

ALFRED DUNHILL LIMITED

191031

ACCOUNTS
For the year ended
31 MARCH 1991

COMPANIES ACT 1985

9 JAN 1992

M

Coopers
& Lybrand
Deloitte

Report of the Directors for the year ended 31 March 1991

The directors submit their report and the audited accounts for the year ended 31 March 1991.

Review of activities

The principal activity of the Group is the marketing of luxury consumer products worldwide including fashion clothing and accessories for men and women, watches, pens and associated products, smokers' requisites and fragrances under the Dunhill, Montblanc and Chloe brand names.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Results

The results of the Group for the year are set out in the profit and loss account on page 4 and the notes on pages 8 to 27. The profit of £34,301,000 has been taken to retained profits.

Appropriations

Dividends on the preference shares paid in respect of the year amounted to £25,200. Interim dividends of 52.2p per share were paid on the ordinary shares in respect of the year to 31 March 1991 amounting to £4,389,000. The directors now recommend payment of a final dividend for the year to 31 March 1991 of 88.5p per share, absorbing a further £7,432,000.

Fixed assets

The movements in fixed assets during the year are set out in note 9 to the accounts.

In the opinion of the directors, having considered independent professional advice, the market value of the freehold and leasehold premises on an existing use basis exceeds the amount of £13,745,000 at which such premises are included in the historical cost balance sheet at 31 March 1991 by an amount in excess of £9,000,000. The majority of this surplus is attributable to the head office at Duke Street London and the Montblanc factory. All the premises are used for the purpose of the company's business. If the premises were realised at this market value, there would be an estimated taxation liability of £1,400,000.

Report of the directors (continued)

Directors

The directors of the Company during the year to 31 March 1991, were:-

Richard Dunhill
 Sior Pendle (resigned 1 February 1991)
 Edmund C Skepper
 Graham W Searle
 John P Manners
 Michael A G Nicholson
 Mounir T Moufarrige
 Valerie R Jacombs (resigned 30 June 1990)
 Aubrey I Styles
 David A Fellows (resigned 30 June 1990)
 Ronald J Legg
 John S T Tomlinson

The beneficial interests and options of directors who are also directors of Dunhill Holdings PLC are disclosed in the accounts of that company.

The individual interests of other directors and their families in Dunhill Holdings PLC ordinary shares, as shown in the register kept in accordance with section 325 of the Companies Act 1985, were:

	Beneficial interests at 31 March		Options at 31 March		Options year to 31 March 1991	
	1991	1990	1991	1990	Granted	Exercised
Mounir T Moufarrige	17,743	37,743	74,139	37,896	36,243	-
Aubrey I Styles	-	-	60,395	32,845	32,713	5,163
Ronald J Legg	1,823	1,823	34,378	9,441	24,937	-
John S T Tomlinson	-	3,500	79,896	47,378	32,518	-

The above options were issued between September 1986 and June 1990 at prices between 132p and 450.6p per share. These options are exercisable between 26 November 1990 and 28 June 2000.

During the year no director had a material interest in any contract that was significant in relation to the Company's business.

Report of the Directors (continued)**Personnel**

The Group is an equal opportunity employer and no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, race, colour or creed. Employees are kept as fully informed as possible on the Group's performance and direction and there are established channels for consultation and communication at a corporate and divisional level.

Employment of disabled persons

It is the policy of the Group to give full and fair consideration to the employment of disabled persons, in jobs suited to their individual circumstances and as appropriate, to consider them for recruitment opportunities, career development and training. Special consideration is given to retraining those who become disabled whilst in the Group's employment.

Post Balance Sheet Event

The Company announced on 18th June 1991 that it had acquired a 75% interest in Gillywest Limited, a company trading under the name of Hackett and owning a 50% interest in J C Cording & Co. Limited, trading under the name of Cordings.

Hackett is a high quality men's outfitters and Cordings is a well established retailer of outdoor wear for men and women. The founder directors of Hackett will remain as both directors and shareholders and will take an active role in the expansion of the business worldwide.

Close company provisions

In the opinion of the directors, the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

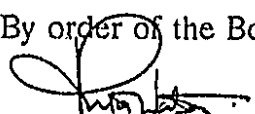
Donations

Donations for charitable purposes made by the Group in the United Kingdom during the year amounted to £44,000 (1990-£41,000). No contributions for political purposes were made during the year (1990-Nil).

Auditors

A resolution to reappoint Coopers & Lybrand Deloitte as auditors will be proposed at the Annual General Meeting.

