

Favre-Leuba AG

Balance sheet

Particulars	Notes	As at	
		31 March 2022	31 March 2021
ASSETS			
Current assets			
Cash and cash equivalents		59,167	500,825
Trade accounts receivable			
- due from third parties		821,220	621,290
- due from group companies			
Deposits			
Other short-term receivables			
- due from government authorities		180,801	153,878
- due from third parties		171,764	171,764
Inventories	2.1	4,850,949	4,832,819
Prepaid expenses and accrued income		27,997	44,397
Total current assets		6,111,898	6,324,972
Non-current assets			
Deposits		55,271	70,429
Investments	2.2	1,200	1,200
Property, plant and equipment	2.3	295,600	294,208
Intangible assets	2.4	632,020	632,020
Total non-current assets		984,091	997,857
TOTAL ASSETS		7,095,989	7,322,830
LIABILITIES AND SHAREHOLDERS' EQUITY			
Short-term liabilities			
Trade accounts payable			
- due to third parties		741,685	532,687
Other short-term liabilities			
- due to third parties	-	15,048	2,093
Accrued expenses and deferred income	2.5	214,246	293,791
Total short-term liabilities		940,882	824,386
Long-term liabilities			
Other long-term liabilities		4,600,833	3,610,000
Total long-term liabilities		4,600,833	3,610,000
TOTAL LIABILITIES		5,541,715	4,434,386
Shareholder's equity			
Share capital	2.6	18,718,970	18,718,970
Legal capital reserves			
- Reserves from capital contributions		18,624,407	18,711,041
Accumulated losses brought forward		(34,541,567)	(29,839,360)
Loss for the year		(1,247,537)	(4,702,207)
TOTAL EQUITY		1,554,274	2,888,444
TOTAL LIABILITIES AND EQUITY		7,095,989	7,322,830

The notes referred to above form an integral part of the financial statements.

Place: Solothurn

Date:

Favre-Leuba AG
Income statement

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<i>Operating income</i>			
Revenue from sale of goods and services		232,286	1,044,912
Total operating income		232,286	1,044,912
<i>Operating expenses</i>			
Raw materials and supplies		111,403	746,884
Personnel expenses		1,043,017	1,857,502
Advertisement and promotion		13,234	1,906,076
Other operating expenses	2.7	303,516	754,934
Depreciation on non-current assets		-	402,440
Total operating expenses		1,471,169	5,667,836
Operating result		(1,238,883)	(4,622,924)
Financial expenses/(Income)		7,947	21,074
Prior period expenses/Extraordinary items	2.8	0	6,068
Loss for the year before taxes		(1,246,830)	(4,650,066)
Direct taxes		707	52,142
Loss for the year		(1,247,537)	(4,702,207)

Place: Solothurn
Date:

1 Significant accounting policies and notes for the year ended 31 March 2022

a) General information

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

In order to ensure the comparability with the current year financial statements certain prior year figures have been reclassified and adapted to the new presentation.

b) Use of estimates and judgements

The preparation of financial statements in conformity of Swiss Law, requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. Such estimates and assumptions, are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

c) Revenue recognition

From sale of goods: Revenue is recognised when risks and rewards associated with the ownership of the products are transferred to the customer and the recoverability of the receivables is reasonably assured.

In respect of sales to distributors, where recoverability of receivable is dependent on such distributor selling to retailers/ customers, revenue recognition is deferred till the distributor sells.

From service income: Service income is recognised when service is completed.

d) Property, plant and equipment

Property, plant and equipment (PPE) is valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. PPE is depreciated using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

The antique watches for representation purpose only (so called "non depreciable assets") are valued at acquisition cost. There are no regular depreciation of these assets.

e) Intangible assets

The trade marks are valued at acquisition cost. The depreciation is recognised on a systematic basis over 10 years (straight line and indirect method).

f) Inventories

Inventories are recorded at acquisition or manufacturing costs: If the net realizable value at the balance sheet date is lower than acquisition or manufacturing costs, net realizable values are used. Acquisition costs are calculated using the weighted average cost method, manufacturing costs using standard costs.

g) Leases

Leasing and rental contracts are recognised based on legal ownership. Therefore, any leasing or rental expenses are recognised as expenses in the period they are incurred. However, the leased or rented objects themselves are not recognised in the balance sheet.

2. Disclosure on balance sheet and income statement items

2.1 Inventories

Particulars	As at	As at
	31 March 2022	31 March 2021
Finished Watches		
Others	5,031,079	5,012,949
	5,031,079	5,012,949
Less: Provision for non-moving inventory/ slow moving inventory	180,130	180,130
	4,850,949	4,832,819

2.2 Investments

Direct investments

Company name : Titan Watch Company Ltd.,
Domicile : Hong Kong
Voting and capital rights in %: 100.00
Capital in CHF: 1,200

2.3 Property, plant and equipment's, net

Particulars	As at	As at
	31 March 2022	31 March 2021
Machinery, devices	49,118	49,118
Tools	107,960	106,779
Furniture, installations	36,458	36,458
IT, communications technology	25,863	25,653
Exhibition stand	1,991	1,991
Antique watches	74,209	74,209
	295,600	294,208

2.4 Intangible assets, net

Particulars	As at	As at
	31 March 2022	31 March 2021
Trade mark	632,019	632,019
Advertising film	1	1
	632,020	632,020

2. Disclosure on balance sheet and income statement items (continued)

2.5 Accrued expenses and deferred income

Particulars	As at	As at
	31 March 2022	31 March 2021
Accruals for advertising and PR	0	0
Deferred revenue	21,121	21,121
Other accrued expenses	193,125	272,670
	214,246	293,791

2.6 Equity

Particulars	As at	As at
	31 March 2022	31 March 2021
Share capital	18,718,970	18,718,970
Legal capital reserves		
- Reserves from capital contributions	18,624,407	18,711,041

2. Disclosure on balance sheet and income statement items (continued)

2.7 Other operating expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Premises' expenses	100,627	82,837
Repair and maintenance	-	4,203
Vehicles expenses	679	1,314
Insurances, duties, fees	27,611	19,936
Energy and waste disposal	3,672	3,767
Administrative expenses	39,365	230,862
IT expenses	92,558	180,052
Travel	10,135	41,185
Design and Development expenses	5,473	150,923
Office relocation expenses	-	-
Other expenses	23,395	39,854
	303,516	754,934

2.8 Prior period expenses

Particulars	For the year ended 31 March 2021
Revenue from sale of goods and services	
Raw materials and supplies	
Personnel expenses	
Advertisement and promotion	
Other operating expenses	
Purchase of components	
	-

3.1 Ownership

Favre Leuba AG is a wholly-owned subsidiary of Titan Company Limited, India.

3.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 10.

3.3 Leasing obligations

The maturity of leasing obligations which have a residual maturity of more than twelve months or which cannot be cancelled within the next twelve months is as follows:

Particulars
Up to 1 year
1 - 5 year

Place: Solothurn

Date: