

Company Registration No 6183896 (England and Wales)

MGS DISTRIBUTION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2014

MONDAY



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MGS DISTRIBUTION LIMITED

COMPANY INFORMATION

Directors	X Gauderlot S Demarsilis T Michno Jochen Schulz
Secretary	T Michno
Company number	6183896
Registered office	Meadway House Meadway Haslemere Surrey GU27 1NN
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London United Kingdom WC2N 6RH

MGS DISTRIBUTION LIMITED

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MGS DISTRIBUTION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2014

The directors present their report and financial statements for the year ended 31 January 2014

Business review and principal activities

The principal activity of the company continued to be that of watch distribution

As at 31 January 2014 the company has net assets of £1,079,869

The strategy of the company is primarily to work with brands which have a similar target customer market and image as our current portfolio

During the financial year ending 31st January, 2014 the Movado Group raised its majority ownership in the company from 51% to 90%. In doing so, it reorganized its operations within the UK, closing another local subsidiary and transferring the sales activities of two other brands to MGS, as well as rebalancing the services it receives from its previous partner, SwicoGroup, and its subsidiary MGI Luxury S A in Switzerland to support the enlarged activities

	FY2014	FY2013
Turnover	11,550,777 GBP	8,376,371 GBP
Gross Profit	4,056,346 GBP	3,026,490 GBP
Profit for the financial year	101,004 GBP	531,175 GBP

Key performance indicators

The directors are pleased with the results for the year. The company's key performance indicators are turnover, gross profit and net profit. Turnover has increased by £3,174,406 to £11,550,777 in FY2014 whilst gross margin has improved by £1,029,856 to £4,056,346, both driven by a combination of organic growth from existing brands and the introduction of both licensed brands and own brands. Net profit has decreased by £430,171 to £101,004 in FY2014 as the company has invested significantly in marketing activities and enhanced infrastructure to support the additional business.

Principal risks and uncertainties

The company competes in a market that is increasingly dominated by a small number of multi-store retailers, where it is necessary to continue leveraging its brands and group strength to ensure strong access to the local retail network under appropriate conditions.

Continued sales growth in the UK watch category is dependent on a strong pipeline of new product to invigorate the ongoing portfolio and ensure its continued relevance to consumer preferences. The company works extensively with the Movado group's design teams to ensure that new product that is appropriate for the UK market is forthcoming.

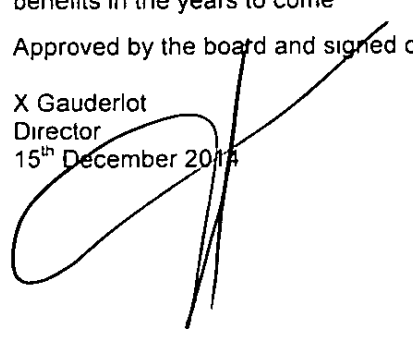
The company's operational, financial and IT infrastructure is supported closely by the relevant Movado group teams to ensure high levels of business continuity and rapid recovery in the event of interruptions.

Future developments

The company has a very strong portfolio of brands, whether licensed or owned. It is the company's intention to continue growing the current profitable brands, while devoting additional resources to the new brands. The company expects to continue investing heavily in marketing activities, as well as expanding its salesforce to support turnover growth. These investments will likely impact the net profit in the short-term but show increased benefits in the years to come.

Approved by the board and signed on its behalf

X Gauderlot
Director
15th December 2014



MGS DISTRIBUTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2014

The directors present their report and financial statements for the year ended 31 January 2014

Future developments

Refer to the Strategic report

Results and dividends

The results for the year are set out on page 9

No dividend was paid for the year end 2014 (2013 300,000)

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were

X Gauderlot

S Demarsilis

T Michno

(Resigned 15 August 2014)

J Schulz

(Appointed 21 July 2014)

Financial instruments

The company's principal financial instrument comprises of cash at bank. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

Financial risk management

Having considered the company's exposure, the only significant financial risk is that relating to price risk due to normal inflation increases in the purchase price of services and due to market factors affecting the price charged for services.

Other potential risks are noted below

Liquidity risk

The company does not have any debt finance in place.

Interest rate cash flow risk

The company maintains a credit balance with its bank. The company does not have any interest bearing liabilities.

Credit risk

The company carries out credit checks on all new customers prior to sales being made and appropriate credit limits and payment plans are put in place with each new customer.

MGS DISTRIBUTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

Independent Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that PriceWaterhouseCoopers LLP be reappointed as auditors of the company will be put to the Annual General Meeting

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared 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,
- 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 are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information

Approved by the board and signed on its behalf

X Gauderlot
Director
15th December 2014

MGS DISTRIBUTION LIMITED

Independent auditors' report to the members of MGS Distribution Limited

FOR THE YEAR ENDED 31 JANUARY 2014

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 31 January 2014 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

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by MGS Distribution Limited, comprise

- the balance sheet as at 31 January 2014,
- the profit and loss account and statement of total recognised gains and losses for the year then ended,
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

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)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") 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 Director's Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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

MGS DISTRIBUTION LIMITED

Independent auditors' report to the members of MGS Distribution Limited

FOR THE YEAR ENDED 31 JANUARY 2014

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 6, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing



Craig Skelton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

16 December 2014

MGS DISTRIBUTION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2014

	Notes	2014 £	2013 £
Turnover	2	11,550,777	8,376,371
Cost of sales		(7,494,431)	(5,349,881)
Gross profit		4,056,346	3,026,490
Distribution costs		(1,201,216)	(1,412,915)
Administrative expenses		(2,729,236)	(875,832)
Operating profit		125,894	737,743
Interest payable and similar charges		(12,440)	
Profit on ordinary activities before taxation	3	113,454	737,743
Tax on profit on ordinary activities	4	(12,450)	(206,568)
Profit for the financial year	13	101,004	531,175

The profit and loss account has been prepared on the basis that all operations are continuing operations

Statement of total recognised gains and losses for the year ended 31 January 2014

	2014 £	2013 £
Profit for the financial year	101,004	531,175
Loss on transfer of assets and liabilities of MGI Luxury Group UK Limited	(1,168,236)	-
Total recognised gains and losses relating to the year	(1,067,232)	531,175

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents, for both the prior year and the current year

MGS DISTRIBUTION LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2014

Company Registration No 6183896

	Notes	2014		2013	
		£	£	£	£
Non-current assets					
Tangible fixed assets	6	9,257		-	
Investments in subsidiary	7	-		1	
Current assets					
Stocks	8	1,993,715		1,058,448	
Debtors	9	3,081,298		2,364,082	
Cash at bank and in hand		515,205		101,161	
		<u>5,590,218</u>		<u>3,523,691</u>	
Creditors amounts falling due within one year	10	<u>(4,520,015)</u>		<u>(1,377,000)</u>	
Net current assets			<u>1,079,460</u>		<u>2,146,691</u>
Total assets less current liabilities			<u><u>1,079,460</u></u>		<u><u>2,146,692</u></u>
Capital and reserves					
Called up share capital	12		100		100
Share premium account	13		799,900		799,900
Profit and loss account	13		279,460		1,346,692
Total shareholders' funds	14		<u><u>1,079,460</u></u>		<u><u>2,146,692</u></u>

The financial statements on pages 11 to 18 were approved by the Board of Directors on 15th December 2014 and signed on its behalf by

X Gauderip
Director

MGS DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2014

1 Accounting policies

1.1 Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realizable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Cash flow statement disclosure

The Company is a 90% owned subsidiary of Movado Group Inc. and is included in the consolidated financial statements of Movado Group Inc., which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1.

MGS DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2014

1 10 Taxation

Corporation tax

Corporation tax represents amounts expected to be paid in respect of the taxable profit for the period and is calculated using tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred taxation

Deferred tax 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 temporary differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only when 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 assets and liabilities are undiscounted.

1 11 Tangible fixed assets

The cost of fixed assets is their purchase cost together with any incidental costs of acquisition. Fixed assets are measured at historical cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their residual values, over their expected useful lives using the straight line basis. The principal asset lives used for this purpose are:

<u>Asset</u>	<u>Useful Life</u>
Computer software	5 years
Computer hardware	4 years

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom. There is no turnover generated outside of the UK. The geographical destination of turnover is not materially different from the origin.

3	Profit on ordinary activities before taxation	2014 £	2013 £
	Operating profit is stated after charging		
	Operating lease rentals		
	- Plant and machinery	69,530	63,522
	Fees payable to the company's auditor for the audit of the company's annual financial statements	28,357	19,548

MGS DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

4	Tax on profit on ordinary activities	2014	2013
		£	£
	Tax charge for the year	31,176	206,568
	Adjustment in respect of previous periods	(18,726)	-
	Total current tax	12,450	206,568
	Deferred tax		
	Origination and reversal of timing differences	(1,736)	-
	Adjustment in respect of previous periods	4,412	-
	Effect of changes in tax rates	(154)	-
	Total deferred tax	2,522	-
	Tax on profit on ordinary activities	14,972	206,568
	Factors affecting the tax charge for the year		
	The tax assessed for the year is lower (2013 higher) than the standard rate of corporation tax in the UK of 23 17%, (2013 24 33%) The differences are explained below		
	Profit on ordinary activities before taxation	113,454	737,743
	Tax on profit at standard UK tax rate of 23 16% (2013 24 33%)	26,278	177,058
	Effects of		
	Nondeductible expenses	3,561	8,366
	Capital allowances	(88)	(114)
	Movement in short term timing differences	1,425	-
	Adjustments in respect of previous periods	(18,726)	21,258
		(13,828)	29,510
	Current tax charge for the year	12,450	206,568
	Deferred taxation		
	Deferred taxation provided in the financial statements comprises	2014	2013
		£	£
	Opening deferred tax balance	-	-
	Recognised during the year	2,522	-
	Closing deferred tax balance	2,522	-
	Comprising		
	Excess of capital allowances over depreciation	(347)	-
	Other timing differences	2,869	-

During the year, as a result of the changes in the UK corporation tax rate to 21% from 1 April 2014 to 20% from 1 April 2015 which were substantially enacted on 2 July 2013, the relevant deferred tax balances have been re-measured

MGS DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

5	Dividends	2014	2013
		£	£
	Final paid nil (2013 £3,000) per £1 share	-	300,000

6	Tangible fixed assets	Computer equipment	Total
	Cost	£	£
	At 1 February 2013	-	-
	Additions	12,348	12,348
	Cost of transfer of assets from MGI Luxury Group UK Limited	26,529	26,529
	Disposals	(26,529)	(26,529)
	At 31 January 2014	12,348	12,348
	Accumulated depreciation		
	At 1 February 2013	-	-
	Accumulated depreciation transfer of assets from MGI Luxury Group UK	22,991	22,991
	Change for the year	3,091	3,091
	Disposals	(22,991)	(22,991)
	At 31 January 2014	3,091	3,091
	Net book value		
	At 31 January 2014	9,257	9,257
	At 31 January 2013	-	-

On 1 April 2014, MGS Distribution Limited purchased the trade, assets and liabilities of MGI Luxury Group UK Limited, it's wholly owned subsidiary. As part of the transfer, fixed assets with a NBV of £3,538 were transferred to MGS Distribution Limited. These were subsequently disposed of. Refer to Note 17 for further information on the transfer.

7	Investments in Subsidiaries	Shares in subsidiary undertaking
	Cost	£
	At 31 January 2013	1
	Disposals	(1)
	At 31 January 2014	-
	Net book value	
	At 31 January 2014	-

During the year, the trade, assets and liabilities of MGI Luxury Group UK Limited were acquired by MGS Distribution Limited. MGI Luxury Group UK Limited has subsequently made an application to be dissolved.

8	Stocks	2014	2013
		£	£
	Finished goods and goods for resale	1,993,715	1,058,448

MGS DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

9	Debtors	2014	2013
		£	£
	Trade debtors	2,771,366	1,595,126
	Amounts owed by group undertaking	121,859	728,306
	Prepayments and accrued income	188,073	40,650
		<u>3,081,298</u>	<u>2,364,082</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

10	Creditors amounts falling due within one year	2014	2013
		£	£
	Trade creditors	153,486	23,904
	Amounts owed to group undertaking	4,173,630	980,724
	Corporation tax	30,873	120,442
	Other taxation and social security costs	19,842	203,880
	Accruals and deferred income	142,184	48,050
		<u>4,520,015</u>	<u>1,377,000</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

