Registered number: 8306313

JEWEL UK BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 MAY 2016

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JEWEL UK BIDCO LIMITED

COMPANY INFORMATION

Directors	A J Broderick H B Duffy P Haid F M Le Troquer (resigned 29 February 2016) F Nottin M Raba L A R Romberg
Registered number	8306313
Registered office	Aurum House 2 Elland Road Braunstone Leicester LE3 1TT
Independent auditor	KPMG LLP, Statutory Auditor Chartered Accountants 1 Waterloo Way Leicester LE1 6LP
Solicitors	Gateley Plc Knightsbridge House Lower Brown Street Leicester LE1 5NL

JEWEL UK BIDCO LIMITED

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DIRECTORS' REPORT
FOR THE PERIOD ENDED 1 MAY 2016

The Directors present their report and the financial statements for the period ended 1 May 2016.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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.

Principal activity

The company acts as an intermediate holding company.

Directors

The Directors who served during the period were:

A J Broderick
H B Duffy
P Haid
F M Le Troquer (resigned 29 February 2016)
F Nottin
M Raba
L A R Romberg

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT
FOR THE PERIOD ENDED 1 MAY 2016

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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

L A R Romberg
Director

Date: 23 August 2016

STRATEGIC REPORT
FOR THE PERIOD ENDED 1 MAY 2016

Business review

The results for the company show a loss after tax of £341,173 (2015: £752,120 as represented).

The company had net assets of £126.8m (2015: £127.1m as represented).

Principal risks and uncertainties

The principal risk for the company is the carrying value of its investments. The performance of the underlying subsidiaries is periodically reviewed in order to mitigate this risk.

Financial key performance indicators

The company has not identified any KPIs due to the nature of its operations as a holding company.

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

L A R Romberg
Director

Date: 23 August 2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JEWEL UK BIDCO LIMITED

We have audited the financial statements of Jewel UK Bidco Limited for the period ended 1 May 2016, set out on pages 6 to 19. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

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. 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 1 May 2016 and of its loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JEWEL UK BIDCO LIMITED

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.



Ian Borley (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

Chartered Accountants

1 Waterloo Way
Leicester
LE1 6LP
Date: 26th. August, 2016.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 1 MAY 2016

	Note	2016 £	2015 £
Administrative expenses		-	(250,676)
Other operating income	2	**154,000**	52,238
Operating profit/(loss)		**154,000**	(198,438)
Interest receivable and similar income	5	**12,440,597**	9,888,671
Interest payable and similar charges	6	**(12,935,770)**	(10,442,353)
Loss on ordinary activities before taxation		**(341,173)**	(752,120)
Tax on loss on ordinary activities	7	-	-
Loss for the period		**(341,173)**	(752,120)

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.

There was no other comprehensive income for 2016 (2015:£nil).

The notes on pages 9 to 19 form part of these financial statements.

JEWEL UK BIDCO LIMITED
REGISTERED NUMBER: 8306313

BALANCE SHEET
AS AT 1 MAY 2016

	Note		1 May 2016 £		3 May 2015 £
Fixed assets					
Investments	8		**111,860,421**		111,860,421
			111,860,421		111,860,421
Current assets					
Debtors: amounts falling due within one year	9	**123,507,352**		113,580,513	
Cash at bank and in hand		**770**		1,190	
		123,508,122		113,581,703	
Creditors: amounts falling due within one year	10	**(108,563,749)**		(18,937,490)	
Net current assets			**14,944,373**		94,644,213
Total assets less current liabilities			**126,804,794**		206,504,634
Creditors: amounts falling due after more than one year	11		**-**		(79,358,667)
Net assets			**126,804,794**		127,145,967
Capital and reserves					
Called up share capital	13		**130,617,351**		130,617,351
Profit and loss account			**(3,812,557)**		(3,471,384)
			126,804,794		127,145,967

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

L A R Romberg
Director

Date: 23 August 2016

The notes on pages 9 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 MAY 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 4 May 2015	**130,617,351**	**(3,471,384)**	**127,145,967**
Comprehensive income for the period			
Loss for the period	**-**	**(341,173)**	**(341,173)**
At 1 May 2016	**130,617,351**	**(3,812,557)**	**126,804,794**

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 MAY 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 5 May 2014	**110,717,351**	**(2,719,264)**	**107,998,087**
Comprehensive income for the period			
Loss for the period	**-**	**(752,120)**	**(752,120)**
Total comprehensive income for the period	**-**	**(752,120)**	**(752,120)**
Contributions by and distributions to owners			
Shares issued during the period	**19,900,000**	**-**	**19,900,000**
Total transactions with owners	**19,900,000**	**-**	**19,900,000**
At 3 May 2015	**130,617,351**	**(3,471,384)**	**127,145,967**

The notes on pages 9 to 19 form part of these financial statements.