By order of the Board


R Watson
Secretary

27 June 1991

ALFRED DUNHILL LIMITED

4

Consolidated Profit and Loss Account for the year ended 31 March 1991

	Notes	1991	1990
		£'000	£'000
Turnover	1(h) & 2	227,282	240,186
Cost of sales		<u>126,685</u>	<u>144,574</u>
Gross profit		100,597	95,612
Net operating expenses	3	<u>45,484</u>	<u>47,058</u>
Operating profit	4	55,113	48,554
Net interest receivable	5	<u>18,748</u>	<u>12,052</u>
Profit on ordinary activities before taxation		73,861	60,606
Taxation on profit on ordinary activities	1(e) & 6	<u>27,714</u>	<u>22,795</u>
Profit on ordinary activities after taxation	7	46,147	37,811
Dividends	8	<u>11,846</u>	<u>13,888</u>
Profit retained		<u>34,301</u>	<u>23,923</u>
Movements in reserves	18		
Reserves at beginning of year		114,991	92,262
Exchange adjustments		(1,621)	(1,194)
Profit for the year retained		<u>34,301</u>	<u>23,923</u>
Reserves at end of year		<u>147,671</u>	<u>114,991</u>

The notes on pages 8 to 27 form an integral part of these accounts.

The Auditors' Report is on page 28

ALFRED DUNHILL LIMITED

5

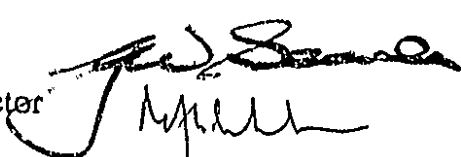
Consolidated Balance Sheet as at 31 March 1991

	Notes	1991	1990
		£'000	£'000
Fixed assets			
Tangible assets	1 (g) & 9	27,580	27,116
Current assets			
Stock	1 (f) & 11	43,081	41,446
Debtors	12	53,491	40,795
Investments	13	25,227	10,480
Cash at bank and in hand		205,785	147,816
		<u>327,584</u>	<u>240,537</u>
Creditors: amounts falling due within one year	14	135,215	94,149
Net current assets		<u>192,369</u>	<u>146,388</u>
Total assets less current liabilities		<u>219,949</u>	<u>173,504</u>
Creditors: amounts falling due after more than one year	15	42,976	35,306
Provisions for liabilities and charges	16	27,862	21,767
		<u>70,838</u>	<u>57,073</u>
		<u>149,111</u>	<u>116,431</u>
Capital and reserves			
Called up share capital	17	1,440	1,440
Reserves	18	147,671	114,991
		<u>149,111</u>	<u>116,431</u>

Approved by the Board

27 June 1991

Graham W. Searle Director
Michael AG Nicholson Director



The notes on pages 8 to 27 form an integral part of these accounts.

The Auditors' Report is on page 28

ALFRED DUNHILL LIMITED

6

Alfred Dunhill Limited

Balance Sheet of the Company as at 31 March 1991

	Notes	1991 £'000	1990 £'000
Fixed assets			
Tangible assets	9	4,116	4,500
Investments in subsidiaries	10	11,335	11,335
Current Assets			
Stocks	11	7,025	6,384
Debtors	12	55,288	28,528
Investments	13	19,442	2,730
Cash at bank and in hand		<u>77,657</u>	<u>54,338</u>
		159,412	91,980
Creditors: amounts falling due within one year	14	<u>91,790</u>	<u>70,922</u>
Net current assets		<u>67,622</u>	<u>21,058</u>
Total assets less current liabilities		83,073	26,893
Creditors: Amounts falling due after more than one year	15	41,271	33,133
Provisions for liabilities and charges	16	<u>1,193</u>	<u>750</u>
		<u>42,464</u>	<u>33,883</u>
		<u>40,609</u>	<u>3,010</u>
Capital and reserves			
Called up share capital	17	1,440	1,440
Reserves	18	<u>39,169</u>	<u>1,570</u>
		<u>40,609</u>	<u>3,010</u>

Approved by the Board

27 June 1991

Graham W. Searle Director

Michael A G Nicholson Director

The notes on pages 8 to 27 form an integral part of these accounts.
The Auditors' Report is on page 28

Consolidated Statement of Source and Application of funds for the year ended 31 March 1991

