

Company Registration No. 09076361 (England and Wales)

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P M Ellis M B France J Bader S Kershaw P Oldham	(Appointed 4 June 2020)
Secretary	J J Keech	
Company number	09076361	
Registered office	1 Park Street Maidenhead Berkshire SL6 1SL	
Auditor	Spencer Gardner Dickins Audit LLP 3 Coventry Innovation Village Cheetah Road Coventry CV1 2TL	

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

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CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

FAIR REVIEW OF THE BUSINESS

Business review

In what was a difficult COVID year the business achieved an excellent sale performance with total sales being 25% up year on year with the Christopher Ward brand being up by 29%. This against a backdrop where the global watch market was down 30%.

Sales were up 39% in the UK and 22% up internationally.

Our third-party business in Switzerland was 6% down on the year as the business is much more dependent on distribution through physical stores.

The overall gross profit for the year was down £265k despite the sales growth above. This is principally due to an increased investment in marketing of £1,147k, the costs of £502k incurred due to the weakness of Sterling against our major trading currencies, principally the Swiss Franc.

Outside of these areas our margin increased by 0.4% points.

Our administrative costs increased by £518k. £203k of which represents an accrual for a charity donation to the Blue Marine Foundation, which was paid after the year end. The other increase of £315k were attributable to our continued investment in our business capability along with extra costs incurred through moving our website on to another platform.

As a result of the above our Adjusted EBITDA loss increased by £783k to £1,106k. After exceptional items our EBITDA loss increased by £187k to £1,223k.

Exceptional items of £116k related principally to dual running costs as we transitioned between website platforms and regulatory requirements.

Capital expenditure of £617k relates to our continued investment in our systems and business infrastructure to support future growth. With the major focus being on the launch of our new website, on a completely different platform, in late June 2020.

It is pleasing to note our continued focus on reducing the working capital deployed within the group is starting to yield benefits with a reduction of £659k principally due to reduction in the stock held of £742k.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

FAIR REVIEW OF THE BUSINESS CONTINUED

Funding

As at the balance sheet date the Net Cash position of the group (defined as cash less bank loans and overdrafts) amounted to £246k.

Subsequent to the year end on 30th September 2021 the founders introduced £750k of further cash into the business by way of 2021 Founders Loan Notes.

If this had been introduced into the business on 31st March 2021 the Net cash position of the group would have amounted to £996k. In addition, as is explained in note 20, the total banking facilities available in the UK and Switzerland amounted to £1,561k.

As a result of the above, the total liquidity available to the group amounts to £2,557k.

In addition, also on 30th September 2021, the company and its shareholders together with BGF and Founders' Loan Note holders agreed to a variation to the terms applying to BGF and Founders Loan notes as follows:

- All interest accrued to 30th September 2021 is now to be repaid on a half yearly basis commencing June 2025. This interest will be interest free until final repayment.
- The interest rate applicable to these Loan notes will, from 1st October 2021, be 6% per annum instead of 9% per annum. Payable quarterly with the first payment due on 31st December 2021.

The directors believe the combination of these actions, together with the continued focus on working capital management, give the group the enhanced liquidity to fund the future growth of the Christopher Ward brand.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

PRINCIPAL RISKS AND UNCERTAINTIES

COVID-19 pandemic

Like most businesses we are impacted by the current COVID-19 pandemic. Whilst the pandemic places further uncertainty in the evaluation of forward business forecasts, this risk is mitigated to a degree with our business being principally internet based as opposed to relying on distribution through physical stores.

To further mitigate the risk we regularly update our business forecasts and scenario planning in order to adjust as necessary our stock buying, our other business costs as well as inform of our cash needs.

We consistently apply COVID-19 safe policies in line with the local laws of the UK and Switzerland to ensure our business operations are protected as far as possible.

Economic risk

In addition to the COVID-19 risks outlined above the group is exposed to developments in the overall retail market, the watch market in general together with the provision of the components required to produce the watches. These risks are constantly reviewed by the directors.

With the exception of watches which are sold directly to customers under the Christopher Ward brand, the group also provides and develops watches for a number of third-party customers. The group has a close working relationship with its customers and is actively involved in their business development. The amounts owing from these customers are actively managed to ensure amounts are collected within normal payment terms.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and invest cash assets safely and profitably. The directors mitigate this risk by focusing on cash management and detailed cash flow forecasting.

