made under the 2014-2017 LTIP Award but fell below the maximum performance target of £18m. As a result, 50% of the shares awarded under the LTIP in April 2014 will vest to Brian Brick and to Robin Piggott (pro-rated to reflect the full months of service) whilst the remainder will lapse:

Executive	Number of LTIP awards	Cumulative adjusted ² PBT performance target and corresponding % of shares vesting				2016/17 cumulative adjusted PBT	% of shares vesting	Value of shares vesting ¹
		£15.5m	£16.5m	£17.5m	£18.0m			
Brian Brick	260,692	25%	50%	75%	100%	£16.6m	50%	£129,068
Robin Piggott ⁽³⁾	78,949	25%	50%	75%	100%	£16.6m	50%	£39,087

1. Valued using the daily average share price over the three month period to 28 January 2017 of 99 pence.

2. Cumulative adjusted PBT performance target for the 2014-2017 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.

3. Robin Piggott's award has been pro-rated to reflect full months of service as outlined in Payments for Loss of Office

Payments for Loss of Office

Robin Piggott stepped down from the Board at the 2016 AGM. Thereafter he remained employed as Finance Director until 12 August 2016 when Tony Bennett joined as his replacement. No compensation was paid for his loss of office. He was treated as outlined in the 2015/16 Remuneration Report and in line with the remuneration policy and his contract. As a result, he received his base salary, pension and benefits up to 12 August 2016, but he was not granted an LTIP award in 2016 and will not receive an annual bonus for performance during 2016/17. His outstanding LTIP awards were pro-rated based on the financial years and full months of service he served during the vesting period and will vest, subject to performance, at the normal vesting dates and his deferred bonus awards will vest in full on their normal vesting dates.

Payments to past Directors

No payments were made to past Directors during the year.

Payments for other directorships

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. At that time, Ambleside had two consulting assignments, one with SFD, a visual display and merchandising company and one with Admiral Recruitment, a recruitment company. The work to Admiral Recruitment ceased during 2012.

The Board has continued to allow Brian Brick to provide the consultancy services to SFD, on the understanding that the consulting work has no conflict with his responsibilities as a Director and CEO of Moss Bros. In reviewing the potential for any conflicts, the Committee established that SFD had been a supplier of visual display and merchandise to Moss Bros from 1998 until March 2012. During the period that Brian Brick has been CEO of Moss Bros, SFD has invoiced Moss Bros £82,742 inc VAT. This was invoiced during the period September 2008 to March 2012.

SFD has provided no services to Moss Bros since March 2012.

Brian Brick received total fees during the year to 28 January 2017 of £90,300 relating to the consulting activities of Ambleside Consulting Limited, which was entirely for the services provided to SFD. The Board has reviewed and considers that the work he performs has no conflicts with Moss Bros and that the time committed has no detrimental impact on his role as CEO of Moss Bros. The Committee have approved him retaining the fees earned from consulting with SFD.

In reviewing Brian Brick's time commitment and fees during 2017, the Committee noted that Brian Brick has received fees from SFD every year since his appointment as CEO. Whilst his directorship of Ambleside Consulting Limited had been disclosed, the specific fees received by Brian Brick that relate to this activity have not been. The Committee is disclosing these fees in line with its policy.

Brian Brick's fees earned from Ambleside Consulting Limited since he became CEO are listed below. With the exception of FY 2010, 2011 and 2012 all fees quoted have been earned exclusively from his consultancy work with SFD.

Financial Year End	Fees
Jan 2010	£129,845*
Jan 2011	£44,490
Jan 2012	£29,049
Jan 2013	£53,302
Jan 2014	£87,851
Jan 2015	£67,080
Jan 2016	£103,434
Jan 2017	£90,300

* includes fees for consultancy services of £41,000 paid by Moss Bros prior to becoming CEO disclosed in the 2009 Directors' Report on Remuneration), £35,845 paid by other companies prior to becoming CEO, £26,000 paid by SFD and £27,000 for consultancy services to Admiral Recruitment.

For the sake of clarity, as per the disclosure on page 17 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 12 April 2016 and 31 October 2016, Executive Directors received awards under the LTIP. Robin Piggott did not receive any award as outlined in Payments for Loss of Office. These awards were in line with the policy set out in the Policy Report 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 2018/19 remuneration report once the performance period has ended.

Executive	Number of LTIP awards ¹	Basis ³	Face Value	% of award vesting for different levels of cumulative PBT over the performance period				Performance period
				£22.5m	£25.5m	£27.0m	£29.0m	
Brian Brick	310,445	100% of base salary	£321,000 ²	25%	50%	75%	100%	1 February 2016 to 26 January 2019
Tony Bennett	61,228	70% of base salary	£64,167 ³	25%	50%	75%	100%	1 February 2016 to 26 January 2019

1. LTIP awards are structured as nil-cost options.

2. Based on a share price of 103.4p which was the share price used to calculate the share allocation.

3. Based on pro-rata basis of 5 months and share price of 104.8p which was the share price used to calculate the share allocation.

Deferred share awards granted in the year

There were no deferred share awards granted in 2016 as no annual bonus was paid for 2015/16.

During April 2017, Executive Directors will receive 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 5 April 2020 subject to continued employment and will be subject to the Malus and Claw back provisions outlined in the Remuneration Policy. Their value is included in the 2016/17 row of this year's single figure table.

SAYE options granted in the year

The Group operates a SAYE scheme which is approved by HM Revenue & Customs. 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 participated in this scheme and Tony Bennett and Robin Piggott did not participate in this scheme.

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 30 January 2016	Granted during the period	Exercised/Lapsed during the period	At 28 January 2017	Date of award	Performance period	Exercise period	Share price on date of grant £	Exercise price £	Share price on date of exercise
Brian Brick	489,321	-	(489,321)	-	11.04.2013	26.01.2013-31.01.2016	04.04.2016-04.04.2023	0.5802	-	-
	260,692	-	-	260,692	14.04.2014	25.01.2014-31.01.2017	04.04.2017-04.04.2024	1.1400	-	-
	286,439	-	-	286,439	14.04.2015	01.02.2015-27.01.2018	04.04.2018-04.04.2025	1.0500	-	-
	-	310,445	-	310,445	12.04.2016	31.01.2016-26.01.2019	04.04.2019-04.04.2026	1.0200	-	-
	1,036,452	310,445	(489,321)	857,576						
Robin Piggott	222,341	-	(222,341)	-	11.04.2013	26.01.2013-31.01.2016	04.04.2016-04.04.2023	0.5802	-	-
	118,424	-	(39,475)*	78,949	14.04.2014	25.01.2014-31.01.2017	04.04.2017-04.04.2024	1.1400	-	-
	130,119	-	(86,746)*	43,373	14.04.2015	01.02.2015-27.01.2018	04.04.2018-04.04.2025	1.0500	-	-
	470,884	-	(348,562)	122,322						
Tony Bennett	-	61,228	-	61,228	31.10.2016	31.01.2016 - 26.01.2019	04.04.2019-04.04.2026	0.9925	-	-
	-	61,228	-	61,228						

*Awards have lapsed due to cessation of employment

All awards granted under the LTIP are subject to continued employment and the satisfaction of the performance conditions set out below. In the case of Robin Piggott, continued employment was not valid and as such good leaver status was applied. All awards have a nil exercise price.

Long-Term Incentive Plans

Outstanding LTIP awards are as follows:

Year of grant	Grant % of salary	Condition	Threshold 25% vesting	On-target 50% vesting	75% vesting	Maximum 100% vesting	Performance period
2014	CEO: 100% CFO: 70%	Cumulative PBT	£15.5m	£16.5m	£17.5m	£18.0m	3 financial years ending January 2017
2015	CEO: 100% CFO: 70%	Cumulative PBT	£18.5m	£20.0m	£22.0m	£24.0m	3 financial years ending January 2018
2016	CEO: 100% CFO: 70%	Cumulative PBT	£22.5m	£25.5m	£27.0m	£29.0m	3 financial years ending January 2019

The Remuneration Committee considered that the performance condition should be based on PBT and that the targets may be adjusted in order to neutralise the effect of any changes to the capital base. The Committee did consider the inclusion of measures like TSR in the past, but given the stage at that time of the Company's turnaround, the Company's scale and the absence of direct competitors in this market, the Committee felt that for the current time PBT was an appropriate measure. Furthermore, by making it a cumulative measure, it would avoid a windfall from the performance of one particular year and therefore promotes reward for a more progressive growth pattern. Going forward, as highlighted in the Annual Statement, TSR will be introduced as a performance condition.

