

TURNBULL & ASSER LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2013

Company Registration Number 01066321



4/11/13 326

TURNBULL & ASSER LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditor's report to the members	4 to 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 to 18

TURNBULL & ASSER LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
PERIOD ENDED 2 FEBRUARY 2013

The board of directors

Mr A Fayed
Mr J Fayed
Mr P Price
Mr S Quin
Mr N Clifford
Mr S McCoy
Mr N Blow

Company secretary

Mr D Foster

Registered office

14 South Street
London
W1K 1DF

Auditor

Baker Tilly Audit Limited
Chartered Accountants
66 Chiltern Street
London
W1U 4JT

TURNBULL & ASSER LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

The directors present their report and the financial statements of the company for the period from 29 January 2012 to 2 February 2013

Principal activities and business review

The principal activity of the company is the retail of bespoke shirts and ready to wear premium quality gentleman's clothing from London premises in Jermyn Street, Bury Street, and Old Broad Street and through its online e-Commerce site. The company also wholesales garments to customers throughout the UK and abroad. Aside from its selling activities the company is also engaged in the manufacture of shirts and ties from its own factories based in the UK.

The company has continued to operate satisfactorily despite the difficult economic climate through a combination of prudent management and successful consolidation of the company's profile at the premium end of the gentleman's clothing market.

Key performance indicators

Given the relatively straightforward nature of the business the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance, or position of the business.

Future developments

The external commercial and economic environment remains challenging. However, the company has laid careful and commercial plans to expand their brand presence.

Results and dividends

The profit for the period, after taxation, amounted to £324,000. The directors have not recommended a dividend.

Financial risk management objectives and policies

The management of the business, and the execution of the company's strategy are subject to a number of risks. Given a large number of the company's customers are high net worth individuals, the key risks and uncertainties affecting the company are considered to relate primarily to the continued uncertainty of the financial health of the global economy. High levels of product quality and customer service also remain an important factor in the overall performance of the business.

Directors

The directors who served the company during the period were as follows:

Mr A Fayed
Mr J Fayed
Mr S Miller
Mr P Price
Mr S Quin
Mr N Clifford
Mr S McCoy

Mr N Blow was appointed as a director on 4 March 2013.

Mr S Miller resigned as a director on 24 May 2013.

TURNBULL & ASSER LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

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 those 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, and
- 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Baker Tilly Audit Limited (formerly RSM Tenon Audit Limited) are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



D Foster

Secretary

Approved by the directors on 31 October 2013

TURNBULL & ASSER LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TURNBULL & ASSER LIMITED
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

We have audited the financial statements of Turnbull & Asser Limited for the period from 29 January 2012 to 2 February 2013 on pages 6 to 18. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/apb/scope/private.cfm>

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 2 February 2013 and of its profit for the period 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 matters prescribed by the Companies Act 2006

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

TURNBULL & ASSER LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TURNBULL & ASSER LIMITED *(continued)***

PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

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



Tony Castagnetti, Senior Statutory Auditor
For and on behalf of

Baker Tilly Audit Limited, Statutory Auditor
Chartered Accountants
66 Chiltern Street
London
W1U 4JT

Prior to 30 September 2013 Baker Tilly Audit Limited was named RSM Tenon Audit Limited

31 October 2013

TURNBULL & ASSER LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

	Note	Period from 29 Jan 12 to 2 Feb 13 £000	Period from 30 Jan 11 to 28 Jan 12 £000
Turnover	2	9,394	10,249
Cost of sales		(3,890)	(4,089)
Gross profit		<u>5,504</u>	<u>6,160</u>
Distribution costs		(221)	(220)
Administrative expenses		(4,972)	(4,832)
Other operating income	3	131	79
Operating profit	4	<u>442</u>	<u>1,187</u>
Interest receivable		7	–
Interest payable and similar charges	7	–	(9)
Profit on ordinary activities before taxation		<u>449</u>	<u>1,178</u>
Tax on profit on ordinary activities	8	(125)	(445)
Profit for the financial period		<u><u>324</u></u>	<u><u>733</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 9 to 18 form part of these financial statements

