

Rotary Overseas Limited

Report and Financial Statements

Year Ended

31 December 2015

Company Number 04111314

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Rotary Overseas Limited

Company Information

Directors	V L Campbell R M Dreyfuss T Halim K L Hon M Lam D J Rutherford
Company secretary	D Rutherford
Registered number	04111314
Registered office	2 Foubert's Place Regent Street London W1F 7PA
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

Rotary Overseas Limited

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Rotary Overseas Limited

Directors' Report For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activities of the company throughout the year were that of watch importing and selling to overseas markets.

Results and dividends

The profit for the year, after taxation, amounted to £201,647 (2014 - restated loss £1,102,894).

Turnover has increased by 33.0% to £7,446,287 (2014 – restated £5,597,794) since the previous year due to restructuring of key markets in South East Asia following the acquisition of the immediate parent company during the prior year by Citychamp Watch & Jewellery Group Limited.

Expenses for the year increased by 5.7% to £2,587,296 (2014 – restated £2,446,981) as a result of continual investment in all markets for the benefit of the medium term.

The directors do not recommend the payment of a dividend for the year (2014 - £Nil).

Future developments

As a proud recipient of the prestigious Queen's Award for International Trade in 2014, the company has continued to build its business and build brand awareness.

Financial risk management

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 are available to be drawn upon as necessary.

During 2015, acting as the parent of the UK group for treasury purposes, the Company's immediate parent company, The Dreyfuss Group Limited, has refinanced the UK group external bank facilities at both the parent and trading subsidiaries level. These facilities do not fall due for renewal until at least 12 months from the date of approval of these financial statements and the directors forecast covenant compliance within this period. The directors have reviewed the company's and group's forecasts for the next twelve months which show that the group can continue to trade within these facilities.

Qualifying third party indemnity provisions

The company has arranged qualifying third party indemnity for all of its directors.

Directors

The directors who served during the year were:

V L Campbell
R M Dreyfuss
T Halim
K L Hon
M Lam
D J Rutherford (appointed 1 May 2015)

Rotary Overseas Limited

Directors' Report For the Year Ended 31 December 2015

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post Statement of Financial Position events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

27.9.16

V. Campbell

V L Campbell
Director

Rotary Overseas Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2015

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 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 for the company financial statements 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.

Rotary Overseas Limited

Independent Auditor's report to the members of Rotary Overseas Limited

We have audited the financial statements of Rotary Overseas Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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 auditors

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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 matters 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.

Rotary Overseas Limited

Independent Auditor's report to the members of Rotary Overseas Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Ian Clayden (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
London
United Kingdom

28 September 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Rotary Overseas Limited

Statement of Comprehensive Income For the Year Ended 31 December 2015

	Note	2015 £	Restated 2014 £
Turnover	5	7,446,287	5,597,794
Cost of sales		(4,563,384)	(4,521,605)
Gross profit		2,882,903	1,076,189
Selling and distribution costs		(2,320,957)	(2,314,200)
Administrative expenses		(266,339)	(132,781)
Operating profit/(loss)	6	295,607	(1,370,792)
Interest payable and similar charges	8	-	(2)
Profit/(Loss) before tax		295,607	(1,370,794)
Tax on profit/loss	9	(93,960)	267,900
Profit/(Loss) for the year		201,647	(1,102,894)
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		201,647	(1,102,894)

All amounts relate to continuing activities.

The notes on pages 9 to 24 form part of these financial statements.

Rotary Overseas Limited

Registered number:04111314

Statement of Financial Position As at 31 December 2015

	Note	2015 £	Restated 2014 £
Fixed assets			
Intangible assets	10	120,660	99,348
Tangible assets	11	346,305	409,115
Investments	12	1	1
		<u>466,966</u>	<u>508,464</u>
Current assets			
Stocks	13	212,807	1,059,227
Debtors: amounts falling due within one year	14	4,828,534	3,190,349
Cash at bank and in hand		97,985	43,624
		<u>5,139,326</u>	<u>4,293,200</u>
Creditors: amounts falling due within one year	15	(7,656,770)	(7,053,789)
Net current liabilities		<u>(2,517,444)</u>	<u>(2,760,589)</u>
Net liabilities		<u><u>(2,050,478)</u></u>	<u><u>(2,252,125)</u></u>
Capital and reserves			
Called up share capital	18, 19	1,000,000	1,000,000
Profit and loss account	19	(3,050,478)	(3,252,125)
		<u><u>(2,050,478)</u></u>	<u><u>(2,252,125)</u></u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on

V. Campbell.

V L Campbell
Director

27.9.16

The notes on pages 9 to 24 form part of these financial statements.