The awards are based on a number of ordinary shares in the Company issued in the future at a nil exercise price, subject to continued employment, regular dividend payments and consistent underlying profit performance.

Share ownership

As set out in the Policy Report, executives 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 28 January 2017, Brian Brick 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 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)		SAYE options ³ (No. shares)		Total (No. shares)	
	30 January 2016	28 January 2017	30 January 2016	28 January 2017	30 January 2016	28 January 2017	30 January 2016	28 January 2017	30 January 2016	28 January 2017
Brian Brick	2,231,453	1,787,534	1,036,452	857,576	308,389	69,696	13,727	18,528	3,590,021	2,733,334
Robin Piggott	270,513	276,594	470,884	122,322	159,883	35,930	13,727	-	915,007	434,846
Tony Bennett	-	-	-	61,228	-	-	-	-	-	61,228
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 28 January 2017 are set out above:

1. These awards represent the outstanding LTIP interests which are included in the table on page 35.
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 2016. Robin Piggott has one award which will vest on a pro-rated basis on 14 April 2017.
3. Represents the SAYE scheme interest which will vest on 1 June 2017 and 1 June 2018.

Relative importance of the spend on pay

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

	2016/17	2015/16	% Change
Employee remuneration costs (£'000)¹	23,151	22,427	3.2%
Distributions to shareholders (£'000)²	5,687	5,300	7.3%

1. Based on the figure shown in Note 8 to the Financial Statements.
2. Based on the cash returned to shareholders in 2016/17 through dividends as shown in Note 12 to the Financial Statements. Note that no share buyback programmes are in operation.

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.

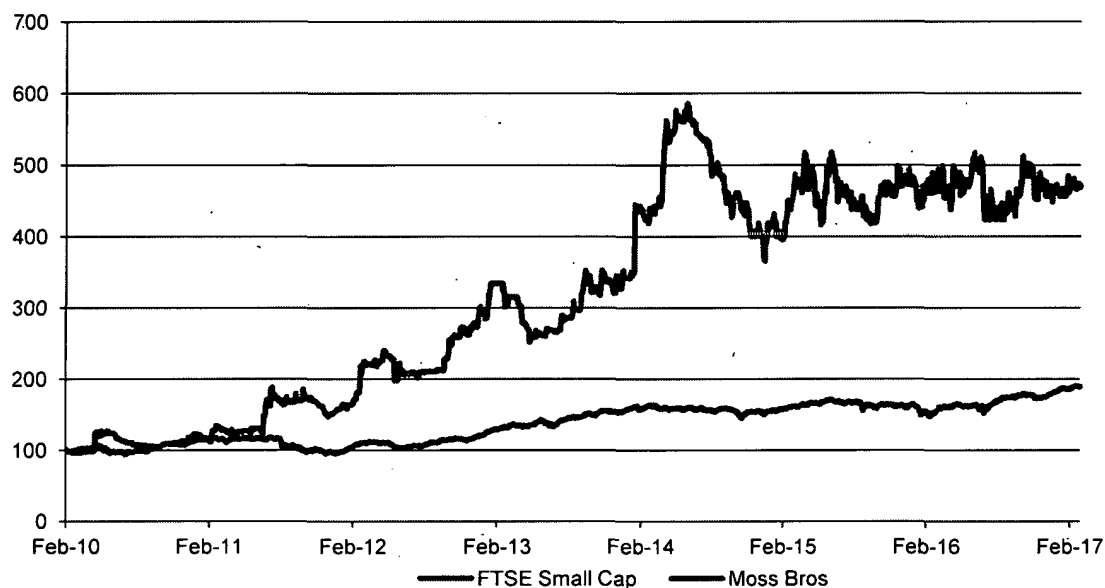
Element of remuneration		% Change in 2016/17	% Change in 2015/16	% Change in 2014/15
Salary	Chief executive	3.4%	3.2%	3.0%
	Average per FTE* employee	6.2%	1.6%	3.9%
Taxable benefits	Chief executive	2.8%	0.6%	(2.1%)
	Average per FTE* employee	7.7%	(12.4%)	6.8%
Annual Bonus	Chief executive	N/A	N/A	(100%)
	Average per FTE* employee	(25.0%)	12.0%	(9%)

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

Performance graph and single figure table

The graph below shows the total cumulative shareholder return for the Group since 1 February 2010. The index selected was the FTSE Small Cap Index as this was the index of which the Group was a constituent for most of the period shown. The table beneath the chart sets out the CEO single figure over this period.

7 YEARS CUMULATIVE TOTAL SHAREHOLDER GRAPH



Seven-Year Historical TSR Performance Growth in the Value of a Hypothetical £100 Holding Over Seven Years FTSE All Share Comparison Based on Spot Value.

The table below shows the total remuneration for the Chief Executive over the same seven 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
28/01/2017	Brian Brick	781	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%

- Note that this shows the annual bonus payments as a percentage of the maximum opportunity.
- Shows the number of shares which vested as a percentage of the maximum number of shares which could have vested.

Membership and Attendance

During the period ended 28 January 2017, the Committee consisted of the following Non-Executive Directors:

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

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 22.

Adviser to the committee

During 2016/17, the Committee received advice from New Bridge Street (a trading name of AON Corporation) on senior executive remuneration and employee share schemes. Neither New Bridge Street nor AON Corporation provided other services to the Company during the period. New Bridge Street is a member of the Remuneration Consultants Group and complies with its code of conduct. The Committee is comfortable that NBS's advice remains objective and independent. For the year under review NBS's total fees charged were £10,400.

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 June 2009 (Appointed Chairman 25 March 2010)	6 months
Maurice Helfgott	19 October 2010	3 months
Bryan Portman	1 July 2011	3 months
Zoe Morgan	1 November 2012	3 months

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 28 January 2017 the Company had utilised 9,284,679 (2015/16: 9,570,915) ordinary shares through LTIP and SAYE awards counting towards the 15% limit which represents 9.2% (2015/16: 9.5%) of the issued ordinary share capital of the Company.

Statement of shareholder voting

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

2016 AGM	
Votes cast in favour	58,060,628 / 99.15%
Votes cast against	496,709 / 0.85%
Total votes cast	58,557,337 / 100%



Zoe Morgan

Chairman of the Remuneration Committee

5 April 2017

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOSS BROS GROUP PLC

Opinion on financial statements of Moss Bros Group plc

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 28 January 2017 and of the group's profit for the period 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.

The financial statements comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated Cash Flow Statement and the Group Statement of Changes in Equity and 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.

Summary of our audit approach

Key risks	<p>The key risks that we identified in the current year were:</p> <ul style="list-style-type: none"> • Store impairments • The valuation of inventory and related provisions • The measurement and accounting for share-based payments • The accounting for property leases • Revenue recognition in relation to hire and Tailor Me deposits and the provision for customer returns <p>The key risks in the current year are consistent with those identified in the prior year.</p>
Materiality	The materiality that we used in the current year was £0.59m which was determined on the basis of Profit Before Tax.
Scoping	The scope of our work is a full audit of the Group which consists of Moss Bros Group PLC as the only trading entity and a number of dormant subsidiaries which are subject to analytical procedures. All audit work for the group was performed directly by the audit engagement team.
Significant changes in our audit approach	There have been no significant changes in our audit approach compared to the prior year.

Going concern and the directors' assessment of the principal risks that would threaten the solvency or liquidity of the group

As required by the Listing Rules we have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 1 to the financial statements and the directors' statement on the longer-term viability of the group contained within the corporate governance report on page 23.

