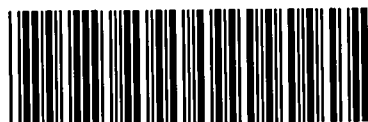


MOVADO GROUP UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

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MOVADO GROUP UK LIMITED

COMPANY INFORMATION

Directors	Xavier Gauderlot Sallie DeMarsilis Jochen Schulz
Secretary	Mitchell Sussis
Company number	06183896
Registered office	Dickens House 5 th Floor 1 Fetter Lane London EC4A 1BR
Independent Auditors	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL United Kingdom

MOVADO GROUP UK LIMITED

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MOVADO GROUP UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2023

The directors present their Strategic Report of Movado Group UK Ltd. ("the Company") for the year ended 31 January 2023.

Principal activities

The principal activity of the Company in the year under review was that of the import and sale of watches and jewellery. The Company generates turnover from sales to wholesale accounts, and direct to consumer through its e-commerce website and owned store.

Business review

In the fiscal year 2023 turnover has increased by £108,676 (+0.3%) to £38,021,433 whilst gross profit has decreased by £(81,143) (-0.6%) to £12,714,147. The UK sales increased mainly through their chain store accounts with brick and mortar sales continuing to improve. This has been balanced by a general market decline in e-commerce sales as customers return to the high street. Direct to customer e-commerce sales for the Olivia Burton brand declined by -27% in 2023 after +50% growth in 2021 during the COVID-19 store closures. During the year the Company introduced a new licensed brand to its portfolio contributing 2.6% of total sales for the year.

The Company made operating losses of £(1,560,088), a decline on 2022 of £(533,674). The economic environment during the year has continued to increase pressure on gross profit from increased shipping and supply chain costs resulting in a slight decline in gross profit as a proportion to sales. The Company continued to manage its expenditures closely, however slower sales growth and an investment in brand marketing has resulted in an increase in operating costs as a proportion of sales.

The company's net assets remain high at £21,457,439 reducing by £(1,597,941) since 2022. This is primarily due to (£2,080,000) amortization in the year relating to the intangible assets for the Olivia Burton brand acquisition in fiscal year 2018. This is partially offset by an increase in debtors of £1,094,188 from increased levels of trading with large chain stores and digital retailers.

Future outlook

The Directors expect the business to grow moderately with the focus on strengthening gross profit and operating profit. The company has a very strong portfolio of brands and intends to continue to grow these as well as investing in developing owned brands. The strategy will be to build on the existing strong commercial relationships as well as growing direct to consumer sales levels. The directors will continue to exercise tight controls on operating costs to mitigate the risks on supply chain.

Key performance indicators

The management of the Company uses various performance indicators to monitor progress. Cost and margins are considered in relation to sales achieved.

	FY23	FY22	Movement
	£	£	%
Turnover	38,021,433	37,912,757	0.3%
Gross profit as a % of turnover	33.4%	33.7%	(0.3%)
Operating loss as a % of turnover	(4.1%)	(2.7%)	(1.4%)
Selling, distribution & admin costs as a % of turnover	(39.0%)	(38.1%)	(0.9%)
Net assets	21,452,608	23,055,380	(5.5%)
Current assets as a proportion of current liabilities	3.6	3.3	0.3

Analysis of business performance for the above KPIs has been discussed as part of the Business Review section.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to consumer confidence and economic performance in the UK. Macroeconomic conditions and geopolitical factors may impact our ability to trade or adversely affect consumer spending and impact the Company's performance.

MOVADO GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

The Company competes in a retail market increasingly dominated by a small number of multi-store retailers, and a highly competitive e-commerce market. The Company needs to continue leveraging its brands and group strength to ensure strong access these markets.

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

Product costs are subject to significant pressures caused by many factors including cost of raw materials, constrained sourcing, inflationary pressure, and changes in demand. This may cause us to experience increased costs or reduced product quality. The Company needs to maintain its relationships with key suppliers and continues to drive marketing, selling and administrative cost savings by minimizing non-essential operating costs and right-sizing marketing expenses to the revenue base.

The impact of the COVID-19 pandemic has reduced significantly over the year. The risk of another rise in the pandemic infections and restrictions is under constant review. Our business model was resilient during the pandemic, and we have adopted stronger controls and more agile processes as a result. The business continues to see adverse effects on supply chain and shipping since the pandemic which is being monitored and controlled continuously.