TURNBULL & ASSER LIMITED

Registered Number 01066321

BALANCE SHEET**2 FEBRUARY 2013**

		2 Feb 13		28 Jan 12	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	9		3,290		3,390
Current assets					
Stocks	10	2,630		2,362	
Debtors	11	870		1,322	
Cash at bank and in hand		2,228		1,408	
		<u>5,728</u>		<u>5,092</u>	
Creditors Amounts falling due within one year	12	<u>(1,538)</u>		<u>(1,317)</u>	
Net current assets			4,190		3,775
Total assets less current liabilities			<u>7,480</u>		<u>7,165</u>
Provisions for liabilities					
Deferred taxation	13		<u>(185)</u>		<u>(194)</u>
			<u>7,295</u>		<u>6,971</u>
Capital and reserves					
Called-up share capital	16		2,450		2,450
Other reserves	17		30		30
Profit and loss account	18		4,815		4,491
Shareholders' funds	19		<u>7,295</u>		<u>6,971</u>

These financial statements were approved by the directors and authorised for issue on 31 October 2013, and are signed on their behalf by



Mr N Blow
Director

The notes on pages 9 to 18 form part of these financial statements

TURNBULL & ASSER LIMITED

CASH FLOW STATEMENT

PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

		Period from 29 Jan 12 to 2 Feb 13		<i>Period from 30 Jan 11 to 28 Jan 12</i>	
	Note	£000	£000	£000	£000
Net cash inflow from operating activities	20		1,094		1,417
Returns on investments and Servicing of finance					
Interest received		7		—	
Interest paid		—		(9)	
		<u>7</u>		<u>(9)</u>	
Net cash inflow/(outflow) from returns on investments and servicing of finance			7		(9)
Taxation			(112)		(128)
Capital expenditure					
Payments to acquire tangible fixed assets		(169)		(189)	
		<u>(169)</u>		<u>(189)</u>	
Net cash outflow from capital expenditure			(169)		(189)
Increase in cash	20		<u>820</u>		<u>1,091</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Turnover

Turnover represents amounts receivable for the sale of goods to customers and concession commissions net of VAT and trade discounts

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Freehold Property	-	Straight line over 50 years
Leasehold Property	-	Straight line over 15 - 50 years
Fixtures & Fittings	-	Straight line over 3 - 10 years

Stocks

Stocks are valued at the lower of cost, calculated on a weighted average basis, and net realisable value

Work in progress

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on a normal level of activity

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund

Deferred taxation

Where material, deferred tax is measured in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. The deferred tax balance has not been discounted

TURNBULL & ASSER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

If a financial instrument contains both an equity and a liability element, then the liability element is first established with any residual value being disclosed within equity shareholders' funds. The liability element is the present value of the future payments guaranteed to be made to the holders of the financial instrument.

2. Turnover

The total turnover of the company for the period has been derived wholly from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the company's turnover is set out as below.

	Period from 29 Jan 12 to 2 Feb 13	Period from 30 Jan 11 to 28 Jan 12
	£000	£000
United Kingdom	5,064	6,166
United States	2,325	2,346
Continental Europe	1,068	981
Japan	336	231
Other	601	525
	<u>9,394</u>	<u>10,249</u>

All operations are based in the United Kingdom.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

3. Other operating income

	Period from 29 Jan 12 to 2 Feb 13 £000	<i>Period from 30 Jan 11 to 28 Jan 12 £000</i>
Other operating income	131	79

4. Operating profit

Operating profit is stated after charging/(crediting)

	Period from 29 Jan 12 to 2 Feb 13 £000	<i>Period from 30 Jan 11 to 28 Jan 12 £000</i>
Depreciation of owned fixed assets	269	299
Loss on disposal of fixed assets	–	32
Auditors remuneration	18	21
Operating lease costs		
-Plant and machinery	44	45
-Other	671	463
Net profit on foreign currency translation	(1)	(5)

5 Particulars of employees

The average number of staff employed by the company during the financial period amounted to

	Period from 29 Jan 12 to 2 Feb 13 No	<i>Period from 30 Jan 11 to 28 Jan 12 No</i>
Number of production staff	85	85
Number of retail staff	27	28
Number of administrative staff	36	35
	148	148

The aggregate payroll costs of the above were

	Period from 29 Jan 12 to 2 Feb 13 £000	<i>Period from 30 Jan 11 to 28 Jan 12 £000</i>
Wages and salaries	3,315	3,233
Social security costs	304	312
Other pension costs	89	113
Pensions paid to former employees	26	15
	3,734	3,673

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	Period from 29 Jan 12 to 2 Feb 13 £000	<i>Period from 30 Jan 11 to 28 Jan 12 £000</i>
Remuneration receivable	330	258
Value of company pension contributions to money purchase schemes	26	15
	<u>356</u>	<u>273</u>

Remuneration of highest paid director.