We have nothing material to add or draw attention to in relation to:

- the directors' confirmation on page 23 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;
- the disclosures on pages 12-14 that describe those risks and explain how they are being managed or mitigated;
- 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 ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- the directors' explanation on page 23 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 agreed with the directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Risk	How the scope of our audit responded to the risk
<p>Store Impairments</p> <p>As at 28 January 2017, the group held £16.4m of tangible fixed assets, excluding hire inventory (30 January 2016: £14.6m) (see 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 that the carrying value of these assets may be higher than the recoverable amount, particularly where stores are loss-making or performing below budget. Management has performed an assessment of indicators of impairment for each store. Impairments are 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. No impairment charge has been recorded in the period (period to 30 January 2016: no charge).</p>	<p>We assessed the impairment model and calculations by:</p> <ul style="list-style-type: none"> - 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 cash flow projections through comparison of forecasts to historical performance; and - evaluating management's longer-term plans for each store where there was an indicator of impairment through our knowledge of the business.
<p>The valuation of inventory and related provisions</p> <p>Inventory is presented net of provisions for:</p> <ul style="list-style-type: none"> • obsolescence and items to be sold at less than cost; and • shrinkage. <p>There is an element of judgement relating to these provisions which are based on historical evidence and the current economic conditions. The changing trends and economic environment require judgements in respect of provisions to be reassessed at each reporting date.</p> <p>Total net inventory valuation as at 28 January 2017 is £16.7m (30 January 2016: £14.4m) with provisions held against inventory of £0.5m (30 January 2016: £0.5m) (see Note 16). This is identified as a key source of estimation uncertainty in Note 2 and within the accounting policy on page 53-56.</p>	<p>We performed testing of the operating effectiveness of key controls around the valuation of provisions within the inventory business cycle. We visited the Distribution Centre ('DC') in Barking to test controls around the perpetual counting process, in addition to attending a sample of five store counts.</p> <p>We considered the inventory provision for obsolescence and items to be sold at less than cost through evaluating:</p> <ul style="list-style-type: none"> - historical inventory and sales data; - management's latest forecasts and trading plans; and - selling prices achieved subsequent to the year end. <p>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.</p>
<p>The measurement and accounting for share-based payments</p> <p>The share awards are measured at the fair value at the date of the grant and expensed on a straight line basis over the vesting period. The judgement of the fair value</p>	<p>We assessed management's accounting under the principles of IFRS 2 Share-based payments. We tested the fair value calculations for all new share awards granted in the year and the vesting conditions and</p>

<p>and number of awards expected to vest is based on management estimates. These estimates include the volatility of the share price and the expected number of options which will vest.</p> <p>In the period to 28 January 2017 there has been an IFRS 2 charge of £0.4m (period to 30 January 2016: £0.3m) (see Note 9). The Share-Based Payment reserve at 28 January 2017 is £0.6m (30 January 2016: £0.8m) (see Note 19).</p> <p>See accounting policy on page 53-56 and key sources of estimation uncertainty within Note 2.</p>	<p>assessed the ongoing fair value of the existing share-based payments. This included:</p> <ul style="list-style-type: none"> • a review of the share option award agreements; • an assessment of the reasonableness of assumptions around the likelihood of meeting vesting conditions; • an assessment of the reasonableness of inputs including the volatility with analysis provided by internal experts; • recalculation of the amounts recognised over the vesting period; and • recalculation of the National Insurance amounts recognised in relation to these awards.
<p>The accounting for property leases</p> <p>Where the Group is the lessee of a property which is either vacant, loss-making or sublet, a provision may be required to recognise the onerous element of the lease. The key judgements in the calculation of the provision are the discount rate applied and forecast earnings at stores.</p> <p>The total value of the provision at 28 January 2017 was £1.5m (30 January 2016: £1.7m) (see Note 22).</p> <p>The Group also maintains a provision in respect of dilapidation costs for closed stores and stores anticipated to be closed in the near future. Management judgement is involved in calculating these provisions which are based on management's best estimate of the future dilapidation costs to be incurred upon exiting these stores. The dilapidations provision has increased from £0.8m as at 30 January 2016 to £1.1m as at 28 January 2017 (see Note 22).</p> <p>See accounting policy on page 53-56 and key sources of estimation uncertainty within Note 2.</p>	<p>We tested the utilisation of the onerous lease provision and assessed whether the year-end provision is reasonable given the actual performance of the stores for which there is an onerous lease provision compared to management's forecasts.</p> <p>We challenged all store forecasts in terms of future earnings projections and costs associated with running stores to determine if the provision is complete. Where stores do not have a provision, we considered management's stated turnaround strategies in relation to the length of the lease remaining or plans to relocate the stores.</p> <p>We challenged management's assumptions used within the dilapidation provision model. We have verified the inputs to the provision calculation by agreeing them to supporting documentation where possible. We also assessed the past accuracy of the provision by assessing previously provided amounts to settled dilapidations payments.</p>
<p>Revenue recognition in relation to hire and Tailor Me deposits and the provision for customer returns</p> <p>Where the Group holds deposits in relation to hire or Tailor Me sales, where the suit has not yet been collected by the customer, deposits must be held as deferred revenue until collection. A risk exists that revenue could be released early before the collection has taken place. As at 28 January 2017, hire and Tailor Me deposits of £1.4m (30 January 2016: £1.4m) were recognised in deferred revenue in relation to future transactions. See the accounting policy on page 53-56</p> <p>The Group offers a full refund on retail sales within 28 days. Management holds a provision to estimate the value of returns made in the 28 days following the year end where the sale was made during the period. As at 28 January 2017, the Group held a refund provision of £0.2m (30 January 2016: £0.1m).</p>	<p>We tested the deferred revenue balance in relation to hire and Tailor Me deposits through inspection of sales invoices and recalculation of the deferred element.</p> <p>We assessed the refund provisioning policy with reference to post period end refund information and performed sensitivity analysis on management's assumptions around the proportion of refunds relating to the period to 28 January 2017.</p>

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 20.

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.

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.

We determined materiality for the group to be £0.59m (2015/16: £0.55m), which is below 0.5% (2015/16: 0.5%) of Revenue, below 9% (2015/16: 10%) of Profit Before

Taxation and below 2% (2015/16: 2%) of Equity. The increase in materiality for the period ended 28 January 2017 reflects the increased Revenue and Profit Before Tax recorded in the period. 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.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £29,000 (2015/16: £11,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We have increased the threshold to reflect the low levels of misstatements identified historically. 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 work is designed to provide a full audit of the Group which consists of Moss Bros Group PLC as the only trading entity and a number of dormant subsidiaries which are subject to analytical procedures. All work is performed by the Group audit team at the head office where all books and records are kept.
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Opinion on other matters prescribed by the Companies Act 2006	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> • the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and • the information given in the 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.
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In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

<i>Adequacy of explanations received and accounting records</i>	<p>Under the Companies Act 2006 we are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> • 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. <p>We have nothing to report in respect of these matters.</p>
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<i>Directors' remuneration</i>	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. We have nothing to report arising from these matters.
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<i>Corporate Governance Statement</i>	Under the Listing Rules we are also required to review part of the Corporate Governance Statement relating to the company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.
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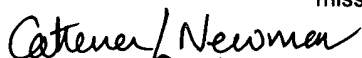
<i>Our duty to read other information in the Annual Report</i>	<p>Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:</p> <ul style="list-style-type: none"> • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or • otherwise misleading.
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In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of directors and auditor	<p>As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.</p>
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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.

Scope of the audit of the financial statements	<p>An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.</p>
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Catherine Lucy Newman FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

5 April 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 28 JANUARY 2017

		52 weeks to 28 January 2017	52 weeks to 30 January 2016		
	Notes	Total £'000	Underlying* £'000	Exceptional items** £'000	Total £'000
CONTINUING OPERATIONS					
Revenue		127,930	121,072	-	121,072
Cost of sales		(49,528)	(48,669)	-	(48,669)
Gross profit		78,402	72,403		72,403
Administrative expenses		(6,620)	(6,146)	-	(6,146)
Shops' selling and marketing costs		(64,705)	(60,333)	(748)	(61,081)
Operating profit		7,077	5,924	(748)	5,176
Other gains and losses	6, 24	26	3	650	653
Investment revenues	4	48	66	-	66
Financial costs	4	(5)	(51)	-	(51)
Profit on ordinary activities before taxation	5	7,146	5,942	(98)	5,844
Taxation charge	10	(1,623)	(1,273)	34	(1,239)
Profit after taxation attributable to equity holders of the parent	19	5,523	4,669	(64)	4,605
OTHER COMPREHENSIVE INCOME – ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY INTO PROFIT OR LOSS					
Cash flow hedges					
Change in fair value of effective portion		(212)	(61)	-	(61)
Other comprehensive income for the year, net of tax		(212)	(61)		(61)
Total comprehensive income for the year		5,311	4,608	(64)	4,544
Earnings per share (pence)					
Basic - total	11	5.51p	-		4.65p
Diluted - total	11	5.39p	-		4.50p
Underlying* earnings/ per share (pence)					
Basic - total	11	5.51p	4.71p		-
Diluted - total	11	5.39p	4.56p		-

