

Company No 260618

**TIME PRODUCTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**31ST JANUARY 2013**

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## **TIME PRODUCTS LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31st January 2013

#### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The principal activity of the company is that of a holding company. The principal risk to the company is that the underlying long term performance of its investments is not sufficient to support the carrying values of those assets.

The company has two main trading subsidiaries both operating primarily in the field of watch distribution and it regularly reviews the principal risks and uncertainties facing those businesses.

Time Products (UK) Limited supplies watches and ancillary products to the UK mass market and to selective markets overseas. Its Sekonda brand is the leading UK brand in volume terms selling over 2m watches in the current year. It is one of the most widely recognised names of any UK product as a result of a consistent, high profile marketing campaign for over 50 years. Sekonda is a leading brand on airlines and at duty free concessions across the globe. The Limit brand is also highly successful, selling over 400,000 units last year.

Time Products Luxury Limited is an exclusive importer and distributor of a number of luxury and high profile watch brands. The company also has three retail outlets - the Marcus shop on New Bond Street which maintains "the most important collection of watches in the world", the Almar shop on Burlington Arcade and the Hublot Boutique on New Bond Street.

#### **RESULTS AND DIVIDENDS**

Details of the company's results are shown in the profit and loss account on page 6. The payment of a dividend of £2,000,000 (2012: £8,300,000) was approved on 31st January 2013 and paid in April 2013.

The total decrease in shareholders' funds for the year of £21,702,000 (2012: increase of £23,000) has been transferred from reserves.

#### **DIRECTORS**

The following were directors during the year and since the year end -

M J Margulies  
D W Merriman  
L D Michaels

L D Michaels retires by rotation and, being eligible, offers himself for re-election.

#### **FINANCIAL RISK MANAGEMENT**

The company has limited financial borrowing requirements in relation to its turnover and assets. Therefore, liquidity and interest rate risks are considered insignificant. Credit risk is managed by careful review of customers' financial standing and appropriate credit checks on potential customers are made prior to sale. Foreign exchange risk is managed by a regular review of currency exposure. The directors do not consider there is a material price risk to the business. Future foreign currency purchases and disposals are hedged with forward currency contracts when considered appropriate.



## **TIME PRODUCTS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business,

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure of information to auditors**

Each of the directors in office at the date the directors' report is approved confirm that

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

**TIME PRODUCTS LIMITED**  
**DIRECTORS' REPORT (continued)**

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting

Approved by the Board of directors and  
signed by order of the Board

A handwritten signature in black ink, appearing to be 'W. Colville', written over a horizontal line.

W COLVILLE  
Company secretary  
1st May 2013

## **TIME PRODUCTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIME PRODUCTS LIMITED**

We have audited the financial statements of Time Products Limited for the year ended 31st January 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st January 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**TIME PRODUCTS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF TIME PRODUCTS LIMITED (continued)**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

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

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



Tony Nicol (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

1 May 2013

**TIME PRODUCTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST JANUARY 2013**

	Note	2013 £'000s	2012 £'000s
Operating expenses	2	(151)	(978)
Investment income	8	63	50
Income from shares in group undertakings		10,325	8,860
<b><i>Profit on ordinary activities before interest and taxation</i></b>		<b>10,237</b>	<b>7,932</b>
Net interest receivable and similar income	3	22	99
<b><i>Profit on ordinary activities before taxation</i></b>	5	<b>10,259</b>	<b>8,031</b>
Tax on profit on ordinary activities	7	39	312
<b><i>Profit for the financial year</i></b>		<b>10,298</b>	<b>8,343</b>

The results set out above relate to continuing activities

**TIME PRODUCTS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31ST JANUARY 2013**

	2013 £'000s	2012 £'000s
Profit for the financial year	10,298	8,343
Actuarial loss recognised in the pension scheme	-	(28)
Movement on tax relating to pension liability	-	8
	<hr/>	<hr/>
Total recognised gains for the year	<u>10,298</u>	<u>8,323</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31ST JANUARY 2013**

