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ALFRED DUNHILL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st MARCH 1984

The directors submit their report and the audited accounts for the year ended 31st March 1984.

Review of Activities

The principal activity of the Company is unchanged since last year and comprises the marketing of luxury consumer products world wide including men's fashion clothing and accessories, watches, pens and associated products, smokers' products and accessories, toiletries and fragrances under the "Dunhill" and other 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 Company for the year are set out in the profit and loss account on page 4 and the notes on pages 7 to 20. The profits for the year of £847,000 will be carried to retained profit.

Appropriations

Dividends on the preference shares paid in respect of the year, amounted to £25,200. An interim dividend of 6p per share was paid on the ordinary shares in respect of the year to 31st March 1984 amounting to £504,000. The directors now recommend payment on 26th July 1984 of a final dividend for the year to 31st March 1984 of 8p per share, absorbing a further £672,000.

Fixed Assets

The movement in fixed assets during the year are set out in note 12 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 £973,000 at which such premises are included in the historical cost balance sheet at 31st March 1984 by an amount in excess of £4,300,000. The majority of this surplus is attributable to the Company's offices at Duke Street, London. 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 approximately £1,000,000.



ALFRED DUNHILL LIMITED

REPORT OF THE DIRECTORS (Contd).

Directors

The directors of the Company at 31st March 1984 were:-

Mary Dunhill  
Richard Dunhill  
Anthony A. Greener  
Walter E. Harris Jnr (USA)  
Edmund C. Skepper  
Michael M. Walter  
Sior Pendle  
G.W. Searle (New Zealand)  
H.M. Gordon-Martin  
I.R. Lloyd  
M.T. Mufarrige

Mr. R.A.D. Cornwall, Mr. W.E. Harris Jnr and Mr. H.M. Gordon-Martin resigned as directors of the Company effective from 31st December 1983, 24th May 1984 and 8th June 1984 respectively. Apart from R.A.D. Cornwall, the remaining directors of the Company were directors for the whole of the year ended on 31st March 1984.

The directors and their families did not have any interest in the shares of the Company at 31st March 1984.

During the year no director had a material interest in any contract that was significant in relation to the Company's business other than as disclosed in note 23 to the accounts.

ALFRED DUNHILL LIMITED

REPORT OF THE DIRECTORS (Contd).

Personnel

The Company 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 Company'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 Company 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 Company's employment.

Articles of Association

Following the incorporation of Dunhill Holdings PLC the Company became a subsidiary Company and by a special resolution passed on 10th June 1983 the Company adopted new Articles of Association appropriate to a wholly owned subsidiary.

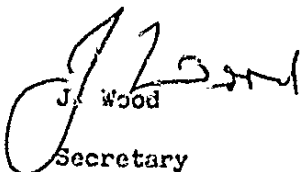
Close Company Provisions

The close company provisions of the Income and Corporation Taxes Act 1970, as amended, do not apply to the Company.

Auditors

A resolution to re-appoint Coopers & Lybrand as auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

  
J. Wood  
Secretary

29 June 1984

ALFRED DUNHILL LIMITED  
 PROFIT AND LOSS ACCOUNT  
 For the Year Ended 31st March 1984

	Notes	<u>1984</u>	<u>1983</u>
		£'000	£'000
Turnover	2	33,420	26,084
Cost of sales		21,634	18,654
Gross profit		11,786	7,430
Net operating expenses	3	6,493	6,524
Operating profit	4	5,293	906
Income from shares in group companies	5	-	2,289
Net interest receivable/(payable) and similar items	6	467	(176)
Amounts written off investments and amounts due from subsidiary companies	7	862	299
Profit on ordinary activities before taxation		4,898	2,720
Taxation on profit on ordinary activities	8	2,850	901
Profit on ordinary activities after taxation		2,048	1,819
Dividends	11	1,201	1,033
Profit retained		£ 847	£ 786
Statement of Retained Profit			
Balance at beginning of year		24,487	23,701
Profit for the year retained		847	786
Balance at end of year		£ 25,334	£ 24,487

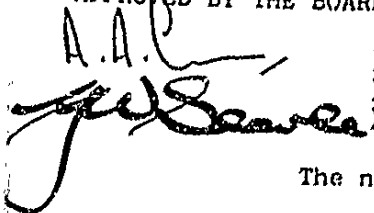
The notes on pages 7 to 20 form part of these accounts.  
 The report of the auditors is on page 21.

ALFRED DUMHILL LIMITED

BALANCE SHEET AT 31st MARCH 1984

	Notes	<u>1984</u>		<u>1983</u>	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	1(f) & 12				
Investments in subsidiaries	13		2,253		2,069
			8,350		8,849
Current Assets					
Stocks	1(e) & 14	6,503		7,432	
Debtors	15	18,785		19,382	
Investments	16	17,247		3,079	
Cash at bank and in hand		1,850		2,170	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	17	44,385		32,063	
		17,579		6,253	
		<hr/>		<hr/>	
Net current assets			26,806		25,810
Total assets less current liabilities			<hr/>		<hr/>
Creditors: amounts falling due after more than one year	18	9,693	37,409		36,728
Provisions for liabilities and charges	19	942		10,406	
		<hr/>		395	
			10,635		10,801
			<hr/>		<hr/>
Capital and reserves		£ 26,774		£ 25,927	
Called up share capital	20	1,440		1,440	
Profit and loss account		25,334		24,487	
		<hr/>		<hr/>	
		£ 26,774		£ 25,927	
		<hr/>		<hr/>	

APPROVED BY THE BOARD ON 29th June 1984


 Directors

The notes on pages 7 to 20 form part of these accounts  
 The report of the auditors is on page 21.

ALFRED DUNHILL LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
For the year ended 31st March 1924

	1924		1923	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
Profit on ordinary activities before taxation				
Items not involving the movement of funds:		4,898		2,720
Depreciation and amounts written off tangible fixed assets adjusted for profits on sales	818		536	
Provisions for liabilities and charges excluding deferred tax	361		100	
Increase in loans and creditors falling due after more than one year		1,179		636
Proceeds on sale of fixed assets		206		1,801
				35
		£ 6,293		£ 5,192
APPLICATION OF FUNDS				
Tax paid		947		911
Expenditure on tangible fixed assets		709		346
Dividends paid		1,117		949
Repayment of bank loans		713		-
		£ 3,486		£ 2,206
INCREASE IN WORKING CAPITAL		£ 2,797		£ 2,986
REPRESENTING				
(Decrease)/increase in stocks		(929)		2,984
(Decrease)/increase in debtors		(597)		5
(Increase) in creditors; amount falling due in one year excluding taxation, proposed dividends, loans and overdrafts		(1,597)		(811)
Movement in net liquid funds:				
Increase in bank balances, and investments held as current assets	13,848		1,546	
(Increase) in bank loans			(738)	
other loans and overdrafts	(7,928)			
		5,920		808
		£ 2,797		£ 2,986

Auditors report page 21.

ALFRED DUNHILL LIMITED

NOTES ON ACCOUNTS 31st MARCH 1984

1. ACCOUNTING POLICIES

The following is a summary of the more important accounting policies adopted by the company:

(a) 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.

(b) GOODWILL

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

(c) FOREIGN CURRENCIES

Foreign currency items, including fixed and current assets and liabilities at the balance sheet date and profits earned in respect of the accounting period to that date, are translated to sterling at the exchange rates ruling at the balance sheet date or at the actual rates obtained where known. Foreign exchange profits or losses relating to trading activities are included in the profit for the period.

(d) 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 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 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.

ALFRED DUNHILL LIMITED

NOTES ON ACCOUNTS 31ST MARCH 1984 (Contd)

(e) 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. 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.

(f) DEPRECIATION

Freehold land is not depreciated. Depreciation on other fixed assets is calculated to write off the cost or valuation of the assets during their expected normal lives, for the most part by equal annual instalments, but leased equipment is written off on a basis which provides a uniform return on the capital invested over the period on the lease. 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.

(g) ROYALTIES

Royalties and similar income include estimated income receivable from sales arising in the current accounting period.

(h) INVESTMENTS HELD AS CURRENT ASSETS

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



ALFRED DUNHILL LIMITED

NOTES ON ACCOUNTS 31st MARCH 1984 (Contd)

2. TURNOVER

The geographical analysis of turnover is set out below:-

	<u>1984</u>	<u>1983</u>
	£'000	£'000
United Kingdom	6,673	4,661
Europe	3,207	2,622
America	4,251	3,126
Far East, Middle East and Africa	19,289	15,675
	<hr/>	<hr/>
	£ 33,420	£ 26,084
	<hr/>	<hr/>

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

3. NET OPERATING EXPENSES

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Distribution costs	5,800	4,314
Administrative expenses	3,838	3,538
	<hr/>	<hr/>
	9,638	7,852
Royalties and similar income receivable	(3,075)	(2,320)
Other operating (income)/expenses	(70)	992
	<hr/>	<hr/>
Net operating expenses	£ 6,493	£ 6,524
	<hr/>	<hr/>

ALFRED DUNHILL LIMITED

NOTES ON ACCOUNTS 31st MARCH 1984 (Contd)

4. OPERATING PROFIT

Operating profit is stated after taking into account the following items:-

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Depreciation	424	257
Hire of plant and machinery	120	56
Auditors' remuneration	29	32
Directors' emoluments (see note 9)	975	766
Exchange loss on foreign currency borrowings	97	1,077

5. INCOME FROM SHARES IN GROUP COMPANIES

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Dividends received from subsidiaries	-	2,269

6. NET INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR ITEMS

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Interest payable and similar charges		
On loans and overdrafts repayable by instalments and due within five years	(1,062)	(1,274)
On other loans	(111)	(33)
On group company loans	(16)	-
	<u>£ (1,189)</u>	<u>£ (1,307)</u>
Interest receivable and similar income from investments held as current assets		
Income from listed current asset investments	622	314
Bank deposit interest receivable	321	106
Profit on sale of current asset investment	167	-
Interest receivable from Group companies	546	711
	<u>£ 1,656</u>	<u>£ 1,131</u>
Net interest receivable/(payable) and similar items	<u>£ 467</u>	<u>£ (176)</u>

## ALFRED DUNHILL LIMITED

## NOTES ON ACCOUNTS 31st MARCH 1984 (Contd)

7. AMOUNTS WRITTEN OFF INVESTMENTS AND AMOUNTS DUE FROM  
SUBSIDIARY COMPANIES

	<u>1984</u> <u>£'000</u>	<u>1983</u> <u>£'000</u>
Provision for diminution in value of investments in subsidiary companies	499	293
Provision against amounts due from subsidiary companies	363	-
	<u>£ 862</u>	<u>£ 293</u>

## 8. TAXATION

	<u>1984</u> <u>£'000</u>	<u>1983</u> <u>£'000</u>
Taxation based on the profit for the year:		
United Kingdom taxation		
Corporation tax at 50% (1983, 52%)	2,732	837
Less: Double taxation relief	(197)	(295)
	<u>2,535</u>	<u>542</u>
Overseas taxation	197	295
Transfer from deferred taxation	217	64
Prior year item:		
Corporation tax	(99)	-
	<u>£ 2,850</u>	<u>£ 901</u>

The charge for the year has been reduced in respect of stock relief and taxation deferred which is not expected to become payable in the foreseeable future. The amounts involved are:

	<u>1984</u> <u>£'000</u>	<u>1983</u> <u>£'000</u>
Stock relief	218	45
Accelerated fiscal depreciation	-	132
	<u>£ 218</u>	<u>£ 177</u>

ALFRED DUNHILL LIMITED

NOTES ON ACCOUNTS 31st MARCH 1984

9. DIRECTORS' EMOLUMENTS

Emoluments of directors of the Company (including pension scheme contributions)

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Fees	4	5
Compensation for loss of office	90	14
Management remuneration including pension scheme contributions	881	747
	<hr/>	<hr/>
	£ 975	£ 766
	<hr/>	<hr/>

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.

