

THE ROLEX WATCH COMPANY LIMITED

REPORT and ACCOUNTS

31st JANUARY 1974

Dearden, Lord, Annan, Morrish

Chartered Accountants

REPORT of the DIRECTORS to the MEMBERS of  
THE ROLEX WATCH COMPANY LIMITED

To be presented at the Fifty-Ninth Annual General Meeting  
of the Company

Board of Directors:

Mr. H. van Gessel  
Mr. D. W. F. Kennard  
Mr. J. Meddows

Mr. J. A. Nelson  
Mr. C. H. F. Reynolds

1. Accounts:

The Directors submit herewith the Balance Sheet of the Company as at 31st January 1974, and the Profit and Loss Account for the year ended on that date.

The Accounts show a profit, after bringing into account the profit on the sale of part of the Company's freehold land of £34,850

From which has been deducted the amount of the adverse balance on Profit and Loss Account at the beginning of the year

2,084

32,766

There has been transferred from General Reserve an amount of 21,000

Making a total of

£53,766

Out of which the following transfers have been made to:

Capital Reserve  
Samples Reserve

52,104

1,000

53,104

Leaving a balance on Profit and Loss Account to be carried forward of

£662

2. Directors:

Directors' individual interests in Shares of the Company are detailed hereunder:-

31st January 1973  
Ordinary Shares

4

4

1

1

Mr. D. W. F. Kennard  
Mr. C. H. F. Reynolds  
Mr. J. A. Nelson  
Mr. J. Meddows

31st January 1974  
Ordinary Shares

4

4

1

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Mr. D. W. F. Kennard and Mr. J. Meddows, the Directors retiring by rotation, being eligible, offer themselves for re-election.

*Revised a June Copy*  
*D. Kennard* Director  
*J. Meddows* Director  
*Secretary*

3. Employees:Year to 31.1.73.Year to 31.1.74.

Less than 100	Average number of persons employed by the Company	Less than 100
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4. Contributions to Political and Charitable Organisations:

Charitable Donations	£121
Political Payments	Nil

5. Exports:

The value of goods exported from the United Kingdom during the year was £19,054.

6. Auditors:

Messrs. Dearden, Lord, Annan, Morrish, having indicated their willingness to continue in office, will be re-appointed in accordance with Section 159(2) of the Companies Act, 1948.

ON BEHALF of the BOARD,

Bexley, Kent.

J. A. NELSON,

11th June, 1974.

Managing Director.

*Replied a true copy*

*Dearden: J. A. Nelson*

*Dearden*

*Dearden*

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1984

Chartered Accountants

11

12th June, 1974.

*Certified a true copy*

Amadi: Director

Specimen Secretary

✓ 1.

THE ROLEY WATCH COMPANY LIMITED

BALANCE SHEET AS AT 31st JANUARY 1974

1973

80,293

FIXED ASSETS

Note 2.

109,267

CURRENT ASSETS:

276,944	Trading Stock	407,167	
157,424	Debtors	281,370	
	Investments:		
18,632	Quoted Securities	18,632	
	Market Value £163,050 (1973 £205,425)		
156,768	Balance at Bank and Cash in Hand	169,392	
609,768	Income Tax Recoverable	<u>2,699</u>	879,260
<u>696,061</u>			<u>988,527</u>

LIABILITIES and PROVISIONS:

132,965	Amount due to Associated Companies	348,939	
87,343	Creditors	138,000	
9,015	Bank Overdraft	-	
	Provision for Corporation Tax due		
260,647	1st January 1974	<u>34,153</u>	521,092
<u>£435,414</u>			<u>£467,435</u>

NET ASSETS

REPRESENTING:

Share Capital:

Authorised:

29,000	£60,000 in Ordinary Shares of £1 each, Issued fully paid	29,000
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249,369

Capital Reserve

Note 4.

301,473

Revenue Reserves:

133,000	General Reserve	112,000	
4,500	Reserve for Bad Debts	4,500	
7,800	Reserve for Repairs	7,800	
11,000	Reserve for Samples Insurance	12,000	
157,045	Profit and Loss Account - Balance	<u>662</u>	136,962
<u>£435,414</u>			<u>£467,435</u>

£435,414

*Prepared a true copy*  
*Director*  
*Secretary*

J. A. NELSON

J. MEDDOWS

Directors

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THE ROLEX WATCH COMPANY LIMITED