Rotary Overseas Limited

Statement of Changes in Equity For the Year Ended 31 December 2015

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1,000,000	(3,252,125)	(2,252,125)
Comprehensive income for the year			
Profit for the year	-	201,647	201,647
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>201,647</u>	<u>201,647</u>
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2015	<u><u>1,000,000</u></u>	<u><u>(3,050,478)</u></u>	<u><u>(2,050,478)</u></u>

Statement of Changes in Equity For the Year Ended 31 December 2014

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2014	1,000,000	(2,149,231)	(1,149,231)
Comprehensive income for the year			
Loss for the year	-	(1,102,894)	(1,102,894)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>(1,102,894)</u>	<u>(1,102,894)</u>
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2014	<u><u>1,000,000</u></u>	<u><u>(3,252,125)</u></u>	<u><u>(2,252,125)</u></u>

The notes on pages 9 to 24 form part of these financial statements.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

1. General information

Rotary Overseas Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

2. Accounting policies

2.1 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.

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary are included by full consolidation in the consolidated financial statements of its parent, The Dreyfuss Group Limited. These financial statements therefore present the information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Dreyfuss Group Limited as at 31 December 2015 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

The financial statements have been drawn up on a going concern basis as having reviewed cash flow forecasts and having made appropriate enquiries, the directors have received assurance from the company's immediate parent company, The Dreyfuss Group Limited, that it will continue to provide such financial support as the company requires to enable it to meet its liabilities as and when they fall due. In turn, the directors of The Dreyfuss Group Limited have received assurances from its ultimate parent company regarding their ongoing financial support.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	Equal instalments over the life of the trademark registration
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2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 10 to 25% per annum
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

2.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.11 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 and loans to and from related parties.

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.

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.

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.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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'.

2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Assess whether any costs require separate presentation, where this presentation is relevant to the understanding of the group and company's financial performance.
- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable profits will be made in order to utilise available tax losses. Management have considered forecasts in order to assess the likelihood and timing of future profits

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

4. Prior year adjustment

In the prior year financial statements of the company, equity and debtors were overstated as a result of the incorrect treatment of certain costs. The effects of these corrections caused the loss for the year ended 31 December 2014 to be understated by £90,700.

As this is the first year of application of FRS 102 the correction of the error is shown in the transition reconciliation in note 24, separately identified as an error under the previous UK GAAP.

If this was not the first year of application of FRS 102, the correction would have been highlighted in the statement of changes in equity and all comparatives would have been restated.

5. Turnover

Turnover is wholly attributable to the principal activity of the company and represents the value of goods and services supplied to customers during the year and is net of trade, settlement and retrospective discounts and VAT. Turnover is wholly attributable to the principal activity of the company and arises solely outside the United Kingdom.

6. Operating profit/(loss)

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	160,968	223,386
Amortisation of intangible assets, including goodwill	12,556	11,079
Foreign exchange (gains)/losses	(171,002)	36,743
Operating lease costs property	<u>14,127</u>	<u>14,451</u>

The auditors' remuneration is borne by Rotary Watches Limited.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

7. Employees

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	404,573	472,720
Social security costs	20,350	16,983
Cost of defined contribution scheme	7,009	4,285
	<u>431,932</u>	<u>493,988</u>

The directors were remunerated by a fellow group company in the current and prior year.

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Staff	4	4
	<u>4</u>	<u>4</u>

8. Interest payable and similar charges

	2015 £	2014 £
Bank overdraft and loans	<u>-</u>	<u>2</u>

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

9. Taxation

	2015 £	Restated 2014 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	65,684	(271,003)
Changes to tax rates	29,753	2,118
Prior year adjustment	(1,477)	985
Total deferred tax	<u>93,960</u>	<u>(267,900)</u>
Taxation on loss on ordinary activities	<u>93,960</u>	<u>(267,900)</u>
Factors affecting tax charge for the year		
The tax assessed for the year is different than the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:		
	2015 £	2014 £
Loss on ordinary activities before tax	<u>295,607</u>	<u>(1,370,794)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	59,850	(294,627)
Effects of:		
Fixed asset differences	1,056	-
Expenses not deductible for tax purposes	12	322
Losses surrendered as group relief	12,964	3,069
Deferred tax - Prior year adjustment	(1,477)	985
Deferred tax - Change in tax rates	21,555	22,351
Total tax charge for the year	<u>93,960</u>	<u>(267,900)</u>

Factors that may affect future tax charges

There were no factors during the year that may affect future tax charges.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

10. Intangible assets

	Trademarks £
Cost	
At 1 January 2015	128,846
Additions	33,868
At 31 December 2015	<u>162,714</u>
Amortisation	
At 1 January 2015	29,498
Provided during the year	12,556
At 31 December 2015	<u>42,054</u>
Net book value	
At 31 December 2015	<u>120,660</u>
At 31 December 2014	<u>99,348</u>

11. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 January 2015	629,694
Additions	98,158
At 31 December 2015	<u>727,852</u>
Depreciation	
At 1 January 2015	220,579
Provided during the year	160,968
At 31 December 2015	<u>381,547</u>
Net book value	
At 31 December 2015	<u>346,305</u>
At 31 December 2014	<u>409,115</u>

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

12. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2015	316,689
Disposals	-
At 31 December 2015	-
Provisions	
At 1 January 2015	316,688
Disposals	-
At 31 December 2015	-
Net book value	
At 31 December 2015	<u>1</u>
At 31 December 2014	<u>1</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Rotary Watches LLC	United States of America	Ordinary	100 %	Watch wholesaling

