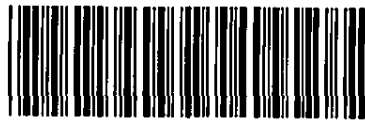


Company Registration No. 5484327 (England and Wales)

BROOKS BROTHERS UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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BROOKS BROTHERS UK LIMITED

COMPANY INFORMATION

Directors

Eraldo Poletto
Claudio del Vecchio
Stephen Kane
Brian Baumann

Company number

5484327

Registered office

99 Gresham Street
London
EC2V 7NG

Auditors

HLB Vantis Audit Plc
66 Wigmore Street
London
W1U 2SB

BROOKS BROTHERS UK LIMITED

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BROOKS BROTHERS UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2009

The directors present their report and financial statements for the year ended 31 July 2009

Principal activities and review of the business

The principal activity of the company is that of retailing high quality menswear and ladieswear

The company has had a challenging year. The economic downturn has hit the retail industry and revenue did not grow as steadily as anticipated by the directors. The directors have put in place measures to improve the company's turnover and to control the costs which should lead to improved performance over the coming years. Over the course of the year the company has continued to look for appropriate new sites for its products and this has led to the opening of two new outlets. It is hoped that this will further drive growth over the coming year.

As with other retail businesses, the company faces pressure from its competitors along with changes in consumer demand and fashion. A continuation of the economic downturn could further affect the company's results.

Most of the company's purchases are made in foreign currencies, principally the euro, but also the US dollar. Hence the company is exposed to any significant movement in these exchange rates.

The company's main key performance indicator is considered to be turnover.

Results

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 August 2008:

Eraldo Poletto

Claudio del Vecchio

Stephen Kane

John Hind

Brian Baumann

(Resigned 26 September 2008)

BROOKS BROTHERS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2009

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements 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, the directors are required to

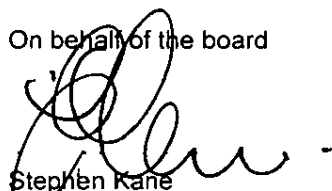
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Stephen Kane

Director

26/4/2010

BROOKS BROTHERS UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BROOKS BROTHERS UK LIMITED

We have audited the financial statements of Brooks Brothers UK Limited for the year ended 31 July 2009 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BROOKS BROTHERS UK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BROOKS BROTHERS UK LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

HLB Vantis Audit Plc

Alicia Slade (Senior Statutory Auditor)
for and on behalf of HLB Vantis Audit Plc

29/4/10

Chartered Accountants
Statutory Auditor

66 Wigmore Street
London
W1U 2SB



BROOKS BROTHERS UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2009

	Notes	2009 £	2008 £
Turnover	2	4,228,097	3,963,698
Cost of sales		(1,866,787)	(1,537,773)
Gross profit		2,361,310	2,425,925
Distribution costs		(4,259,522)	(3,884,347)
Administrative expenses		(937,204)	(696,943)
Operating loss	3	(2,835,416)	(2,155,365)
Other interest receivable and similar income	4	6,307	12,633
Interest payable and similar charges	5	(34,607)	(79,041)
Loss on ordinary activities before taxation		(2,863,716)	(2,221,773)
Tax on loss on ordinary activities	6	-	-
Loss for the year	13	(2,863,716)	(2,221,773)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

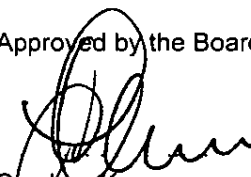
BROOKS BROTHERS UK LIMITED

BALANCE SHEET

AS AT 31 JULY 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	7		2,942,500		3,365,978
Current assets					
Stocks	8	1,495,848		1,531,675	
Debtors	9	94,395		153,272	
Cash at bank and in hand		863,020		98,083	
		2,453,263		1,783,030	
Creditors amounts falling due within one year	10	(1,772,280)		(2,768,448)	
Net current assets/(liabilities)			680,983		(985,418)
Total assets less current liabilities			3,623,483		2,380,560
Creditors amounts falling due after more than one year	11		(7,306,337)		(3,199,698)
			(3,682,854)		(819,138)
Capital and reserves					
Called up share capital	12		3,697,100		3,697,100
Profit and loss account	13		(7,379,954)		(4,516,238)
Shareholders' funds	14		(3,682,854)		(819,138)