Currency risk

The nature of the business is that it is exposed to some degree to currency risk as it principally incurs costs in Sterling, Swiss Francs and US dollars. In addition, it principally sells its products in Sterling, Swiss Francs and US dollars. This potential currency risk is managed by applying sensible currency assumptions to all purchasing decisions, utilising the natural exchange rate hedge that is afforded by operating in different currencies and supplementing this with currency hedging, principally forward exchange contracts.

Going Concern

In view of the Group's funding position which is covered earlier, the directors have assessed the group's position in view of the continuing COVID-19 pandemic and its likely impact on the group and are satisfied sufficient liquidity is available to meet its working capital and other capital requirements for the next twelve months.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

KEY PERFORMANCE INDICATORS

	2021	2020	2019
	£'000	£'000	£'000
Turnover	13,215	10,563	10,445
Adjusted EBITDA	(1,106)	(323)	723
Capital expenditure	617	838	96
Working Capital *	2,393	3,051	3,448
Net Cash position (cash less bank overdrafts and loans)	246	1,200	(1,410)

*This is after excluding cash/bank loans and overdrafts as well as accumulated interest on BGF and Founders Loan Notes. For 2019 the amounts exclude other loans, the then shareholders loans and finance leases.

On behalf of the board

P M Ellis

Director

7 October 2021

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company continued to be that of a holding company for a group of companies engaged in the design, manufacture, supply and retail of watches and associated accessories.

Directors

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

P M Ellis

M B France

J Bader

S Kershaw

P Oldham

(Appointed 4 June 2020)

J Austin

(Resigned 4 June 2020)

Auditor

The auditor, Spencer Gardner Dickins Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

P M Ellis

Director

7 October 2021

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

Opinion

We have audited the financial statements of Christopher Ward (London) Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 group's and parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent 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.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

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:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Enquiring of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

In the previous accounting period, the directors of the group took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

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.

Susan Thomas-Walls BSc BFP FCA (Senior Statutory Auditor)
For and on behalf of Spencer Gardner Dickins Audit LLP

13 October 2021

Chartered Accountants
Statutory Auditor

3 Coventry Innovation Village
Cheetah Road
Coventry
CV1 2TL

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Notes	£	£
Turnover	3	13,214,894	10,562,967
Cost of sales		(10,325,943)	(7,408,629)
Gross profit		2,888,951	3,154,338
Administrative expenses		(3,995,151)	(3,477,449)
Adjusted EBITDA		(1,106,200)	(323,111)
Exceptional items	4	(116,360)	(712,498)
EBITDA		(1,222,560)	(1,035,609)
Depreciation		(198,679)	(150,434)
Amortisation		(574,018)	(294,814)
Profit on disposal		4,644	
Operating loss	5	(1,990,613)	(1,480,857)
Interest receivable and similar income	9	257	9,181
Other interest payable and similar expenses	10	(400,847)	(336,636)
Loss before taxation		(2,391,203)	(1,808,312)
Taxation	11	(33,615)	(67,169)
Loss for the financial year	24	(2,424,818)	(1,875,481)

Total comprehensive income for the year is all attributable to the owners of the parent company.

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

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Loss for the year	(2,424,818)	(1,875,481)
Other comprehensive income		
Currency translation differences	(138,896)	60,133
Total comprehensive income for the year	<u>(2,563,714)</u>	<u>(1,815,348)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		46,667		287,783
Other intangible assets	12		910,359		699,238
Total intangible assets			957,026		987,021
Tangible assets	13		173,869		311,461
			1,130,895		1,298,482
Current assets					
Stocks	16	3,091,611		3,833,266	
Debtors	17	1,005,690		1,214,548	
Cash at bank and in hand		751,800		1,812,859	
		4,849,101		6,860,673	
Creditors: amounts falling due within one year	18	(2,413,842)		(2,620,587)	
Net current assets			2,435,259		4,240,086
Total assets less current liabilities			3,566,154		5,538,568
Creditors: amounts falling due after more than one year	19		(4,558,132)		(4,028,315)
Provisions for liabilities	21		(234,829)		(248,346)
Net (liabilities)/assets			(1,226,807)		1,261,907
Capital and reserves					
Called up share capital	23		77,000		2,000
Share premium account	24		4,590,972		4,590,972
Legal reserve	24		17,782		17,782
Capital redemption reserve	24		25		25
Profit and loss reserves	24		(5,912,586)		(3,348,872)
Total equity			(1,226,807)		1,261,907

