Registered number: 04524723

Watchfinder.co.uk Limited

Annual report and financial statements

For the year ended 31 March 2019

Watchfinder.co.uk Limited

Company Information

Directors	S L Hennell M Bowling J Gill G Lockwood (resigned 17 July 2018) M Moss (resigned 17 July 2018) R J Brooks (appointed 3 December 2019) B Grund (appointed 17 July 2018, resigned 3 December 2019) A E Rupert (appointed 17 July 2018, resigned 3 December 2019) F J Vivier (appointed 17 July 2018, resigned 3 December 2019) P Addor (appointed 3 December 2019) Z Kassim-Lahka (appointed 3 December 2019)
Company secretary	R J Brooks
Registered number	04524723
Registered office	15 Hill Street London W1J 5QT
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors The Portland Building 25 High Street Crawley West Sussex RH10 1BG
Bankers	HSBC Bank Plc Level 18 8 Canada Square Canary Wharf London E14 5HQ

Watchfinder.co.uk Limited

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Watchfinder.co.uk Limited

Strategic report
For the year ended 31 March 2019

Business review

The Directors present their Strategic report for the year ended 31 March 2019.

Business review and principal activities

Watchfinder.co.uk Limited ("the Company"), from June 1st, 2018, is part of the Richemont Group, the Swiss luxury goods group.

The principal activity of the Company is to buy and sell premium pre-owned watches.

The statement of comprehensive income for the Company show a profit for the financial year of £4,972,922 (2018 £5,633995) on revenue of £113,560,162 (2018 £107,627,398). The net assets as at 31 March 2019 were £23,000,672 (2018 £18,027,750).

Despite increasing economic uncertainty, we have maintained our position as the market leader for luxury pre-owned watch sales in the UK.

Future Development

For the coming year, Watchfinder & Co will continue to elevate the brand positioning and enhance brand awareness and develop its presence in key locations around the world.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company area considered to relate to competition from both national and independent retailers, employee retention, and product availability. However, the Directors of the Richemont Group manage the Group's risk at a brand level rather than at an individual business unit level. Further discussion of these risks and uncertainties, in the context of the Richemont Group as a whole, is provided within note 3 of the Richemont Group Annual Report and Accounts. Copies of the Group's annual report can be found on the Richemont website (www.richemont.com).

Key performance indicators

The Directors of the Richemont Group manage the Group's operations on a divisional basis and monitor the performance of the Company at a consolidated brand level. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary nor appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Richemont brands, which includes the Company, is discussed within the Business Review section of the Richemont Group Annual Report and Accounts.

This report was approved by the board on 20 December 2019 and signed on its behalf.

J Gill
Director

Directors' report
For the year ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The principal activity of the Company is to buy and sell premium pre-owned watches.

Results and dividends

The profit for the year, after taxation, amounted to £4,972,922 (2018 - £5,633,995).

The directors do not recommend the payment of a dividend (2018 - £Nil).

Directors

The directors who served during the year and upto the date of signing of the financial statements were:

S L Hennell
M Bowling
J Gill
G Lockwood (resigned 17 July 2018)
M Moss (resigned 17 July 2018)
B Grund (appointed 17 July 2018, resigned 3 December 2019)
A E Rupert (appointed 17 July 2018, resigned 3 December 2019)
F J Vivier (appointed 17 July 2018, resigned 3 December 2019)
R J Brooks (appointed 3 December 2019)
P Addor (appointed 3 December 2019)
Z Kassim-Lahka (appointed 3 December2019)

Financial risk management

The company has exposure to risk by way of foreign exchange exposure, liquidity risk, interest rate, cashflow risk and customer credit exposure. The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of its performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and to monitor the management of risk.

Exposure to price, credit, liquidity and cash flow risk;

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and lease arrangements. The main purpose of these instruments is to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk, for example in respect of fluctuations in commodity or equity prices. The company's approach to managing other risks applicable to the financial instruments concerned is as follows:

Foreign exchange risk on the purchase of goods within the current year is is managed by way of natural hedging against sales.