	2013 £'000s	2012 £'000s
Profit for the financial year	10,298	8,343
Ordinary dividends 5 13p (2012 21 30p) per share	(2,000)	(8,300)
Dividend in specie	(30,000)	-
	<hr/>	<hr/>
(Loss)/profit for the financial year	(21,702)	43
Actuarial loss recognised in the pension scheme	-	(28)
Movement on current/deferred tax relating to pension liability	-	8
	<hr/>	<hr/>
Net (decrease)/increase in shareholders' funds	(21,702)	23
Opening shareholders' funds	83,922	83,899
	<hr/>	<hr/>
Closing shareholders' funds	<u>62,220</u>	<u>83,922</u>

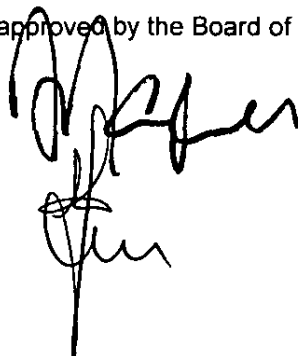
# TIME PRODUCTS LIMITED

## BALANCE SHEET AS AT 31ST JANUARY 2013

	Note	2013 £'000s	2012 £'000s
<b>Fixed assets</b>			
Investments	9	33,036	33,036
<b>Current assets</b>			
Debtors	10	19,648	56,266
Cash at bank and in hand		12,569	3,691
		<u>32,217</u>	<u>59,957</u>
<b>Creditors . amounts falling due within one year</b>	11	<u>(2,703)</u>	<u>(8,741)</u>
<b>Net current assets</b>		29,514	51,216
<b>Total assets less current liabilities</b>		<u>62,550</u>	<u>84,252</u>
<b>Creditors amounts falling due after more than one year</b>	12	<u>(330)</u>	<u>(330)</u>
<b>Net assets</b>		<u>62,220</u>	<u>83,922</u>
<b>Capital and reserves</b>			
Called up share capital	13	3,891	3,891
Share premium account	14	6,235	6,235
Capital redemption reserve	14	1,230	1,230
Other reserves	14	25,421	25,421
Profit and loss account	14	25,443	47,145
<b>Total Shareholders' Funds</b>		<u>62,220</u>	<u>83,922</u>

The financial statements on pages 6 to 17 were approved by the Board of directors on 1st May 2013 and signed on its behalf by

M J Margulies )  
 ) Directors  
 L D Michaels )



Company number 260618

## **TIME PRODUCTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2013**

#### **1. Accounting Policies**

##### **Accounting convention**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies which the directors have adopted are described below.

##### **Accounting Policies**

The directors have reviewed the company's accounting policies, which they consider are the most appropriate to the company's circumstances, in accordance with the requirements of Financial Reporting Standard No 18.

##### **Foreign currencies**

Foreign currency trading transactions are translated into local currency at the rate of exchange ruling at the dates of the transactions. Year end monetary assets and liabilities are translated at the rates of exchange at the balance sheet date. Translation differences are dealt with in the profit and loss account.

##### **Finance Costs**

Interest payable is recognised as incurred on an accruals basis.

##### **Provisions**

Provisions are recognised when there is a present legal or constructive obligation, as a result of a past event, exists at the balance sheet date and where the obligation can be reasonably estimated.

##### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable results and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### **Pensions**

The company operates a defined contribution scheme and costs are charged to the profit and loss account as incurred.

## TIME PRODUCTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2013

#### 1. Accounting Policies (continued)

##### Financial instruments

The company adopted Financial Reporting Standard No 25 "Financial Instruments Disclosure and presentation" in 2006. Non-equity C shares are classified as liabilities.

##### Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

##### Investments

Investments held as fixed assets are stated at cost less a provision for permanent impairment in value, which is reviewed annually.

##### Cash flow exemption

The company has taken advantage of the exemption under Financial Reporting Standard 1 (Revised 1996) "Cash Flow Statements" not to prepare a cash flow statement as it is a wholly owned subsidiary and the consolidated financial statements in which the company is included are publicly available.

##### Exemption from consolidation

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it is a wholly owned subsidiary and the consolidated financial statements in which the company is included are publicly available.