Section 172 (1) Statement

During the financial year the Directors have acted, and they continue to act, in good faith to promote the success of the Company for the benefit of its members and stakeholders, and in doing so have regard (amongst other matters) to:

(i) the likely consequence of any decision in the long term

The company wants to seize the opportunities for sustainable growth in the watch market in its region and foster its current position, in particular with the Hugo Boss and Tommy Hilfiger brands, and invest further in the ecommerce sales to continue with the business. Ensuring the security and growth of our business is the Directors primary focus.

(ii) the interests of the company's employees

We believe our people are critical to the success of the business and every employee is a valued resource. The Company and its management are committed to equal opportunities for all, and to providing a work environment free from discrimination, harassment and retaliation. It is our intention that all matters related to recruiting, hiring, training, compensation, benefits, promotion, and all treatment on the job should be free of discriminatory practices. Treating every employee with respect is core to our values as well as continuous development of our employees. The Company engages with its employees on a regular basis using a variety of methods and seeks their feedback on areas impacting them. Our offices provide a clean workplace compliant with safety regulations, and the Company has adopted a hybrid office – home working model giving employees the capability to work in both environments.

(iii) the need to foster the company's business relationships with suppliers, customers, and others

The Company is proud of its standards of honesty and integrity in all business practices. The Directors and employees endeavor to deal fairly with the Company's customers and suppliers, and all should be treated even-handedly. The working relationship with our customers is critical for our sales business and their feedback is essential to maintaining our product offer and standards. The Company relies on its suppliers to maintain the highest quality for our products and is committed to having a professional and ethical relationship with them.

(iv) the impact of the company's operations on the community and the environment

The Movado Group has committed to a corporate responsibility program which builds on and embeds various principles to empower our people, to evolve our products and business, and to enrich our communities.

- Movado Group aims to celebrate diversity, nurture an inclusive workforce, and promote ethical recruitment and positive working conditions in our supply chain.

MOVADO GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

- Movado Group plans to design and develop more sustainable products, source more responsible materials, reduce our use of certain materials like virgin and single use plastic, calculate our Scope 1, 2 and 3 carbon emissions, and seek to mitigate negative impacts on the environment.
- Movado Group aims to continue our heritage of embracing and supporting the communities in which we operate.

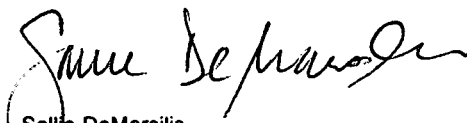
(v) the desirability of the company maintaining a reputation for high standards of business conduct

As the board of directors, our intention is to behave responsibly and ensure that management operate in a responsible manner, operating within the high standards of business conduct to contribute to the delivery of our plan. Year after year, management has to sign off on Movado Group Inc. annual compliance certificate to confirm we have complied with our policies related to ethical conduct, conflict of interests, related party transactions, protection of company assets and corporate opportunities, fair dealing, compliance with laws and the company's securities trading policy, reporting of illegal or unethical behavior and confidential and proprietary information.

(vi) the need to act fairly as between members of the company

We work together open-minded with a solutions-based approach to overcome challenges. Our employees act in the best interest of the customers and the company which is the basis to achieve a long-term relationship in particular with our key customers and the company's sustainable growth approach. We expect commitment and flexibility from our employees, and we reward them properly in return. Management is proud of our employees, the team spirit and corporate culture.

Approved by the board and signed on its behalf



Sallie DeMarsilis
Director

25 October 2023

MOVADO GROUP UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2023

The directors present their report and audited financial statements for the year ended 31 January 2023.

Directors

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

Xavier Gauderlot
Sallie DeMarsilis
Jochen Schulz

Dividends

No dividend was paid for the year end 2023 and no dividend will be approved up to signing. (2022: Nil).

Future developments

The Directors expectations for the company's future outlook is discussed in the Strategic Report.

Financial risk management

The key business risks and uncertainties affecting the Company are outlined in the Strategic Report including economic conditions, market competition and pricing pressures, and cost inflation. To mitigate the financial risk, management has implemented expense reduction measures, reviewed, and continues to review structures of the organization and office space, as well as discretionary operating expenses, in particular in the marketing area. Operational expenditures require additional approval from senior management. Accounts receivables are monitored and assessed carefully. Cash balances are monitored periodically to ensure liabilities can be paid in due course.

