dunhill

LONDON

Alfred Dunhill Limited

Registered number: 00191031

Annual report

For the year ended 31 March 2019

Alfred Dunhill Limited

Annual report for the year ended 31 March 2019

Contents

Alfred Dunhill Limited
Strategic report for the year ended 31 March 2019

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

Business review and principal activities

Alfred Dunhill Limited ("the Company") is part of Richemont Group, the Swiss luxury goods group.

The Company is responsible for overall maintenance of the Alfred Dunhill brand including the determination of the global marketing brief and the design and strategic selection of sourcing of branded products.

Following an impairment review, the value of Land and Building has been impaired by £nil (2018: £750,000), Fixtures, fittings, tools and equipment by £5,487,000 (2018: £1,492,000) and Assets under constructions by £266,000 (2018: £788,000).

The statement of comprehensive income for the Company show a loss for the financial year of £43,115,000 (2018 £36,066,000) on revenue of £19,988,000 (2018: £49,716,000). The net assets as at 31 March 2019 were £83,019,000 (2018 net liabilities £75,037,000).

From 1 September 2017, all inventory purchasing and distribution flows were transferred from Alfred Dunhill Limited to a Richemont Group company based in Switzerland. This decision was made to improve operational efficiencies within the brand.

Development and future outlook

Due to its role as Alfred Dunhill Limited headquarters, the results of Alfred Dunhill Limited are dependent upon the success of the Alfred Dunhill brand as a whole.

The new direction created for dunhill builds on its brand DNA with an updated concept and strategy. Brand positioning has been elevated across all categories, focused on leather and menswear led by outerwear, capitalising on the smart casualization trend in luxury.

The Maison's digital-first approach and mindset aims to deliver seamless connection between retail and digital. It is the first port of call and primary interface through wich customers experience the brand. New digital enhancements continue to elevate customer experience and seamlessly connect online and offline envirnments. In the last twelve months click & collect, personalised dynamic content and check-in-store product availability were rolled out.

For the coming year, the Maison will continue to elevate the brand postioning and enhance brand awareness, and develop its presence in key locations around the world.

Principal risks and uncertainties

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

The key business risks and uncertainties affecting the Company are considered to relate to competition from both national and independent retailers, employee retention, and product availability. However, the Directors of the Richemont Group manage the Group's risk at a brand level rather than at an individual business unit level and further discussion of these risks and uncertainties, in the context of the Richemont Group as a whole, is provided in the Group's annual report which does not form part of this report. Copies of the Group's annual report can be found on the Richemont website (www.richemont.com).

Principal risks and uncertainties (continued)

The directors do not consider that the implementation of Brexit will impact the going concern of the entity and measures will be taken to comply with any new customs regulations once these are fully known.

The financial risk management of the Company is outlined in Note 2 to the financial statements.

Key performance indicators

The Directors of the Richemont Group manage the Group's operations on a divisional basis and monitor the performance of Alfred Dunhill at a consolidated brand level. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Alfred Dunhill Limited.

The development, performance and position of the Alfred Dunhill brand, which includes the Company, is discussed within the Business Review section of the Richemont Group Annual Report and Accounts.

The Strategic Report has been approved and is signed on behalf of the board by:

Gary Stevenson

G J Stevenson
Director

11 October 2019

Alfred Dunhill Limited

Directors' report for the year ended 31 March 2019

The Directors submit their report and the audited financial statements of Alfred Dunhill Limited ("the Company") for the year ended 31 March 2019.

Directors

The Directors who were in office during the year and up to the date of signing the financial statements were:

G J Stevenson
A Maag

Company Secretary

The Company Secretary who was in office during the year and up to the date of signing the financial statements was:

R J Brooks

Directors interests

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

Company's registered number

The company's registered number is 00191031.

Going concern

On the basis of the ongoing review of the activities, Richemont International Holding SA has provided a letter of support, confirming that they will provide ongoing financial support to the Company until at least twelve months from the date of approval of the financial statements, to enable it to continue its operating activities.

Dividends

No interim dividend was paid for the year ended 31 March 2019 (2018: £nil). The directors do not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: £nil).

Employee information

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 in the United Kingdom

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.

Health and safety

The Company's policy is to ensure that, as far as is reasonably practicable, working environments exist which will minimise risk to the health and safety of employees. Programmes exist to reinforce the Company's risk management procedures and to heighten awareness of environmental issues as well as health and safety matters.

Creditor payment policy

Alfred Dunhill Limited has a policy concerning payment of trade creditors as follows:

- inventory invoices paid between 30 and 60 days of invoice date; and
- non inventory invoices paid between 14 and 30 days of invoice date.