*Underlying represents results before exceptional items as defined in note 1 of the Financial Statements

** Refer to Note 6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 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
52 WEEKS ENDED 30 JANUARY 2016							
BALANCE AT 31 JANUARY 2015	5,040	8,673	1,224	(1,521)	691	23,347	37,454
Profit for the period	-	-	-	-	-	4,605	4,605
Other comprehensive income:							
Cash flow hedging movement	-	-	-	-	(61)	-	(61)
Total comprehensive income for the period	-	-	-	-	(61)	4,605	4,544
Dividends paid	-	-	-	-	-	(5,300)	(5,300)
Credit to equity for equity settled share-based payments	-	-	347	-	-	-	347
Exercise of shares held under option	-	-	(619)	-	-	619	-
Movement on deferred tax on equity settled share-based payments	-	-	(177)	-	-	-	(177)
Movement on current tax on exercise of equity settled share –based payments	-	-	-	-	-	249	249
Sale of shares by employee benefit trust	-	-	-	839	-	(839)	-
SAYE exercise – employee contributions	-	-	-	-	-	220	220
BALANCE AT 30 JANUARY 2016	5,040	8,673	775	(682)	630	22,901	37,337

	Share capital £'000	Share premium account £'000	Share- based payments £'000	Employee benefit trust £'000	Hedging Reserve £'000	Retained earnings £'000	Total equity £'000
52 WEEKS ENDED 28 JANUARY 2017							
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 income for the period	-	-	-	-	(212)	5,523	5,311
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
BALANCE AT 28 JANUARY 2017	5,040	8,673	637	(138)	418	22,869	37,499

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

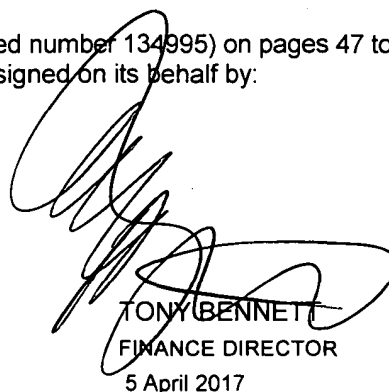
AS AT 28 JANUARY 2017

	Notes	28 January 2017 £'000	30 January 2016 £'000
ASSETS			
Intangible assets	13	1,443	1,796
Property, plant and equipment	14	18,792	17,187
Leasehold improvements	14	1,252	1,016
Deferred tax assets	10	1,200	1,189
TOTAL NON-CURRENT ASSETS		22,687	21,188
Inventories	16	16,709	14,428
Trade and other receivables	17	3,688	3,013
Cash and cash equivalents	24	19,518	17,259
Derivative financial instruments	24	411	597
TOTAL CURRENT ASSETS		40,326	35,297
TOTAL ASSETS		63,013	56,485
LIABILITIES			
Trade and other payables	20	17,157	11,603
Provisions	22	1,252	1,076
Current tax liability		1,181	229
TOTAL CURRENT LIABILITIES		19,590	12,908
Other payables	21	3,208	2,990
Provisions	22	1,321	1,402
Deferred tax liabilities	10	1,395	1,848
TOTAL NON-CURRENT LIABILITIES		5,924	6,240
TOTAL LIABILITIES		25,514	19,148
NET ASSETS		37,499	37,337
EQUITY			
Called up share capital	18	5,040	5,040
Share premium account	19	8,673	8,673
Share-based payments	19	637	775
Employee benefit trust	19	(138)	(682)
Hedge reserve	19, 24	418	630
Retained earnings	19	22,869	22,901
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT		37,499	37,337

The financial statements of Moss Bros Group plc (registered number 134995) on pages 47 to 71 were approved by the Board of Directors on 5 April 2017 and were signed on its behalf by:



BRIAN BRICK
CHIEF EXECUTIVE OFFICER
5 April 2017



TONY BENNETT
FINANCE DIRECTOR
5 April 2017

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 52 WEEKS ENDED 28 JANUARY 2017

		52 weeks to 28 January 2017 £'000	52 weeks to 30 January 2016 £'000
	Notes		
OPERATING ACTIVITIES			
Profit after taxation		5,523	4,605
Adjustments for:			
Taxation charge	10	1,623	1,239
Other (gains)	6,24	(26)	(653)
Investment revenues	4	(48)	(66)
Financial costs	4	5	51
Amortisation of intangible assets	13	801	1,149
Depreciation of tangible fixed assets	14	5,905	5,654
Amortisation of compulsory purchase compensation receipt	5, 14	(203)	(204)
Loss on sale of property, plant and equipment		636	642
(Increase) /Decrease in inventories		(2,281)	1,308
(Increase) /Decrease in receivables		(675)	547
Increase /(Decrease) in payables		5,718	(2,215)
Increase in provisions		96	243
Share-based payments expense	9	444	451
Exercise of share options		(480)	(619)
Exceptional income – lease compensation cash receipt	6	-	650
Taxation paid		(1,072)	(1,143)
NET CASH FROM OPERATING ACTIVITIES		15,966	11,639
INVESTING ACTIVITIES			
Interest received	4	48	66
Interest paid	4	(5)	(4)
Purchase of intangible assets	13	(650)	(966)
Purchase of tangible fixed assets	14	(8,115)	(8,645)
Proceeds from the sale of property, plant and equipment		138	-
NET CASH USED IN INVESTING ACTIVITIES		(8,584)	(9,549)
FINANCING ACTIVITIES			
Dividends paid		(5,687)	(5,300)
Proceeds of employee benefit trust share sale		544	839
Excess SAYE receipt between cost and exercise price		20	-
NET CASH USED IN FINANCING ACTIVITIES		(5,123)	(4,461)
Cash and cash equivalents at beginning of period		17,259	19,630
Net (decrease) / increase in cash and cash equivalents		2,259	(2,371)
Cash and cash equivalents at end of period		19,518	17,259

COMPANY BALANCE SHEET

AS AT 28 JANUARY 2017

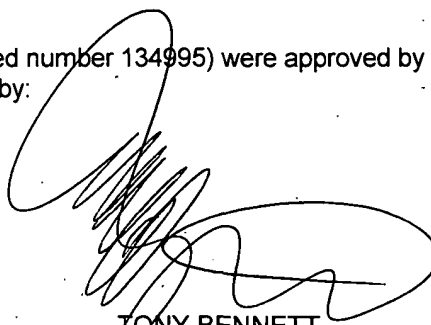
		28 January 2017 £'000	30 January 2016 £'000
	Notes		
ASSETS			
Intangible assets	13	1,443	1,796
Property, plant and equipment	14	18,792	17,187
Leasehold improvements	14	1,252	1,016
Investments	15	9,502	9,502
Deferred tax asset	10	1,200	1,189
TOTAL NON-CURRENT ASSETS		32,189	30,690
Inventories	16	16,709	14,428
Trade and other receivables	17	5,839	5,164
Cash and cash equivalents	24	19,518	17,259
Derivative financial instruments	24	411	597
TOTAL CURRENT ASSETS		42,477	37,448
TOTAL ASSETS		74,666	68,138
LIABILITIES			
Trade and other payables	20	29,339	23,785
Provisions falling due within one year	22	1,252	1,076
Current tax liability		1,181	229
TOTAL CURRENT LIABILITIES		31,772	25,090
Other payables	21	3,209	2,991
Provisions falling due after one year	22	1,321	1,402
Deferred tax liability	10	1,395	1,848
TOTAL NON-CURRENT LIABILITIES		5,925	6,241
TOTAL LIABILITIES		37,697	31,331
NET ASSETS		36,969	36,807
EQUITY			
Called up share capital	18	5,040	5,040
Share premium account	19	8,673	8,673
Share-based payments	19	637	775
Employee benefit trust	19	(138)	(682)
Acquisition reserve	19	4,370	4,370
Hedge reserve	19,24	418	630
Profit and loss account	19	17,969	18,001
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	19	36,969	36,807

The Company profit after taxation for the year ended 28 January 2017 was £5,523,000 (30 January 2016: £4,605,000, after exceptional items).