	Period from 29 Jan 12 to 2 Feb 13 £000	<i>Period from 30 Jan 11 to 28 Jan 12 £000</i>
Total remuneration (excluding pension contributions)	100	97
Value of company pension contributions to money purchase schemes	11	9
	<u>111</u>	<u>106</u>

The number of directors accruing benefits under company pension schemes was as follows

	Period from 29 Jan 12 to 2 Feb 13 No	<i>Period from 30 Jan 11 to 28 Jan 12 No</i>
Defined benefit schemes	3	2

7 Interest payable and similar charges

	Period from 29 Jan 12 to 2 Feb 13 £000	<i>Period from 30 Jan 11 to 28 Jan 12 £000</i>
Interest payable on bank borrowing	—	9

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

8. Taxation on ordinary activities

(a) Analysis of charge in the period

	Period from 29 Jan 12 to 2 Feb 13		Period from 30 Jan 11 to 28 Jan 12	
	£000	£000	£000	£000
In respect of the period				
UK Corporation tax		134		189
Deferred tax				
Origination and reversal of timing differences	(9)		256	
Total deferred tax (note 13)		(9)		256
Tax on profit on ordinary activities		<u>125</u>		<u>445</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 24 38% (2012 - 24 83%)

	Period from 29 Jan 12 to 2 Feb 13	Period from 30 Jan 11 to 28 Jan 12
	£000	£000
Profit on ordinary activities before taxation	<u>449</u>	<u>1,178</u>
Profit on ordinary activities by rate of tax	110	293
Effects of		
Expenses not deductible for tax purposes	3	7
Capital allowances for period in excess of depreciation	21	16
Utilisation of tax losses	-	(127)
Total current tax (note 8(a))	<u>134</u>	<u>189</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

9. Tangible fixed assets

	Freehold Property £000	Leasehold Property £000	Fixtures & Fittings £000	Total £000
Cost				
At 29 January 2012	976	1,713	3,993	6,682
Additions	–	–	169	169
Disposals	(9)	(39)	(183)	(231)
At 2 February 2013	<u>967</u>	<u>1,674</u>	<u>3,979</u>	<u>6,620</u>
Depreciation				
At 29 January 2012	100	284	2,908	3,292
Charge for the period	11	35	223	269
On disposals	(9)	(39)	(183)	(231)
At 2 February 2013	<u>102</u>	<u>280</u>	<u>2,948</u>	<u>3,330</u>
Net book value				
At 2 February 2013	<u>865</u>	<u>1,394</u>	<u>1,031</u>	<u>3,290</u>
At 28 January 2012	<u>876</u>	<u>1,429</u>	<u>1,085</u>	<u>3,390</u>

10. Stocks

	2 Feb 13 £000	28 Jan 12 £000
Raw materials	539	344
Work in progress	107	90
Finished goods	1,984	1,928
	<u>2,630</u>	<u>2,362</u>

11 Debtors

	2 Feb 13 £000	28 Jan 12 £000
Trade debtors	565	1,032
Staff loans	22	23
Other debtors	30	45
Prepayments and accrued income	253	222
	<u>870</u>	<u>1,322</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

12. Creditors Amounts falling due within one year

	2 Feb 13	<i>28 Jan 12</i>
	£000	<i>£000</i>
Trade creditors	200	140
Corporation tax	100	78
PAYE and social security	85	87
VAT	197	216
Other creditors	18	19
Accruals and deferred income	938	777
	<u>1,538</u>	<u>1,317</u>

13. Deferred taxation

The movement in the deferred taxation provision during the period was

	Period from 29 Jan 12 to 2 Feb 13	<i>Period from 30 Jan 11 to 28 Jan 12</i>
	£000	<i>£000</i>
At 29 January 2012	194	(63)
Profit and loss account movement arising during the period	(9)	257
At 2 February 2013	<u>185</u>	<u>194</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2 Feb 13	<i>28 Jan 12</i>
	£000	<i>£000</i>
Excess of taxation allowances over depreciation on fixed assets	201	211
Other timing differences	(16)	(17)
	<u>185</u>	<u>194</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

14. Commitments under operating leases

At 2 February 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2 Feb 13		28 Jan 12	
	Land and buildings £000	Other Items £000	Land and buildings £000	Other Items £000
Operating leases which expire				
Within 1 year	2	60	37	57
Within 2 to 5 years	173	13	185	29
After more than 5 years	431	9	412	-
	<u>606</u>	<u>82</u>	<u>634</u>	<u>86</u>

15. Related party transactions

The company has traded with the following companies in which Mr A Fayad, a director, has a beneficial interest

During the year the company made sales of £0 84 million (2012 £1 03 million) and received license fee income of £0 08 million (2012 £0 08 million) from Turnbull & Asser LLC. At the year end the company was owed £0 18 million (2012 £0 51 million) by Turnbull & Asser LLC

During the year the company was charged operating expenses of £0 08 million (2012 £0 08 million) by Genavco Insurance Limited

During the year the company was charged operating expenses of £0 04 million (2012 £0 04 million) by Hyde Park Residence Limited. At the year end the company owed £Nil (2012 £0 01 million) to Hyde Park Residence Limited

During the year the company also traded with Bespoken Inc, a company in which Mr A Fayad's son is a director. The company was charged operating expenses of £0 09 million (2012 £0 1 million). At the year end the company was owed £0 09 million (2012 £0 09 million) by Bespoken Inc

16. Share capital

Allotted, called up and fully paid

	2 Feb 13		28 Jan 12	
	No	£000	No	£000
8,500,000 Ordinary bearer shares of US \$0 00001 each	8,500,000	-	8,500,000	-
24,500,000 Ordinary shares of £0 10 each	24,500,000	2,450	24,500,000	2,450
	<u>33,000,000</u>	<u>2,450</u>	<u>33,000,000</u>	<u>2,450</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

16. Share capital (continued)

The Ordinary US\$ shares are each entitled to receive dividends amounting to the first 99% of the amount of profits which the company may determine to distribute in respect of any financial year, divided by the number of Ordinary US\$ shares then in issue. The Ordinary £ shares are each entitled to receive a dividend of the remaining 1% of distributable profits, divided by the number of Ordinary £ shares then in issue.

Each Ordinary US\$ share carries 99 votes. Each Ordinary £ share carries one vote.

In the event of a return of capital or winding up the Ordinary US\$ shares shall be entitled to receive the first 99% of the assets available for distribution. Only after the Ordinary US\$ class has received its full entitlement shall the Ordinary £ class be entitled to the balance of the assets available.

Neither class of share is redeemable at the shareholder's request.

17. Other reserves

	Period from 29 Jan 12 to 2 Feb 13 £000	Period from 30 Jan 11 to 28 Jan 12 £000
Capital redemption reserve	30	30

18. Profit and loss account

	Period from 29 Jan 12 to 2 Feb 13 £000	Period from 30 Jan 11 to 28 Jan 12 £000
Balance brought forward	4,491	3,758
Profit for the financial period	324	733
Balance carried forward	4,815	4,491

19 Reconciliation of movements in shareholders' funds

	2 Feb 13 £000	28 Jan 12 £000
Profit for the financial period	324	733
Opening shareholders' funds	6,971	6,238
Closing shareholders' funds	7,295	6,971

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 29 JANUARY 2012 TO 2 FEBRUARY 2013

20. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Period from 29 Jan 12 to 2 Feb 13 £000	Period from 30 Jan 11 to 28 Jan 12 £000
Operating profit	442	1,187
Depreciation	269	299
Loss on disposal of fixed assets	—	32
(Increase)/decrease in stocks	(268)	138
Decrease/(increase) in debtors	452	(117)
Increase/(decrease) in creditors	199	(122)
Net cash inflow from operating activities	<u>1,094</u>	<u>1,417</u>

Reconciliation of net cash flow to movement in net funds

	2 Feb 13 £000	28 Jan 12 £000
Increase in cash in the period	820	1,091
Change in net funds	<u>820</u>	<u>1,091</u>
Net funds at 29 January 2012	1,408	316
Net funds at 2 February 2013	<u>2,228</u>	<u>1,408</u>

Analysis of changes in net funds

	At 29 January 2012 £000	Cash flows £000	At 2 February 2013 £000
Net cash			
Cash in hand and at bank	1,408	820	2,228
Net funds	<u>1,408</u>	<u>820</u>	<u>2,228</u>

21. Ultimate controlling party

The ultimate controlling party is the Fayed family