Other potential risks are noted below:

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations of financial liabilities. The company does not have loans in place. The company is a wholly owned subsidiary of the ultimate holding company, Movado Group Inc.

Interest rate cash flow risk

This is the risk of exposure to variability in interest rates and cash flows attributable to a recognized asset or liability. The company maintains a credit balance with its bank and does not have any interest-bearing liabilities.

Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. 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 customer and monitored.

Foreign currency exchange risk

The Company invoices in GBP and a minority of customers are invoiced in EUR. The company purchases mainly in GBP which means that the company has minimal foreign currency risk. Changes in currency are monitored monthly and hedging would be considered if a foreign currency risk was identified.

Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future being a period of at least twelve months from the date of signing this report. The Directors consider that it is appropriate to prepare the accounts on a going concern basis. This is based on an assessment of the Company's business activities, operating budgets, cash flows, liquidity position, and consideration of the risks outlined in the Strategic Report.

The Directors of the ultimate parent company Movado Group, Inc. have also confirmed that, should it be necessary, that they will provide financial support to the Company and to take all necessary steps to ensure that the Company continues to operate as a going concern.

MOVADO GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

Management has monitored the expenses very tightly in financial year 2023 and is also actively managing working capital and inventory levels. This, combined with the above mentioned financial assessments, has resulted in management concluding that any official support from the ultimate parent company Movado Group, Inc. is not required.

Streamline energy and carbon reporting (SECR)

The following figures show the company's energy consumption and carbon emissions within the United Kingdom for the financial year ended 31 January 2023.

Breakdown of energy consumption used to calculate emissions (kWh):

	2023 kWh	2022 kWh
Purchased electricity	11,460	98,694
Total energy	11,460	98,694

Breakdown of emissions associated with the reported energy use (tCO₂e):

	2023 tCO ₂ e	2022 tCO ₂ e
Scope 1 direct emissions*	N/A	N/A
Scope 2 indirect emissions - Purchased electricity	2	21
Scope 3 other indirect emissions - Business travel **	190	207
Total gross emissions	192	228
Intensity ratio (tCO₂e per million-pound turnover)	5.1	6.0

* Scope 1 - transportation of product to and around the UK is carried out by third party operations.

** Scope 3 - business travel includes the fuel usage of the company car fleet, and a minimal amount relating to air travel.

The SECR disclosure shows the mandatory disclosure requirements for the reported fiscal year for all activities where Movado Group UK Limited has operational control. Tonnes of CO₂ emissions have been calculated using the UK government GHG conversion factors for 2022.

The intensity ratio is total gross emissions in metric tonnes CO₂e per total million pounds (£m) turnover. The turnover relates to UK operations only to align with the energy and emissions reporting boundary.

As expected, energy consumption was reduced due to the consolidation of the UK office in January 2022. We expect intensity to increase marginally as business travel increases following the lifting of restrictions from COVID-19, however it will not return to pre-COVID levels as the business has implemented video conferencing facilities.

Energy efficient action plan:

- Business travel has been greatly reduced. As a result, increased use of video conferencing has been established.
- Minimum shipping quantities have been implemented to reduce the number of shipments made to partners.
- Consolidation of the UK offices has taken place in January 2022 reducing square footage.

Statement of directors' responsibilities in respect of the financial statements

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

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

MOVADO GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Independent Auditors

The auditor, Crowe U.K. LLP, is deemed to be reappointed under Companies Act 2006, section 487 (2).

Approved by the board and signed on its behalf



Sallie DeMarsilis
Director

25 October 2023

MOVADO GROUP UK LIMITED

Independent Auditor's Report to the Members of Movado Group UK Limited

Opinion

We have audited the financial statements of Movado Group UK Limited for the year ended 31 January 2023 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 January 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

MOVADO GROUP UK LIMITED

AUDITORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

Opinion on other matter 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.

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 or the directors' report.