The financial statements of Moss Bros Group plc (registered number 134995) were approved by the Board of Directors on 5 April 2017 and were signed on its behalf by:



BRIAN BRICK
CHIEF EXECUTIVE OFFICER
5 April 2017



TONY BENNETT
FINANCE DIRECTOR
5 April 2017

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 28 JANUARY 2017

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 Johns Hill, London, SW11 1SA. The nature of the Group's operations and its principal activities are set out in the Strategic Review on pages 5 to 6. The consolidated financial statements of the Company for the 52 weeks ended 28 January 2017 ("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 where IFRSs require an alternative treatment. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The Group's significant accounting policies are set out in this note, together with the judgements made by management in applying these policies, which have the most significant effect on the amounts recognised in the financial statements, apart from those involving estimations, which are dealt with separately in note 2. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements except as set out below. The estimates and underlying assumptions are reviewed on an 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 30 January 2016. These can be seen via <http://corp.moss.co.uk/reports/>

Management believe the most significant areas of judgement to be:

Deferred tax

The carrying amount of deferred tax assets is 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.

Share-based payments

The assumptions behind the Group's estimate of equity instruments that will eventually vest is considered a key area of judgement.

Property Plant and Equipment

The estimated useful lives of non-current assets are considered to be a key area of judgement, particularly given the nature of the business.

Onerous property leases

The assumptions underlying these calculations are highly sensitive to small changes.

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
IFRS 16	Leases
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions
IAS 7 (amendments)	Disclosure Initiative: Statement of Cash Flows
IAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
IFRIC 22	Foreign Currency Transactions and Advance Consideration

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

CONSOLIDATION

The consolidated Group accounts incorporate the accounts of Moss Bros Group PLC and its subsidiaries, all of which have made up their accounts to 28 January 2017. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany balances, income, expenditure and expenses are eliminated on consolidation.

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. 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 the detailed in the Consolidated Statement of Changes in Equity.

The Company made a profit after taxation for the 52 week period to 28 January 2017 of £5,523,000 (52 week period to 30 January 2016: profit of £4,605,000).

GOING CONCERN

The Directors, have at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources in place for operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Corporate Governance Report on page 20.

REVENUE

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

COST OF SALES

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

FOREIGN EXCHANGE

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

LEASES

Leases under the terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in payables. As at 28 January 2017 and 30 January 2016, the Company 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.

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.

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.

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 goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the 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.

EXCEPTIONAL ITEMS

Exceptional items are those significant credits or charges which, in the opinion of the Directors, should be separately disclosed by virtue of their size and one-off nature, to enable a full understanding of the Group's financial performance. Therefore, such items are disclosed as exceptional on the face of the consolidated statement of comprehensive income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits.

TRADE RECEIVABLES AND DEBTORS

Trade receivables and debtors represent amounts due from retailers in respect of sub-tenant income and concessions from which the Group trades, less commissions due.

GOVERNMENT GRANTS

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

PENSIONS

Contributions payable to the Group Personnel Pension Plan and other post retirement benefits are charged to the 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.

SHARE-BASED PAYMENTS

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

INTANGIBLE ASSETS

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

PROPERTY, PLANT AND EQUIPMENT

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

Fixtures and fittings	5 - 10 years
Computer hardware	5 years

Computer software	3 – 5 years
Vehicles	6 years
Hire inventory	4 -7 years

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

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

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

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

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.

INVESTMENTS

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

INVENTORIES

Retail inventory is valued at the lower of cost (weighted average by season) and estimated net realisable value (estimated selling price less estimated costs of completion and costs to be incurred in selling and distribution). Net realisable value is estimated as discussed in note 16. Volume discounts received and receivable are deducted from the cost of inventories.

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.

Provisions for dilapidations for leases terminating are recognised when the Group believes that the costs of rectifying the store is probable and a reliable estimate can be made for the obligation. We will assess all leases that are due to be exited within 18 months from the year end date. We do not discount these provisions to present value as the value of discount is immaterial.

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 carry the highest available credit ratings.

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

2. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

IMPAIRMENT CALCULATIONS

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

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

There has been no impairment charge recognised during 2016/17 (2015/16: £nil) in relation to loss making stores.

ONEROUS PROPERTY LEASE CONTRACTS

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

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

A credit of £207,000 was recognised within the consolidated statement of comprehensive income in relation to onerous property lease contracts for continuing operations for the period ended 28 January 2017 (2015/16: £180,000 credit).

SHARE-BASED PAYMENT TRANSACTIONS

The fair values of the options granted, and shares granted under the LTIP and SAYE, that are referred to in the accounting policies note, are measured using the Black-Scholes model, taking into account the terms and conditions upon which the options and shares were granted. Details of the assumptions used are set out in note 9.

The Group has applied the requirements of IFRS2 'Share-based Payments'. The Company has applied the requirements of IFRS 2 'Share-based Payments'.

The amount recorded in the statement of comprehensive income and statement of changes in equity in respect of share-based payment transactions, is an IFRS 2 charge of £392,000 and employer's National Insurance charge of £52,000 (2015/16: IFRS 2 charge of £347,000 and employer's National Insurance charge £104,000) and relates to the LTIP and SAYE.

INVENTORY PROVISIONS

Net realisable value is the selling price of inventory in the ordinary course of business less estimated selling costs. Provision is made for the estimated obsolescence of old seasons' lines based on historical margin trends and for the estimated loss of inventory from shop theft based on historical data. The provision at 28 January 2017 was £460,000 (2015/16: £467,000).

DILAPIDATIONS

In 2015/16, an exceptional charge of £748,000 was incurred in respect of property dilapidations. In line with our policy, the provision has been increased by £347,000 in 2016/17. See note 22.

3. REVENUE AND BUSINESS SEGMENTS

OPERATING SEGMENTS

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

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.

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

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

KEY FINANCIALS

	52 weeks to 28 January 2017 £'000	52 weeks to 30 January 2016 £'000
CONTINUING OPERATIONS		
Revenue		
Retail	110,812	103,883
Hire	17,118	17,189
Total revenue	127,930	121,072
Gross profit		
Retail	64,920	58,570
Hire	13,482	13,833
Total gross profit	78,402	72,403
Gross Margin %		
Retail	58.6%	56.4%
Hire	78.8%	80.5%
Total gross margin	61.3%	59.8%
Administrative expenses	(6,620)	(6,146)
Shops' selling and marketing costs	(64,705)	(60,333)
Operating profit before exceptional items	7,077	5,924
Other gains and losses	26	3
Investment revenues	48	66
Financial costs	(5)	(51)
Profit before taxation and exceptional items	7,146	5,942
Exceptional items	-	(98)
Profit before taxation and after exceptional items	7,146	5,844

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

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

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

4. INVESTMENT INCOME AND FINANCIAL COSTS

	2016/17 £'000	2015/16 £'000
CONTINUING OPERATIONS		
Interest receivable on bank deposits	48	66
Interest payable on corporation tax	(2)	(47)
Interest payable on bank accounts	(3)	(4)
	43	15

5. PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS AND TAXATION

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

	2016/17 £'000	2015/16 £'000
CONTINUING OPERATIONS		
Staff costs (note 8)	25,922	25,100
Depreciation of property, plant and equipment net of the amortisation of the LDA* credit amounting to (£203K) (2015/16: (£204k))	5,505	5,233
Depreciation of leasehold improvements	197	217
Amortisation of intangibles	801	1,149
Loss on disposal of property, plant and equipment	636	642
Operating lease charges – land and buildings	19,308	18,177
– other	1	17
Other operating income from sublets	(612)	(650)
Rent paid contingent on turnover	667	707
Onerous lease and dilapidations provision release and utilisation	320	663

* £101,000 (2015/16: £101,000) of this credit relates to compulsory purchase compensation of £1,440,000 was received during 2012/13 from the London Development Agency (LDA) resulting from the finalisation of a compulsory purchase compensation claim made in 2007 on the Group's former distribution centre following the successful London Olympics bid. £423,000 of this amount related to revenue and £1,017,000 related to fixed assets. Of the £1,017,000 which related to fixed assets, £610,000 was recognised in 2012/13 as an exceptional item representing six years accumulated depreciation and £407,000 was deferred into future years to be released over the useful economic lives of the relevant replacement assets. This ongoing annual release has not been treated as an exceptional item in subsequent years but netted off the annual depreciation charge for the replacement assets.

6. EXCEPTIONAL ITEMS

	2016/17 £'000	2015/16 £'000
Shop selling and marketing costs		
Provision for dilapidations	-	(748)
Other gains and losses		
Receipt of compensation from termination of lease contract	-	650
TOTAL EXCEPTIONAL ITEMS	-	(98)

In 2015/16, an exceptional credit had been received following the negotiated exit from a retail location where the landlord paid compensation, for the release of certain lease obligations, of £650,000.