	1991		1990	
	£'000	£'000	£'000	£'000
Sources of Funds				
Profit on ordinary activities before taxation		73,861		60,606
Items not involving the movement of funds:				
Depreciation and amounts written off tangible fixed assets, adjusted for profit/losses on sales	4,560		5,323	
Exchange rate adjustments	(878)		(1,979)	
Provisions for liabilities and charges excluding deferred taxation	<u>1,430</u>		<u>745</u>	
		5,112		4,089
Increase in bank loans, other loans and other creditors falling due after more than one year		7,670		6,469
Proceeds from sale of tangible fixed assets		<u>123</u>		<u>517</u>
		<u>86,766</u>		<u>71,681</u>
Application of Funds				
Taxation paid		20,907		13,728
Expenditure on tangible fixed assets (less grants received)		6,453		11,826
Parent company dividends paid		<u>10,315</u>		<u>12,187</u>
		<u>37,675</u>		<u>37,741</u>
Change in Working Capital		<u>49,091</u>		<u>33,940</u>
Representing				
Increase in stocks		1,635		7,950
Increase in debtors		11,976		12,038
(Increase) in creditors: amounts falling due within one year, excluding taxation, proposed dividends, bank loans, other loans and overdrafts		(19,108)		(14,479)
Movements in net liquid funds:				
Increase in bank balances and investments held as current assets	72,716		20,723	
Decrease in bank loans, other loans and overdrafts	<u>(18,128)</u>		<u>7,708</u>	
		<u>54,588</u>		<u>28,431</u>
		<u>49,091</u>		<u>33,940</u>

Notes to the Accounts for the year ended 31 March 1991**1 Accounting Policies**

The consolidated accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The following is a summary of the more important policies adopted by the Group.

(a) Basis of Consolidation

The consolidated accounts include the results of all subsidiary companies up to the end of the financial year. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal. Intra-group sales and profits are eliminated on consolidation.

(b) Historical Cost Convention

The accounts have been prepared under the historical cost convention, whereby the values of transactions are recorded at the dates when the assets are acquired, the liabilities incurred or the capital obtained.

(c) Goodwill

Goodwill is written off against reserves in the year in which it first arises.

(d) Foreign Currencies

The results of overseas subsidiary companies are translated into sterling at an average of the exchange rates prevailing in the year to 31 March. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Exchange adjustments arising from the restatement of the opening attributable net assets and earnings of overseas subsidiary companies are dealt with as adjustments to retained profit. Where foreign currency borrowings are used to provide a hedge against group equity investments in foreign enterprises the exchange adjustments on the borrowings are offset as reserve movements against the exchange differences arising on the retranslation of net investments. All other exchange differences, including those arising from currency conversion in the usual course of trading, are taken into account in arriving at the profit for the period.

(e) Taxation

Provision is made in each financial year for all taxation expected to be payable in respect of profits earned to the end of that period. Advance corporation tax arising on dividends paid during the financial year, not recovered against the

Notes to the Accounts for the year ended 31 March 1991

(e) Taxation - continued

mainstream corporation tax liability for the year, and advance corporation tax arising on proposed dividends is carried forward to the extent that it can be offset against deferred taxation.

Deferred taxation, arising from timing differences between the recognition of certain items of income and expenditure for accounting and taxation purposes, is calculated on the liability method. Full provision is made in respect of short-term timing differences. Provision in respect of other timing differences, which for the most part arise from accelerated fiscal depreciation, is made to the extent that forward plans indicate that liabilities are expected to arise in the foreseeable future. Where a debit balance arises, the asset carried forward is restricted to the amount expected to become recoverable in the following financial year.

(f) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and, where appropriate, includes labour, materials, duty and overheads attributable to the stages of production reached. Net realisable value is the price at which the stocks can be realised in the normal course of business, after allowing for the estimated costs of realisation. Provision is made for obsolete, slow moving and defective stocks.

(g) Depreciation

Freehold land is not depreciated. Depreciation on other fixed assets is calculated to write off the cost of valuation of the assets during their expected normal lives, for the most part by equal annual instalments. Freehold buildings are depreciated at 2% per annum, leasehold buildings over the period of the lease with a minimum of 2% per annum, plant and equipment at rates mainly between 10% and 33% per annum.

(h) Turnover

Turnover, which excludes value added tax, sales and similar taxes, sales between Group companies and trade discounts, represents the invoiced value of goods supplied and also includes royalties and similar income receivable.

(i) Investment held as Current Assets

Investments held as current assets are stated at the lower of cost and net realisable value.

