

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JANUARY 2016



5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

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5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JANUARY 2016**

The directors present their report and the financial statements for the period ended 30 January 2016.

PRINCIPAL ACTIVITY

The company did not trade during the period. In the prior period, the company acted as a purchasing agent for Harrods Limited.

DIRECTORS

The directors who served during the period were:

M A Ward

J P Edgar

H.E. H A Al-Abdulla (resigned 2 February 2015)

H.E. A M Al-Sayed (resigned 2 February 2015)

GOING CONCERN

The financial statements have been prepared on a break-up basis, reflecting the directors' intention to close the company in the subsequent financial year. Accordingly, adjustments have been made to reduce the carrying value of assets to their estimated reliable amount and to provide for any further liabilities which may arise. All assets and liabilities are classified as current.

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 30 JANUARY 2016**

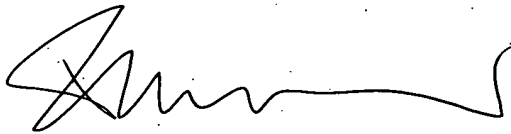
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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; 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.

This report was approved by the board on 7 June 2016 and signed on its behalf.



D J Webster
Company secretary

Registered office:
87 - 135 Brompton Road
Knightsbridge
London
SW1X 7XL

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JANUARY 2016

	Note	2016 £	2015 £
Turnover		-	1,917,568
Cost of sales		-	-
Gross profit		-	1,917,568
Administrative expenses		-	(3,249)
Operating profit		-	1,914,319
Taxation on profit/(loss) on ordinary activities	2	-	(408,196)
Profit for the period		-	1,506,123

The Company has not traded during the period. During this period, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

The notes on pages 5 to 10 form part of these financial statements.

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)
REGISTERED NUMBER:06796678

BALANCE SHEET
AS AT 30 JANUARY 2016

	Note	30 January 2016 £	31 January 2015 £
Current assets			
Debtors: amounts falling due within one year	3	7,091,873	9,160,005
		<u>7,091,873</u>	<u>9,160,005</u>
Creditors: amounts falling due within one year	4	-	(2,068,132)
Net current assets		<u>7,091,873</u>	<u>7,091,873</u>
Total assets less current liabilities		<u>7,091,873</u>	<u>7,091,873</u>
Net assets		<u><u>7,091,873</u></u>	<u><u>7,091,873</u></u>
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account		<u>7,091,872</u>	<u>7,091,872</u>
		<u><u>7,091,873</u></u>	<u><u>7,091,873</u></u>


The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

For the period ended 30 January 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2016.


 J P Edgar
 Director

The notes on pages 5 to 10 form part of these financial statements.

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JANUARY 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Information on the impact of the first-time adoption of FRS 102 is given in note 9.

Application of FRS 102 is required for all accounting periods beginning on or after 1 January 2015 (the effective date). This is the first year of adoption for the Company. In accordance with section 35.6 the standard has been applied to all comparatives (reported balances for financial periods ending 31 January 2015 and 1 February 2014) and related information.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Harrods Limited as at 30 January 2016 and these financial statements may be obtained from the Registrar of Companies.

1.3 Revenue

The company did not trade during the period.

1.4 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

1.5 Taxation

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016**

2. TAXATION

	2016 £	2015 £
Group taxation relief	-	408,196
	<u>-</u>	<u>408,196</u>
Total current tax	<u>-</u>	<u>408,196</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>408,196</u>

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is lower than (2015 - *the same as*) the standard rate of corporation tax in the UK of 20.16% (2015 - 21.32%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>-</u>	<u>1,914,319</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.16% (2015 - 21.32%)	-	408,196
Effects of:		
Total tax charge for the period	<u>-</u>	<u>408,196</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016**

3. DEBTORS

	30 January 2016 £	31 January 2015 £
Trade debtors	-	521,255
Amounts owed by group undertakings	7,091,873	8,638,750
	<u>7,091,873</u>	<u>9,160,005</u>

4. CREDITORS: Amounts falling due within one year

	30 January 2016 £	31 January 2015 £
Trade creditors	-	1,318,198
Corporation tax	-	408,196
Taxation and social security	-	337,140
Accruals and deferred income	-	4,598
	<u>-</u>	<u>2,068,132</u>

5. FINANCIAL INSTRUMENTS

	30 January 2016 £	31 January 2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	7,091,873	9,160,005
	<u>7,091,873</u>	<u>9,160,005</u>
Financial liabilities		
Financial liabilities measured at amortised cost	-	(1,322,796)
	<u>-</u>	<u>(1,322,796)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016

6. SHARE CAPITAL

	30 January 2016 £	31 January 2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

Each ordinary share represents one vote. There are no restrictions or preferences placed on the shares. The directors have not declared or paid a dividend in the current or prior period.

7. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS102, 33.7 "Related Party Disclosures" from disclosing transactions with other members of the group.

8. CONTROLLING PARTY

The company is controlled by Harrods Limited. Harrods Limited is a company registered in England and Wales. The ultimate United Kingdom parent undertaking of Harrods Limited is Harrods Group (Holding) Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by Harrods Group (Holding) Limited and the smallest such group of undertakings, including the company, is headed by Harrods Limited. The group financial statements will be filed with the Registrar of Companies in due course.

The company is an indirect 100% subsidiary of Qatar Holding LLC which is the strategic investment arm of Qatar Investment Authority, the ultimate controlling party

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016

9. FIRST TIME ADOPTION OF FRS 102

	As previously stated 2 February 2014 £	Effect of transition 2 February 2014 £	FRS 102 (as restated) 2 February 2014 £	As previously stated 31 January 2015 £	Effect of transition 31 January 2015 £	FRS 102 (as restated) 31 January 2015 £
Current assets	10,409,279	-	10,409,279	9,160,005	-	9,160,005
Creditors: amounts falling due within one year	(4,823,530)	-	(4,823,530)	(2,068,132)	-	(2,068,132)
Net current assets	<u>5,585,749</u>	-	<u>5,585,749</u>	<u>7,091,873</u>	-	<u>7,091,873</u>
Total assets less current liabilities	<u>5,585,749</u>	-	<u>5,585,749</u>	<u>7,091,873</u>	-	<u>7,091,873</u>
Net assets	<u>5,585,749</u>	-	<u>5,585,749</u>	<u>7,091,873</u>	-	<u>7,091,873</u>
Capital and reserves	<u>5,585,749</u>	-	<u>5,585,749</u>	<u>7,091,873</u>	-	<u>7,091,873</u>

5A WATCHES LIMITED (FORMERLY HARRODS WATCHES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JANUARY 2016

9. FIRST TIME ADOPTION OF FRS 102 (continued)

	<i>As previously stated 31 January 2015 £</i>	<i>Effect of transition 31 January 2015 £</i>	FRS 102 (as restated) 31 January 2015 £
Turnover	1,917,568	-	1,917,568
	1,917,568	-	1,917,568
Administrative expenses	(3,249)	-	(3,249)
Operating profit	1,914,319	-	1,914,319
Taxation	(408,196)	-	(408,196)
Profit on ordinary activities after taxation and for the financial period	<u>1,506,123</u>	<u>-</u>	<u>1,506,123</u>

Explanation of changes to previously reported profit and equity:

- 1 There are no changes to previously reported profit and equity