For all trade creditors, it is the company's policy to:

- agree the terms of payment at the start of business with that supplier;
- ensure that suppliers are aware of terms of payment; and
- to abide by the terms of payment.

For the year ended 31 March 2019, the average trade creditor days of the company were 13 days (2018: 11 days).

Third Party Indemnity Provisions

A Group company has purchased insurance on behalf of Alfred Dunhill Limited to cover the Directors against liabilities in relation to the Company during the financial year and as at the date of approval of the financial statements.

Donations

Donations for a variety of charitable purposes made by the Company in the United Kingdom during the year ended 31 March 2019 amounted to £240,000 (2018: £260,000). No contributions for political purposes were made during the current or prior years.

Financial risk management

The financial risk management of the Company is outlined in Note 2 to the financial statements.

Development and future outlook

The development and future outlook is discussed in the Strategic Report.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Directors' confirmations

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

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

In the absence of a notice proposing that their appointment be terminated, the auditors, PricewaterhouseCoopers LLP, will be deemed to be re-appointed for the next financial year.

Gary Stevenson

G J Stevenson
Director
11 October 2019

Independent auditors' report to the members of Alfred Dunhill Limited

Report on the audit of the financial statements

Opinion

In our opinion, Alfred Dunhill Limited's financial statements:

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

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 March 2019; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

Independent auditors' report to the members of Alfred Dunhill Limited (continued)

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditors' report to the members of Alfred Dunhill Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Christopher Solomides (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 October 2019

Alfred Dunhill Limited

Statement of Financial Position as at 31 March 2019

	Note	2019	2018
		£'000	£'000
Non-current assets			*Restated*
Property, plant and equipment	4	**4,839**	5,045
Intangible assets	5	**-**	-
Investment	6	**-**	-
Deferred tax asset	21	**11,074**	9,776
Other fixed assets	7	**1,244**	1,244
		17,157	16,065
Current assets			
Inventories	8	**7,165**	5,923
Trade and other receivables	9	**75,343**	9,105
Prepayments and accrued income		**1,334**	1,472
Cash and cash equivalents	10	**12**	41
		83,854	16,541
Total Assets		**101,011**	32,606
Non-current liabilities			
Pensions and similar obligations	12	**-**	(1,107)
Other non-current liabilities		**(9,208)**	(6,989)
Other provisions	13	**(161)**	(257)
		(9,369)	(8,353)
Current liabilities			
Trade and other payables	14	**(6,103)**	(93,058)
Provisions for liabilities	13	**(808)**	(1,416)
Accruals and deferred income		**(1,712)**	(4,816)
		(8,623)	(99,290)
Total Liabilities		**(17,992)**	(107,643)
NET ASSETS/(LIABILITIES)		**83,019**	(75,037)
Equity			
Called up share capital	11	**698,315**	498,315
Merger reserve		**22,912**	22,912
Accumulated losses		**(638,208)**	(596,264)
TOTAL EQUITY		**(83,019)**	(75,037)

Following the company assessment, the group relief surrendered to other group entities previously included in the amount owed by group undertakings (Note 9) as at 31 March 2019, has been reclassified to deferred tax asset (Note 21) to better reflect the nature of the balance as at Balance Sheet date. Accordingly, a restatement has been made to reflect the same presentation. See note 1 for further information.

The financial statements on pages 9 to 33 were approved by the board of directors on 11 October 2019 and were signed on its behalf by:

G J Stevenson Gary Stevenson
Director

R J Brooks R Brooks
Secretary

The notes on pages 12 to 33 are an integral part of these financial statements.
Registered number: 00191031

Alfred Dunhill Limited
Statement of Comprehensive Income for the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Revenue	15	**19,988**	49,716
Cost of sales		**(6,601)**	(30,184)
Gross profit		**13,387**	19,532
Distribution costs		**(39,819)**	(38,677)
Administrative expenses		**(16,034)**	(24,353)
Other expenses		**(5,753)**	(3,030)
Other income		**-**	2,430
Operating loss	16	**(48,219)**	(44,098)
Finance income	19	**606**	3,508
Finance costs	19	**(1,175)**	(4,043)
Loss before taxation		**(48,788)**	(44,633)
Tax on loss	21	**5,673**	8,567
Loss for the financial year		**(43,115)**	(36,066)
Other comprehensive income/(loss): items that will not be reclassified to profit or loss			
Defined benefit plan actuarial income/(losses)	12	**1,135**	(246)
Tax on items in other comprehensive income/(loss)		**-**	-
Total other comprehensive income/(loss)		**1,135**	(246)
Total comprehensive loss for the financial year		**(41,980)**	(36,312)

The notes on pages 12 to 33 are an integral part of these financial statements.