The financial statements were approved by the board of directors and authorised for issue on 7 October 2021 and are signed on its behalf by:

P M Ellis
Director

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Investments	14		3,018,950		3,018,950
Current assets					
Debtors	17	4,834,583		3,960,427	
Cash at bank and in hand		97,726		972,515	
		<u>4,932,309</u>		<u>4,932,942</u>	
Creditors: amounts falling due within one year	18	<u>(252,195)</u>		<u>(77,297)</u>	
Net current assets			<u>4,680,114</u>		<u>4,855,645</u>
Total assets less current liabilities			<u>7,699,064</u>		<u>7,874,595</u>
Creditors: amounts falling due after more than one year	19		<u>(4,204,563)</u>		<u>(4,028,315)</u>
Net assets			<u><u>3,494,501</u></u>		<u><u>3,846,280</u></u>
Capital and reserves					
Called up share capital	23		77,000		2,000
Share premium account	24		4,590,972		4,590,972
Capital redemption reserve	24		25		25
Profit and loss reserves	24		<u>(1,173,496)</u>		<u>(746,717)</u>
Total equity			<u><u>3,494,501</u></u>		<u><u>3,846,280</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £426,779 (2020 - £649,405 loss).

The financial statements were approved by the board of directors and authorised for issue on 7 October 2021 and are signed on its behalf by:

P M Ellis
Director

Company Registration No. 09076361

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2019		1,475	1,141,547	-	15,279	(1,533,524)	(375,223)
Year ended 31 March 2020:							
Loss for the year		-	-	-	-	(1,875,481)	(1,875,481)
Other comprehensive income:							
Currency translation differences		-	-	-	-	60,133	60,133
Total comprehensive income for the year		-	-	-	-	(1,815,348)	(1,815,348)
Issue of share capital	23	550	3,449,450	-	-	-	3,450,000
Redemption of shares	23	(25)	-	25	-	-	-
Transfers		-	-	-	2,503	-	2,503
Purchase of own shares		-	(25)	-	-	-	(25)
Balance at 31 March 2020		2,000	4,590,972	25	17,782	(3,348,872)	1,261,907
Year ended 31 March 2021:							
Loss for the year		-	-	-	-	(2,424,818)	(2,424,818)
Other comprehensive income:							
Currency translation differences		-	-	-	-	(138,896)	(138,896)
Total comprehensive income for the year		-	-	-	-	(2,563,714)	(2,563,714)
Issue of share capital	23	75,000	-	-	-	-	75,000
Balance at 31 March 2021		77,000	4,590,972	25	17,782	(5,912,586)	(1,226,807)

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019		1,475	1,141,547	-	(97,312)	1,045,710
Year ended 31 March 2020:						
Loss and total comprehensive income for the year		-	-	-	(649,405)	(649,405)
Issue of share capital	23	550	3,449,450	-	-	3,450,000
Redemption of shares	23	(25)	-	25	-	-
Purchase of own shares		-	(25)	-	-	(25)
Balance at 31 March 2020		2,000	4,590,972	25	(746,717)	3,846,280
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		-	-	-	(426,779)	(426,779)
Issue of share capital	23	75,000	-	-	-	75,000
Balance at 31 March 2021		77,000	4,590,972	25	(1,173,496)	3,494,501

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	30	(726,702)		(469,895)	
Interest paid		(21,027)		(103,321)	
Income taxes paid		(17,262)		(99,452)	
Net cash outflow from operating activities		(764,991)		(672,668)	
Investing activities					
Purchase of intangible assets		(544,381)		(656,163)	
Purchase of tangible fixed assets		(72,550)		(181,966)	
Proceeds on disposal of tangible fixed assets		5,000		-	
Interest received		257		9,181	
Net cash used in investing activities		(611,674)		(828,948)	
Financing activities					
Proceeds from issue of shares		75,000		3,450,000	
Redemption of shares		-		(25)	
Issue of loan notes		-		2,800,000	
Repayment of borrowings		(5,227)		(366,478)	
Proceeds of new bank loans		385,713		-	
Repayment of shareholders loans		(42,429)		(1,690,089)	
Payment of finance leases obligations		-		(21,802)	
Net cash generated from financing activities		413,057		4,171,606	
Net (decrease)/increase in cash and cash equivalents		(963,608)		2,669,990	
Cash and cash equivalents at beginning of year		1,260,122		(1,409,868)	
Cash and cash equivalents at end of year		296,514		1,260,122	
Relating to:					
Cash at bank and in hand		751,800		1,812,859	
Bank overdrafts included in creditors payable within one year		(455,286)		(552,737)	