#### 2. Operating expenses

	2013 £'000s	2012 £'000s
Administrative expenses	<u>151</u>	<u>978</u>

**TIME PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST JANUARY 2013**

**3. Net interest receivable and similar income**

	2013 £'000s	2012 £'000s
Interest receivable from parent company	-	186
Interest receivable and similar income - on deposits	31	4
Interest payable and similar charges - on bank loans and overdrafts	(9)	(72)
Net return on pension scheme	-	(19)
	<u>22</u>	<u>99</u>

**4. Staff numbers and costs**

The monthly average number of persons, including directors, employed by the company during the year was 3 (2012 3), all of whom were employed in an administrative capacity  
The aggregate payroll costs of these persons were as follows -

	2013 £'000s	2012 £'000s
Wages and salaries	418	390
Social Security costs	68	70
Other pension costs	13	15
	<u>499</u>	<u>475</u>

**5. Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is arrived at after charging

	2013 £'000s	2012 £'000s
Auditors' remuneration - audit fee	7	9
- non-audit fee	33	8
Rentals paid under operating leases - land & buildings	<u>125</u>	<u>125</u>

# TIME PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2013

### 6. Directors' emoluments

The remuneration of the directors for the year was as follows

	2013 £'000s	2012 £'000s
Aggregate emoluments	277	266
Pension in respect of former director	16	16
	<u>293</u>	<u>282</u>

The emoluments of the highest paid director were £277,000 (2012 £266,000)

The directors' emoluments for the Group, excluding those shown above, amounted to £1,205,000 (2012 £1,218,000)

### 7. Tax on profit on ordinary activities

The credit for taxation is based on the profit for the year and comprises

	2013 £'000s	2012 £'000s
Corporation tax relief at 24 33% (2012 26 33%)	(35)	(581)
Adjustment in respect of prior years	(4)	-
	<u>(39)</u>	<u>(581)</u>
Total current tax	(39)	(581)
Movement on deferred tax asset in relation to pension contributions	-	269
	<u>(39)</u>	<u>(312)</u>
Tax on profit on ordinary activities	(39)	(312)

# TIME PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2013

### 7. Tax on profit on ordinary activities (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 24 33% (2012 26 33%) The actual tax charge for the current year is lower (2012 lower) than the standard rate for the reasons set out in the following reconciliation -

	2013 £'000s	2012 £'000s
Profit on ordinary activities before tax	<u>10,259</u>	<u>8,031</u>
Tax on profit on ordinary activities at standard rate 24 33% (2012 26 33%)	2,496	2,114
Factors affecting charge for the year		
Depreciation for year less than capital allowances	(4)	(6)
Other timing differences	-	(402)
Group dividends receivable not subject to corporation tax	(2,512)	(2,333)
Expenses not deductible for tax purposes	-	59
Other adjustments	(15)	(13)
Adjustment in respect of prior years	(4)	-
	<u>(39)</u>	<u>(581)</u>
Total actual amount of current tax		

Unrecognised deferred tax assets as at 31st January 2013 amounted to £16,000 (2012 £21,000) These have not been recognised as it is uncertain whether the amounts will reverse in the foreseeable future

The Finance Act 2012 confirmed the reduction of the main rate of corporation tax from 1st April 2012 to 24% and from 1st April 2013 to 23% In the Budget on 20th March 2013, the Chancellor of the Exchequer announced that the corporation tax rate from 1st April 2014 will be 21% The change has not been substantively enacted at the balance sheet date and therefore is not recognised in these financial statements

### 8 Trade investment

Time Products Limited has a non-controlling interest in Creative and Innovative Merchandise Limited, a company registered in England and Wales The cost of this investment was £100 During the year the company received a dividend of £62,500 (2012 £50,000) on this investment

# TIME PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2013

### 9. Investments

	£'000s
<b>Cost</b>	
At 1st February 2012	39,339
Liquidation of subsidiaries	(6,303)
	<hr/>
At 31st January 2013	33,036
<b>Provision</b>	
At 1st February 2012	6,303
Liquidation of subsidiaries	(6,303)
	<hr/>
At 31st January 2013	-
<b>Net book value</b>	
As at 31st January 2013	33,036
	<hr/>
As at 31st January 2012	33,036