1. Accounting policies

1.1 Adoption of FRS 102

The company's ultimate parent undertaking, Jewel Holdco S.a.r.l., an entity incorporated in Luxembourg, includes the Company in its consolidated financial statements. The consolidated financial statements of Jewel Holdco S.a.r.l. are available to the public and may be obtained from 5, rue Guillaume Kroll, L-1882 Luxembourg.

The company is exempt from the requirement to prepare group accounts.

In these financial statements, the company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:
- reconciliation of the number of shares outstanding from the beginning to end of the period; and
- Cash Flow Statement and related notes.

The company is also included in the consolidated financial statements of Jewel UK Midco Limited which are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ. As the consolidated financial statements of Jewel UK Midco Limited include the equivalent disclosures, the Company has also taken the exemption under FRS 102 in respect of the following disclosures:
- Key Management Personnel compensation; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 15.

The company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. There are no accounting estimates or amounts requiring judgment included in these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1. **Accounting policies (continued)**

1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.4 Going concern

In determining the appropriate basis of preparation of financial statements, the Directors are required to consider whether the company can continue in operational existence for the foreseeable future.

Having reviewed the current cash flow projections, and having made reasonable enquiries in making the underlying assumptions on sales growth for the Group, the Directors have a reasonable expectation that the company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the Directors consider it appropriate to prepare the company's financial statements on the going concern basis.

1.5 Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1. **Accounting policies (continued)**

1.6 Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Interest receivable and interest payable

Interest receivable and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.8 Derivative financial instruments

The company has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each balance sheet date. The gain or loss on remeasurement of fair value is recognised immediately in profit or loss.

2. **Other operating income**

	2016	2015
	£	£
Management recharge	**154,000**	52,238
	154,000	52,238

The management recharge is for services provided to Aurum Holdings Limited, a subsidiary undertaking.

3. **Auditor's remuneration**

The audit fees for the current and prior year have been borne by Aurum Group Limited, a subsidiary undertaking.

4. Employees

The Company has no employees other than the Directors, who did not receive any remuneration for their services to the Company (2015 - £nil).

5. Other interest receivable and similar income

	2016 £	2015 £
Group interest receivable	**12,139,450**	9,888,671
Net gain on financial liabilities measured at fair value through profit or loss	**301,147**	-
	12,440,597	9,888,671

6. Interest payable and similar charges

	2016 £	2015 £
On bank loans and overdrafts	**8,294,437**	9,082,960
Amortisation of issue costs	**4,641,333**	952,068
Net loss on financial assets measured at fair value through profit or loss	**-**	407,325
	12,935,770	10,442,353

7. Taxation

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.92%). The differences are explained below:

	2016	2015
	£	£
Loss on ordinary activities before tax	**(341,173)**	(752,120)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.92%)	**(68,235)**	(157,344)
Effects of:		
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	**-**	49,299
Change in rate	**103,500**	-
Deferred tax not recognised	**444,762**	(75,732)
Transfer pricing adjustments	**(480,027)**	183,777
Total tax charge for the period	**-**	-

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 4 May 2015	**111,860,421**
At 1 May 2016	**111,860,421**
Net book value	
At 1 May 2016	**111,860,421**
At 3 May 2015	111,860,421

8. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Aurum Holdings Limited	England	Ordinary	100 %	Intermediate holding company
Aurum Acquisitions Limited	England	Ordinary	100 %	Intermediate holding company
Aurum Group Limited	England	Ordinary	100 %	Retail jewellers
Goldsmiths Finance Limited	England	Ordinary	100 %	Finance company
Aurum Insurance (Guernsey) Limited	Guernsey	Ordinary	100 %	Insurance company
Mappin & Webb Limited	England	Ordinary	100 %	Dormant
Goldsmiths Limited	England	Ordinary	100 %	Dormant
Watches of Switzerland Limited	England	Ordinary and	100 %	Dormant
Watch Shop Limited	England	Ordinary	100 %	Internet retailer
Watch Shop Logistics Limited	England	Ordinary	100 %	Logistics company
The Watch Lab Limited	England	Ordinary	100 %	Watch repairer
Aurum Pension Trustees Limited	England	Ordinary	100 %	Pension trustee company