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Christopher Ward (London) Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1 Park Street, Maidenhead, Berkshire, SL6 1SL.

The group consists of Christopher Ward (London) Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated financial statements incorporate those of Christopher Ward (London) Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2021 except for Christopher Ward London Limited which is made up to the last Friday of the financial year being 26 March 2021 (2020: 27 March 2020). Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

At the time of approving the financial statements, the directors have assessed the group's situation regarding the COVID-19 pandemic and the likely impact on the group. The financial statements have been prepared on the going concern basis as the directors have undertaken a review of the future financing requirements for on-going operations of the group, and are satisfied that sufficient cash facilities are secured to meet its working capital requirements for at least 12 months from the date of signing of these financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods, allowing for the subsequent dispatch of goods in the week following the year end for orders placed prior to that date), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Positive goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Assets are included in intangible fixed assets as the cost is incurred. Applicable amortisation is provided from the date of use.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	33% straight line
Patents, trademarks and other capitalised costs	10% - 33% straight line

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Assets are included in tangible fixed assets as the cost is incurred. Applicable depreciation is provided from the date of use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	Over the remaining term of the lease
Plant and machinery- tooling	20% straight line
Fixtures, fittings and equipment	20% straight line
Computer equipment	33% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, other direct costs that have been incurred in bringing the stocks to their present location and condition.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Assets and liabilities of foreign subsidiaries denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies reported in the profit and loss account are translated at the average exchange rates for the period. All differences are taken to the statement of changes in equity.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating lease commitments

The group has entered into commercial leases as a lessee in order to obtain use of property, plant and equipment and motor vehicles. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Tangible fixed assets

Judgements are required on estimating the useful economic lives of tangible fixed assets. Where an indication of impairment is identified the estimation of recoverable value requires estimation.

Stock provisions

In recognising stock provisions in the financial statements management estimate the costs recoverable on the slow moving, old or damaged stock items. These estimates are based on expected net realisable value and estimated using business knowledge and professional judgement.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Returns provision

The company includes a 60:60 guarantee with all sales which includes the ability for customers to return an item within 60 days of purchase. As a result, it is necessary to consider the likely amount of returns expected and the associated provisioning required. When calculating the provision, management considers the level of sales made in the past 60 days and the historic trend of returns.

Accruals

In recognising accrued costs in the financial statements management estimate the costs directly attributable to the financial year. These estimates are based on the expected costs, business knowledge and professional judgement.

Prepayments

In recognising prepaid costs in the financial statements management estimate the costs directly attributable to the next financial year. These estimates are based on the actual costs to date, business knowledge and professional judgement.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
Turnover analysed by geographical market		
UK	5,764,239	4,150,687
Europe	2,710,820	2,493,170
North America	3,450,107	2,784,876
Rest of World	1,289,728	1,134,234
	<u>13,214,894</u>	<u>10,562,967</u>

4 Exceptional item

	2021 £	2020 £
Expenditure		
Exceptional costs	116,360	712,498
	<u>116,360</u>	<u>712,498</u>

Management has assessed the administrative expenses and categorised the above costs as exceptional in the year. These include irregular professional support, regulatory requirements, dual running costs, contractual termination costs and one off investment costs.