Approved by the Board and authorised for issue on 26/4/2010


Stephen Kane
Director

Company Registration No 5484327

BROOKS BROTHERS UK LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2009

	2009	2008
	£	£
Net cash outflow from operating activities	(3,668,701)	(795,854)
Returns on investments and servicing of finance		
Interest received	6,307	12,633
Interest paid	(1,801)	(632)
Net cash inflow for returns on investments and servicing of finance	4,506	12,001
Capital expenditure		
Payments to acquire tangible assets	(83,021)	(852,470)
Net cash outflow for capital expenditure	(83,021)	(852,470)
Net cash outflow before management of liquid resources and financing	(3,747,216)	(1,636,323)
Financing		
Issue of ordinary share capital	-	3,697,000
Other new long term loans	4,512,153	1,455,000
Repayment of other long term loans	-	(3,697,000)
Net cash inflow from financing	4,512,153	1,455,000
Increase/(decrease) in cash in the year	764,937	(181,323)

BROOKS BROTHERS UK LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2009

1	Reconciliation of operating loss to net cash outflow from operating activities	2009		2008	
		£		£	
	Operating loss	(2,835,416)		(2,155,365)	
	Depreciation of tangible assets	506,499		472,370	
	Decrease/(increase) in stocks	35,827		(287,974)	
	Decrease in debtors	58,877		104,857	
	(Decrease)/Increase in creditors within one year	(1,403,456)		1,101,290	
	(Decrease)/Increase in creditors over one year	(31,032)		(31,032)	
	Net cash outflow from operating activities	(3,668,701)		(795,854)	
2	Analysis of net debt	1 August 2008	Cash flow	Other non-cash changes	31 July 2009
		£	£	£	£
	Net cash				
	Cash at bank and in hand	98,083	764,937	-	863,020
	Debt				
	Debts falling due after one year	(3,199,698)	(4,106,639)	-	(7,306,337)
	Net debt	(3,101,615)	(3,341,702)	-	(6,443,317)
3	Reconciliation of net cash flow to movement in net debt	2009		2008	
		£		£	
	Increase/(decrease) in cash in the year	764,937		(181,323)	
	Cash (inflow)/outflow from (increase)/decrease in debt	(4,106,639)		2,196,651	
	Movement in net debt in the year	(3,341,702)		2,015,328	
	Opening net debt	(3,101,615)		(5,116,943)	
	Closing net debt	(6,443,317)		(3,101,615)	

BROOKS BROTHERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company is reliant upon the continued support of its investors. The investors have confirmed that they will continue to provide such support for a period of at least twelve months from the date of approval of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods net of VAT and discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	over 8-10 years
Computer equipment	over 3 years
Shop display	over 3 years

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

BROOKS BROTHERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2009

3	Operating loss	2009	2008
		£	£
	Operating loss is stated after charging		
	Depreciation of tangible assets	506,499	472,370
	Loss on foreign exchange transactions	54,878	-
	Operating lease rentals	1,222,705	939,241
	Auditors' remuneration (including expenses and benefits in kind)	16,000	15,506
		<u> </u>	<u> </u>

4	Investment income	2009	2008
		£	£
	Bank interest	6,307	12,633
		<u> </u>	<u> </u>
		6,307	12,633
		<u> </u>	<u> </u>

5	Interest payable	2009	2008
		£	£
	On other loans wholly repayable within five years	32,806	76,381
	On overdue tax	-	2,028
	Other interest	1,801	632
		<u> </u>	<u> </u>
		34,607	79,041
		<u> </u>	<u> </u>

BROOKS BROTHERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2009

6	Taxation	2009 £	2008 £
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(2,863,716)	(2,221,773)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 29.00%)	(801,840)	(644,314)
	Effects of		
	Non deductible expenses	9,291	116
	Depreciation add back	141,820	136,987
	Tax losses carried forward	650,729	507,211
		801,840	644,314
	Current tax charge	-	-