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

- adequate accounting records have not been kept by the company, 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 set out on page 8, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

MOVADO GROUP UK LIMITED

AUDITORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, revenue recognition and stock valuation and cut off. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included testing a sample of income across the year and accrued and deferred income as at year end to agree to supporting documentation, and reviewing income received either side of the year end to ensure this has been recognised correctly. Our audit procedures to respond to stock valuation and cut off risks included attending the year end stock take, reviewing stock movements around the year end, and testing a sample of stock items at the year end and agreeing the valuation to supporting documentation.

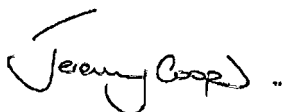
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: 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.



Jeremy Cooper
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Reading

30 October 2023

MOVADO GROUP UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2023

	Note	2023 £	2022 £
Turnover	5	38,021,433	37,912,757
Cost of sales		(25,307,285)	(25,117,467)
Gross profit		12,714,147	12,795,290
Distribution costs		(481,067)	(482,574)
Selling and marketing expenses		(10,016,634)	(9,040,002)
Administrative expenses		(4,326,908)	(4,918,804)
Grant income	6	-	-
Intercompany royalty income	6	550,373	619,676
Operating loss	7	(1,560,088)	(1,026,414)
Loss before interest and taxation		(1,560,088)	(1,026,414)
Interest receivable and similar income	9	9,410	-
Financial expenses	9	(11,024)	(107,267)
Loss before taxation		(1,561,702)	(1,133,681)
Tax on loss	10	(41,070)	(205,078)
Loss for the financial year		(1,602,772)	(1,338,759)

Turnover and operating profit/(loss) are all derived from continuing operations.

There were no recognised gains or losses for the current or prior year other than those included in the Statement of Comprehensive income.

The notes on the pages 16 to 26 are integral part of these Financial Statements.

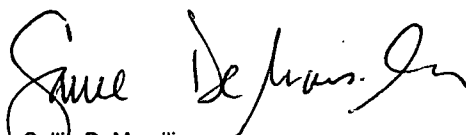
MOVADO GROUP UK LIMITED

BALANCE SHEET AS AT 31 JANUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	5,294,290	7,237,895
Tangible assets	11	722,795	981,532
		6,017,085	8,219,427
Current assets			
Inventories	12	1,880,278	2,016,898
Debtors	13	11,668,529	10,579,173
Cash at bank and in hand		7,704,490	8,586,513
		21,253,297	21,182,584
Creditors: amounts falling due within one year	14	(5,817,774)	(6,346,631)
Net current assets		15,435,523	14,835,953
Total assets less current liabilities		21,452,608	23,055,380
Net assets		21,452,608	23,055,380
Capital and reserves			
Called up share capital	17	1,381	1,381
Share premium account		70,165,286	70,165,286
Merger reserve	18	2,412,858	2,412,858
Accumulated losses		(51,126,917)	(49,524,145)
Total equity		21,452,608	23,055,380

The notes on the pages 16 to 26 are integral part of these Financial Statements.

The Financial Statements on pages 13 to 26 were authorised for issue by the board of directors on 25 October 2023 and were signed on its behalf.



Sallie DeMarsilis
Director

MOVADO GROUP UK LIMITED

Company Registration No. 06183896 (England and Wales)

MOVADO GROUP UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2023

	Called Up Share Capital £	Share Premium Account £	Accumulated Losses £	Merger Reserve £	Total Equity £
Balance as at 31 January 2021	1,381	70,165,286	(48,185,386)	2,412,858	24,394,139
Loss for the financial year	-	-	(1,338,759)	-	(1,338,759)
Balance as at 31 January 2022	1,381	70,165,286	(49,524,145)	2,412,858	23,055,380
Loss for the financial year	-	-	(1,602,772)	-	(1,602,772)
Balance as at 31 January 2023	1,381	70,165,286	(51,126,917)	2,412,858	21,452,608

The notes on the pages 16 to 26 are integral part of these Financial Statements.

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

1. General Information

MOVADO GROUP UK LIMITED (the "Company") license brands business represents sales to wholesaler of watches and jewellery. The owned brands, which include Olivia Burton, Ebel, Movado and MVMT, represent sales to retailers and wholesalers of watches and jewellery.

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is Dickens House, 5th Floor, 1 Fetter Lane, London, EC4A 1BR.

2. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

The Company is a wholly-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 consolidated financial statements under the terms of section 401 of the Companies Act 2006.

(a) Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom.