5 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	502,628	67,779
Depreciation of owned tangible fixed assets	198,679	150,434
Profit on disposal of tangible fixed assets	(4,644)	-
Amortisation of intangible assets	574,018	294,814
Operating lease charges	167,969	144,755
	<u></u>	<u></u>

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	8,890	8,860
Audit of the financial statements of the company's subsidiaries	11,030	11,000
	<u>19,920</u>	<u>19,860</u>
For other services		
Taxation compliance services	1,680	1,640
All other non-audit services	600	600
	<u>2,280</u>	<u>2,240</u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Office and production staff	<u>59</u>	<u>54</u>	<u>5</u>	<u>5</u>

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	2,303,689	2,235,033	30,000	15,000
Social security costs	296,110	180,396	3,032	1,476
Pension costs	89,506	72,438	-	-
	<u>2,689,305</u>	<u>2,487,867</u>	<u>33,032</u>	<u>16,476</u>

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	414,400	347,298
Company pension contributions to defined contribution schemes	8,787	8,749
	<u>423,187</u>	<u>356,047</u>

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	122,758	106,728
Company pension contributions to defined contribution schemes	-	8,749
	<u>122,758</u>	<u>115,477</u>

9 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	257	9,181
	<u>257</u>	<u>9,181</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	257	9,181
	<u>257</u>	<u>9,181</u>

10 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	25,463	69,213
Other interest on financial liabilities	375,384	267,058
	<u>400,847</u>	<u>336,271</u>

Other finance costs:

Interest on finance leases and hire purchase contracts	-	365
	<u>-</u>	<u>365</u>
Total finance costs	400,847	336,636
	<u>400,847</u>	<u>336,636</u>

Disclosed on the profit and loss account as follows:

Other interest payable and similar expenses	400,847	336,636
	<u>400,847</u>	<u>336,636</u>

11 Taxation

	2021 £	2020 £
Foreign current tax on profits for the current period	47,132	64,784
	<u>47,132</u>	<u>64,784</u>

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	(13,517)	2,385
	<u> </u>	<u> </u>
Total tax charge	33,615	67,169
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Loss on ordinary activities before taxation	(2,391,203)	(1,808,312)
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(454,329)	(343,579)
Tax effect of expenses that are not deductible in determining taxable profit	143,986	118,530
Tax effect of utilisation of tax losses not previously recognised	(25,365)	-
Unutilised tax losses carried forward	360,961	283,926
Effect of overseas tax rates	8,362	8,292
	<u> </u>	<u> </u>
Tax expense for the year	33,615	67,169
	<u> </u>	<u> </u>

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Intangible fixed assets

Group	Goodwill	Negative goodwill	Software	Patents, trademarks and other capitalised costs	Total
	£	£	£	£	£
Cost					
At 1 April 2020	2,411,161	(796,713)	1,278,815	113,435	3,006,698
Additions	-	-	544,381	-	544,381
Disposals	-	-	(478,463)	-	(478,463)
At 31 March 2021	2,411,161	(796,713)	1,344,733	113,435	3,072,616
Amortisation and impairment					
At 1 April 2020	2,123,378	(796,713)	601,650	91,362	2,019,677
Amortisation charged for the year	241,116	-	323,392	9,510	574,018
Disposals	-	-	(478,107)	-	(478,107)
Exchange adjustments	-	-	2	-	2
At 31 March 2021	2,364,494	(796,713)	446,937	100,872	2,115,590
Carrying amount					
At 31 March 2021	46,667	-	897,796	12,563	957,026
At 31 March 2020	287,783	-	677,165	22,073	987,021

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Tangible fixed assets

Group	Land and buildings leasehold	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Motor vehicles	Total
Cost						
At 1 April 2020	66,967	466,800	504,213	222,001	81,498	1,341,479
Additions	-	8,486	41,050	23,014	-	72,550
Disposals	(34,936)	-	(142,536)	(26,894)	(26,862)	(231,228)
Exchange adjustments	-	(26,788)	(21,068)	(6,791)	(6,142)	(60,789)
At 31 March 2021	32,031	448,498	381,659	211,330	48,494	1,122,012
Depreciation and impairment						
At 1 April 2020	46,452	334,516	419,380	149,855	79,814	1,030,017
Depreciation charged in the year	5,817	124,871	24,448	42,770	773	198,679
Eliminated in respect of disposals	(34,289)	-	(143,183)	(26,894)	(26,862)	(231,228)
Exchange adjustments	-	(30,568)	(6,277)	(6,412)	(6,068)	(49,325)
At 31 March 2021	17,980	428,819	294,368	159,319	47,657	948,143
Carrying amount						
At 31 March 2021	14,051	19,679	87,291	52,011	837	173,869
At 31 March 2020	20,515	132,283	84,833	72,146	1,684	311,461

