

Company Registration No. 00548935 (England and Wales)

THE DREYFUSS GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

THE DREYFUSS GROUP LIMITED

COMPANY INFORMATION

Directors	K L Hon C W Fong T Halim L Lam M Lam J Lyu
Company number	00548935
Registered office	8th Floor Elm Yard 13-16 Elm Street London WC1X 0BJ
Auditor	Kingswood LLP 3 Coldbath Square London EC1R 5HL

THE DREYFUSS GROUP LIMITED

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THE DREYFUSS GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report together with the audited financial statements for the year ended 31 December 2019.

Business review and key performance indicators

The directors actively monitor the key performance indicators (KPI's) of the subsidiary undertakings and feel that turnover, gross margins and EBITDA are important indicators of the performance of the UK group's business. The directors also monitor the net assets or liabilities and working capital of its key trading subsidiaries, Rotary Watches Limited ("RWL") and Rotary Overseas Limited ("ROL") and with reference to these KPI's and forecasts for the UK subsidiaries, the directors consider the carrying value of its investments therein.

For the year ended 31 December 2019 Rotary Watches Limited and Rotary Overseas Limited recorded losses and net liabilities.

The company closed the year with net assets and net currents assets of £4.9 million (2018: £4.9 million).

The UK group continues to have the financial support of its ultimate parent company, Citychamp Watch & Jewellery Limited, a company listed on the Hong Kong Stock Exchange and has plans in place to further cut costs whilst continuing to negotiate with major customers and suppliers to maintain or improve margins in both the UK and international markets, wherever possible, and to continue trading as a going concern.

Principal risks and uncertainties

The market for wrist watches remains highly competitive and sensitive to the fortunes of the economy. The company seeks to manage the risk of losing customers to key competitors within its chosen sectors of the UK watch market through continued promotion of the brand and further productivity efficiencies to enhance the service levels enjoyed by its customers.

The impact of Brexit on the group will have little effect on sales and supplies in the perspective of key contracts and border crossing costs.

Financial risk management

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a monthly basis that look forward for a period of not less than twelve months and ensures that appropriate facilities, either external or from the parent company, are available to be drawn upon as necessary.

Future developments

2019 proved to be a challenging year, with demand dampened by the impact of Brexit on consumer confidence. In the view of this uncertainty, we continued to cut our costs and improve margin wherever possible.

We continue the implementation of our diversification strategy in terms of markets overseas, with a shift in emphasis to developing new markets over the next three years and building our product portfolio to accommodate the demands of this strategy.

In addition, we will continue to rationalise our resources to save costs and to examine sharing resources within the CWJ group to develop further savings and improved operational efficiencies.

THE DREYFUSS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Going concern

In May 2019, the Dreyfuss Group Limited, paid off the UK group external bank facilities at both the parent and trading subsidiaries level after receiving a loan from the ultimate parent company, Citychamp Watch & Jewellery Limited, a company listed on the Hong Kong Stock Exchange.

The company is reliant on the financial support of its ultimate parent company in the context of non-recall of existing intercompany loans and further ongoing support to fund operations so as to enable the company to meet its obligations as they fall due. As stated in note 2.2, these events or conditions, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

Covid-19

In March 2020, the Covid-19 outbreak was declared a pandemic by the World Health Organization. The directors have considered the effects of this on the trading performance and position of the company subsequent to the year end. The directors are of the opinion that the company can continue to operate as a going concern for the foreseeable future and have adopted the going concern basis in preparing the annual report and financial statements.

On behalf of the board

T Halim

Director

3 May 2021

THE DREYFUSS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The Dreyfuss Group Limited is the holding company for the trading companies: Rotary Watches Limited, Rotary Overseas Limited, Fabrique de Montres Rotary S.A. and Rotary Watches LLC.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K L Hon	
C W Fong	
T Halim	
L Lam	
M Lam	
P J McKenna	(Resigned 24 February 2020)
J Lyu	(Appointed 10 June 2019)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

Kingswood LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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 judgements 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 DREYFUSS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Matters covered in the strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and exposure to certain risks.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board

T Halim

Director

3 May 2021

THE DREYFUSS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF THE DREYFUSS GROUP LIMITED

Opinion

We have audited the financial statements of The Dreyfuss Group Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2.2 to the financial statements which indicates that the company is reliant on the financial support of its ultimate parent company to enable it to meet its obligations as they fall due. As stated in note 2.2, these events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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.