(b) Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future being a period of at least twelve months from the date of signing this report.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Management have prepared an assessment of a cash flows, projections, and risks, and as result has concluded that official support from the ultimate parent company Movado Group, Inc. is not required. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following exemptions under FRS102:

- (i) a reconciliation of the number of shares outstanding at the beginning and end of the period (FRS 102 paragraph 4.12(a)(iv)).
- (ii) the requirement to prepare a statement of cash flow (Section 7 of FRS 102 and paragraph 3.17(d)).
- (iii) financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated (FRS 102 paragraphs 11.39-11.48A, 12.26 – 12.29).
- (iv) the non-disclosure of key management personnel compensation in total (FRS 102 paragraph 33.7).

(d) Foreign currency translation

The Company's functional and presentation currency is the pound sterling.

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 recognised in the profit and loss account.

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

3. Summary of significant accounting policies (continued)

(e) Turnover

Turnover is measured at the fair value of the consideration received or receivable and presents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes. The Company bases its estimate of returns on historical results, taking into consideration the type of customer, type of transaction and specific of each arrangement.

The Company recognised turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods and (c) the amount of turnover can be measured reliably.

(f) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

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 payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

(g) Royalty income

The company received intercompany royalty income of £ 550,373 and £ 619,676 in fiscal years 2023 and 2022 respectively, from Swissam Products Limited for Olivia Burton sales.

(h) Taxation

(i) 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.

(ii) Deferred tax

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.

(i) Intangible and tangible assets

The cost of intangible and tangible assets is their purchase cost together with any incidental costs of acquisition. Intangible and tangible assets are measured at historical cost less accumulated depreciation.

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

3. Summary of significant accounting policies (continued)

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 undiscounted.

Asset	Useful Life
Other intangibles	3-10 years
Intangibles trademarks	3 years
Internally developed software	2-3 years
Tangibles shop-in-shop	5 years
Display Materials	3-5 years
Fixtures, fittings, tools and equipment	3-10 years

(j) Leased assets

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

(k) Inventories

Inventories are valued at the lower of cost and estimated selling price less costs to complete and sell

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand.

(m) Financial instruments

The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are recognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

3. Summary of significant accounting policies (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expired.

(n) Share capital

Classification of shares

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable, and
- (ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments.

When shares are issued, any component that creates a financial liability of the company or group is presented as a liability in the balance sheet, measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years. Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

The Company's preference and ordinary shares have been accounted for as equity.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. In fiscal year 2023 the allowance for doubtful debts was £112,220 (2022: £128,593).

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

4. Critical accounting judgements and estimation uncertainty (continued)

b) Impairment of intangible assets

Intangible assets consist primarily of trade names, customer relationships and trademarks. In accordance with applicable guidance, the Company estimates and records the fair value of purchased intangible assets at the time of their acquisition. The fair values of these intangible assets are estimated based on independent third-party appraisals. Finite-lived intangible assets are amortised over their respective estimated useful lives, which range from three to ten years, and are evaluated for impairment periodically and whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. Estimates of fair value for finite-lived intangible assets are primarily determined using discounted cash flows analysis of such assets, with consideration of market comparisons and recent transactions. This approach uses significant estimates and assumptions, including projected future cash flows, discount rates and growth rates. The Company determined that there was no impairment in fiscal year 2023 (2022: no impairment).

5. Turnover

In the year ended 31 January 2023 the total turnover of the Company was derived from its principal activity wholly undertaken in the UK. The turnover of the Company by geographical destination was as follows:

Turnover, analysed geographically between markets	2023 £	2022 £
United Kingdom	37,576,722	37,910,305
Asia	-	-
Rest of Europe	444,711	1,061
North America	-	1,391
Turnover	38,021,433	37,912,757

6. Intercompany royalty and grant income	2023 £	2022 £
Intercompany royalty	(550,373)	(619,676)
Grant	-	-

7. Operating loss

Operating loss is stated after charging / (crediting):	Note	2023 £	2022 £
Wages and salaries		3,292,704	3,165,260
Grant income		-	-
Social security costs		474,144	451,984
Other pension costs		113,549	141,396
Staff costs		3,880,397	3,758,640
Operating lease charges		1,128,485	1,163,314
Foreign exchange		55,130	5,418
Inventory recognised as expense		24,116,694	23,866,007
Amortisation and depreciation	11	2,824,369	2,839,334
Audit fees payable to the company's auditors		48,200	62,170

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

8. Employees & Directors

(i) Employees

The average monthly number of employees (headcounts) including directors employed by the company during the year was:

By activity	2023 Headcount	2022 Headcount
Selling	21	23
Production	4	6
Administration and distribution	42	40
Total average headcount	67	69

Directors

No directors were paid directly from the company during the year (2022: nil).