The company had no tangible fixed assets at 31 March 2021 or 31 March 2020.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	3,018,950	3,018,950

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 April 2020 and 31 March 2021	3,018,950
Carrying amount	
At 31 March 2021	3,018,950
At 31 March 2020	3,018,950

15 Subsidiaries

Registered office addresses (all UK unless otherwise indicated):

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Christopher Ward London Limited	1	The design and retailing of watches and associated accessories	Ordinary	100.00
Christopher Ward SA	2	The manufacture of watches and associated accessories	Ordinary	100.00
CW Watches Inc	3	Retailing of watches and associated accessories	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 1 Park Street, Maidenhead, Berkshire, SL6 1SL, UK
- 2 Chemin de la Clôture 6, CH-2502 Biel/Bienne, Switzerland
- 3 15 Briarwood Ln, Dover, NH 03820-4274, USA

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	1,862,416	2,494,708	-	-
Finished goods and goods for resale	1,229,195	1,338,558	-	-
	<u>3,091,611</u>	<u>3,833,266</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	394,660	537,898	-	-
Other debtors	282,662	368,089	-	15,037
Prepayments and accrued income	328,368	308,561	-	-
	<u>1,005,690</u>	<u>1,214,548</u>	<u>-</u>	<u>15,037</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	4,834,583	3,945,390
	<u>-</u>	<u>-</u>	<u>4,834,583</u>	<u>3,945,390</u>
Total debtors	<u>1,005,690</u>	<u>1,214,548</u>	<u>4,834,583</u>	<u>3,960,427</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	20	506,110	576,643	-	-
Trade creditors		709,373	1,125,279	-	-
Corporation tax payable		117,813	120,476	-	-
Other taxation and social security		209,965	42,032	-	-
Loan note interest		203,572	-	203,572	-
Shareholders' loans		-	45,887	-	-
Other creditors		66,149	297,854	-	-
Accruals and deferred income		600,860	412,416	48,623	77,297
		<u>2,413,842</u>	<u>2,620,587</u>	<u>252,195</u>	<u>77,297</u>

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Unsecured loan notes	20	3,795,000	3,795,000	3,795,000	3,795,000
Bank loans and overdrafts	20	353,569	-	-	-
Loan note interest		409,563	233,315	409,563	233,315
		<u>4,558,132</u>	<u>4,028,315</u>	<u>4,204,563</u>	<u>4,028,315</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	2,941,428	3,795,000	2,941,428	3,795,000
	<u>2,941,428</u>	<u>3,795,000</u>	<u>2,941,428</u>	<u>3,795,000</u>

20 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Unsecured loan notes	3,795,000	3,795,000	3,795,000	3,795,000
Bank loans	404,393	23,906	-	-
Bank overdrafts	455,286	552,737	-	-
Shareholders' loans	-	45,887	-	-
	<u>4,654,679</u>	<u>4,417,530</u>	<u>3,795,000</u>	<u>3,795,000</u>
Payable within one year	506,109	622,530	-	-
Payable after one year	4,148,570	3,795,000	3,795,000	3,795,000
	<u>4,654,679</u>	<u>4,417,530</u>	<u>3,795,000</u>	<u>3,795,000</u>

Amounts included above which fall due after five years:

Payable by instalments	2,941,428	3,795,000	2,941,428	3,795,000
	<u>2,941,428</u>	<u>3,795,000</u>	<u>2,941,428</u>	<u>3,795,000</u>

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Loans and overdrafts

(Continued)

Unsecured loan notes comprise of investor loan notes of £2,800,000 (2020: £2,800,000) which carry an interest rate of 9% per annum. The interest is payable in quarterly instalments from September 2021. The loan notes are repayable in quarterly instalments from June 2025. Christopher Ward London Limited has provided a full guarantee for the liability of the loan notes and related interest. Christopher Ward SA has provided a guarantee which is limited to the amount of unrestricted equity capital surplus available for distribution.

Within unsecured loan notes are founder loan notes of £995,000 (2020: £995,000) which carry an interest rate of 9% per annum. The interest is payable in quarterly instalments from September 2021. The loan notes are repayable in quarterly instalments from June 2025.

Within bank loans is £385,713 (2020: £nil) which relates to a COVID19 loan secured by the Swiss government. This loan is interest free and is repayable in bi-annual instalments £32,144 (CHF41,668) from 31 March 2022 with the final payment being due September 2027.