Notes to the Accounts for the year ended 31 March 1991

(j) Provisions for Employees' Pensions

The pension costs, which are charged to the profit and loss account, are calculated on actuarial valuation methods which give a substantially even charge over the expected service lives of employees.

(k) Leased Assets

Rentals payable on assets held under operating leases are charged in arriving at operating profit.

2 Turnover

	1991	1990
	£'000	£'000
Gross sales revenue including royalties and similar income receivable	234,936	248,487
Value added taxes, duty excise and other sales taxes	(7,654)	(8,301)
Turnover	<u>227,282</u>	<u>240,186</u>

Turnover was split geographically as follows:

	1991	%	1990	%
	£'000		£'000	
United Kingdom	14,256	6	18,016	8
Europe	56,122	25	53,508	22
Africa, India, Middle East	4,602	2	7,277	3
Americas	48,596	21	50,420	21
Asia Pacific	103,706	46	110,965	46
	<u>227,282</u>	<u>100</u>	<u>240,186</u>	<u>100</u>

In the opinion of the directors the activities of the Group are not substantially different and no further analysis is appropriate.

Notes to the Accounts for the year ended 31 March 1991

3 Net Operating Expenses

	1991	1990
	£'000	£'000
Distribution costs	15,175	14,142
Administration expenses	33,312	33,890
	<u>48,487</u>	<u>48,032</u>
Net operating income	(3,003)	(974)
	<u>48,487</u>	<u>48,032</u>
Net operating expenses	<u>45,484</u>	<u>47,058</u>

4 Operating Profit

	1991	1990
	£'000	£'000
Operating profit is stated after taking account of the following items:		
Depreciation of tangible fixed assets	3,791	5,391
Hire of plant and machinery	666	744
Redundancy and other costs relating to the rationalisation of operations	1,113	1,165
Auditor's remuneration	299	286
Directors' emoluments (see note 22)	1,426	1,239

Notes to the Accounts for the year ended 31 March 1991

5 Net Interest Receivable and Similar Income

	1991	1990
	£'000	£'000
Interest receivable and similar income from investments held as current assets		
Listed	365	-
Unlisted	23,438	15,331
	<u>23,803</u>	<u>15,331</u>
Less: Interest payable on bank loans and overdrafts due within five years	(5,055)	(3,279)
	<u>18,748</u>	<u>12,052</u>

6 Taxation

	1991	1990
	£'000	£'000
Taxation based on the profit for the year:		
United Kingdom current taxation		
Corporation tax at 34% (1990: 35%)	7,389	3,164
Less: Double taxation relief	(726)	(549)
	<u>6,663</u>	<u>2,615</u>
Overseas taxation	13,556	15,600
Transfer from deferred taxation:		
United Kingdom	3,645	4,425
Overseas	1,294	773
Prior year items:		
United Kingdom corporation tax	(316)	(368)
Overseas current taxation	2,872	(250)
	<u>27,714</u>	<u>22,795</u>

Notes to the Accounts for the year ended 31 March 1991

7 Profit of the Company

The Company has not presented its own profit and loss account. Of the consolidated profit after taxation for the year ended 31 March 1991, £49,451,000 (1990: £760,000) was dealt with in the profit and loss account of the Company.

8 Dividends

	1991	1990
	£'000	£'000
Paid on Preference Shares	25	25
Paid or proposed on Ordinary Shares:		
Interim dividends paid of 52.2p per share (1990:94.8p)	4,389	7,962
Proposed final dividends of 88.5p per share (1990:70.3p)	7,432	5,901
	<u>11,846</u>	<u>13,888</u>

Notes to the Accounts for the year ended 31 March 1991

9 Tangible Fixed Assets

GROUP	Land & buildings	Plant and Machinery	Fixtures, fittings, tools & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
1 April 1990	16,279	14,227	14,827	45,333
Exchange adjustments	(927)	(864)	(454)	(2,245)
Additions	1,506	2,376	2,571	6,453
Disposals	(919)	(1,391)	(1,171)	(3,481)
31 March 1991	<u>15,939</u>	<u>14,348</u>	<u>15,773</u>	<u>46,060</u>
Depreciation				
1 April 1990	1,594	8,080	8,543	18,217
Exchange adjustments	(15)	(536)	(388)	(939)
Charge for the year	946	1,812	1,033	3,791
Disposals	(331)	(1,243)	(1,015)	(2,589)
31 March 1991	<u>2,194</u>	<u>8,113</u>	<u>8,173</u>	<u>18,480</u>
Net book value at 31 March 1991	<u>13,745</u>	<u>6,235</u>	<u>7,600</u>	<u>27,580</u>
Net book value at 31 March 1990	<u>14,685</u>	<u>6,147</u>	<u>6,284</u>	<u>27,116</u>