An exceptional charge of £748,000 was incurred in respect of property dilapidations. As a result of the portfolio of stores increasingly moving away from the high street and towards shopping centres and retail parks, we refined our estimation technique for calculating the dilapidation provision in 2015/16.

Given this change in estimate and the unusually high number of dilapidation claims received in 2015/16 there was a large dilapidations charge to the Statement of Comprehensive Income. While dilapidation claims are generally part of the underlying operations of the business, the size of the charge to the Statement of Comprehensive Income in the prior year means that this meets our definition of an exceptional item.

7. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	2016/17 £'000	2015/16 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	94	94
Audit related assurance services:		
Non-audit fees	7	7
Total auditor's remuneration	101	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:

	2016/17	2015/16
GROUP AND COMPANY	Number	Number
Distribution	95	94
Selling and marketing	789	787
Administration	54	53
Total	938	934
The aggregate staff costs recognised in the statement of comprehensive income were as follows:		
GROUP AND COMPANY	2016/17 £'000	2015/16 £'000
Wages and salaries	23,151	22,427
Social security costs	1,929	1,892
Contributions to defined contribution plans	450	434
Share-based payments (note 9)	392	347
	25,922	25,100

Directors' emoluments are disclosed within the Annual Report on Remuneration on pages 34 to 42.

9. SHARE-BASED PAYMENTS

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) savings contract. For the 2016/17 plan, in line with HMRC regulations, the Board limited the maximum amount saved to £500 per month per employee (2015/16 plan: £500 per month). The price at which options were offered is the average closing price for three consecutive dealing days preceding the offer date. For 2016, 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, three years after entering the scheme.

	2016 3-year plan	2015 3-year plan	2014 3-year plan
Options outstanding at the beginning of the period	-	118,881	143,880
Granted	581,827	-	-
Forfeited	(25,637)	(29,249)	(41,129)
Options outstanding at the end of the period	556,190	89,632	102,751
Exercise price (pence)	82.70	104.60	117.70

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

	2016 3-year plan	2015 3-year plan	2014 3-year plan
Grant date	May 2016	May 2015	May 2014
Fair value at grant date (pence per share)	20.78	12.30	23.20
Share price at grant date (pence per share)	100.50	104.75	115.88
Exercise price (pence per share)	82.70	104.60	117.70
Expected volatility (expressed as weighted average volatility used in the modelling under the Black - Scholes model)	32.4%	20.5%	31.8%
Option life (years)	3.0	3.0	3.0
Expected dividend yield	5.3%	3.0%	3.0%
Risk-free interest rate	0.62%	1.94%	1.2%

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 14 April 2014 a new equity settled Long-Term Incentive Plan (LTIP) was approved by shareholders and 807,341 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.

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.

RECONCILIATION OF SHARE AWARDS

	October 2016	April 2016	May 2015	April 2015	April 2014
Fair value of share options and assumption	Grant	Grant	Grant	Grant	Grant
Options originally granted net of lapsed	61,228	879,447	73,800	541,236	576,506
Unvested options at 30 January 2016	-	-	73,800	541,236	576,506
Granted	61,228	879,447	-	-	-
Lapsed	-	(91,026)	-	(37,611)	(297,091)
Vested *	-	-	-	-	(279,415)
Unvested options at 28 January 2017	61,228	788,421	73,800	503,625	-
Options unexercised at 28 January 2017**	61,228	788,421	73,800	503,625	279,415
Fair value at grant date (pence per share)	83.65	87.00	83.89	98.25	104.19
Share price (pence per share)	99.25	102.00	91.79	107.50	114.00
Exercise price (pence per share)	-	-	-	-	-
Expected volatility (expressed as weighted average volatility used in the modelling under the Black - Scholes model)	34.3%	31.9%	21.2%	20.0%	4.7%
Option life (years)	3.00	3.00	3.00	3.00	3.00
Contractual life of shares (years)	3	3	3	3	3
Expected dividend yield	5.7%	5.3%	3.0%	3.0%	3.0%
Risk-free interest rate	0.62%	0.62%	1.94%	1.94%	0.5%

*Based on the year ended 28 January 2017 in respect of the 2014 scheme, 50% of the original grant of these options will vest based on satisfying the performance conditions. These options were unexercised at 28 January 2017.

**The options unexercised for April 2014 represents 50% of the original grant as 50% will lapse when exercised.

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 34 to 42.

DEFERRED BONUS SHARES

In accordance with the Directors' Remuneration Policy, a 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.

Fair value of share options and assumption	April 2014 Award ⁽¹⁾	April 2013 Award ⁽²⁾
Unvested options at 30 January 2016	131,920	419,179
Vested	(131,920)	(419,179)
Unvested options at 28 January 2017	-	-
Options unexercised at 28 January 2017	131,920	-
Fair value at measurement date (pence per share)	65.93	31.37
Share price (pence per share)	72.50	34.5
Exercise price (pence per share)	-	-
Expected volatility (expressed as weighted average volatility used in the modelling under the Black - Scholes model)	16.0%	34.8%
Option life (years)	3.00	3.00
Expected dividend yield	3.0%	3.0%
Risk-free interest rate	0.5%	0.5%

⁽¹⁾ April 2014 grant was awarded in 2014/15 and is based on annual performance for the 2013/14 financial year.

⁽²⁾ April 2013 grant was awarded in 2013/14 and was based on annual performance for the 2012/13 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.

Vesting conditions – see the Annual Report on Remuneration on pages 34 to 42.

SHARE-BASED PAYMENT CHARGE

The amount recorded in the statement of comprehensive income in respect of share-based payment transactions, is IFRS 2 charge of £392,000 and employer's National Insurance charge of £52,000 (2015/16: IFRS 2 charge of £347,000 and employer's National Insurance charge £104,000) and relates to the LTIP, Deferred Bonus Shares and SAYE scheme.

RECONCILIATION OF SHARE AWARDS	SAYE Number	LTIP Number	Deferred bonus Number
Share awards outstanding at 30 January 2016	411,878	1,765,177	551,099
Granted in the period	581,827	940,675	-
Exercised in the period	(142,477)	(573,636) ⁽¹⁾	(419,179)
Lapsed in the period	(102,655)	(425,729)	-
Share awards outstanding at the end of the period	748,573	1,706,487	131,920
Fully exercisable at the end of the period	-	279,414	-

⁽¹⁾ This represents the exercise of awards granted in April 2013 and September 2013 which vested during 2015/16.

All shares apart from SAYE options are exercised at £nil cost. Option price for SAYE options stated on page 58.

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 34 to 42.

10. TAXATION

(A) TAXATION RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME IS AS FOLLOWS:

	2016/17	2015/16
GROUP - CONTINUING OPERATIONS	£'000	£'000
Current tax charge		
Current period	2,104	1,563
Adjustment for prior periods	(80)	(105)
	2,024	1,458
Deferred tax (credit) / charge		
Current period	(406)	(169)
Adjustment for prior periods	(77)	23
Effect of change in tax rate on opening deferred tax balances	82	(73)
	(401)	(219)
Total taxation charge in the Statement of Comprehensive Income	1,623	1,239

(B) FACTORS AFFECTING THE TAX CHARGE FOR THE PERIOD	2016/17	2015/16
GROUP - CONTINUING OPERATIONS	£'000	£'000
Profit on ordinary activities before tax	7,146	5,844
Profit before tax multiplied by rate of corporation tax in the UK of 20% (2015/16: 20.16%)	1,429	1,178
Income taxed at different rates in foreign jurisdictions	(48)	(37)
Depreciation on assets not qualifying for capital allowances	303	159
Adjustment in respect of prior period	(157)	(81)
Impact on share based payments	9	12
Other permanent differences	5	80
Effect in the change of tax rate	82	(72)
Taxation charge for the period	1,623	1,239

(C) ANALYSIS OF DEFERRED TAX LIABILITY	2016/17	2015/16
GROUP AND COMPANY	£'000	£'000
The deferred tax liability comprises:		
Deferred capital gains	(1,395)	(1,848)
Deferred tax liability	(1,395)	(1,848)

(D) ANALYSIS OF DEFERRED TAX ASSET	2016/17	2015/16
GROUP AND COMPANY	£'000	£'000
The deferred tax asset comprises:		
Accelerated capital allowances	1,068	959
Share-based payments	125	192
Other short-term timing differences	7	38
Deferred tax asset	1,200	1,189

(E) MOVEMENT IN DEFERRED TAX ASSET AND LIABILITY	£'000
GROUP AND COMPANY	
Liability at 26 January 2014	(281)
Charge to income due to continuing operations	(149)
Debit to equity due to continuing operations	(272)
Liability at 31 January 2015	(702)
Credit to income due to continuing operations	220
Debit to equity due to continuing operations	(177)
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)

At 28 January 2017 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 2016/17 and forecasts to be profitable in future years.