Alfred Dunhill Limited

Statement of Changes in Equity for the year ended 31 March 2019

	Called up share capital	Merger reserve	Accumulated losses	Total Equity
	£'000	£'000	£'000	£'000
As at 1 April 2017	**498,315**	**22,912**	**(559,747)**	**(38,520)**
Issue of ordinary shares	-	-	-	-
Loss for the financial year	-	-	(36,066)	(36,066)
Defined benefit plan actuarial income/(loss)	-	-	(246)	(246)
Settlement of share options	-	-	(205)	(205)
At 31 March 2018	**498,315**	**22,912**	**(596,264)**	**(75,037)**
Issue of ordinary shares	200,000	-	-	200,000
Loss for the financial year	-	-	(43,115)	(43,115)
Defined benefit plan actuarial income/(loss)	-	-	1,135	1,135
Settlement of share options	-	-	36	36
At 31 March 2019	**698,315**	**22,912**	**(638,208)**	**(83,019)**

The notes on pages 12 to 33 are an integral part of these financial statements.

Alfred Dunhill Limited

Notes to the financial statements for the year ended 31 March 2019

1 Summary of significant accounting policies

Basis of preparation

Alfred Dunhill Limited is a private company, limited by shares. The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£000) except when otherwise indicated.
The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to Companies reporting under FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, presentation of a third statement of financial position, standards not yet effective and related party transactions.

Where relevant, equivalent disclosures have been given in the consolidated financial statements of Richemont Group which are available to the public and can be obtained as set out in Note 25.

The policies set out below have been consistently applied to the periods presented unless otherwise stated.

The financial statements have been prepared under the historical cost convention and on a going concern basis, which the Directors deem appropriate in light of an intermediate parent indicating its willingness to provide support for the Company to meet its liabilities as they fall due, should this be required. The preparation of financial statements in conformity with United Kingdom Generally Accepted Accounting Practice, including FRS 101, requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement and significant estimates are disclosed below.

Following the company assessment, the group relief surrendered to other group entities previously included in the amount owed by group undertakings (Note 9) as at 31 March 2018 has been reclassified to deferred tax asset (Note 21) to better reflect the nature of the balance as at Balance Sheet date. The amount of this reclassification is £11,074,000 (2018: £9,776,000).

In the statement of comprehensive income, revenue for the year ended 31 March 2019 includes royalty income received from Third Party of £2,213,000, which had previously been presented within Other income. The comparative figure of £2,183,000 has not been restated on the ground of materiality. There is no impact on net loss for the year.

Consolidated financial statements

The financial statements contain information about Alfred Dunhill Limited as an individual company and do not contain consolidated financial information as the parent of a Group. The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 (for non-EEA parents) from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the publicly available consolidated financial statements of its ultimate parent, Richemont Group, a company incorporated in Switzerland.

Alfred Dunhill Limited

Notes to the financial statements for the year ended 31 March 2019

1 Summary of significant accounting policies (continued)

Foreign currencies

(a) Functional and presentation currency

The financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency and stated to the nearest thousand pounds.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the actual rate of exchange prevailing at the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Statement of Comprehensive Income.

Property, plant and equipment

All property, plant and equipment is shown at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, up to the following limits:

Buildings	50 years
Plant and machinery	3 to 10 years
Fixtures, fittings, tools and equipment	3 to 10 years

Land is not depreciated.

Assets under construction relate to office and boutique fittings under installation, which are depreciated from when installation is completed.

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate.

Gains and losses on disposals, calculated as the difference between the net proceeds from disposals and the carrying amounts, are included in Statement of Comprehensive Income.

1 Summary of significant accounting policies (continued)

Intangible Assets

Computer software and related licences

Costs that are directly associated with developing, implementing or improving identifiable software products having an expected benefit beyond one year are recognised as intangible assets and amortised using the straight-line method over their useful lives, not exceeding a period of three years. Licenses are amortised over their contractual lives to a maximum period of five years. Costs associated with evaluating or maintaining computer software are expensed as incurred.

Investments in subsidiaries

Investments in subsidiaries are shown at cost less impairment.

Impairment of assets

All property, plant and equipment, intangible assets, investments and financnial assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be fully recoverable.

An impairment loss is recognised in the Statement of Comprehensive Income for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Other fixed assets

The Company holds a collection of historical pieces primarily for presentation purposes to promote the brand and its history. They are not intended for sale.

