

MOVITEX (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
Registered No. 400458

MONDAY



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MOVITEX (UK) LIMITED**DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2012

Business review and principal activities

The company is a wholly owned subsidiary of Kering S A (formerly known as PPR S A) and operates as part of the group's UK division

The company's principal activity is home shopping retailing, trading under the brand name Daxon. There have not been any significant changes in the company's principal activities during the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Kering S A has announced an intention to divest its ownership of the Redcats group, of which Movitex forms part. No further details have been announced as at the date of this report.

Financial review

The company has continued to concentrate on the profitability of its recruitment activities. Its previous actions to reduce unprofitable sales activity in the preceding years had resulted in a reduction in the size of the customer database at the start of the current year. In the first half of 2012, the company continued to rein in the level of recruitment activity but also conducted trials for example on the content and format of the 56-page mini-catalogue. These trials showed a positive response because the mailings were more focussed on price points that customers liked and also removed sections on home apparel, offering more fashion conscious items instead. Mailings to customers who had not ordered in the previous seasons also produced good results. Despite the decrease in the size of the customer database by 20.1%, the year-on-year turnover decrease of 4.1% (2011 12.4% decrease) reflects the continued focus on the improvement in the longer term quality of the customer database.

Gross margin has increased to 61.7% (2011 60.2%). Adverse exchange movements and increases in the cost of products were passed on to customers and the higher mix of fashion items helped improve the margin. The increased discounts offered to recruit new customers and the higher return rates from the higher levels of online business did reduce margin but these were offset by the fashion focussed sales. For the Autumn Winter 2012 catalogue the average order value was £49 (2011 £46).

The business is conducted through two main channels: paper and web. During the year under review, the continued investment in the web platform and the special offers for online customers only has resulted in an increase in web sales to 17.6% of turnover in 2012 (2011 10.3%).

MOVITEX (UK) LIMITED**DIRECTORS' REPORT**
(continued)**Business review and principal activities (continued)**

The bad debt to sales ratio of 2.8% has remained comparable with last year (2011 2.9%). The risk profiling undertaken prior to offering credit to customers remains effective in reducing the risk associated with credit accounts. The company continues to maintain rigorous controls to ensure that credit is only offered to customers that pass pre-defined credit assessments. Customer account activity is monitored and debt recovery procedures are initiated to reduce the risk of non-payment once customers have been accepted for credit.

Principal risks and uncertainties*Competitive environment*

Competitive pressure in the UK is a continuing risk for the company, from a multi-channel perspective. The company manages this risk through implementation of competitive and efficient promotional activity.

Cashflow risk

The company hedges foreign exchange risk by taking out forward contracts and options. The company does not use derivative financial instruments for speculative purposes.

The company is indirectly exposed to interest rate risk in that any interest rate fluctuations affecting the company's debtor book (which has been sold to a group company, Redcats Finance Limited) are recharged/credited back to the company.

Credit risk

The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The trade debtor exposure is spread over a large number of customers.

Liquidity risk.

The UK group, of which the company is a participant, operates a cash pooling arrangement. In order to ensure that the group has sufficient funds for ongoing operation and future developments the group uses a mixture of short-term and longer-term debt finance.

MOVITEX (UK) LIMITED

DIRECTORS' REPORT **(continued)**

Results and dividends

The results of the company are set out on page 8. The profit after tax for the year is £1,132,000 (2011 loss £20,000). No dividend was paid or proposed in 2012 (2011 final dividend of £455,000). The net addition to reserves in the year was £1,132,000 (2011 deduction from reserves £20,000).

Directors

The directors who served during the year and subsequently are shown below

M P Truluck

Jean-Joel Huber (appointed 1 February 2013)

F S M Dévé (resigned 1 July 2013)

A W Roberts (appointed 1 June 2012, resigned 12 July 2013)

Supplier payment policy

The company policy is to agree payment terms with all suppliers and to settle payment within those agreed terms on satisfactory delivery of goods and services by the supplier. The average creditor payment period for trade creditors at 31 December 2012 was 33 days (31 December 2011 12 days).

Going concern

In assessing whether the company's financial statements can be prepared on a going concern basis, the directors have taken into account the fact that the company participates in cash pooling arrangements in conjunction with the fellow UK subsidiary companies of Redcats (UK) Limited (formerly known as Redcats (UK) plc). Due to the collective nature of the Redcats UK cash pools, in assessing the going concern of the company, the directors have also considered the trading and cash flow forecasts of all of the Redcats UK cash pools participants. The Redcats UK group of companies has access to a £3.0m overdraft facility from its bankers through the cash pools operated by Redcats Finance Limited. As at 31 December 2012, none of the bank overdraft facility then available to the overall cash pool was utilised (2011 £nil). The UK group's net cash pool position held with HSBC at 31 December 2012, which is covered by multi-lateral guarantees for all group companies, totalled £359,000 cash (31 December 2011 £2,032,000). The UK group's net cash pool position held with Barclays at 31 December 2012, which is covered by multi-lateral guarantees for all group companies, totalled £10,000 cash (31 December 2011 £40,000).