At the balance sheet date, the Finance (No 2) Act 2015 had been substantively enacted confirming that the main UK corporation tax rate will reduce from 20% to 19% with effect from 1 April 2017 and then to 18% from 1 April 2020. Therefore, at 28 January 2017, deferred tax assets and liabilities have been calculated at the rate at which the temporary difference is expected to reverse after 1 April 2017. These reductions may also reduce the Group's future current tax charges accordingly.

11. EARNINGS PER SHARE

Underlying* basic earnings per ordinary share is based on the weighted average of 100,211,983 (2015/16: 99,084,852) 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 £5,523,000 (2015/16: £4,669,000).

Underlying* diluted earnings per ordinary share is based upon the weighted average of 102,559,814 (2015/16: 102,324,496) 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 2,347,831, 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	2016/17 pence	2015/16 pence
Underlying* basic earnings per share	5.51	4.71
Impact of exceptional items	-	(0.06)
Basic earnings per share on continuing operations	5.51	4.65
 Diluted earnings per share	 2016/17 pence	 2015/16 pence
Underlying* basic earnings per share	5.39	4.56
Impact of exceptional items	-	(0.06)
Diluted earnings per share on continuing operations	5.39	4.50

*Underlying represents results before exceptional items as defined in note 1 of the Financial Statements.

12. DIVIDEND

Amounts recognised as distributions to equity holders in the period:

	2016/17 £'000	2015/16 £'000
Final dividend for the year ended 30 January 2016: 3.75 pence per share (31 January 2015: 3.55 pence per share)	3,766	3,512
Interim dividend for the year ended 28 January 2017 of 1.91 pence per share (30 January 2016: 1.80 pence per share)	1,921	1,788
	5,687	5,300

Given the progress made in 2016/17 and the prospects for further growth the Board feels it is appropriate to propose the payment of a final dividend.

A dividend of 3.98 pence per share is proposed to be paid on 23 June 2017 to all shareholders on the register as at 2 June 2017 (ex dividend date 1 June 2017) and in line with the Board's policy, will be monitored to ensure we achieve robust dividend cover over time.

13. INTANGIBLE NON-CURRENT ASSETS

GROUP AND COMPANY	IT software £'000
COST	
At 31 January 2015	6,856
Additions	966
At 30 January 2016	7,822
AMORTISATION	
At 31 January 2015	4,877
Charge for the period	1,149
At 30 January 2016	6,026
NET BOOK VALUE	
At 30 January 2016	1,796
At 31 January 2015	1,979
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

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

The Group has capitalised £228,000 of IT personnel costs during the year (2015/16: £254,000) 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 28 January 2017, the total cost of IT personnel costs included within Intangible Non-Current Assets was £967,000 (2015/16: £1,219,000) with associated net book value of £276,000 (2015/16: £546,000).

14. PROPERTY, PLANT AND EQUIPMENT

(A)

	Fixtures, vehicles and equipment	Hire inventory	Property, plant and equipment total	Leasehold improvements	Total
GROUP AND COMPANY	£'000	£'000	£'000	£'000	£'000
COST:					
At 31 January 2015	60,113	9,771	69,884	3,798	73,682
Additions	5,852	2,443	8,295	350	8,645
Disposals	(4,695)	(2,138)	(6,833)	(647)	(7,480)
At 30 January 2016	61,270	10,076	71,346	3,501	74,847
DEPRECIATION:					
At 31 January 2015	48,425	6,718	55,143	2,889	58,032
Charged in period	3,733	1,500	5,233	217	5,450
Disposals	(4,435)	(1,782)	(6,217)	(621)	(6,838)
At 30 January 2016	47,723	6,436	54,159	2,485	56,644
NET BOOK VALUE:					
At 30 January 2016	13,547	3,640	17,187	1,016	18,203
At 31 January 2015	11,688	3,053	14,741	909	15,650
GROUP AND COMPANY					
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

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

Included within leasehold improvements at 28 January 2017 are £110,000 of location premiums (30 January 2016: £114,000). Location premiums relate to premiums paid to enter a property which is in a desirable location.

During 2016/17 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 £71,000 charge (2015/16: £51,000 charge) to the Statement of Comprehensive Income has been made during the year ended 28 January 2017. 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:

	2016/17	2015/16
GROUP AND COMPANY	£'000	£'000
Contracted	1,235	1,020

(C) OPERATING LEASES

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

	2016/17		2015/16	
	Land and buildings	Other	Land and buildings	Other
GROUP AND COMPANY	£'000	£'000	£'000	£'000
Payments falling due				
- within one year	17,147	-	15,868	1
- in the second to fifth year	52,364	-	50,554	-
- over five years	18,349	-	20,568	-
	87,860	-	86,990	1

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	2016/17 £'000	2015/16 Land and buildings £'000
Income falling due		
- within one year	256	355
- in the second to fifth year	647	1,139
- over five years	-	78
	903	1,572

15. FIXED ASSET INVESTMENTS

COMPANY	2016/17 £'000	2015/16 £'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	Country of Incorporation
Fairdale Textiles Limited	Dormant	United Kingdom
Blazer Limited	Dormant	United Kingdom
Shirt Co Limited	Dormant	United Kingdom
L&A Froemberg Limited	Dormant	United Kingdom
Moss Bros Group Qualifying Employee Share Ownership Trust	Employee Benefit Trust	United Kingdom
Gee 2 Limited**	Dormant	United Kingdom
Our Big Day Limited	Dormant	United Kingdom
Tannette Limited	Dormant	United Kingdom
Cecil Gee (Menswear) Limited	Dormant	United Kingdom
Delanco Meyer (Textiles) Limited**	Dormant	United Kingdom
Suit Co Limited	Dormant	United Kingdom
Broadpark Limited	Dormant	United Kingdom
City Menswear Limited	Dormant	United Kingdom
Savoy Taylors Guild Limited	Dormant	United Kingdom
Cecil Gee Limited	Dormant	United Kingdom
Hagee (London) Limited	Dormant	United Kingdom
Beale & Inman Limited	Dormant	United Kingdom
Vavasseur & Company Limited	Dormant	United Kingdom
Dehavilland Limited	Dormant	United Kingdom
Brand Centre Holdings Limited	Dormant	United Kingdom
Brand centre (Lifestyle) Limited	Dormant	United Kingdom

*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	2016/17 £'000	2015/16 £'000
Retail inventory	17,169	14,895
Retail inventory provisions	(460)	(467)
	16,709	14,428

17. TRADE AND OTHER RECEIVABLES

GROUP	2016/17 £'000	2015/16 £'000
Trade receivables	291	177
Other receivables	366	425
Prepayments and accrued income	3,031	2,411
	3,688	3,013

	2016/17	2015/16
COMPANY	£'000	£'000
Trade receivables	291	177
Amounts owed by Group undertakings	2,151	2,151
Other receivables	366	425
Prepayments and accrued income	3,031	2,411
	5,839	5,164

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

18. SHARE CAPITAL

	2016/17	2015/16
GROUP AND COMPANY	£'000	£'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 31 January 2015	5,040	8,673	1,224	(1,521)	691	23,347	37,454
Profit after taxation	-	-	-	-	-	4,605	4,605
Cash flow hedging movement	-	-	-	-	(61)	-	(61)
Dividends paid	-	-	-	-	-	(5,300)	(5,300)
Credit to equity for equity settled share-based payments	-	-	347	-	-	-	347
Exercise of shares held under option	-	-	(619)	-	-	619	-
Movement on deferred tax on equity settled share-based payments	-	-	(177)	-	-	-	(177)
Movement on current tax on exercise of equity settled share-based payments*	-	-	-	-	-	249	249
Sale of shares by employee benefit trust	-	-	-	839	-	(839)	-
SAYE exercise – employee contributions	-	-	-	-	-	220	220
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

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 31 January 2015	5,040	8,673	1,224	(1,521)	691	18,447	4,370	36,924
Profit after taxation	-	-	-	-	-	4,605	-	4,605
Cash flow hedging movement	-	-	-	-	(61)	-	-	(61)
Dividends paid	-	-	-	-	-	(5,300)	-	(5,300)
Credit to equity for equity settled share-based payments	-	-	347	-	-	-	-	347
Exercise of shares held under option	-	-	(619)	-	-	619	-	-
Movement on deferred tax on equity settled share-based payments	-	-	(177)	-	-	-	-	(177)
Movement on current tax on exercise of equity settled share-based payments	-	-	-	-	-	249	-	249
Sale of shares by employee benefit trust	-	-	-	839	-	(839)	-	-
SAYE exercise – employee contributions	-	-	-	-	-	220	-	220
At 30 January 2016 ⁽²⁾	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

The Group has an employee benefit trust which holds 265,363 shares (2015/16: 1,400,652) in the Company for the benefit of the Group's employees. None of its shares has been allocated to a specific scheme. At 28 January 2017 the shares had a carrying value of £139,000 and a market value of £136,000 (2015/16: carrying value of £682,000 and market value of £1,383,000).