Museum collection pieces are held as non-current assets at cost less any impairment in value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using a weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour, related production overheads and, where applicable, duties and taxes. It excludes borrowing costs.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the Statement of Comprehensive Income for the period.

1 Summary of significant accounting policies (continued)

Trade and other receivables (continued)

The Company has adopted IFRS 9 for the first time in the year ended 31 March 2019. There is no significant change to the financial statements as a result of the adoption of IFRS 9. The Company has applied this new standard retrospectively in accordance with the provisions of IFRS 9.7.2.15, which allows the cumulative effect of initial application to be recognised on the date of initial application, being 1 April 2018. There is an immaterial impact on retained earnings as a result of the adoption of IFRS 9.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity, net of any tax effects.

Current and deferred income tax

Taxes on income are provided in the same period as the revenue and expenses to which they relate.

Deferred income tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and the carry forward of unused tax losses can be utilised.

Employee benefits

Retirement benefit obligations

The Company was a participating employer in the Richemont UK Pension Plan, which provided defined benefits. On 1 December 2016 the plan trustee entered into a full "buy-in" with a UK insurance compay. This Plan paid its final premium to the insurance company during the year and has since instructed that members benefits are moved to buy-out after yeard end, so no further liability remains with the Company in respect of the Plan.

The total pension cost for the year, calculated in accordance with IAS19 (Employee Benefits), is split between the UK entities that participate in the Plan taking into account the attributes of each entity's employees in the Plan. The Company's assets and obligations relating to the Plan are calculated in accordance with its share of the obligations in the Plan at 31 March 2013 (the most recent valuation of the Plan) on the IAS19 assumptions at that date. Actuarial gains and losses are recognised immediately through Other Comprehensive Income.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future.

1 Summary of significant accounting policies (continued)

Employee benefits (continued)

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is probable.

Bonus plans
The Company recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Provisions

Provisions for restructuring costs, legal claims and other liabilities are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring and property related provisions include lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value at the reporting date of management's best estimate of the expenditure required to settle the obligation. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risk specific to the liability. Any increase in provisions due to the passage of time is recognised as interest expense.

Revenue recognition

Revenue is recognised when the customer obtains control of the goods. For retail sales, which take place in the Company's network of internal boutiques, control generally passes when the customer takes physical possession of goods, at which time the Company has a right to receive payment for the asset and it is implicit that the customer has accepted it.

Revenue relating to after-sales services is recognised when the service has been completed. Any commissions receivable on sales procured as agents are recognised as other operating income in the same period that those sales are recognised by the fellow Richemont Group companies.

Revenue is measured at the fair value of the consideration received from the sale of goods, net of value-added tax, duties, other sales taxes, rebates and trade discounts.

Revenue also includes royalty income received from other Richemont Group companies & Third Party. This internal royalty income is recognised on the accrual basis and calculated as a percentage of worldwide sales to external customers. External royalty income is recognised on the accruals basis in accordance with the substance of the relevant agreements.

1 Summary of significant accounting policies (continued)

Revenue recognition (continued)

The Company does not have any contracts where the period between recognition of revenue and payment by the customer exceeds one year. As a consequence, the Company does not adjust the transaction price for the time value of money.

Where there is a practice of agreement to customer returns, or where we are obliged by local legal requirements, accumulated experience is used to estimate and provide for such returns at the time of sale.

The Company provides a standard warranty against manufacturing defects, and recognises its obligation for repairs under this warranty as a provision.

The Company has adopted IFRS 15 for the first time in the year ended 31 March 2019. No material changes to accounting policies as a result of the adoption of IFRS 15 have resulted in a significant change to the financial statements .

The Company has applied this new standard retrospectively in accordance with the provisions of IFRS 15. C3 (b), which allows the cumulative effect of initial application to be recognised on the date of initial application, being 1 April 2018. There is no material impact on retained earnings as a result of the adoption of IFRS 15.

Other income

(a) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(b) Income from licensed products

Income is recognised on the accruals basis in accordance with the substance of the relevant agreements.

Leases

(a) Operating leases

Payments made under operating leases (net of any incentives received) are charged to Statement of comprehensive income using the straight-line method over the lease term. Sub-lease income (net of any incentives given) is recognised in Statement of comprehensive income on the straight-line method over the sub-lease term.

(b) Finance leases

Assets held by the company under leases which transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. At commencement of the lease term, assets and liabilities are recognised at the lower of the present value of future minimum lease payments and fair value of the leased item. In cases where land and buildings are acquired under finance leases, separate values of the land and buildings are established. All property, plant and equipment so recognised is depreciated over the shorter of the asset's expected useful life or the lease term.