THE DREYFUSS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF THE DREYFUSS GROUP LIMITED

Matters on which we are required to report by exception

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 material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Stephen Iseman FCA (Senior Statutory Auditor)

5 May 2021

**Chartered Accountants
Statutory Auditor**

3 Coldbath Square
London
EC1R 5HL

THE DREYFUSS GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	Notes	£	£
Administrative expenses		-	(2,000,000)
Interest receivable and similar income	5	32,860	80,965
Interest payable and similar expenses	5	(32,860)	(80,965)
Loss before taxation		-	(2,000,000)
Tax on loss		-	-
Profit/(loss) for the financial year		-	(2,000,000)
Total comprehensive income for the year		-	(2,000,000)

The Income Statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 - 17 form part of these financial statements

THE DREYFUSS GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Investments	6		2		2
Current assets					
Debtors	8	6,894,382		9,894,382	
Creditors: amounts falling due within one year	9	(2,000,000)		(5,000,000)	
Net current assets			4,894,382		4,894,382
Total assets less current liabilities			4,894,384		4,894,384
Capital and reserves					
Called up share capital	11,12		221,541		221,541
Share premium account	12		634,264		634,264
Capital redemption reserve	12		17,094		17,094
Other reserves	12		100,800		100,800
Profit and loss reserves	12		3,920,685		3,920,685
Total equity			4,894,384		4,894,384

The financial statements were approved by the board of directors and authorised for issue on 3 May 2021 and are signed on its behalf by:

T Halim
Director

Company Registration No. 00548935

The notes on pages 10 - 17 form part of these financial statements

THE DREYFUSS GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 January 2018	221,541	634,264	17,094	100,800	5,920,685	6,894,384
Year ended 31 December 2018:						
Loss and total comprehensive income for the year	-	-	-	-	(2,000,000)	(2,000,000)
Balance at 31 December 2018	221,541	634,264	17,094	100,800	3,920,685	4,894,384
Year ended 31 December 2019:						
Profit and total comprehensive income for the year	-	-	-	-	-	-
Balance at 31 December 2019	221,541	634,264	17,094	100,800	3,920,685	4,894,384

The notes on pages 10 - 17 form part of these financial statements

THE DREYFUSS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Company information

The Dreyfuss Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8th Floor Elm Yard, 13-16 Elm Street, London, WC1X 0BJ. The Dreyfuss Group Limited is the holding company for the trading companies: Rotary Watches Limited, Rotary Overseas Limited, Fabrique de Montres Rotary S.A. and Rotary Watches LLC.

2 Accounting policies

2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

The company is a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements of the company are consolidated in the financial statements of Citychamp Watch & Jewellery Group Limited. These consolidated financial statements are available from Hong Kong Stock Exchange through its website www.hkex.com.hk.

THE DREYFUSS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies

(Continued)

2.2 Going concern

As at the year end the company's subsidiaries were loss making with net liabilities. The company and its subsidiaries relies on the financial support of its ultimate parent company, Citychamp Watch & Jewellery Group Limited.

The company has received written confirmation from its ultimate parent company confirming that it will not recall existing loans and will continue to provide financial support in relation to the company and its subsidiaries' working capital requirements.

Taking into consideration the impact of Covid-19 and having reviewed the cash flow forecasts, for the period of not less than 12 months from the date of approval of these financial statements, and having made appropriate enquiries of the ultimate parent company with regards to their intention and financial means to provide the ongoing financial support, as specified in the written confirmation received, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. Notwithstanding this intention, there is no contractual certainty that such support will be made available. This represents a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

2.3 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in Statement of Comprehensive Income.

2.4 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, current accounts and loans to and from related parties.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

THE DREYFUSS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Accounting policies

(Continued)

Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.5 Foreign exchange

Functional and presentation currency

Items included in the financial statements for the company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in 'sterling', which is the company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

3 Judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indications of impairment of loans and investments. Factors taken into consideration in reaching such a decision include the financial position and current and expected future performance of the underlying subsidiaries and support otherwise provided by the ultimate parent company.

4 Auditor's remuneration

Audit fees of £2,500 (2018 - £2,500) were borne by Rotary Watches Limited a subsidiary of The Dreyfuss Group Limited.

THE DREYFUSS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	32,860	80,965
Bank interest recharged to subsidiary undertaking	(32,860)	(80,965)
Net interest payable	-	-

6 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	7	2	2

Movements in fixed asset investments

	Shares in group undertakings	Loans to group undertakings	Total
	£	£	£
Cost or valuation			
At 1 January 2019 & 31 December 2019	2,000,002	3,957,955	5,957,957
Impairment			
At 1 January 2019 & 31 December 2019	2,000,000	3,957,955	5,957,955
Carrying amount			
At 31 December 2019	2	-	2
At 31 December 2018	2	-	2