Notes to the Accounts for the year ended 31 March 1991

9 Tangible Fixed Assets - continued

The net book value of land and buildings at 31 March 1991 comprised:

	Cost or valuation	Accumulated depreciation	Net book value
	£'000	£'000	£'000
Freehold land	1,506	-	1,506
Freehold buildings	9,086	542	8,544
Long leaseholds	1,526	561	965
Short leaseholds	3,821	1,091	2,730
	<u>15,939</u>	<u>2,194</u>	<u>13,745</u>

Future capital expenditure for which provision has not been made in these accounts

	1991	1990
	£'000	£'000
Contracts placed	2,044	1,838
Authorised but not yet contracted	1,587	2,801
	<u>3,631</u>	<u>4,639</u>

Notes to the Accounts for the year ended 31 March 1991

9 Tangible Fixed Assets - continued

COMPANY	Leasehold Land and buildings	Fixtures, fittings tools and equipments	Total
	£'000	£'000	£'000
Cost			
1 April 1990	1,627	7,060	8,687
Additions	-	495	495
Disposals	-	(232)	(282)
	<u>1,627</u>	<u>7,723</u>	<u>8,900</u>
31 March 1991	<u>1,627</u>	<u>7,723</u>	<u>8,900</u>
Depreciation			
1 April 1990	577	3,610	4,187
Charge for the year	60	810	870
Disposals	-	(273)	(273)
	<u>637</u>	<u>4,147</u>	<u>4,784</u>
31 March 1991	<u>637</u>	<u>4,147</u>	<u>4,784</u>
Net book value at 31 March 1991	<u>990</u>	<u>3,126</u>	<u>4,116</u>
Net book value at 31 March 1990	<u>1,050</u>	<u>3,450</u>	<u>4,500</u>

The Company net book value of leasehold land and buildings include £167,000 (1990 - £175,000) where the term unexpired is less than 50 years.

Future capital expenditure approved for which provision has not been made in these accounts

	1991	1990
	£'000	£'000
Contracts placed	<u>804</u>	<u>640</u>

Notes to the Accounts for the year ended 31 March 1991

10 Investment in Subsidiaries

	£'000
Investments at cost 1 April 1990 and 31 March 1991	<u>11,335</u>

Details of principal subsidiaries are set out on pages 28 and 29.

11 Stocks

	GROUP		COMPANY	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Raw materials and consumables	2,538	1,881	-	-
Work in progress	7,513	7,918	-	-
Finished goods and goods for resale	<u>33,030</u>	<u>31,647</u>	<u>7,025</u>	<u>6,384</u>
Total stocks at historical cost	<u>43,081</u>	<u>41,446</u>	<u>7,025</u>	<u>6,384</u>

Estimated current replacement cost both at 31 March 1990 and 1991 was not materially different from historical cost.

Notes to the Accounts for the year ended 31 March 1991

12 Debtors

	GROUP		COMPANY	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	18,974	19,439	7,069	7,456
Amounts owed by the holding company and fellow subsidiaries	1,976	2,004	1,932	1,969
Amounts owed by subsidiaries	-	-	30,871	10,649
Other debtors	801	883	-	-
Prepayments and accrued income	30,720	18,178	15,416	8,454
Overseas taxation	720	-	-	-
	<u>53,191</u>	<u>40,504</u>	<u>55,288</u>	<u>28,528</u>
Amounts falling due after one year:				
Other debtors	<u>300</u>	<u>291</u>	<u>-</u>	<u>-</u>
	<u>53,491</u>	<u>40,795</u>	<u>55,288</u>	<u>29,345</u>

13 Investments

	GROUP		COMPANY	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Listed securities	12,442	2,752	12,442	2,730
Unlisted investments	12,785	7,728	7,000	-
	<u>25,227</u>	<u>10,480</u>	<u>19,442</u>	<u>2,730</u>

The unlisted investments, which are stated at cost, are readily convertible securities.