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

	<u>1984</u>	<u>1983</u>
Chairman	£ 62,605	£ 46,705
Highest paid director	£ 75,088	£ 52,613

The number of directors in each emolument band was:

£20,001 - £25,000	-	1
£25,001 - £30,000	-	2
£30,001 - £35,000	1	1
£35,001 - £40,000	1	1
£40,001 - £45,000	1	3
£45,001 - £50,000	3	1
£50,001 - £55,000	-	1
£55,001 - £60,000	2	-
£60,001 - £65,000	1	-
£65,001 - £70,000	-	-
£70,001 - £75,000	-	-
£75,001 - £80,000	1	-

# ALFRED DUNHILL LIMITED

## NOTES ON ACCOUNTS 31st MARCH 1984 (Contd)

### 10. PERSONNEL

The average number of people employed during the year by the Company, including executive directors in the distribution and sale of luxury consumer products was 253 (1983: 281).

The aggregate compensation of these employees was as follows:-

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Wages and salaries	2,876	2,860
Social security costs	186	201
Other pension costs	346	313
	<hr/>	<hr/>
	£ 3,408	£ 3,374
	<hr/>	<hr/>

The number of employees of the company (excluding directors) in each emolument band was:

	<u>1984</u>	<u>1983</u>
£30,001 - £35,000	2	4
£35,001 - £40,000	1	-

### 11. DIVIDENDS

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Paid on preference shares	25	25
Paid or proposed on ordinary shares		
Interim dividend paid of 6p per share (1983 5p)	504	420
Proposed final dividend of 8p per share (1983 7p)	672	588
	<hr/>	<hr/>
	£ 1,201	£ 1,033
	<hr/>	<hr/>

ALFRED DUTCHILL, LIMITED

NOTES ON ACCOUNTS 31st MARCH 1984 (Contd)

12. TANGIBLE FIXED ASSETS

	Land and Buildings		Plant and Equipment	Total
	Freehold	Leasehold		
	£'000	£'000	£'000	£'000
Cost				
1st April 1983	164	1,111	2,129	3,404
Additions	-	121	598	719
Disposals	111	-	103	214
	<hr/>	<hr/>	<hr/>	<hr/>
31st March 1984	53	1,232	2,614	3,899
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1st April 1983	24	284	1,027	1,335
Charge for the year	3	25	396	424
Disposals	23	-	90	113
	<hr/>	<hr/>	<hr/>	<hr/>
31st March 1984	4	309	1,333	1,646
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 31st March 1984	£ 49	£ 923	£ 1,281	£ 2,253
	<hr/>	<hr/>	<hr/>	<hr/>

The above net book value of leasehold land and buildings included £71,000 (1983: £77,000) where the term unexpired is less than 50 years.

ALFRED DUNHILL LIMITED

NOTES ON ACCOUNTS 31st MARCH 1984 (Contd)

	<u>1984</u>	<u>1983</u>
13. INVESTMENTS IN SUBSIDIARIES	£'000	£'000
Shares at cost	15,906	15,906
Amounts written off	(7,556)	(7,057)
Net book value	£ 8,350	£ 8,849

In the opinion of the directors the value of the Company's investment in its subsidiaries is not less than the amount at which they are stated in the balance sheet.

Details of the principal subsidiaries are set out on page 22 and 23.

As the Company is a wholly-owned subsidiary of Dunhill Holdings PLC (note 25) consolidated accounts have not been prepared.

14. STOCKS	<u>1984</u>	<u>1983</u>
Stocks consist of finished goods and goods for resale:	£'000	£'000
	6,503	7,432
Estimated current replacement cost exceeds historic cost by	52	462

15. DEBTORS	<u>1984</u>	<u>1983</u>
Amounts falling due within one year;	£'000	£'000
Trade debtors	2,761	2,602
Amounts owed by Group companies:		
Subsidiaries	14,771	16,037
Prepayments and accrued income	1,170	743
Amounts falling due after one year;	18,702	19,382
Prepayments and accrued income	83	-
	£ 18,785	£ 19,382

ALFRED DUNHILL LIMITED

NOTES TO THE ACCOUNTS 31st MARCH 1984 (Contd)

16. INVESTMENTS

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Listed on The Stock Exchange, London	16,615	3,079
Unlisted investments	632	-
	<u>£ 17,247</u>	<u>£ 3,079</u>

The market value of the listed investments at 31st March 1984 was £17,164,000 (1983: £3,240,000).