11 Pension and other post-retirement benefit commitments

Defined contribution

	2014	2013
	£	£
Contributions payable by the company for the year	<u>44,141</u>	<u>28,240</u>

There are no amounts prepaid or outstanding as at the year end

12	Called up share capital	2014	2013
		£	£
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each (2013 100)	<u>100</u>	<u>100</u>

13 Statement of movements on reserves

	Share premium account	Profit and loss account	Total
		£	£
Balance at 1 February 2013	799,900	1,346,692	2,146,592
Profit for the financial year	-	101,004	101,004
Loss on transfer of assets and liabilities of MGI Luxury Group UK Limited	-	(1,168,236)	(1,168,236)
Balance at 31 January 2014	<u>799,900</u>	<u>279,460</u>	<u>1,079,360</u>

MGS DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

14	Reconciliation of movements in shareholders' funds	2014 £	2013 £
	Profit for the financial year	101,004	531,175
	Dividends	-	(300,000)
	Net addition to shareholders' funds	101,004	231,175
	Opening shareholders' funds	2,146,692	1,915,517
	Loss on transfer of assets and liabilities of MGI Luxury Group UK Limited	(1,168,236)	-
	Closing shareholders' funds	1,079,460	2,146,692

15 Financial commitments

At 31 January 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2015

	Other 2014 £	2013 £
Operating leases which expire		
Within one year	60,044	17,778
Between two and five years	85,564	33,069
	145,608	50,847

16 Related party relationships and transactions

During the year the company paid management fees amounting £466,174 (2013 £360,000) to Swico Limited

During the year the company made purchases of £7,494,431 (2013 £5,349,881) from Movado Group Inc

During the year 2014 no dividend (2013 £153,000 and £147,000) was paid to Movado Group Inc

At the year end, the inter-company creditor amount of £4,173,630 related to MGI Luxury Group SA (£4,163,043), Movado Watch Company AG (£10,368) and MGI Luxury Group GmbH (£219). The inter-company debtor amount of £121,859 is related to MGI Luxury Group S A (£498) and Swissam Products Limited (£121,361)

In addition, a total of £180,422 (excluding VAT grand total £646,596 minus management fees £466,174) in relation to administration costs and salaries have been recharged from Swico Limited at cost

MGS DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

17 Transfer of assets and liabilities

On 1 April 2014, MGS Distribution Limited purchased the trade, assets and liabilities of MGI Luxury Group UK Limited, it's wholly owned subsidiary. The purchase consideration was £1. The book value of the assets and liabilities of MGI Luxury Group UK Limited at the date of transfer were as follows

Net liabilities acquired	Net Book value
	£
Fixed assets	3,337
Stock	74,783
Debtors	241,565
Cash	150,320
Creditors	(1,403,014)
Provision for liabilities	(235,226)
	<u>(1,168,235)</u>
Satisfied by	£
Cash	1

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2014 Number	2013 Number
Administration and distribution	<u>18</u>	<u>15</u>
Employment costs	2014 £	2013 £
Wages and salaries	749,727	693,798
Social security costs	93,000	86,372
Other pension costs	38,424	28,240
	<u>881,151</u>	<u>808,410</u>

MGS DISTRIBUTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2014

19 Directors' emoluments

	2014	2013
	£	£
Aggregate emoluments		159,503
Company pension contributions to defined contribution schemes	-	3,285
	<u>-</u>	<u>162,788</u>

The emoluments of the highest paid director were £nil (2013 £159,503)

The above emoluments relate to no (2013 1) directors

In 2014, the directors are employed by MGI Luxury Group SA, a Movado Group Inc company, receiving no remuneration from MGS Distribution Limited. The emoluments of these directors are paid by MGI Luxury Group SA.

The services of these directors are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to MGI Luxury Group SA. Accordingly, the above details include no emoluments in respect of these directors.

20 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Movado Group Inc.

The ultimate parent undertaking and controlling party is Movado Group Inc, a company incorporated in USA.

Movado Group Inc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 January 2013. The consolidated financial statements of Movado Group Inc are available from 350 From Road, Paramus, N.J. 07652.