9. Debtors

	1 May 2016 £	3 May 2015 £
Amounts owed by group undertakings	**123,507,352**	113,580,513
	123,507,352	113,580,513

10. Creditors: Amounts falling due within one year

	1 May 2016 £	3 May 2015 £
Bank loans	-	17,500,000
Amounts owed to group undertakings	**108,563,749**	-
Other creditors	-	1,136,343
Financial instruments	-	301,147
	108,563,749	18,937,490

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

	1 May 2016 £	3 May 2015 £
Bank loans	-	84,000,000
Issue costs on loans due within two to five years	-	(4,641,333)
	-	79,358,667

The loans were repaid in full on 16 December 2015.

12. Deferred taxation

The amount unprovided for deferred taxation on tax losses was £931,499 (2015: £426,508). The company did not recognise deferred tax assets in respect of the above items on the basis that the future economic benefit is uncertain.

13. Share capital

	1 May 2016 £	3 May 2015 £
Authorised, allotted, called up and fully paid		
130,617,351 Ordinary shares of £1 each	**130,617,351**	130,617,351

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14. Ultimate Parent Undertaking and Controlling party

The Company is a subsidiary undertaking of Jewel Holdco S.a.r.l. The ultimate controlling party is AIF VII Holdings L.P., an investment fund affiliated with Apollo Global Management LLC.

The largest group in which the results of the Company are consolidated is that headed by Jewel Holdco S.a.r.l., incorporated in Luxembourg. The smallest group in which they are consolidated is that headed by Jewel UK Midco Limited, incorporated in England and Wales. No other financial statements include the results of the Company. The consolidated financial statements of Jewel UK Midco Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ. The consolidated financial statements of Jewel Holdco S.a.r.l. are available to the public and may be obtained from 5, rue Guillaume Kroll, L-1882 Luxembourg.

15. First time adoption of FRS 102

	Note	As previously stated 5 May 2014 £	Effect of transition 5 May 2014 £	**FRS 102 (as restated) 5 May 2014 £**	As previously stated 3 May 2015 £	Effect of transition 3 May 2015 £	**FRS 102 (as restated) 3 May 2015 £**
Fixed assets		111,860,421	-	**111,860,421**	111,860,421	-	**111,860,421**
Current assets	1	71,360,477	106,178	**71,466,655**	113,581,703	-	**113,581,703**
Creditors: amounts falling due within one year	1	(10,922,389)	-	**(10,922,389)**	(18,636,343)	(301,147)	**(18,937,490)**
Net current assets		60,438,088	106,178	**60,544,266**	94,945,360	(301,147)	**94,644,213**
Total assets less current liabilities		172,298,509	106,178	**172,404,687**	206,805,781	(301,147)	**206,504,634**
Creditors: amounts falling due after more than one year		(64,406,600)	-	**(64,406,600)**	(79,358,667)	-	**(79,358,667)**
Net assets		107,891,909	106,178	**107,998,087**	127,447,114	(301,147)	**127,145,967**
Capital and reserves		107,891,909	106,178	**107,998,087**	127,447,114	(301,147)	**127,145,967**

15. First time adoption of FRS 102 (continued)

	Note	As previously stated 3 May 2015 £	Effect of transition 3 May 2015 £	**FRS 102 (as restated) 3 May 2015 £**
Administrative income		(198,438)	(52,238)	**(250,676)**
Other operating income		-	52,238	**52,238**
Operating profit		(198,438)	-	**(198,438)**
Interest receivable and similar income		9,888,671	-	**9,888,671**
Interest payable and similar charges	1	(10,035,028)	(407,325)	**(10,442,353)**
Loss on ordinary activities after taxation and for the financial period		(344,795)	(407,325)	**(752,120)**

Explanation of changes to previously reported profit and equity:

1 The movement in current assets and current liabilities, and the increase in interest payable and similar charges, relates to the recognition of an interest rate swap at fair value.