The unlisted investments are stated at cost and represent other readily convertible investments.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Bank loans and overdrafts repayable in one year or less, or on demand	8,841	913
Trade creditors	2,078	1,985
Amounts owed to Group companies:		
Subsidiaries	560	-
Holding company and fellow subsidiaries	1,263	876
Taxes payable (see below)	2,013	302
Other creditors and accruals	2,152	1,589
Proposed final dividend	672	580
	<u>£ 17,579</u>	<u>£ 6,253</u>

Taxes payable are made up as follows:

U.K. Corporation tax	1,987	270
Overseas tax	(14)	(14)
	<u>1,973</u>	<u>256</u>
Excise duty	8	-
Social security	32	46
	<u>£ 2,013</u>	<u>£ 302</u>



ALFRED DUNHILL LIMITED

NOTES TO THE ACCOUNTS 31st MARCH 1984 (Contd)

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Bank loans	£ 9,693	£ 10,406

All bank loans are repayable by instalments and comprise:-

	Interest Rate		
U.S. Dollars	10%	9,431	9,176
Deutschemarks	6-7%	134	1,100
Swiss Francs	4%	128	130
		£ 9,693	£ 10,406

Analysis of loans by repayment date is as follows:-

Amounts payable between 1 and 2 years	5,331	961
Amounts payable between 2 and 5 years	4,362	9,445
	£ 9,693	£ 10,406

ALFRED DUCHILL LIMITED

NOTES TO THE ACCOUNTS 31st MARCH 1984 (Contd)

19. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation	Other Provisions	Total
	£'000	£'000	£'000
1st April 1983	295	100	395
Amounts provided in year	217	451	668
Application of provisions	-	(90)	(90)
Advance corporation tax	(31)	-	(31)
31st March 1984	£ 481	£ 461	£ 942

Deferred taxation comprises the following:

	1984	1983
	£'000	£'000
Short-term timing differences	225	258
Accelerated fiscal depreciation	525	275
Advance corporation tax recoverable	(288)	(257)
Other timing differences	19	19
	£ 481	£ 295

The full potential liability in respect of taxation deferred at the balance sheet date amounts to:

Short-term timing differences	225	258
Accelerated fiscal depreciation	525	550
Advance corporation tax recoverable	(288)	(257)
Other timing differences	19	19
	£ 481	£ 570

Other provisions comprise primarily of provisions for the reorganisation of certain of the Company's operations.

# ALFRED DUNHILL LIMITED

## NOTES TO THE ACCOUNTS 31st MARCH 1984 (Contd)

### 20. CALLED UP SHARE CAPITAL

	<u>1984</u>	<u>1983</u>
	£'000	£'000
8,400,000 Ordinary shares of 10p each - authorised, allotted, called up and fully paid	840	840
600,000 4.2% cumulative preference shares of £1 each - authorised, allotted, called up and fully paid	600	600
	<u>1,440</u>	<u>1,440</u>
	£ 1,440	£ 1,440

### 21. CAPITAL EXPENDITURE

Capital expenditure approved for which provision has not been made in these accounts was as follows:-

	<u>1984</u>	<u>1983</u>
	£'000	£'000
Expenditure for which contracts had been placed	16	52
Expenditure authorised by the directors for which contracts had not been placed	924	138
	<u>940</u>	<u>190</u>
	£ 940	£ 190

### 22. GUARANTEES AND CONTINGENCIES

Warranties were given by the Company in 1980 in the sale agreements of Collingwood of Conduit Street Limited and Dunhill Tobacco Limited. It is not anticipated that any liability will arise thereon.

The minority interest of 9% in Montblanc-Simplo GmbH is subject to an agreement entered into by the Company in 1977 to purchase the minority interests in that company on or after 1st April 1982 at the option of the minority shareholders. The consideration is to be based on a fair value of the shares of the subsidiary at the date on which the option is exercised.