In fiscal year 2023, the directors are employed by MGI Luxury Group SA, a Movado Group Inc. company, receiving no remuneration from Movado Group UK 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.

9. Interest and similar expenses

	2023 £	2022 £
Interest receivable	(9,410)	-
Other expenses	11,024	107,267
Total interest and similar expenses	1,614	107,267

10. Tax on loss

(a) Tax expense included in profit or loss account

	2023 £	2022 £
Current tax:		
– UK Corporation tax on profits for the period	89,673	143,047
– Adjustment in respect of previous periods	(34,501)	22,904
– Foreign tax relief / other relief	(16,524)	(19,107)
– Foreign tax suffered	16,524	19,107
Total current tax	55,172	165,951
Deferred tax:		
– Origination and reversal of timing differences	(8,059)	22,570
– Adjustment in respect of previous periods	(3,497)	-
– Effect of changes in tax rates	(2,546)	16,556
Total deferred tax	(14,102)	39,126
Total tax per profit and loss account	41,070	205,078

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

(b) Reconciliation of tax charge

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2023 £	2022 £
Loss before taxation	(1,561,702)	(1,133,681)
Tax on loss at standard UK tax rate of 19.00% (2022: 19.00%)	(296,723)	(215,399)
Effects of:		
– Expenses not deductible	1,782	7,131
– Fixed asset super-deduction	(18,643)	(38,623)
– Adjustments in respect of previous periods	(37,998)	22,904
– Tax rate changes	(2,546)	16,556
– Depreciation / amortisation on ineligible assets	395,200	412,509
– Rounding	(2)	-
Tax charge for the period	41,070	205,078
Income tax expense reported in the profit and loss account	41,070	205,078

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (remaining at 19% if profits are £50,000 or less). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11. Assets

a) Intangible assets

	Other Intangibles £	Trademarks £	Internally developed software £	Total intangible assets £
Cost				
At 1 February 2022	16,700,000	122,225	335,439	17,157,664
Additions	-	-	305,976	305,976
At 31 January 2023	16,700,000	122,225	641,415	17,463,640
Less: Accumulated amortisation				
At 1 February 2022	9,833,333	48,491	37,945	9,919,769
Additions	-	-	-	-
Retirement	-	-	-	-
Charge for the year	2,080,000	12,465	157,116	2,249,581
At 31 January 2023	11,913,333	60,956	196,061	12,169,350
Net book value at 31 January 2022	6,866,667	73,734	297,494	7,237,895
Net book value at 31 January 2023	4,786,667	61,269	446,354	5,294,290

Other intangibles relate to the acquisition of the Olivia Burton Brand. The current value of the Trade Name at the balance sheet date is £4,328,333 and it will be fully amortised in 2027. The current value of the Customer List at the balance sheet date is £458,333 and it will be fully amortised in 2023.

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

b) Tangible assets

	Shop in shop	Display materials	Fixtures, fittings, tools and equipment	Total
	£	£	£	£
Cost				
At 1 February 2022	605,038	1,250,479	709,793	2,565,310
Additions	134,423	192,652	-	327,075
Retirements	(21,283)	(56,057)	-	(73,340)
At 31 January 2023	718,178	1,387,074	709,793	2,815,045
Less : Accumulated depreciation				
At 1 February 2022	248,887	813,941	520,950	1,583,778
Retirement	(14,726)	(51,590)	-	(66,316)
Charge for the year	144,670	305,532	124,586	574,788
At 31 January 2023	378,831	1,067,883	645,536	2,092,250
Net book value at 31 January 2022	356,151	436,538	188,843	981,532
Net book value at 31 January 2023	339,347	319,191	64,257	722,795

A review of all fixed assets is performed at year end to identify assets which are no longer in use and therefore require retirement. Several assets in display materials and shop in shop were identified for retirement across all brands during the usual replenishment cycle.