Included within bank loans in 2020 was a total of £23,906 in respect of a term loan which carried interest at 3% above the Bank of England base rate per annum. In 2021 this loan was renewed under a new facility which carries interest at 3% above the Bank of England base rate per annum. The loan balance of £18,680 is repayable in full by 27 June 2021.

Included within bank overdrafts is a total of £77,144 (2020: £367,094) relating to fixed advances from the bank which carry interest at a rate of 3.5% per annum and are secured over certain assets of the group.

Included within bank overdrafts is a total of £378,142 (2020: £185,643) which carried interest at 2.95% above the Bank's base rate per annum and was secured over certain of the assets of the group.

In 2020, shareholders loans of £45,887 carried interest at 3%.

Banking facilities

As at 31 March 2021, the group had access to the following banking facilities:

Bank overdraft of £875,000 which incurs interest at a rate of 2.5% plus base rate per annum and is repayable on demand. As at the year end, £378,142 (2020: £185,643) of this overdraft facility was drawn.

Commercial credit card facility of £300,000 (2020: £300,000). As at the year end, £66,148 (2020: £150,870) of this facility was being used.

Swiss banking facilities of £385,713 (CHF500,000) which incurs interest at a rate of 3.5% per annum and is repayable on demand. As at the year end, £77,144 (CHF100,000) (2020: £158,518 (CHF190,000)) of these facilities were drawn.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	289,202	287,258
Provision for unrealised profits	(54,373)	(38,912)
	<u>234,829</u>	<u>248,346</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 April 2020	248,346	-
Credit to profit or loss	(13,517)	-
	<u>234,829</u>	<u>-</u>

22 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>89,506</u>	<u>72,438</u>

Defined contribution pension schemes are operated in the UK and in Switzerland for all qualifying employees. The assets of the schemes are held separately from the group in independently administered funds.

23 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
A ordinary shares of 1p each	55,000	55,000	550	550
Ordinary shares of 1p each	145,000	145,000	1,450	1,450
Deferred shares of £1 each	75,000	-	75,000	-
	<u>275,000</u>	<u>200,000</u>	<u>77,000</u>	<u>2,000</u>

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Share capital

(Continued)

All classes of shares rank pari passu and entitle the holder to attend and vote at any meeting of the company, to participate in the profits of the company that are available for distribution and to a return of capital on winding up to the extent that all other debts are settled.

On the 30 July 2020 75,000 deferred shares of £1 each were issued for cash at par.

On 25 July 2019, the company repurchased 25 E ordinary shares for cash at par and subsequently cancelled these shares.

On 25 July 2019, 550 A ordinary shares of £1 each were issued for cash at a premium of £6,271.73 per share.

On 25 July 2019, the following shares were reclassified as Ordinary £1 shares:

- 50 A ordinary shares of £1 each
- 450 B ordinary shares of £1 each
- 450 C ordinary shares of £1 each
- 500 D ordinary shares of £1 each

On 23 December 2019 1,450 Ordinary £1 shares were subdivided into 145,000 1p ordinary shares.

On 23 December 2019 550 A ordinary £1 shares were subdivided into 55,000 1p A ordinary shares.

24 Reserves

Share premium

The share premium account represents the amount received in excess of nominal value for shares purchased in the group.

Profit and loss reserves

Profit and loss reserves represent the retained earnings of the group since its inception.

Legal reserve

The legal reserve is held by Christopher Ward SA and relates to the mandatory retainment of part of the firm's earnings. This reserve is not available for distribution.

25 Financial commitments, guarantees and contingent liabilities

Company only

Christopher Ward (London) Holdings Limited is part of a group guarantor scheme regarding the commercial loans with Barclays. At the reporting date, Christopher Ward (London) Holdings Limited has fixed and floating charges over its assets to the value of £84,828 (2020: £169,488).