The company has estimated losses of £ 6,174,000 (2008 - £ 3,850,000) available for carry forward against future trading profits

7	Tangible fixed assets	Plant and machinery etc £
	Cost	
	At 1 August 2008	4,275,035
	Additions	83,021
	At 31 July 2009	4,358,056
	Depreciation	
	At 1 August 2008	909,057
	Charge for the year	506,499
	At 31 July 2009	1,415,556
	Net book value	
	At 31 July 2009	2,942,500
	At 31 July 2008	3,365,978

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2009

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BROOKS BROTHERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2009

11 Creditors' amounts falling due after more than one year	2009 £	2008 £
Other creditors	7,306,337	3,199,698
Analysis of loans		
Not wholly repayable within five years other than by instalments	6,794,622	1,068,456
Wholly repayable within five years	511,715	2,131,242
	7,306,337	3,199,698
Loan maturity analysis		
In more than one year but not more than two years	409,886	31,032
In more than two years but not more than five years	101,829	2,100,210
In more than five years	6,794,622	1,068,456

At 31 July 2009, £916,405 is due to Brightark Ltd, formerly a shareholder in Brooks Brothers UK Ltd. Brightark Ltd ceased to be a shareholder on 5 December 2008, and the shareholder loan balance outstanding at that date will be fully repaid in quarterly instalments finishing on 30 September 2011. Interest is charged on this loan at a rate of 5.25%.

Loans wholly repayable over five years do not attract interest.

12 Share capital	2009 £	2008 £
Authorised		
5,000,000 Ordinary shares of £1 each	5,000,000	5,000,000
Allotted, called up and fully paid		
3,697,100 Ordinary shares of £1 each	3,697,100	3,697,100

13 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 August 2008	(4,516,238)
Loss for the year	(2,863,716)
Balance at 31 July 2009	(7,379,954)

BROOKS BROTHERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2009

14 Reconciliation of movements in shareholders' funds	2009 £	2008 £
Loss for the financial year	(2,863,716)	(2,221,773)
Proceeds from issue of shares	-	3,697,000
Net (depletion in)/addition to shareholders' funds	(2,863,716)	1,475,227
Opening shareholders' funds	(819,138)	(2,294,365)
Closing shareholders' funds	(3,682,854)	(819,138)

15 Financial commitments

At 31 July 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2010

	Land and buildings	
	2009 £	2008 £
Operating leases which expire In over five years	1,409,530	1,409,530

16 Directors' emoluments	2009 £	2008 £
Emoluments for qualifying services	9,167	110,000

BROOKS BROTHERS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2009

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2009 Number	2008 Number
	54	54
	<u>54</u>	<u>54</u>
Employment costs	2009 £	2008 £
Wages and salaries	1,281,601	1,295,568
Social security costs	118,056	125,084
	<u>1,399,657</u>	<u>1,420,652</u>

18 Control

The ultimate controlling party is Retail Brand Alliance Inc, a company incorporated in the United States of America and a company in which Claudio del Vecchio has a controlling interest

19 Related party transactions

Included in creditors is £6,794,622 (2008 £1,755,503) owed to Brooks Brothers International LLC, the immediate parent company of Brooks Brothers UK Limited. There are no set repayment terms for this loan and no interest is payable.

In 2008 creditors also included £1,175,371 owed to Brightark Limited, which owned 49% of the issued share capital of Brooks Brothers UK Limited. Brightark Limited relinquished its shareholding during the current year and is no longer a related party.

Also included in creditors in 2008 was £30,306 owed to Optika Limited, a company of which Ian Livingstone, who was previously the beneficial owner of 36% of Brooks Brothers UK Limited by way of his shareholding in Brightark Limited, is a shareholder. This also ceased to be a related party when Brightark Limited relinquished its shareholding.

Included in trade creditors are the following amounts owed to/(by) related parties

Retail Brand Alliance Far East Limited £nil (2008 £87,351)
Retail Brand Alliance Inc £nil (2008 £781,662)
Retail Brand Alliance Europe SRL £210,273 (2008 (£3,470))

During the year the company paid £nil (2008 £8,800) for a rates review to Stephen Kane, a director of the company. No amounts remain outstanding at either year end.