ALFRED DUNHILL LIMITED

NOTES TO THE ACCOUNTS 31st MARCH 1984 (Contd)

23. OTHER STATUTORY INFORMATION

- (a) During the year ended 31 March 1984 the Company had an interest in a freehold house purchased by Mr. E.C. Skepper, a Director. Mr. Skepper holds his house as trustee for himself and the Company in proportion to his relative contribution to the cost of purchase and subsequent improvement i.e. Mr. Skepper £157,000 and the Company £49,000. The house is occupied by Mr. Skepper without payment to the Company, but with full responsibility for maintenance and all outgoings, on the terms of express trust which, inter alia, give Mr. Skepper the right to purchase the Company's interest (at cost during the first 3 years from the date of purchase, and thereafter at arm's length valuation), but which entitled the Company to sell the house with vacant possession in certain circumstances. Since the year end date Mr. Skepper has exercised the right to purchase the Company's interest in his house at cost.

At 31 March 1983 the Company had an interest in a freehold house purchased by a director, Mr. M.M. Walter, under arrangements similar to those described above and with the respective contributions to the cost of purchase and subsequent improvement being Mr. Walter £62,750 and the Company £55,000. During the year Mr. Walter exercised the right to purchase the Company's interest in his house at cost.

- (b) There existed during the year an interest-free quasi-loan made by the Company on behalf of a director of the Company, Mr. S. Pendle. The maximum amount of the quasi-loan was £1,159, which was repaid before the year end.

24. BANKING ARRANGEMENTS

Alfred Dunhill Limited and its U.K. subsidiary operating companies have a MASS banking arrangement for balances held with Barclays Bank PLC. This includes arrangements whereby the Company and its subsidiaries are jointly and severally liable for the balances on the MASS bank account.

25. ULTIMATE HOLDING COMPANY

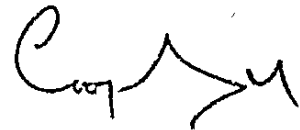
The whole of the issued share capital of the Company is owned by Dunhill Holdings PLC which is itself a subsidiary of Rothmans International plc (incorporated in England). Accordingly the directors regard Rothmans International plc as the Company's ultimate holding company.

REPORT OF THE AUDITORS TO THE MEMBERS OF  
ALFRED DUNHILL LIMITED

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We have audited the accounts on pages 4 to 20 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31st March 1964 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1961.



COOPERS & LYBRAND

Chartered Accountants

LONDON 29 June 1964

ALFRED DUNHILL LIMITED  
PRINCIPAL SUBSIDIARY COMPANIES

Company and Nature of Business (Note)	Incorporated In	Operating In	Class of Shares Issued	Percentage attributable to Alfred Dunhill Limited and held by Alfred Dunhill Limited Subsidiaries	
				%	%
SAF Alfred Dunhill (1)	France	France	Shares of F. Fr 50 each 100		
Alfred Dunhill AG (1)	Switzerland	Switzerland	Shares of S.Frs 100 each		100
Alfred Dunhill (Holland) BV (2)	Netherlands	Netherlands	Common stock of no par value	100	
Alfred Dunhill (1) (Far East) Ltd.	Hong Kong	Hong Kong	Shares of HK \$ 100 each	100	
Alfred Dunhill of London Ltd (1)	Hong Kong	Japan	Shares of HK \$ 100 each		100
Alfred Dunhill GmbH (1)	West Germany	West Germany	Ordinary Capital	100	
Alfred Dunhill of London Inc. (1)	Delaware, United States of America	United States of America	Shares of no par value		100
Lane Ltd (3)	New York, United States of America	United States of America	Shares of no par value		100
F. Charratan & Son Ltd (4)	England	United Kingdom	Ordinary and Deferred Shares of 10 pence each	100	

ALFRED DUNHILL LIMITED  
PRINCIPAL SUBSIDIARY COMPANIES (Contd.).

Dunhill Pipes Ltd	(1)	England	United Kingdom	Ordinary Shares of £1 each	100
Montblanc- Simple GmbH	(5)	West Germany	West Germany	Ordinary Capital	91
Richards & Appleby Limited	(6)	England	United Kingdom	Ordinary Shares of 40 pence each	100

NATURE OF BUSINESS

- (1) Distribution of luxury consumer products.
- (2) Investment holding company.
- (3) Manufacture and distribution of tobacco and smokers products.
- (4) Manufacture and distribution of smokers products.
- (5) Manufacture and distribution of writing instruments.
- (6) Manufacture and distribution of soap and toiletries.