20. TRADE AND OTHER PAYABLES DUE WITHIN ONE YEAR

GROUP	2016/17 £'000	2015/16 £'000
Trade payables	4,059	2,430
Other payables including taxation and social security	6,228	4,336
Accruals and deferred income	6,870	4,837
	17,157	11,603
Other payables including taxation and social security comprise:		
Other taxes	1,821	1,812
Social security	534	469
	2,355	2,281
Other payables	3,873	2,055
	6,228	4,336
COMPANY	2016/17 £'000	2015/16 £'000
Amounts falling due within one year		
Trade payables	4,059	2,430
Amounts owed to group undertakings	12,182	12,182
Other payables including taxation and social security	6,228	4,336
Accruals and deferred income	6,870	4,837
	29,339	23,785

Other payables including taxation and social security comprise:	2016/17 £'000	2015/16 £'000
Other taxes	1,821	1,812
Social security	534	469
	2,355	2,281
Other payables	3,873	2,055
	6,228	4,336

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.

21. OTHER PAYABLES DUE AFTER ONE YEAR

	2016/17 £'000	2015/16 £'000
GROUP		
Accruals and deferred income	3,208	2,990
	2016/17 £'000	2015/16 £'000
COMPANY		
Amounts falling due after one year		
Accruals and deferred income	3,209	2,991

22. PROVISIONS

	Dilapidations provision	Onerous property lease provisions	Total
GROUP AND COMPANY ⁽¹⁾	£'000	£'000	£'000
At 31 January 2015	370	1,865	2,235
Additional provision during the period*	748	158	906
Release during the period	-	(84)	(84)
Utilisation during the period**	(325)	(254)	(579)
At 30 January 2016	793	1,685	2,478
Additional provision during the period*	415	-	415
Utilisation during the period**	(113)	(207)	(320)
At 28 January 2017	1,095	1,478	2,573

	Dilapidations provision	Onerous property lease provisions	Total	2015/16
	£'000	£'000	£'000	£'000
Current Balance sheet	1,010	242	1,252	1,076
Non-current Balance Sheet	85	1,236	1,321	1,402
	1,095	1,478	2,573	2,478

* The additional provision of £415,000 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 £113,000 of Dilapidations provision and £207,000 of onerous property lease provision was in respect of continuing and closed stores.

The onerous property lease provision at 28 January 2017 of £1,478,000 (2015/16: £1,685,000) 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 £267,000 (2015/16: release of £214,000). 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 £59,000 (2015/16: debit of £34,000).

The dilapidations provision at 28 January 2017 of £1,095,000 (2015/16: £793,000) is the estimated future cost of the Group's dilapidations costs and is expected to be released within two years.

23. PENSIONS

The Group currently operates a defined contribution scheme. As at 28 January 2017 there were £42,000 outstanding contributions relating to the defined contribution scheme (2015/16: £41,000).

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 28 January 2017 are detailed in note (E) below.

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	
	2016/17	2015/16
GROUP AND COMPANY	£'000	£'000
Trade receivables	291	177
Allowance for doubtful debts	-	-
	291	177

The Company recognised an allowance for doubtful debts where the trade receivable was considered irrecoverable on the basis of ageing and historical experience. In the current period £nil was provided for (2015/16: £nil). If the Company believes that a specific balance is irrecoverable, it will be written off. The Company does not require collateral in respect of these financial assets.

(ii) Cash and cash equivalents

	Floating rate financial assets	
	2016/17	2015/16
GROUP AND COMPANY	£'000	£'000
Currency		
Sterling	18,800	16,530
Other	718	729
Total	19,518	17,259

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 0.25% (2015/16: 0.43%).

(C) FINANCIAL LIABILITIES

There were no financial liabilities after excluding derivative financial instruments, as detailed below, and current trade payables as at 28 January 2017 (2015/16: £nil).

(D) FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

As at 28 January 2017 and 30 January 2016, there was no material difference between the fair values and book values of the Company's financial assets or liabilities.

(E) DERIVATIVE FINANCIAL INSTRUMENTS

	Current	Current
	2016/17	2015/16
GROUP AND COMPANY	£'000	£'000
Financial assets designated as cash flow hedges		
Forward foreign currency contracts	411	597
	411	597
	Current	Current
	2016/17	2015/16
GROUP AND COMPANY	£'000	£'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 2016/17 inventory purchases and hedge against the risk of exchange rate fluctuations. During 2016/17 the Group had entered into £12,934,382 (2015/16: £7,645,000) US dollar forward contracts which were outstanding at 28 January 2017. 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 28 January 2017, £418,000 has been deferred in equity (2015/16: £630,000). The ineffective portion of cash flow hedges recognised in "Other gains and losses" within the Statement of Comprehensive Income is a credit of £26,000 (2015/16: credit of £3,000).

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.

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:

	2016/17 £'000	2015/16 £'000
GROUP AND COMPANY		
Financial assets		
Cash flow hedges	411	597
	411	597

	2016/17 £'000	2015/16 £'000
GROUP AND COMPANY		
Financial liabilities		
Cash flow hedges	-	-
	-	-

	2016/17 £'000	2015/16 £'000
GROUP AND COMPANY		
Effect of 10% appreciation in foreign exchange rates on derivative cash flow hedges		
Sterling against US Dollar		
Deferred in equity – Hedge Reserve	(41)	(59)
Profit or loss ineffectiveness	-	-

The impact of changes in foreign exchange rates on cash flow hedges results from retranslation of forward purchases of US Dollars used to hedge 2016/17 inventory purchases. A negative number indicates a credit to equity where Sterling strengthens 10% against the US Dollar. The associated fair value gains and losses are deferred in equity until the purchases occur.

The sensitivity analysis excludes the impact of movements in market variables on the carrying amount of trade and other payables and receivables, due to the low associated sensitivity, and are reported before the effect of tax. It has been prepared on the basis that the Group's hedging activities, hedge accounting designations and derivative contracts remain constant, reflecting the position at 28 January 2017. Consequently, the analysis relates to the position at that date and is not necessarily representative of 2016/17 then ended. In preparing the sensitivity analysis, it is assumed that all hedges are fully effective.

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

All derivatives are categories 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 3 is calculated as follows:

	52 weeks to 28 January 2017	52 weeks to 30 January 2016
Profit on ordinary activities before tax and exceptional items	7,146	5,942
Deduct:		
Investment revenues	(48)	(66)
Financial costs	5	51
Add:		
Depreciation of property, plant and equipment	5,905	5,654
Amortisation of intangible assets	801	1,149
Amortisation of compulsory purchase compensation	(203)	(204)
EBITDA*	13,606	12,526

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

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 34 to 42. 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:

	2016/17 £'000	2015/16 £'000
Short-term employee benefits	1,389	1,139
Termination payments	66	46
Contributions to defined contribution plans	79	65
Proceeds from share-based payments	240	535
	1,774	1,785

Total remuneration is included in administrative expenses and relates to 11 employees in the period ended 28 January 2017 (2015/16: 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.

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 28 January 2017, total purchase from AAK Limited was £4.3m, including VAT, (30 January 2016: £4.1m, including VAT), of which £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 28 January 2017 the balance due from White Stuff was £212 in respect of service charges payable in arrears.