13. Stocks

	2015 £	2014 £
Goods held for resale	<u>212,807</u>	<u>1,059,227</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

14. Debtors

	2015 £	Restated 2014 £
Due within one year		
Trade debtors	1,692,972	2,788,271
Other debtors	62,202	75,841
Corporation tax	57,245	13,233
Amounts owed by group undertakings	2,814,019	-
Taxation and social security	-	16,948
Deferred taxation (see note 17)	202,096	296,056
	<u>4,828,534</u>	<u>3,190,349</u>

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank overdrafts	222,097	119,187
Trade creditors	-	65,285
Amounts owed to group undertakings	6,953,064	6,243,023
Other creditors	438,177	439,857
Taxation and social security	14,930	-
Accruals and deferred income	28,502	186,437
	<u>7,656,770</u>	<u>7,053,789</u>

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

16. Financial instruments

	2015 £	Restated 2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	4,667,178	2,907,736
	<u>4,667,178</u>	<u>2,907,736</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(7,613,338)	(6,467,352)
	<u>(7,613,338)</u>	<u>(6,467,352)</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, trade and other debtors and intercompany.

Financial liabilities measured at amortised cost comprise trade and other creditors (excluding taxation), bank loans and overdrafts and intercompany.

17. Deferred taxation

	Restated Deferred tax £
At 1 January 2015	296,056
Charged to the Statement of Comprehensive Income	(93,960)
At 31 December 2015	<u>202,096</u>

The deferred tax asset is made up as follows:

	2015 £	Restated 2014 £
Accelerated capital allowances	72,385	49,206
Tax losses carried forward	129,711	246,850
	<u>202,096</u>	<u>296,056</u>

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

18. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

19. Reserves

The company's reserves are as follows:

- The called up share capital reserve represents the nominal value of the shares issued.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Pension commitments

The company contributes to personal pension plans. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,009 (2014 - £4,285). Contributions totalling £Nil (2014 - £Nil) were payable to the fund at the Statement of Financial Position date and are included in other creditors.

21. Commitments under operating leases

Lessee

The group had minimum lease payments under non-cancellable operating leases as set out below:

	2015 £	2014 £
Not later than 1 year	<u>12,011</u>	<u>12,011</u>
Total	<u>12,011</u>	<u>12,011</u>

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

22. Related party transactions

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 the exemption from disclosing transactions with entities which are wholly owned subsidiaries of Citychamp Watch & Jewellery Group Ltd, the company's ultimate controlling party.

Sales of £428,187 (2014 - £1,028,340 Nil) were made to Eterna (Asia) Limited a fellow subsidiary of the Citychamp Watch & Jewellery Group, incorporated in Hong Kong. The amount owed by Eterna Asia Limited at the year end was £1,061,616 (2014 - £1,028,340).

23. Controlling party

At 31 December 2015 the company's immediate parent company was The Dreyfuss Group Limited which is the parent of the UK based group of which the company is a member. The Dreyfuss Group Limited is the parent company of the smallest group in which the company's results are consolidated. Copies of the consolidated financial statements of The Dreyfuss Group Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is Citychamp Watch & Jewellery Group Ltd by virtue of its shareholding in The Dreyfuss Group Limited. Citychamp Watch & Jewellery Group Ltd is the parent company of the largest group in which the company's results are consolidated.

Rotary Overseas Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

24. First time adoption of FRS 102

	Note	Equity as at 1 January 2014 £'000	Loss for the Year ended 31 December 2014 £'000	Equity as at 31 December 2014 £'000
As previously stated under former UK GAAP		(1,149,231)	(1,012,194)	(2,161,425)
Prior year adjustment - correction of error	a	-	(90,700)	(90,700)
As restated under former UK GAAP		(1,149,231)	(1,102,894)	(2,252,125)
Transitional adjustments	b	-	-	-
As stated in accordance with FRS 102		(1,149,231)	(1,102,894)	(2,252,125)

Explanation of changes to previously reported profit and equity:

- a. Firstly a number of credit notes were not previously booked in 2014 and instead were posted in to the financial year ending 2015. This adjustment has had the impact of reducing turnover by £284,530 and reducing profit before taxation by £73,573.

Advertising costs that should have been booked in 2014 have also been adjusted for, having the effect of increasing selling and distribution costs in 2014 and decreasing profit by £38,772.

All of the above adjustments have the effect of decreasing the amount owed by trade debtors at the end of 2014 and this has been adjusted for in the 2014 comparative figures on the statement of financial position.

An adjustment to the deferred tax asset in 2014 has arisen, predominantly as a result of material changes to tax losses held by the company. As a result the deferred tax asset has been increased by £21,645 in 2014.

- b. The directors consider that, other than in primary statement presentation, the first financial statements prepared under FRS 102 do not differ materially from those under UK GAAP and therefore do not require a detailed reconciliation of profit and loss and equity to be presented.