The book values of the investments in subsidiary undertakings do not exceed the net assets of the related companies

The following are the principal subsidiary undertakings all of which are wholly owned and incorporated in England and Wales

	HOLDING COMPANY	NATURE OF BUSINESS
Time Products (UK) Limited	<i>Time Products Watches Limited</i>	Distribution of branded watches and associated products
Time Products Luxury Limited	<i>Time Products Limited</i>	Distribution and retailing of branded watches and associated products

### 10. Debtors

	2013 £'000s	2012 £'000s
Amounts falling due within one year		
Amounts owed by group undertakings	19,604	55,714
Corporation tax	23	94
Other debtors	13	453
Prepayments and accrued income	8	5
	<hr/>	<hr/>
	19,648	56,266

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and repayable on demand. Amounts owed by parent company are unsecured, repayable on demand and subject to interest at base rate

**TIME PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST JANUARY 2013**

**11. Creditors : amounts falling due within one year**

	2013 £'000s	2012 £'000s
Trade creditors	10	7
Amounts owed to group undertakings	198	198
Other taxes and social security	341	108
Other creditors	26	28
Dividend payable	2,000	8,300
Accruals and deferred income	128	100
	<u>2,703</u>	<u>8,741</u>

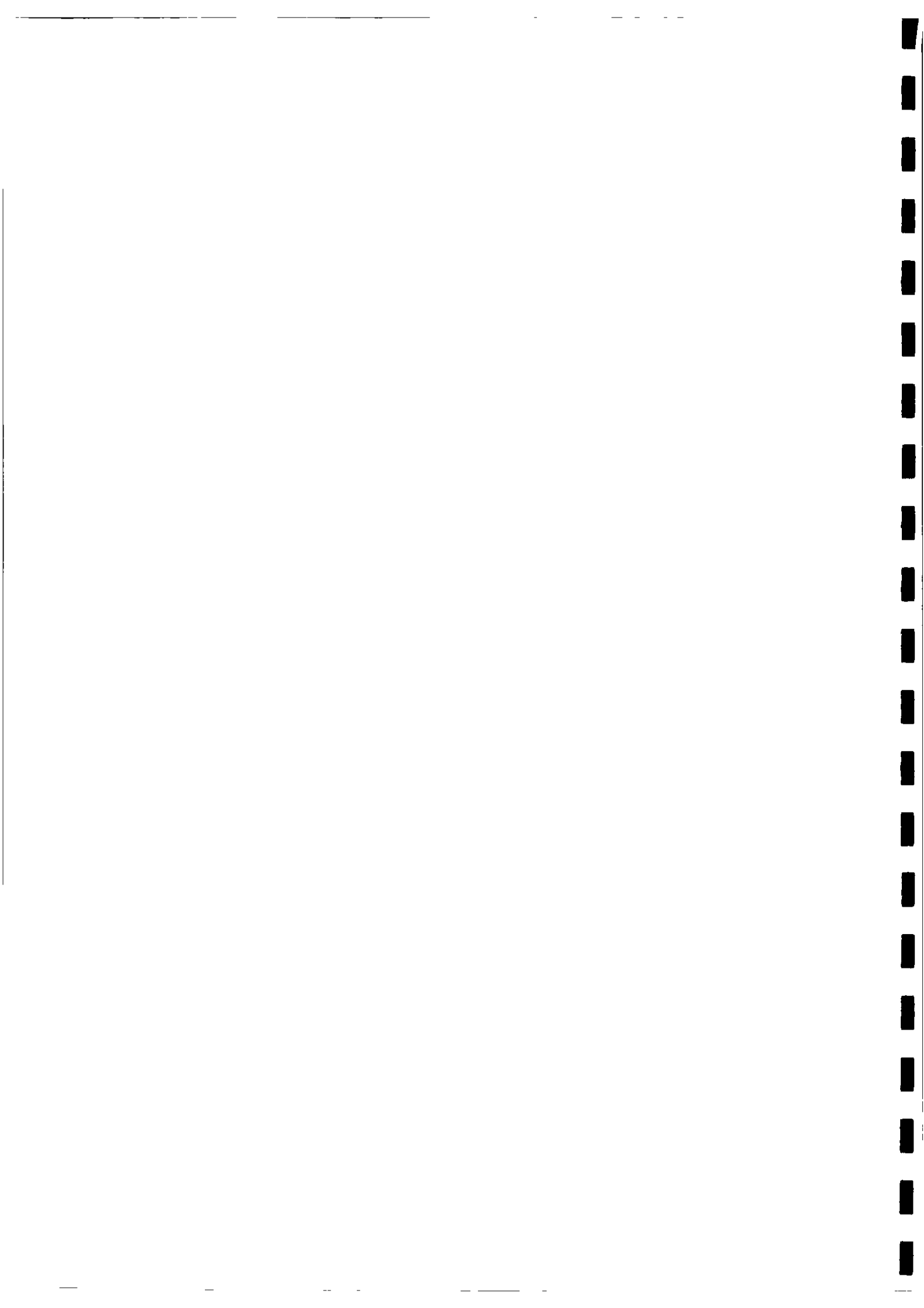
Amounts owed to group undertakings are unsecured, interest free and repayable on demand