PROFIT AND LOSS ACCOUNT - FOR THE YEAR ENDED 31st JANUARY 1974

1973

£740,776	<u>TURNOVER</u> , being total sales invoiced for the year		£513,345
16,273	<u>TRADING PROFIT (LOSS)</u> , subject to items charged below		(32,328)
	Emoluments of Directors: Note 5.		
23,704	Salaries etc.	23,873	
1,080	Past Director's Pension	<u>1,794</u>	25,672
1,222	Auditors' Remuneration and Expenses		1,352
99	Bank Interest		263
2,483	Depreciation of Fixed Assets Note 2.	<u>7,181</u>	34,468
(12,315)	<u>NET TRADING LOSS</u>		(66,796)
255	Profit on Sale of Motor Vehicles	512	
4,539	Income from Quoted Investments	8,435	
7,948	Interest on Deposits	16,830	
3,250	Income from Rents	<u>3,250</u>	29,027
	<u>PROFIT (LOSS) for the YEAR before TAXATION</u>		
3,677	<u>and EXTRAORDINARY ITEMS</u>		(37,769)
-	<u>PROFIT on SALE of LAND</u>		72,619
3,677			34,850
	<u>TAXATION:</u> Note 6.		
1,959	Income Tax on Investment Income		-
1,918	<u>PROFIT for the YEAR after TAXATION and EXTRAORDINARY ITEMS</u>		34,850
	<u>TRANSFERS:</u>		
-	To Capital Reserve Note 4.	52,104	
2,000	To Samples Reserve	1,000	
-	From General Reserve	<u>(21,000)</u>	32,104
(82)			2,746
	<u>BALANCE of PROFIT and LOSS ACCOUNT</u>		
320	<u>at 31st JANUARY 1973</u>	745	
507	<u>Less</u> Adjustment of Corporation Tax liability in respect of previous year	(1,929)	2,746
£745	<u>BALANCE</u> , carried forward		

*Handwritten notes:*  
 1. 1973  
 2. 1974  
 3. 1975  
 4. 1976  
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 48. 2020  
 49. 2021  
 50. 2022  
 51. 2023  
 52. 2024

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THE ROLEX WATCH COMPANY LIMITED

(A Subsidiary Company of Rolex Holding, a Company incorporated in Switzerland)

NOTES on ACCOUNTS - YEAR ended 31st JANUARY 1974

Note 1. Accounting Policies:

- (a) Fixed Assets are included at cost and depreciation is calculated by reference to useful lives of the assets concerned, except as regards the Freehold Land and Buildings, which are not depreciated.
- (b) Trading Stock is valued at the lower of cost and replacement value, as in previous years.
- (c) Foreign Currencies are converted to sterling at the rates of exchange ruling at the year end date.
- (d) Sales are the amounts invoiced for goods supplied and services provided, excluding Value Added Tax.

Note 2. Fixed Assets:

	<u>Freehold Land and Buildings</u>	<u>Motor Vehicles</u>	<u>Plant and Equipment</u>	<u>Total</u>
<u>Cost:</u>				
At 31st January 1973	78,697	7,179	17,815	103,691
Additions in the year	485	4,627	32,062	37,174
Disposals in the year	(4,116)	(6,155)	(1,959)	(12,230)
At 31st January 1974	<u>£75,066</u>	<u>£5,651</u>	<u>£47,918</u>	<u>£128,635</u>
<u>Depreciation:</u>				
At 31st January 1973	-	3,153	14,245	17,398
On Disposals in the year	-	(3,252)	(1,959)	(5,211)
Depreciation for the year	-	1,489	5,692	7,181
At 31st January 1974	-	<u>£1,390</u>	<u>£17,978</u>	<u>£19,368</u>
<u>Net per Balance Sheet</u>	<u>£75,066</u>	<u>£4,261</u>	<u>£29,940</u>	<u>£109,267</u>

Note 3. Contingent Liabilities:

There are Contingent Liabilities under guarantees of approximately £1,830 (1973 £1,486).

*Checked in Jan 1974*  
*Accountant's Report*

*Director*

*Secretary*

Note 4. Capital Reserve:

As at 31st January 1973	72,019	240,800
<u>Add Profit on Sale of Freehold Land</u>		
<u>Less National Corporation Tax thereon</u> (See Note 6.)	22,518	52,124
		<u>£301,073</u>
As at 31st January 1974		

Note 5. Directors' Emoluments:

Scale of Emoluments

	1973-74	1972-73
2	Under £2,500	3
1	£2,501 - £5,000	1
1	£5,001 - £7,500	1
1	£12,501 - £15,000	1

The Emoluments of the highest paid Director were £12,934 (1972-73 £11,801)

Note 6. Taxation:

The trading result of the year, as adjusted for purposes of taxation, is a loss greater than the aggregate of the amounts of the investment income and the taxable gain on the disposal of the land. In consequence, no liability to Corporation Tax arises on the total Net Profit of the year.

The amount of the profit on the sale of the land which has been transferred to Capital Reserve is the full amount of that profit less the amount of the tax which would have otherwise been payable thereon.

*For typed in this copy*  
*Shamrock*  
*Wentley*