MOVITEX (UK) LIMITED**DIRECTORS' REPORT**
(continued)**Going concern (continued)**

The directors have reviewed the forecasts of both the company and the Redcats UK group and have taken due consideration of the sensitivity to trading conditions in the current uncertain economic climate. In particular, the directors have considered the forecast cash flows, the projected funding required, and available, and the continued support from Redcats (UK) Limited for the twelve months from the date of approval of the annual report and financial statements.

After critically assessing these reviews, the directors have formed a reasonable expectation that the combined funding available from the Redcats UK cash pool sources will be sufficient so that the company can continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the company's annual report and financial statements.

Auditor

Each of the persons who is a director at the date of approval of this 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 Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

MOVITEX (UK) LIMITED**DIRECTORS' REPORT**
(continued)**Directors' responsibilities statement**

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

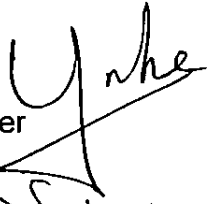
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

The directors confirm that the above requirements have been complied with in the financial statements.

Approved by the Board of Directors
and signed on behalf of the Board


J-J Huber
Director
30th September 2013

2 Holdsworth Street,
Bradford
BD1 4AH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**MOVITEX (UK) LIMITED**

We have audited the financial statements of Movitex (UK) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Reconciliation of Movements in Equity Shareholders' Funds, the Balance Sheet, the Accounting Policies and the related notes 1 to 16. 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, 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

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication of our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

MOVITEX (UK) LIMITED
(continued)

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 December 2012 and of its profit 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

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

Matthew Hughes

Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

30 September 2013

MOVITEX (UK) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Turnover	1	18,245	19,027
Cost of sales		(6,992)	(7,571)
		-----	-----
Gross profit		11,253	11,456
Net operating expenses			
Exceptional income /(costs)			
- Staff reorganisation provisions		10	(170)
Other net operating expenses		(10,170)	(11,350)
		-----	-----
Total net operating expenses		(10,160)	(11,520)
		-----	-----
Operating profit/(loss)	2	1,093	(64)
Interest receivable and similar income	3	39	44
		-----	-----
Profit/(loss) on ordinary activities before taxation		1,132	(20)
Tax on profit/(loss) on ordinary activities	5	-	-
		-----	-----
Profit/(loss) on ordinary activities after taxation		1,132	(20)
		=====	=====

All results are derived from continuing operations

There are no recognised gains and losses other than as stated in the profit and loss account for the current year and the previous year. Accordingly no separate statement of total recognised gains and losses is given.

MOVITEX (UK) LIMITED**RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS****FOR THE YEAR ENDED 31 DECEMBER 2012**

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Profit/(loss) for the year	1,132	(20)
Dividends	-	(455)
	-----	-----
Net addition to /(deduction from) equity shareholders' funds	1,132	(475)
	-----	-----
Opening equity shareholders' funds	3,590	4,066
	-----	-----
Closing equity shareholders' funds	4,722	3,590
	=====	=====

MOVITEX (UK) LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2012

	Notes	31 December 2012 £'000	31 December 2011 £'000
Current assets			
Stocks	6	1,181	827
Debtors	7	10,196	10,112
Cash at bank and in hand	8	7,043	5,367
		-----	-----
		18,420	16,306
 Creditors: amounts falling due within one year	 9	 (13,698)	 (12,716)
		-----	-----
 Net current assets and net assets		 4,722	 3,590
		=====	=====
 Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	4,721	3,589
		-----	-----
 Total equity shareholders' funds		 4,722	 3,590
		=====	=====

The financial statements of Movitex (UK) Limited, registration number 400458, were approved by the board of directors on 30th September 2013. They were signed on its behalf by



M P Truluck
Director

MOVITEX (UK) LIMITED
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2012

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

The principal accounting policies of the company have not changed during either the current or preceding year

a Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is recognised 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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

b Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is valued at actual purchase price. Net realisable value represents estimated selling price less all costs incurred in selling and distribution. Provision is made for obsolete, slow-moving or defective items where appropriate

c Catalogue costs

The costs of catalogue production and printing are charged to the profit and loss account as they are incurred

d Turnover

Turnover consists of the invoiced value of goods and services sold and delivered during the year stated net of value added tax