The market value of the listed securities was £12,892,000 (1990: £2,752,000)

Notes to the Accounts for the year ended 31 March 1991

14 Creditors: Amounts falling due within one year

	GROUP		COMPANY	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Bank loans and overdrafts repayable in one year-unsecured	25,491	6,121	6,935	3,885
Other loans-unsecured	-	1,242	-	-
	<u>25,491</u>	<u>7,363</u>	<u>6,935</u>	<u>3,885</u>
Trade creditors	11,038	11,724	2,750	3,015
Amounts owed to the holding company and fellow subsidiaries	22,497	22,036	21,928	21,991
Amounts owed to subsidiaries	-	-	14,813	16,282
Proposed final dividend	7,432	5,901	7,432	5,901
Taxes payable (see below)	19,500	17,011	6,082	3,639
Other creditors, accruals and deferred income	48,911	29,784	31,850	16,209
Pension liabilities (amounts due within one year)	<u>346</u>	<u>330</u>	<u>-</u>	<u>-</u>
	<u>135,215</u>	<u>94,149</u>	<u>91,790</u>	<u>70,922</u>

Taxes payable are made up as follows:

	GROUP		COMPANY	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
United Kingdom corporation tax	8,905	3,023	3,598	1,640
Advance corporation tax on dividends	2,477	1,967	2,477	1,967
Overseas taxation	<u>7,469</u>	<u>11,562</u>	<u>-</u>	<u>-</u>
	18,851	16,552	6,075	3,607
Excise duty	94	58	-	-
Social security	<u>555</u>	<u>401</u>	<u>7</u>	<u>32</u>
	<u>19,500</u>	<u>17,011</u>	<u>6,082</u>	<u>3,639</u>

Notes to the Accounts for the year ended 31 March 1991

15 Creditors: Amounts falling due after more than one year

	GROUP		COMPANY	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Bank loans-unsecured	40,856	33,247	40,746	33,133
Amounts owed to the holding company	-	-	525	-
Other creditors	2,120	2,059	-	-
	<u>42,976</u>	<u>35,306</u>	<u>41,271</u>	<u>33,133</u>
Bank loans are analysed as follows:				
Deutschmarks	40,856	29,259	40,476	29,145
United States dollar	-	3,988	-	3,988
	<u>40,856</u>	<u>33,247</u>	<u>40,746</u>	<u>33,133</u>
Amounts payable between one and two years	110	4,046	-	3,988
Amounts payable between two and five years	40,746	29,201	40,746	29,143
	<u>40,856</u>	<u>33,247</u>	<u>40,746</u>	<u>33,133</u>

Loans are subject to market rates of interest.

Notes to the Accounts for the year ended 31 March 1991

16 Provisions for Liabilities and Charges

GROUP	Pension Obligations £'000	Deferred Taxation £'000	Other Provisions £'000	Total £'000
1 April 1990	6,733	13,079	1,955	21,767
Net amount provided in the year	780	4,939	1,500	7,219
Other movements	(521)	147	(750)	(1,124)
31 March 1991	<u>6,992</u>	<u>18,165</u>	<u>2,705</u>	<u>27,862</u>

COMPANY	Deferred Taxation £'000	Other provisions £'000	Total Provided £'000
1 April 1990	(894)	750	<u>750</u>
Net amount provided in the year	1,847	750	
Other movements	-	(750)	
Other timing differences	(510)	-	
31 March 1991	<u>443</u>	<u>750</u>	<u>1,193</u>

Other movements comprise exchange adjustments and the application of provisions for the purpose for which they were set up.

The Group sponsors a number of pension schemes throughout the world of the defined benefit type. The total pension cost for the Group was £1,985,000 (1990: £1,889,000) of which £780,000 (1990: £744,000) relates to overseas schemes.

The Carreras Pension Fund, the assets of which are held in a separate trustee administered fund, covers the UK and certain overseas employees. An actuarial valuation of the fund was performed by Messrs. R.N. Jarvis & Co., Consulting Actuaries, as at 31 March, 1990. Particulars of the valuation are to be included in the financial statements of Rothmans International p.l.c. which established the Carreras Pension Fund for the benefit of the employees of its subsidiary and associated companies.

Notes to the Accounts for the year ended 31 March 1991

16 Provisions for Liabilities and Charges - continued

The element of the total pension cost relating to foreign schemes includes £688,000 (1990: £637,000) where the charge has been determined in accordance with local best practice and regulations in Germany. The provision of £6,992,000 (1990: £6,733,000) included under provisions for liabilities and charges relates primarily to this unfunded German scheme.