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	107,166	96,724	-	-
Between two and five years	228,923	300,377	-	-
	<u>336,089</u>	<u>397,101</u>	<u>-</u>	<u>-</u>

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Acquisition of intangible assets	5,642	166,416	-	-
	<u>5,642</u>	<u>166,416</u>	<u>-</u>	<u>-</u>

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

28 Events after the reporting date

Change to Business Financing

On 30 September 2021, the company, and its shareholders together with the BGF and Founders' Loan Note holders agreed to a variation to the terms applying to the BGF and Founders Loan notes as follows:

- All interest accrued to 30 September 2021 is now to be repaid on a half yearly basis commencing June 2025. This interest will be interest free until final repayment.
- The interest rate applicable to these Loan notes will, from 01 October 2021, be 6% per annum. Payable quarterly with the first payment due on 31 December 2021.

The Founders introduced further cash of £750k into the business by way of 2021 Founders Loan Notes. These loan notes carry an interest rate of 6% per annum. Payable quarterly with the first payment due on 31 December 2021.

Had these changes been in place at the year-end date the balance sheets of the company and the group would have been as follows:

	Group Balance Sheet		Company Balance sheet	
	As stated	Adjusted for the above	As stated	Adjusted for the above
	£	£	£	£
Cash	751,800	1,501,800	97,726	847,726
Creditors Falling due within one year	(2,413,842)	(2,347,246)	(252,195)	(185,599)
Creditors Falling due after one year	(4,558,132)	(5,374,728)	(4,204,563)	(5,021,159)

Other events after the reporting date

On 4 May, 2021 21,000 deferred shares of £1 each were issued for cash at par.

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

29 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Finance costs	
	2021	2020
	£	£
Group		
Key management personnel	15,000	15,000

Finance costs paid to key management personnel are for the provision of personal guarantees.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2021	2020
	£	£
Group		
Shareholders' loans	4,408,135	4,074,202
Company		
Shareholders' loans	4,408,135	4,028,315

Amounts due to shareholders represents unsecured investor loan notes of £2,800,000 (2020: £2,800,000) which carries an interest rate of 9% per annum. Rolled up interest of £452,378 (2020: £172,142) is payable in monthly instalments from September 2021. The loan notes are repayable in monthly instalments from June 2025.

Christopher Ward London Limited has provided a full guarantee for the liability of the loan notes and related interest. Christopher Ward SA has provided a guarantee which is limited to the amount of unrestricted equity capital surplus available for distribution.

Amounts due to shareholders also includes unsecured founder loan notes of £995,000 (2020: £995,000) which carries an interest rate of 9% per annum. Rolled up interest of £160,756 (2020: £61,173) is payable in monthly instalments from September 2021. The loan notes are repayable in monthly instalments from June 2025.

In 2020, the remaining balance in Group of £45,887 represented a loan carrying an interest rate of 3% per annum that was repayable on demand.

The directors have provided personal guarantees over bank facilities limited to £1,200,000 (2020: £1,358,518).

CHRISTOPHER WARD (LONDON) HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

30 Cash generated from group operations

	2021 £	2020 £
Loss for the year after tax	(2,424,818)	(1,875,481)
Adjustments for:		
Taxation charged	33,615	67,169
Finance costs	400,847	336,636
Investment income	(257)	(9,181)
Gain on disposal of tangible fixed assets	(4,644)	-
Amortisation and impairment of goodwill	241,116	241,117
Amortisation and impairment of other intangible assets	332,902	53,697
Depreciation and impairment of tangible fixed assets	198,679	150,434
EBITDA	(1,222,560)	(1,035,609)
Foreign exchange movement	23,113	(101,096)
	(1,199,447)	(1,136,705)
Movements in working capital:		
Decrease in stocks	557,558	89,685
Decrease/(increase) in debtors	152,139	(127,453)
(Decrease)/increase in creditors	(236,952)	704,578
Increase in deferred income	203,572	-
Cash absorbed by operations	(726,702)	(469,895)
Per cash flow statement page	(726,702)	(469,895)

EBITDA noted above of £1,222,560 (2020: £1,035,609) includes exceptional items of £116,360 (2020: £712,498).

31 Analysis of changes in net debt - group

	1 April 2020 £	Cash flows £	Exchange rate movements £	31 March 2021 £
Cash at bank and in hand	1,812,859	(1,040,777)	(20,282)	751,800
Bank overdrafts	(552,737)	69,784	27,667	(455,286)
	1,260,122	(970,993)	7,385	296,514
Borrowings excluding overdrafts	(3,864,793)	(334,600)	-	(4,199,393)
	(2,604,671)	(1,305,593)	7,385	(3,902,879)

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