Alfred Dunhill Limited

Notes to the financial statements for the year ended 31 March 2019

1 Summary of significant accounting policies (continued)

Share-based payments

The Company's ultimate parent company, Compagnie Financière Richemont SA, operates an equity-settled share-based compensation plan based on options granted in respect of Richemont units. The fair value of the employee services received in exchange for the grant of options is recognised as an expense by the Company. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each year end date, the Richemont Group revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Statement of Comprehensive Income over the remaining vesting period and a corresponding adjustment to equity.

Trade and Other Payables

Trade and other payables are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

2 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

(a) Market risk

Foreign exchange risk – the Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, Swiss franc, US dollar, HK dollar, Chinese yuan and Japanese yen. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. No hedging transactions are undertaken by the Company to mitigate foreign exchange risk.

(b) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate level of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines available.

Alfred Dunhill Limited

Notes to the financial statements for the year ended 31 March 2019

3 Critical accounting estimates and assumptions

The Company is required to make estimates and assumptions that affect the reported amount of certain asset, liability, income and expense items and certain disclosures regarding contingencies, and to make judgements in the process of applying its accounting policies. Estimates and assumptions applied by management are continuously evaluated and are based on information available, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances at the dates of preparation of the financial statements. Principal matters where estimates and assumptions are made relate in particular to:

i. the determination of carrying values for property, plant and equipment and inventories; and
ii. the recognition of provision for income taxes, including deferred taxation, taking into account the related uncertainties in the normal course of business.

The amounts involved are disclosed elsewhere in the financial statements.

4 Property, plant and equipment

	Leasehold Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Asset under construction £'000	Total £'000
Cost					
At 1 April 2018	6,542	249	9,921	788	17,500
Additions	-	-	5,657	266	5,923
Disposals	(750)	-	(3,074))	-	(3,824)
Transfers and Reclassifications	-	-	608	(766)	(158)
At 31 March 2019	**5,792**	**249**	**13,112**	**288**	**19,441**
Accumulated depreciation and impairment					
At 1 April 2018	2,053	249	9,365	788	12,455
Depreciation	112	-	94	-	206
Impairment	-	-	5,487	266	5,753
Disposals	(750)	-	(3,074)	-	(3,824)
Transfers and Reclassifications	-	-	778	(766)	12
At 31 March 2019	**1,415**	**249**	**12,650**	**288**	**14,602**
Net book value					
At 31 March 2019	**4,377**	**-**	**462**	**-**	**4,839**
At 31 March 2018	4,489	-	556	-	5,045

The Company acquired a 124 year finance lease for land and buildings in April 2008 and ongoing annual payments for rent of £319,000 per annum.

4 Property, plant and equipment (continued)

The carrying value at 31 March 2019 of £4,275,000 is included in property, plant and equipment (2018: £4,384,000). The finance lease obligation as at 31 March 2019 is calculated as the net present value of all future rental payments over the 124 year lease term.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in long term liabilities. Interest of 6%, which is at the rate implicit in lease terms, is charged to the Statement of Comprehensive Income over the lease period in order to produce a constant periodic rate of interest on the remaining balance of liability for each year. At 31 March 2019 the finance lease obligation was £ 5,477,000 (2018: £5,477,000).

Following an impairment review, the value of Land and Buildings has been impaired by £nil (2018: £750,000), Fixtures, fittings, tools and equipment by £5,487,000 (2018: £1,492,000) and Assets under construction by £266,000 (2018: £788,000).

5 Intangible assets

	Software £'000	Licenses £'000	Total £'000
Cost			
At 1 April 2018	323	141	464
Disposals	(87)	-	(87)
At 31 March 2019	**236**	**141**	**377**
Accumulated amortisation and impairment			
At 1 April 2018	323	141	464
Disposals	(87)	-	(87)
At 31 March 2019	**236**	**141**	**377**
Net book value			
At 31 March 2019	-	-	-
At 31 March 2018	-	-	-

6 Investments

At 31 March 2019 the Company's immediate subsidiary undertakings were:

Subsidiary undertakings	Country of incorporation and operation	Directly attributable to the Company	Class of shares held
Alfred Dunhill Club Limited	England and Wales	100%	Ordinary shares of £1 each
Alfred Dunhill Manufacturing Limited	England and Wales	100%	Ordinary shares of £1 each

Alfred Dunhill Club Limited is a private members club to whom Richemont International Holding SA has provided a letter of support. During the year, there has been an increase of £5,000,000 (5,000,000 ordinary shares of £1 each) on investment in Alfred Dunhill Club Limited. The investment in subsidiaries have been fully impaired by £21,000,000 (2018: £16,000,000) with an impairment for the year of £5,000,000 (2018: £nil)

Alfred Dunhill Manufacturing Limited, a dormant company, is held at £nil carrying value (2018: £nil).