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company's objective in managing liquidity risk is to ensure that this does not arise. Having assessed future cash flow requirements the company expects to be able to meet its financial obligations through the cash flows that are generated from its operating activities. The company continually monitor their investment into stocks to ensure that cash is available to pay liabilities as the fall due.

The interest rate risk arising from these facilities is considered by the directors to be minimal, and the company has not entered into any derivative instruments designed to mitigate exposure to such risk. With these facilities in place the company is in a position to meets its commitments and obligations as they fall due.

Financial risk management (continued)

The company has no significant interest bearing assets, with the exception of cash, the company's income and operating cash flows are therefore substantially independent of changes in market interest rates.

The manages its interest rate risk by being part of the groups cash pooling arrangements which limit the exposure to external borrowing.

Future developments

Disclosures in respect of future developments have been included as part of the Strategic report.

Branches outside the UK

During the year the company operated from the following branch locations outside the UK:

La Grande Arche Showroom
Bureau 1512
15ème étage
La Grande Arche Nord
Paris La Défense
92800 Puteaux

Matters covered in the strategic report

Disclosures in respect of future developments have been included as part of the Strategic report.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Independent Auditors

During the year, PricewaterhouseCoopers LLP, were appointed as auditor. They will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 December 2019 and signed on its behalf.

J Gill
Director

Independent auditors' report to the members of Watchfinder.co.uk Limited

Report on the audit of the financial statements

Opinion

In our opinion, Watchfinder.co.uk Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

M. Haverson

Matthew Haverson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
20 December 2019

Watchfinder.co.uk Limited

Statement of comprehensive income
For the year ended 31 March 2019

	Note	2019 £	As restated 2018 £
Turnover	4	**113,560,162**	107,627,398
Cost of sales		**(93,610,147)**	(89,436,551)
Gross profit		**19,950,015**	18,190,847
Administrative expenses		**(13,448,254)**	(10,700,037)
Other operating expenses		**(230,236)**	(210,581)
Operating profit	5	**6,271,525**	7,280,229
Interest payable and similar expenses	9	**(113,584)**	(281,908)
Profit before tax		**6,157,941**	6,998,321
Tax on profit	10	**(1,185,019)**	(1,364,326)
Profit for the financial year		**4,972,922**	5,633,995

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 10 to 29 form part of these financial statements.

Balance sheet
As at 31 March 2019

	Note		2019 £		As restated 2018 £
Fixed assets					
Tangible assets	11		**1,254,846**		748,817
			1,254,846		748,817
Current assets					
Stocks	12	**39,153,970**		29,243,420	
Debtors: amounts falling due within one year	13	**657,580**		1,280,076	
Cash at bank and in hand	14	**960,444**		630,436	
		40,771,994		31,153,932	
Creditors: amounts falling due within one year	15	**(18,945,739)**		(3,295,229)	
Net current assets			**21,826,255**		27,858,703
Total assets less current liabilities			**23,081,101**		28,607,520
Creditors: amounts falling due after more than one year	16		**-**		(10,500,000)
Provisions for liabilities					
Deferred tax	18	**(80,429)**		(79,770)	
			(80,429)		(79,770)
Net assets			**23,000,672**		18,027,750
Capital and reserves					
Called up share capital	19		**12,199**		12,199
Share premium account	20		**3,327,801**		3,327,801
Profit and loss account	20		**19,660,672**		14,687,750
Total equity			**23,000,672**		18,027,750

The financial statements on pages 7 to 29 were approved and authorised for issue by the board and were signed on its behalf on

J Gill
Director

20 December 2019

The notes on pages 10 to 29 form part of these financial statements.

Watchfinder.co.uk Limited

Statement of changes in equity
For the year ended 31 March 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018 (as previously stated)	12,199	3,327,801	14,984,596	18,324,596
Prior year adjustment	-	-	(296,846)	(296,846)
At 1 April 2018 (as restated)	12,199	3,327,801	14,687,750	18,027,750
Profit for the financial year	-	-	4,972,922	4,972,922
At 31 March 2019	12,199	3,327,801	19,660,672	23,000,672

The notes on pages 10 to 29 form part of these financial statements.