MOVITEX (UK) LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2012

(continued)

e Foreign exchange

Transactions denominated in foreign currencies are translated at the contracted rate or at the rate ruling at that date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date, or if appropriate at the forward contract rate. These translation differences are dealt with in the profit and loss account.

f Debt factoring

Debts which are subject to debt factoring arrangements are shown in the balance sheet as trade debtors, with the corresponding inter-group liability within creditors, as the associated risks and rewards remain with the company.

g Going concern

In assessing whether the company's financial statements can be prepared on a going concern basis, the directors have taken into account the fact that the company participates in cash pooling arrangements in conjunction with the fellow UK subsidiary companies of Redcats (UK) Limited (formerly known as Redcats (UK) plc). Due to the collective nature of the Redcats UK cash pools, in assessing the going concern of the company, the directors have also considered the trading and cash flow forecasts of all of the Redcats UK cash pools participants. The Redcats UK group of companies has access to a £3.0m overdraft facility from its bankers through the cash pools operated by Redcats Finance Limited. As at 31 December 2012, none of the bank overdraft facility then available to the overall cash pool was utilised (2011: £nil). The UK group's net cash pool position held with HSBC at 31 December 2012, which is covered by multi-lateral guarantees for all group companies, totalled £359,000 cash (31 December 2011: £2,032,000). The UK group's net cash pool position held with Barclays at 31 December 2012, which is covered by multi-lateral guarantees for all group companies, totalled £10,000 cash (31 December 2011: £40,000).

The directors have reviewed the forecasts of both the company and the Redcats UK group and have taken due consideration of the sensitivity to trading conditions in the current uncertain economic climate. In particular, the directors have considered the forecast cash flows, the projected funding required, and available, and the continued support from Redcats (UK) Limited for the twelve months from the date of approval of the annual report and financial statements.

After critically assessing these reviews, the directors have formed a reasonable expectation that the combined funding available from the Redcats UK cash pool sources will be sufficient so that the company can continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the company's annual report and financial statements.

MOVITEX (UK) LIMITED**ACCOUNTING POLICIES****FOR THE YEAR ENDED 31 DECEMBER 2012****(continued)****h Derivative financial instruments**

The company uses derivative financial instruments to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes.

The company does not apply hedge accounting.

MOVITEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

The following notes are an integral part of these financial statements

1 Turnover

All turnover was generated in the United Kingdom from home shopping retailing

2 Operating profit/(loss)

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Net operating expenses		
Distribution costs	(10,932)	(12,188)
Administration expenses - other	(2,017)	(1,987)
Exceptional income/(costs)	10	(170)
Total administration expenses	(2,007)	(2,157)
Other operating income - factoring fee	2,779	2,825
Net operating expenses	(10,160)	(11,520)
	=====	=====

The exceptional income in the current year relates to the allocation of a portion of an excess staff restructuring provision as released by Redcats (Brands) Limited. The allocation was based on turnover.

The exceptional costs in the prior year relate to staff restructuring provisions announced to employees during 2011.

The audit fee has been borne by Redcats (Brands) Limited, a fellow subsidiary company, for this year and the previous year. The element relating to Movitex (UK) Limited is £15,000 (2011: £15,000).

MOVITEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012
(continued)

3 Interest receivable and similar income

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Amounts receivable from group companies	39	44
	=====	=====

4 Staff costs

The company had no employees during the current or preceding financial year. The activities of the company are undertaken by staff employed by Redcats (Brands) Limited. The costs of employment were borne by Redcats (Brands) Limited and have not been recharged to the company in the current or preceding year.

All directors were remunerated by other group companies. The directors received combined emoluments of £157,000 (2011 £245,000) from other group companies during the year, of which £141,000 (2011 £154,000) related to the highest paid director. It is not practicable to ascertain what proportion of these emoluments relates to the company, and consequently no costs have been recharged to the company in the current or preceding year.

5 Tax on profit/(loss) on ordinary activities

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
UK Corporation tax at 24.5% (2011 26.5%)	-	-
	-----	-----
	-	-
Deferred tax		
Timing differences, origination and reversal	-	-
	-----	-----
	-	-
	=====	=====

MOVITEX (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

(continued)

5 Tax on profit/(loss) on ordinary activities (continued)

The total current tax position for the year differs from that resulting from applying the average standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are explained below:

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Profit / (loss) on ordinary activities before taxation	1,132	(20)
	=====	=====
Tax at 24.5% thereon (2011: 26.5%)	277	(5)
Effects of Group relief (claimed) / surrendered	(277)	5
	-----	-----
Total current tax	-	-
	=====	=====

The Finance Act 2012, which was enacted on 17 July 2012, provides for a reduction in the main rate of UK corporation tax from 26% to 24% effective from 1 April 2012 and a further reduction to 23% effective from 1 April 2013.