The registered addresses of Alfred Dunhill Club Limited and Alfred Dunhill Manufacturing Limited are Bourdon House, 2 Davies Street, London W1K 3DJ and 15 Hill Street, London W1J 5QT respectively.

7 Other fixed assets

	2019 £'000	2018 £'000
Museum collection	**1,244**	1,244

8 Inventories

	2019 £'000	2018 £'000
Raw materials and work in progress	**2,535**	2,771
Finished goods	**4,630**	3,152
	7,165	5,923

The cost of inventories recognised as an expense and included in the cost of sales amounted to £4,669,000 (2018: £32,396,000).

The Company recognised an increase in inventory provision as an expense of £1,220,00 (2018: £2,122,000). The reduction in inventory provision is £1,870,000 (2018: £8,033,000).

Inventories are stated after provisions for impairment of £2,108,000 (2018: £2,758,000).

9 Trade and other receivables

	2019	2018
	£'000	£'000
		Restated
Trade receivables	**55**	575
Less: provision for impairment	**(5)**	(7)
Trade receivables – net	**50**	568
Amount owed by group undertakings	**74,129**	6,395
Other receivables	**1,164**	2,142
	75,343	9,105

Trade and other receivables and amounts owed by group undertakings are based on expected cash flows which are not discounted as they are expected to occur within the next 12 months.

The increase is due to recapitalisation from the parent company during the year, part of which was used to pay an intercompany payables balance of £122,000,000. The remaining cash balance which is included in the UK Physical Cash Pool, see note 10.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The movement in the provision for impairment of trade and other receivables was as follows:

	2019	2018
	£'000	£'000
Balance at 1 April of prior year	**(7)**	-
Provision charged to Statement of comprehensive income	**(5)**	(7)
Reversal of unutilised provision	**7**	-
Balance at 31 March	**(5)**	(7)

Receivables past due but not impaired:

	2019	2018
	£'000	£'000
Up to three months past due	**5**	305
Three to six months past due	**1**	42
Over six months past due	**5**	225
	11	572

Due to their short maturity, the fair values of trade and other receivables approximate to their book value.

Alfred Dunhill Limited

Notes to the financial statements for the year ended 31 March 2019

10 Cash and cash equivalents

	2019	2018
	£'000	£'000
Cash at bank and in hand	**12**	41
	12	41

Since May 2018, the Company has been a member of the UK Physical Cash Pool, where its GBP account is swept to nil each evening, regardless as to whether the balance is positive or negative, see note 9. All cash is held with the Cash Pool Leader, Richemont Holdings (UK) Limited, and the Company always has access to funding to meet its obligations as they fall due .

11 Called up share capital

	Number of shares	**Value £**
Authorised, issued and fully paid:		
Ordinary shares of £1 each at 1 April 2018	498,315,416	498,315,416
Ordinary shares issued and fully paid during the year	200,000,000	200,000,000
Ordinary shares of £1 each at 31 March 2019	698,315,416	698,315,416

12 Pensions and similar obligations

Defined Benefit Plan

The Company was a participating employer in the Richemont UK Pension Plan. The Plan closed to new entrants in 2004 and, to future accrual on 31 March 2017. All employees are now offered membership of a defined contribution plan operated by the Group.

On 1st December 2016 the plan trustee entered into a full "buy-in" with a UK insurance company. The Plan paid its final premium to the insurance company during the year and has instructed that members' benefits are moved to buy-out after year end, so no further liability remains with the Company in respect of this Plan. Under the terms of the contract, the insurer will meet all benefits due to members of the Plan. The premium for this insurance contract was largely met over 2016/17, using the Plan's assets plus contributions totalling £225m from the Group. A final premium amount was paid in 2018/19 to the insurer from the remaining assets in the Trustee bank account.

The total pension cost for the year that relates to the Plan is calculated in accordance with IAS19 (Employee Benefits). There is a policy to split the total balance sheet liability and pension cost between the UK brands that participate in the Plan. The key accounting figures for the Company are as follows:

Alfred Dunhill Limited

Notes to the financial statements for the year ended 31 March 2019

12 Pensions and similar obligations (continued)

Defined Benefit Plan (continued)

	2019	2018
	£'000	£'000
Balance at 1 April of prior year	**(1,107)**	(839)
Pension cost	**(28)**	(22)
Other comprehensive income/(loss)	**1,135**	(246)
Balance at 31 March	**-**	(1,107)

Full disclosure of the IAS19 results for the plan is shown in the financial statements of Richemont Holdings (UK) Limited.