Statement of changes in equity
For the year ended 31 March 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	11,765	3,178,236	9,053,755	12,243,756
Profit for the financial year (as restated)	-	-	5,633,995	5,633,995
Shares issued during the year	434	149,565	-	149,999
At 31 March 2018	12,199	3,327,801	14,687,750	18,027,750

The notes on pages 10 to 29 form part of these financial statements.

1. General information

These financial statements are the financial statements of Watchfinder.co.uk Limited, a private company limited by shares which was incorporated in the United Kingdom. The company is registered in England and Wales.

The address of the company's principal place of business is Invicta House, Pudding Lane, Maidstone, Kent, ME14 1NX.

The principal activity of the company is the sale and repair of pre-owned watches.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under historical cost convention on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS101") and the Companies Act 2006.

During the year the company transitioned from FRS102 to FRS101 'Reduced Disclosure Framework' and has taken advantage of the disclosure exemptions allowed under this standard. Information on the impact of the first-time adoption of FRS101 is given in note 25.

The preparation of financial statements in compliance with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3)

The company's financial statements are presented to the nearest pound.

First time adoption of FRS101

In the current year the company has adopted FRS101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards. The results of the company are included in the consolidated financial statements of Compagnie Financière Richemont SA, 50, chemin de la Chenaie, CP30, 1293 Bellevue, Geneva, Switzerland.

New standards, amendments and IFRIC interpretations

IFRS 15 is a new accounting standard that is effective for the year ended 31 March 2019 and has had a material impact on the company. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019 that have had a material impact on the company.

The following principal accounting policies have been consistly applied to all the years presented unless otherwise stated:

2. Accounting policies (continued)

2.2 *Financial reporting standard 101 - reduced disclosure exemptions*

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Short term Leasehold Property	- Over the term of the lease
Plant & machinery	- 3 - 10 years
Office equipment	- 3 - 10 years
Hardware IT	- 3 - 10 years
Boutiques	- 3 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of profit or loss.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost represents the purchase price plus attributable expenditure.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

The watch stock value includes cost price and accounting for parts and external labour added to our stock watch value recorded on the balance sheet.

The company identifies the associated cost of parts and labour attributable to those watches included within stock which are then added to the holding cost. The additional value represents cost to bring the watch to a point ready for sale.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.9 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the balance sheet.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.12 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.14 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following estimates may have a material impact on the financial statements and are the company's key sources of estimation uncertainty:

Stock provisioning

The company sells pre-owned watches and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stocks and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of spares and parts. See note 12 for the net carrying value of stocks.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019	As restated 2018
	£	£
Sale of goods	**113,293,571**	107,401,313
Rendering of services	**266,591**	226,085
	113,560,162	107,627,398

Analysis of turnover by country of destination:

	2019	As restated 2018
	£	£
United Kingdom	**111,434,410**	107,228,964
Rest of Europe	**1,654,278**	170,193
Rest of the world	**471,474**	228,241
	113,560,162	107,627,398

5. Operating profit

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	**276,821**	260,052
Loss on disposal of fixed assets	**5,663**	2,963
Exchange differences	**(7,070)**	97,521
Other operating lease rentals	**913,712**	689,281
Defined contribution pension cost	**171,378**	96,830

6. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2019	2018
	£	£
Fees for the audit of the company	**38,500**	31,000
	38,500	31,000

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	**6,548,575**	5,692,174
Social security costs	**669,385**	566,440
Other pension costs	**171,378**	96,830
	7,389,338	6,355,444

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Office	**96**	185
Retail	**64**	-
Servicing	**48**	-
	208	185

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	**438,465**	390,848
Company contributions to defined contribution pension schemes	**5,904**	10,000
	444,369	400,848

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £146,290 (2018 - £115,176).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,904 (2018 - £10,000).