The UK Government has also indicated that it intends to enact further reductions in the main tax rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes to the main tax rate have not been substantively enacted at the Balance Sheet date, and, therefore, are not included in these financial statements.

6 Stocks

Stocks comprise goods for resale. The directors consider that the replacement cost of stock is not significantly different from the value shown in the balance sheet.

MOVITEX (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2012****(continued)****7 Debtors**

	31 December 2012 £'000	31 December 2011 £'000
Due within one year		
Trade debtors (factored)	10,061	9,984
Other trade debtors (non-factored)	63	93
Prepayments and accrued income	69	30
Other debtors	3	5
	-----	-----
	10,196	10,112
	=====	=====

A charge exists over £10,061,000 of the balance shown within trade debtors (2011 £9,984,000) in favour of HSBC bank to secure borrowing shown in another group company (Redcats Finance Limited)

8 Cash at bank and in hand

The company participates in a cash pooling arrangement with other group companies. The UK group's net cash pool position held with HSBC at 31 December 2012, which is covered by multi-lateral guarantees for all group companies, totalled £359,000 cash (2011 £2,032,000). The UK group's net cash pool position held with Barclays at 31 December 2012, which is covered by multi-lateral guarantees for all group companies, totalled £10,000 cash (2011 £40,000).

9 Creditors: amounts falling due within one year

	31 December 2012 £'000	31 December 2011 £'000
Trade creditors	510	227
Amounts due to fellow subsidiaries in respect of debt factoring	10,061	9,984
Amounts due to parent company and fellow subsidiaries	832	601
Other taxation and social security	511	506
Other creditors	267	247
Accruals and deferred income	1,517	1,151
	-----	-----
	13,698	12,716
	=====	=====

The balance shown as owing to fellow subsidiaries in respect of debt factoring corresponds with the balance shown in note 7 for debts factored

MOVITEX (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2012****(continued)****10 Deferred taxation**

The un-provided deferred tax assets are as follows

	31 December 2012 £'000	31 December 2011 £'000
Capital allowances in excess of depreciation	1 ===	1 ===

The company has unprovided tax assets as there is insufficient certainty as to whether events will materialise to crystallise the deferred tax

11 Called up share capital

	31 December 2012 £	31 December 2011 £
2,000 authorised shares of £1 each	2,000 =====	2,000 =====
600 ordinary shares of £1 each called up, allotted and fully paid	600 ===	600 ===

No dividends were proposed or paid in the year (2011 final dividend of £455,000, being £758 33 per share)

MOVITEX (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
(continued)

12 Profit and loss account	£'000
At 1 January 2012	3,589
Profit for the year	1,132
At 31 December 2012	<div style="border-top: 1px solid black;">4,721</div> <div style="border-top: 3px double black;">=====</div>

13 Cash flow statement

The company has taken advantage of the exemption contained in FRS 1 not to publish its own cash flow statement as it is indirectly a wholly owned subsidiary of Kering S A (formerly known as PPR S A) and its cash flows are dealt with in the consolidated cash flow statement of that company

14 Related party transactions

The company has taken advantage of the exemption contained in FRS 8 not to disclose related party transactions with other group companies as it is a wholly owned subsidiary of Kering S A

15 Derivatives not included at fair value

At the end of the year, forward foreign exchange contracts, which are not included at fair value in the financial statements, were

	Principal		Fair value	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Forward foreign exchange contracts	565	-	2	-
	====	====	====	====

The company had no derivatives at the end of the prior year. The company uses the derivatives to hedge its exposure in foreign currency exchange rates arising from foreign currency purchases. The fair values are based on market values of equivalent instruments at the balance sheet date.

MOVITEX (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2012****(continued)****16 Ultimate parent company**

The company is a wholly owned subsidiary of Redcats (UK) Limited (formerly known as Redcats (UK) plc), which is registered in England and Wales

The company's ultimate parent company and ultimate controlling party is Kering S A (formerly known as PPR S A), which is incorporated in France The only group in which the results of the company are consolidated is headed by Kering S A

Copies of the group financial statements of Kering S A are available from the Company Secretary, Redcats (UK) Limited, 2 Holdsworth Street, Bradford, West Yorkshire BD1 4AH