13 Other Provisions

	Warranty and sales related	**Employee benefits**	**Other**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
At 1 April 2018	145	530	998	1,673
Charged to Statement of comprehensive income:				
- additional provisions	-	552	277	829
Utilised during the year	(37)	(616)	(880)	(1,533)
At 31 March 2019	**108**	**466**	**395**	**969**

	2019	2018
	£'000	£'000
Total provisions at 31 March:		
- non-current	**161**	257
- current	**808**	1,416
	969	1,673

Warranty and sales related provisions
The Company has established provisions for potential sales returns and warranties provided on certain products. Based on past experience a provision of £108,000 (2018: £145,000) has been recognised. It is anticipated that the provisions will be utilised within 12 months.

13 Other Provisions (continued)

Employee benefits provision
These include obligations arising under Compagnie Financière Richemont SA's long-term retention plan and social costs on the Compagnie Financière Richemont SA share option plan. It is anticipated that the provisions will be utilised within three years.

Other provisions
These provisions relate to legal and constructive obligations. It is not expected that the outcomes of legal claims will give rise to any significant losses beyond the amounts provided as at 31 March 2019. It is anticipated that the provisions will be utilised within 12 months.

14 Trade and other payables

	2019 £'000	2018 £'000
Trade payables	2,973	1,142
Amounts owed to group undertakings	2,639	91,450
Other payables	491	466
	6,103	93,058

Due to their short maturity, the fair values of trade and other payables is assumed to be approximate to their book values. All trade and other payables are due within one year.

15 Revenue

Revenue by geographical areas:

	2019 £'000	2018 £'000
UK	6,911	6,791
Rest of World	13,077	42,925
	19,988	49,716

Revenue by nature:

	2019 £'000	2018 £'000
Sales of Finished Goods	8,055	44,328
Royalty income	11,933	5,388
	19,988	49,716

Alfred Dunhill Limited

Notes to the financial statements for the year ended 31 March 2019

16 Operating loss

Operating loss is stated after the following items of expense:

	2019 £'000	2018 £'000
Depreciation of property, plant and equipment (Note 4)	**206**	207
Operating lease rentals	**3,281**	2,497
Impairment of investment in subsidiary (Note 6)	**5,000**	-
Employee benefits expense (Note 17)	**14,133**	16,089
Trade receivables – provision for impairment (Note 9)	**5**	7
Auditors' remuneration:		
- audit services	**112**	132
- other assurance services - turnover certificates	**2**	3
- tax compliance	**-**	23
	114	158

17 Employee benefits expense

	2019 £'000	2018 £'000
Wages and salaries (including termination benefits)	**11,398**	13,155
Social security costs	**1,736**	1,988
Share option expense (Note 24)	**-**	50
Long-term employee benefits	**190**	217
Pension costs – defined contribution plan	**781**	657
Pension costs – defined benefits plan (Note 12)	**28**	22
	14,133	16,089

The monthly average number of employees (full time equivalents) during the year was as follows:

	2019 Number	2018 Number
Selling and distribution	**168**	158
Administration	**47**	54
	215	212
Directors	**2**	2
Full-time	**189**	202
Part-time	**24**	8
	215	212

18 Directors' emoluments

The total level of compensation paid to directors of Alfred Dunhill Limited including pension contributions, benefits in kind and all other aspects of remuneration amounted to:

	2019	2018
	£'000	£'000
Wages and salaries	**1,174**	2,187
Pension cost	**7**	4
	1,181	2,191

The above figure includes all payments made during the year to executive directors who left the company during the period or in the previous period.

The highest paid Director received aggregate emoluments of £978,000 (2018: £1,981,000), payments to defined contribution pension scheme for the year to 31 March 2019 were £7,271 (2018: £4,245).

Retirement benefits have accrued to one director at 31 March 2019 (2018: one) under a defined benefit scheme.

The Directors have interests in the share options of the Company's ultimate parent, Compagnie Financière Richemont SA. During the year one of the directors exercised share options over 'A' equity units of Compagnie Financière Richemont SA.

The key management of the Company comprises the Alfred Dunhill Limited board directors only.