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	**7**	90,593
Other loan interest payable	**113,577**	191,315
	113,584	281,908

10. Taxation on profit

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	**1,144,376**	1,355,493
Adjustments in respect of previous periods	**39,984**	7,400
Total current tax	**1,184,360**	1,362,893
Deferred tax		
Origination and reversal of timing differences	**659**	1,433
Total deferred tax	**659**	1,433
Tax on profit	**1,185,019**	1,364,326

10. Taxation on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
Profit before tax	**6,157,941**	6,998,321
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**1,170,009**	1,329,681
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**12,964**	8,013
Depreciation in excess of capital allowances	**15,516**	2,815
Adjustments in respect of previous periods	**39,984**	7,400
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**-**	(39,984)
Group relief claimed	**(846,930)**	-
Payment for group relief	**846,930**	-
Transition adjustments	**(53,454)**	56,401
Total tax charge for the year	**1,185,019**	1,364,326

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11. Tangible assets

	S/Term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Office equipment £	Hardware IT £
Cost or valuation					
At 1 April 2018	-	477,560	1,208,984	-	-
Additions	128,201	12,859	-	55,259	77,732
Disposals	-	(3,739)	-	(6,187)	-
Transfers between classes	-	(154,373)	(1,208,984)	404,199	370,452
At 31 March 2019	128,201	332,307	-	453,271	448,184
Depreciation					
At 1 April 2018	-	306,185	631,542	-	-
Charge for the year on owned assets	10,379	88,572	-	26,337	88,572
Disposals	-	(2,998)	-	(5,361)	-
Transfers between classes	-	(93,645)	(631,542)	231,870	233,163
At 31 March 2019	10,379	298,114	-	252,846	321,735
Net book value					
At 31 March 2019	117,822	34,193	-	200,425	126,449
At 31 March 2018	-	171,375	577,442	-	-

11. Tangible assets (continued)

	Boutiques £	Total £
Cost or valuation		
At 1 April 2018	-	1,686,544
Additions	514,463	788,514
Disposals	(12,042)	(21,968)
Transfers between classes	588,706	-
At 31 March 2019	1,091,127	2,453,090
Depreciation		
At 1 April 2018	-	937,727
Charge for the year on owned assets	62,961	276,821
Disposals	(7,945)	(16,304)
Transfers between classes	260,154	-
At 31 March 2019	315,170	1,198,244
Net book value		
At 31 March 2019	775,957	1,254,846
At 31 March 2018	-	748,817

12. Stocks

	2019 £	2018 £
Watches and parts stocks	**39,153,970**	29,243,420
	39,153,970	29,243,420

The cost of stocks sold during the year totalled £91,719,811 (2018: £87,445,623).

13. Debtors: amounts falling due within one year

	2019 £	As restated 2018 £
Other debtors	-	411,089
Prepayments and accrued income	**657,580**	868,987
	657,580	1,280,076

14. Cash at bank and in hand

	2019 £	2018 £
Cash at bank and in hand	**960,444**	630,436
	960,444	630,436

15. Creditors: Amounts falling due within one year

	2019 £	As restated 2018 £
Other loans (note 17)	-	350,000
Trade creditors	**13,992**	-
Amounts owed to group undertakings	**15,371,768**	-
Corporation tax	**334,268**	457,606
Other taxation and social security	**692,530**	841,579
Other creditors	**2,046,293**	1,166,499
Accruals and deferred income	**486,888**	479,545
	18,945,739	3,295,229

Amounts owed to group undertaking are unsecured and interest free.

16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans (note 17)	-	10,500,000
	-	10,500,000

17. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Other loans	-	350,000
	-	350,000
Amounts falling due 2-5 years		
Bank loans	-	10,500,000
	-	10,500,000

18. Deferred taxation

	2019 £
At beginning of year	(79,770)
Charged to profit or loss	(659)
At end of year	**(80,429)**

18. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2019	2018
	£	£
Accelerated capital allowances	**(85,001)**	(79,770)
Short term temporary differences	**4,572**	-
	(80,429)	(79,770)

19. Called up share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
8,669 Ordinary shares of £1 each	**8,669**	8,669
3,530 Series A shares of £1 each	**3,530**	3,530
	12,199	12,199

20. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares issued by the company. Share premium may only be utilised to write-off any expenses incurred or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

Profit & loss account

This reserve comprises all current and year period retained profits and losses after deducting any distributions made to the company's shareholders.

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £171,378 (2018: £96,830). Included within other creditors is £26,893 (2018: £11,387) of outstanding contributions at the year end.

22. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	**661,901**	479,325
Later than 1 year and not later than 5 years	**1,719,617**	1,078,108
Later than 5 years	**397,917**	180,833
	2,779,435	1,738,266

23. Related party transactions

Included within other creditors is a loan provided to the company by S Hennell, a director of the company, of £nil (2018: £450,000). Interest is being accrued on the loan at 8% and there is no fixed redemption date for the loan.

Included within other loans is a loan provided to the company by L J Hennell, a close family member of S Hennell, of £nil (2018: £350,000). Interest is being accrued on the loan at 8% and there is no fixed redemption date for the loan.

The company rents offices owned by the directors pension fund. Rent of £34,449 (2018: £34,449) was paid to the pension scheme during the year, and service charges of £23,274 (2018: £23,043).

24. Controlling party

The company is a wholly owned subsidiary of Richemont Holding (UK) Limited (registered in England and Wales).

The directors regard Compagnie Financière Richemont SA, a listed company incorporated in Switzerland, to be the ultimate parent company. Shares representing 50% of the voting rights of that company are held by Compagnuie Financière Rupurt which is regarded by the directors as the controlling party.

Compagnie Financière Richemont SA is the largest and the smallest group of related undertaking for which consolidated financial statements are prepared.

Copies of the consolidated financial statements of Compagnie Financière Richemont SA are available from its registered office at 50 Chemin da la Chenaie, 1293 Bellevue, Geneva, Switzerland.

25. First time adoption of FRS 101

	Note	As previously stated 1 April 2017 £	Effect of transition 1 April 2017 £	**FRS 101 (as restated) 1 April 2017 £**	As previously stated 31 March 2018 £	Effect of transition 31 March 2018 £	**FRS 101 (as restated) 31 March 2018 £**
Fixed assets	11	659,872	-	**659,872**	748,817	-	**748,817**
Current assets		25,390,527	-	**25,390,527**	31,673,264	(519,332)	**31,153,932**
Creditors: amounts falling due within one year	15	(2,902,428)	-	**(2,902,428)**	(3,517,715)	222,486	**(3,295,229)**
Net current assets		22,488,099	-	**22,488,099**	28,155,549	(296,846)	**27,858,703**
		23,147,971	-	**23,147,971**	28,904,366	(296,846)	**28,607,520**
Creditors: amounts falling due after more than one year	16	(10,500,000)	-	**(10,500,000)**	(10,500,000)	-	**(10,500,000)**
Provisions for liabilities	18	(404,215)	-	**(404,215)**	(79,770)	-	**(79,770)**
Net assets		12,243,756	-	**12,243,756**	18,324,596	(296,846)	**18,027,750**
Capital and reserves		12,243,756	-	**12,243,756**	18,324,596	(296,846)	**18,027,750**

25. First time adoption of FRS 101 (continued)

	Note	As previously stated 31 March 2018 £	Effect of transition 31 March 2018 £	**FRS 101 (as restated) 31 March 2018 £**
Turnover	4	109,262,932	(1,635,534)	**107,627,398**
Cost of sales		(90,775,237)	1,338,686	**(89,436,551)**
Gross profit		18,487,695	(296,848)	**18,190,847**
Administrative expenses		(10,700,037)	-	**(10,700,037)**
Other operating income		(210,581)	-	**(210,581)**
Operating profit	5	7,577,077	(296,848)	**7,280,229**
Interest payable and similar charges	9	(281,908)	-	**(281,908)**
Taxation	10	(1,364,326)	-	**(1,364,326)**
Profit for the financial year		5,930,843	(296,848)	**5,633,995**

Explanation of changes to previously reported profit and equity:

1 The company has transitioned from FRS102 to FRS101 which has led to a restatement in revenue recognition during the year. The reason for this restatement is to be compliant with standards under FRS101 so that E-commerce sales are recognised on the delivery of goods to the customer where title passes.

Independent auditors' report to the members of Watchfinder.co.uk Limited

Report on the audit of the financial statements

Opinion

In our opinion, Watchfinder.co.uk Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

M. Haverson

Matthew Haverson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
20 December 2019