THE DREYFUSS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Artemis Watch Company Limited	England and Wales	Dormant	Ordinary	100.00	0
Dreyfuss & Co. Limited	England and Wales	Dormant	Ordinary	100.00	0
Dreyfuss & Co. SA	Switzerland	Watch wholesaling	Ordinary	100.00	0
Fabrique de Montres Rotary S.A.	Switzerland	Watch wholesaling	Ordinary	100.00	0
Joseph & Thomas Windmills Ltd	England and Wales	Dormant	Ordinary	100.00	0
Rotary Overseas Limited	England and Wales	Watch wholesaling	Ordinary	100.00	0
Rotary Watches Limited	England and Wales	Watch wholesaling	Ordinary	100.00	0
Rotary Watches LLC	USA	Watch wholesaling	Ordinary	0	100.00
The Dreyfuss Group (Shenzhen) Co Ltd	China	Watch wholesaling	Ordinary	100.00	0

All companies incorporated in England and Wales have the same registered address as The Dreyfuss Group Limited, 8th Floor Elm Yard, 13-16 Elm Street, London, WC1X 0BJ. The two Switzerland incorporated entities registered addresses are Leopold-Robert 88 CH-2300 La Chaux-de-Fonds Switzerland. Rotary Watches LLC registered address is 400 Garden City Plaza, Garden City, NY, 11530-3317. The Dreyfuss Group (Shenzhen) Co Ltd registered address is Room 701 Haosheng Commercial Centre, Dongbin Road, Nanshan District, Shenzhen, 518052 China.

8 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Amounts owed by group undertakings	6,894,382	9,894,382

THE DREYFUSS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	-	3,000,000
Amounts due to group undertakings	2,000,000	2,000,000
	<u>2,000,000</u>	<u>5,000,000</u>

The bank loans and overdrafts were secured by a fixed and floating charge over all assets of The Dreyfuss Group Limited (the company) and its subsidiaries, Rotary Watches Limited and Rotary Overseas Limited. All bank loans and overdrafts were repaid in May 2019.

10 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	6,894,382	9,894,382
	<u>6,894,382</u>	<u>9,894,382</u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,000,000	5,000,000
	<u>2,000,000</u>	<u>5,000,000</u>

Financial assets measured at amortised cost comprise intercompany receivables.

Financial liabilities measured at amortised cost comprise bank loans and intercompany payables.

11 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
221,541 Ordinary shares of £1 each	221,541	221,541
	<u>221,541</u>	<u>221,541</u>

12 Reserves

The company's reserves are as follows:

- The called up share capital represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue cost.
- The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.
- The capital reserve represents capital contributions made to the company.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

THE DREYFUSS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Events after the reporting date

There have been 2 significant events since the year end:

The UK's exit from the European Union

On the 1st January 2021 the UK officially exited the European Union and was no longer a member of the Single Market. This change primarily impacted our exports to the EU with the additional logistical requirements needed to clear shipments through customs.

Currently the group does not import products from EU suppliers and so exiting the EU has not impacted our supply chain which is predominantly based outside the EU.

The financial impact has been minimal due to EU customers making up less than 10% of the group's annual turnover and we continue to trade with EU based customers.

Covid-19

The biggest challenge that has affected business this year is the Global Coronavirus Pandemic that began to gather pace at the end of 2019 which continued throughout 2020 and into 2021. During that period the group has continued to operate effectively by moving head office functions to home working and carefully adapting the working environment and working practices within the warehouse to safeguard the health and wellbeing of colleagues.

The initial economic impact was on the supply chain but as the virus has spread around the globe, this is having a major impact on our customers as markets close, society comes to a virtual standstill and the Global economy has fallen into recession.

This biggest issue the UK group has faced are the National Lockdowns and the impact this has had on the UK's spending habits. This is especially so as the UK Market accounts for over 80% of our turnover the majority of which is through High Street retailers. To reduce the impact of the closure of High Street retailers, some of whom may never reopen, we have increased our online presence through our own Website and that of Amazon and the Amazon Market Place.

Positively the UK is successfully achieving its Vaccine roll out programme with the news that the majority of restrictions in place will be lifted during Q2 2021 and the positivity and hope this offers, does show a light at the end of the tunnel.

14 Related party transactions

Transactions with related parties

In accordance with FRS 102 paragraph 33.1A, the company has taken the exemption from disclosing related party transactions with entities that are part of The Dreyfuss Group Limited. The company has also taken exemption from disclosing transactions with entities which are wholly owned subsidiaries of Citychamp Watch & Jewellery Group Limited, the ultimate controlling party.

THE DREYFUSS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Controlling party

The company's immediate parent company is International Volant Limited, a company incorporated in Hong Kong. The ultimate controlling party is Citychamp Watch & Jewellery Group Limited, a company incorporated in Cayman Islands and listed in Hong Kong Stock Exchange, by virtue of its shareholding in International Volant Limited. Citychamp Watch & Jewellery Group Limited is the parent company of the smallest and the largest group in which the results of the company are consolidated. The financial statements of Citychamp Watch & Jewellery Group Limited are available from Hong Kong Stock Exchange through its website www.hkex.com.hk.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.