The deferred taxation provision and full potential liability at the balance sheet date for the Group, comprised the following:

	1991		1990	
	Full potential liability	Provision made	Full potential liability	Provision made
	£'000	£'000	£'000	£'000
Short term timing differences	4,834	4,834	1,010	1,010
Accelerated fiscal depreciation	310	310	406	406
Other timing differences	15,498	15,498	13,630	13,630
Less: Advance corporation tax recoverable	(2,477)	(2,477)	(1,967)	(1,967)
	<u>18,165</u>	<u>18,165</u>	<u>13,079</u>	<u>13,079</u>

The deferred taxation provision and full potential liability at the balance sheet date for the Company, comprised the following:

	1991		1990	
	Full potential liability	Provision made	Full potential liability	Provision made
	£'000	£'000	£'000	£'000
Short term timing differences	2,610	2,610	665	665
Accelerated fiscal depreciation	310	310	390	390
Other timing differences	-	-	18	18
Less: Advance corporation tax recoverable	(2,477)	(2,477)	(1,967)	(1,967)
	<u>443</u>	<u>443</u>	<u>(894)</u>	<u>(894)</u>

Notes to the Accounts for the year ended 31 March 1991

17 Called Up Share Capital

	1991	1990
	£'000	£'000
Authorised, allotted, called up and fully paid:		
8,400,000 ordinary shares of 10p each	840	840
600,000 4.2% cumulative preference shares of £1 each	600	600
	<u>1,440</u>	<u>1,440</u>

18 Reserves

	Profit and Loss Account	
	GROUP	COMPANY
	£'000	£'000
At 1 April 1990	114,991	1,570
Exchange adjustments		
- on retained profits	(5158)	-
- on foreign currency borrowings	3,537	-
Retained profit for the year	<u>34,301</u>	<u>37,599</u>
At 31 March 1991	<u>147,671</u>	<u>39,169</u>

The undistributed retained profits of overseas subsidiaries may be liable to overseas and/or United Kingdom taxation (after allowing for double taxation relief) if distributed as dividends.

Notes to the Accounts for the year ended 31 March 1991

19 Contingencies

Warranties were given in 1985 by the Company in the sale agreement of Richards & Appleby Limited. It is not anticipated that any liability will arise thereon. The warranties expire in December 1991.

Certain subsidiaries have entered into commitments under operating leases in the course of trade in respect of which no material losses are expected to arise. The annual commitments, as at 31 March under these leases expire as follows:

	1991	1990
	£'000	£'000
Land and buildings		
Within one year	1,367	792
Between one and five years	2,627	2,626
In excess of five years	2,515	2,780
	<u>6,509</u>	<u>6,198</u>
Other assets		
Within one year	718	771
Between one and five years	751	667
In excess of five years	3	4
	<u>1,472</u>	<u>1,442</u>

20 Personnel

The average number of persons employed during the year by the Group, including executive directors, in the production, distribution and sale of luxury consumer products was 1,964 (1990: 1,945)

Notes to the Accounts for the year ended 31 March 1991

20 Personnel - continued

Their aggregate compensation was as follows:

	1991	1990
	£'000	£'000
Wages and salaries	34,207	31,878
Social security costs	4,354	3,806
Other pension costs	1,985	1,889
	<u>40,546</u>	<u>37,573</u>

21 Loan to a Director

On 23 December 1987, Mr Michael A.G. Nicholson, then an employee of Alfred Dunhill (Far East) Limited, was granted a loan of £75,000 by Alfred Dunhill Limited for the purpose of acquiring residential accommodation for himself and his family in the United Kingdom. The secured loan is interest free unless it is not repaid when due, in which case it will attract interest at 3% over base rate. The full amount of the loan was outstanding during the period to the year end. Repayment does not become due until 30th June 1991, unless the residence is previously sold by Mr Nicholson or he leaves the employment of Alfred Dunhill Limited.

22 Directors Emoluments

Emoluments of directors of the Company including pension contributions were:

	1991	1990
	£'000	£'000
Management remuneration	<u>1,426</u>	<u>1,239</u>

The executive directors are remunerated by the Company or other subsidiaries in respect of their services to the Dunhill Group, except for certain directors employed and remunerated by overseas subsidiaries or affiliated companies who are seconded to the Company.