**12. Creditors : amounts falling due after more than one year**

	2013 £'000s	2012 £'000s
Non equity C shares	<u>330</u>	<u>330</u>

**13. Called up share capital**

	2013		2012	
	Number of Shares	£'000s	Number of Shares	£'000s
Authorised				
Ordinary shares of 10p each	62,160,408	6,216	62,160,408	6,216
B shares of 9p each	604,754	54	604,754	54
	<u>62,765,162</u>	<u>6,270</u>	<u>62,765,162</u>	<u>6,270</u>
C shares of 1p each - classified as debt	32,953,134	330	32,953,134	330
	<u>95,718,296</u>	<u>6,600</u>	<u>95,718,296</u>	<u>6,600</u>
Allotted and fully paid				
Ordinary shares of 10p each	38,367,967	3,837	38,367,967	3,837
B Shares of 9p each	604,754	54	604,754	54
	<u>38,972,721</u>	<u>3,891</u>	<u>38,972,721</u>	<u>3,891</u>
C shares of 1p each - classified as debt	32,953,134	330	32,953,134	330
	<u>71,925,855</u>	<u>4,221</u>	<u>71,925,855</u>	<u>4,221</u>



# TIME PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JANUARY 2013

### 13. Called up share capital (continued)

Both the ordinary and B shareholders are entitled to all the dividends declared or paid by the company. C shareholders have no entitlement to dividends. Only the ordinary shares and B shares carry voting rights. On a winding up, C shareholders shall be entitled to receive the aggregate nominal amount paid up thereon after a sum has been paid of £10,000 per share on every other class of share in the capital of the company. Ordinary and B shares shall rank pari passu in all respects.

### 14. Reserves

	Share premium account £'000s	Capital redemption reserve £'000s	Other reserves £'000s	Profit and loss account £'000s	Total £'000s
At 1st February 2012	6,235	1,230	25,421	47,145	80,031
Loss for the financial year	-	-	-	(21,702)	(21,702)
At 31st January 2013	<u>6,235</u>	<u>1,230</u>	<u>25,421</u>	<u>25,443</u>	<u>58,329</u>

### 15. Contingent liabilities

The company has given an unlimited guarantee in respect of overdraft and other facilities advanced to its parent company and certain fellow subsidiary companies.

### 16. Commitments under operating leases

The company had annual commitments under operating leases for land and buildings at 31st January as follows:

	2013 £'000s	2012 £'000s
Operating leases which expire		
In less than one year	7	-
In two to five years	120	125
	<u>127</u>	<u>125</u>

### 17. Related party transactions

The company has taken advantage of the exemption within Financial Reporting Standard 8 and has not disclosed transactions with other group entities where more than 90% of voting rights are controlled within the group.

**TIME PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST JANUARY 2013**

**18. Ultimate parent company and controlling party**

The company's immediate and ultimate parent company is Almar plc, a company registered in England and Wales. A copy of the Almar plc financial statements can be obtained from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.

The directors consider that the ultimate controlling party is M J Margulies because he is a director and majority shareholder of the ultimate holding company.