A reclassification of internally developed software costs has been made moving a net book value of £446,354 (2022: £297,494) from Fixtures, fittings, tools and equipment into Intangible assets.

12. Inventories

	2023	2022
	£	£
Finished goods and goods for resale	1,880,278	2,016,898
Total inventories	1,880,278	2,016,898

13. Debtors

	2023	2022
	£	£
Trade debtors	8,523,544	6,848,366
Amounts owed by group undertakings	1,851,981	2,572,630
Prepayments and accrued income	1,293,004	1,158,177
Total debtors	11,668,529	10,579,173

At January 31, 2023, there was a total trade debtors balance of £8,523,544 outstanding of which £772,932 (2022: £423,035) were aged over one year. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are payable on demand.

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	(1,412,525)	(1,000,769)
Amounts owed to group undertakings	(2,046,689)	(2,650,608)
Taxation and social security	(54,884)	(68,986)
Accruals and deferred income	(2,303,676)	(2,626,268)
Total creditors	(5,817,774)	(6,346,631)

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. Defined contribution scheme

The amount recognised as an expense for the defined contribution scheme was:

	2023	2022
	£	£
Current year contributions	113,549	141,396

16. Deferred tax

	2023	2022
	£	£
Provision at start of period	68,986	29,859
Adjustments in respect of prior years	(3,497)	-
Deferred tax charge to income statement for the period	(10,605)	39,126
Other - rounding	2	1
Provision at end of period	54,886	68,986
 Fixed asset timing differences	 111,085	 107,338
Short term timing differences – trading	(56,199)	(38,352)
Total liability	54,886	68,986
 Deferred tax (asset recoverable) / liability payable within 12 months	 2023	 2022
	£	£
Deferred tax assets	(56,199)	(38,352)
Deferred tax liabilities	111,085	107,338
Total liability	54,886	68,986

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

17. Called up share capital

Ordinary shares of £1 each

	£	£
Allotted and fully paid		
At 1 February 2022 (2021)	1,281	1,281
Issued during the year	–	–
At 31 January 2023 (2022)	1,281	1,281

Preference shares of £1 each

	£	£
Allotted and fully paid		
At 1 February 2022 (2021)	100	100
Issued during the year	–	–
At 31 January 2023 (2022)	100	100

The preference shares have attached to them rights as per the special resolution dated 30 June 2017 – rights to a preferential dividend, preferred rights to distribution of capital on winding up and rights of redemption. No voting rights except for resolutions that relate to winding up of the company or variation of preference share rights.

18. Merger reserve

On 1 February 2018, the trade and assets of JLB Brands Limited were hived up into Movado Group UK Limited in return for an intercompany loan of £12,700,000. The difference between the total value of the assets and liabilities acquired and, the recoverable amount of the investment in JLB Brands Limited, of £2,412,858 has been credited to the merger reserve.

19. Financial commitments

The company had following future minimum lease payments under non-cancellable operating leases for each of following years:

	2023 £	2022 £
Payments due		
Not later than one year	840,531	865,361
Later than one year and not later than five years	1,708,978	2,176,521
Later than five years	27,083	433,333
Total commitments	2,576,592	3,475,215

20. Related party transactions

During the year 2023 no dividend (2022: nil) was paid to Movado Group, Inc.

The SAP system is maintained centrally in the US by Movado Group, Inc. For financial year 2023 Movado Group UK Limited received invoices from Movado Group, Inc concerning SAP allocation charges of £449,028 (2022: £524,067).

A digital center of excellence was created to support the group companies in their local markets to develop the Ecommerce business. For the financial year 2023 Movado Group UK Limited was credited £454,592 as local costs were allocated to the US company Movado Group, Inc. (2022: £15,827 charge).

Insurances are handled globally, and insurance chargebacks from MGI Luxury Group SA have been received amounting to £32,956 (2022: £30,547) in the year.

MOVADO GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

21. Controlling Parties

The immediate parent undertaking is Movado Watch Company AG.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Movado Group Inc. Copies of the is Movado Group Inc. consolidated financial statements can be obtained from the company secretary at Movado Group Inc. 650 From Road, Ste. 375 Paramus, NJ 07652-3556, USA.

The ultimate controlling party is Movado Group, Inc.