Notes to the Accounts for the year ended 31 March 1991

22 Directors Emoluments - continued

Emoluments of the directors, other than those working wholly or mainly outside the United Kingdom, excluding pension scheme contributions were:

	1991	1990
	£	£
Chairman	60,264	60,087
Highest paid director	225,332	214,636
The number of directors in each emolument band was:		
£35,001 - £40,000	-	1
£60,001 - £65,000	1	2
£75,001 - £80,000	-	2
£80,001 - £85,000	2	1
£85,001 - £90,000	2	-
£95,001 - £100,000	3	-
£100,001 - £105,000	-	1
£105,001 - £110,000	-	2
£120,001 - £125,000	1	-
£125,001 - £130,000	1	-
£130,001 - £135,000	-	1
£150,001 - £155,000	1	-
£210,001 - £215,000	-	1
£225,001 - £230,000	1	-

During the year ended 31 March 1991 the service agreement between Mr S Pendle and Alfred Dunhill Limited dated 16 November 1987 relating to Mr Pendle's former capacity as Group Managing Director was terminated. Compensation for loss of office amounted to £407,457. In addition a £85,783 payment was made to the Carreras Pension Fund to augment his early retirement pension.

Notes to the Accounts for the year ended 31 March 1991

23 Ultimate Holding Company

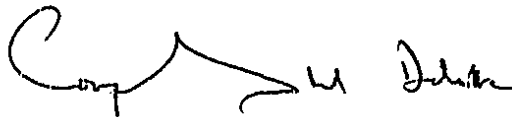
The whole of the issued share capital of the Company is owned by Dunhill Holdings PLC (incorporated in England). Dunhill Holdings PLC is a subsidiary of Rothmans International p.l.c. (incorporated in England) which is itself a subsidiary of Compagnie Financière Richemont AG (incorporated in Switzerland). Accordingly the directors regard Compagnie Financière Richemont AG as the Company's ultimate holding company.

REPORT OF THE AUDITORS

To the Members of Alfred Dunhill Limited

We have audited the accounts on pages 4 to 27 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 31st March 1991 and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND DELOITTE

London

Chartered Accountants

27 June 1991

ALFRED DUNHILL LIMITED
PRINCIPAL SUBSIDIARY COMPANIES
AS AT 31 MARCH 1991

Company and Incorporated Nature of Business In In (Note)	Operating In	Class of Shares Issued	Percentage attributable to Alfred Dunhill Limited and held by:	
			Alfred Dunhill Limited %	Subsidiaries of Alfred Dunhill Limited %
SAF Alfred (1) Dunhill*	France	France	Shares of F.Frs 50 each	- 100
Alfred (2) Dunhill (Holland) BV	Netherlands	Netherlands	Shares of D.F. 1000 each	- 100
Chloe S.A. (5)	France	France	Shares of F.Frs 500 each	- 100
Dunhill (2) Investments Limited	Hong Kong	United Kingdom	Shares of HK \$ 100 each	100 -
Alfred (1) Dunhill of London Limited	Hong Kong	Japan	Shares of HK \$100 each	- 100
Alfred (1) Dunhill GmbH	Germany	Germany	Ordinary Capital	- 100
Alfred (1) Dunhill of London Inc.	Delaware United States of America	United States of America	Shares of no par value	- 100
Alfred (1) Dunhill (Singapore) Pte Limited	Singapore	Singapore	Ordinary Shares of Singapore S1 each	- 100

ALFRED DUNHILL LIMITED
PRINCIPAL SUBSIDIARY COMPANIES

AS AT 31 MARCH 1991

				Percentage attributable to Alfred Dunhill Limited and held by:	
Company and Nature of Business (Note)	Incorporated In	Operating In	Class of Shares Issued	Alfred Dunhill Limited %	Subsidiaries of Alfred Dunhill Limited %
Alfred (1) Dunhill (Hong Kong) Limited	Hong Kong	Hong Kong	Shares of HK\$ 10 each	-	100
Montblanc (1) Pacific Distributors Limited	Hong Kong	Hong Kong	Shares of HK \$ 1 each	-	100
Dunhill (2) Investments (Holland) BV	Netherlands	Netherlands	Shares of D.F. 1000 each	75	25
Dunhill (3) Pipes Limited	England	United Kingdom	Ordinary shares of £1 each	100	-
Montblanc - (4) Simplo GmbH	Germany	Germany	Ordinary Capital	-	100

NATURE OF BUSINESS

- (1) Distribution of luxury consumer products
- (2) Investment holding company
- (3) Manufacture and distribution of smoker's products
- (4) Manufacture and distribution of writing instruments
- (5) Merchandising and marketing of luxury consumer products for women

* This company was not audited by Coopers & Lybrand Deloitte or its associated firms and it accounts for less than 5% of the combined net assets of Alfred Dunhill Limited and its subsidiaries.

MW062401.DH2