19 Finance income/(costs)

	2019	2018
	£'000	£'000
Interest income:		
- bank	**1**	9
Foreign exchange gains	**605**	3,499
Total finance income	**606**	3,508
Interest expense:		
- bank	**-**	(37)
- finance lease charge	**(318)**	(318)
- other financial expenses	**(8)**	(12)
Foreign exchange losses	**(849)**	(3,676)
	(1,175)	(4,043)
Total net finance costs	**(569)**	(535)

20 Finance lease commitments – minimum lease payments

Gross finance lease liabilities	2019 Amounts payable £'000	2018 Amounts payable £'000
Within one year	319	319
Between two and five years	1,276	1,276
After five years	34,359	34,677
	35,954	36,272
Future interest charge on finance leases	(30,477)	(30,795)
Present value of finance lease obligation	(5,477)	(5,477)

The present value of finance lease liabilities is as follows:

Finance lease obligation	2019 £'000	2018 £'000
Current	1	1
Non-current	5,476	5,476
	5,477	5,477

21 Tax on loss

	2019 £'000	2018 £'000 *Restated*
Current tax credit:		
- Adjustment in respect of prior years	4,445	5,883
- Foreign taxation	(70)	-
Total current tax credit	4,375	5,883
Deferred tax credit		
- Origination and reversal of timing differences	1,298	2,684
Total taxation credit	5,673	8,567

There is a tax credit of £5,673,000 for the current year (2018: credit of £8,567,000). The total tax charge is reconciled to the loss before taxation at the standard rate of UK corporation tax below.

21 Tax on loss (continued)

	2019 £'000	2018 £'000 *Restated*
Loss before taxation	**(48,752)**	(44,633)
Loss before taxation at statutory rate of taxation in the UK of 19% (2018: 19%)	**(9,263)**	(8,480)
Non-deductible expenses	**(7)**	-
Income not taxable for tax purposes	**(2)**	(221)
Unrecognised deferred tax	**3,532**	3,371
Recognised tax losses utilised	**4,445**	2,646
Payment for group relief received	**(4,445)**	(2,646)
Foreign tax credits	**70**	-
Adjustment in respect of prior years	**(3)**	(3,237)
Total taxation credit	**(5,673)**	(8,567)

	Unrecognised Temporary difference		Deferred Tax Asset Recognised	
	2019 £'000	2018 £'000 *Restated*	**2019 £'000**	2018 £'000 *Restated*
Fixed asset temporary differences	**24,842**	19,240	**-**	-
Unutilised tax losses	**320,871**	255,541	**11,074**	9,776
Retirement benefit obligations	**33,743**	68,191	**-**	-
	379,456	342,972	**11,074**	9,776

Deferred tax is calculated on temporary differences using a tax rate of 17% (2018: 17%). The recognised deferred tax asset relates to unutilised tax losses that are deemed to be recoverable from other Richemont group entitities totals £11,074,000 (2018 restated: £9,776,000).The temporary differences which have not been recognised in the financial statements is because their future utilisation is uncertain.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020.

21 Tax on loss (continued)

Deferred Tax Assets

There is a net deferred tax asset at the balance sheet date. Deferred taxes at the balance sheet date have been measured using these enacted tax rates 17% (2018: 17%) and reflected in these financial statements. The asset is made up of:

	Tax Losses
	£'000
At 1 April 2017	7,092
Credited to the statement of comprehensive income	2,684
At 31 March 2018	**9,776**
At 1 April 2018	9,776
Credited to the statement of comprehensive income	1,298
At 31 March 2019	**11,074**

22 Financial commitments and contingent liabilities

At 31 March 2019 the Company had bank guarantees totalling £781,619 (2018: £808,146) in respect of the operation of a deferment guarantee arrangement with HMRC of £720,000 (2018: £720,000) and other guarantees of £61,619 (2018: £88,147) relating to the ordinary course of business from which it is anticipated that no material loss will arise.

The Company leases various boutique, office and manufacturing premises under non-cancellable operating lease arrangements. The leases have varying terms, escalation clauses and renewal rights. The cost for certain boutique leases contains a fixed portion together with a variable portion. The variable element is most commonly a percentage of sales achieved. The commitments below reflect only the fixed elements.

At 31 March 2019 the Company had signed non-cancellable operating leases in respect of which the following minimum rentals are payable:

	2019	2018
	£'000	£'000
Land and buildings		
- within one year	**2,685**	1,322
- between one and five years	**9,470**	8,145
- after five years	**7,973**	9,536
	20,128	19,003

23 Related party transactions

The Directors consider that there are no key managers, whose roles and activities within the Company define them as related parties in accordance with IAS 24, outside the Board of Directors. The remuneration of the Directors is disclosed in Note 18 to the financial statements. This does not include share-based payments, details of which are disclosed in Note 24. Related party balances with related group undertakings are disclosed in Notes 9 and 14 to the financial statements.

The Company also undertook the following related party transactions during the year:

- The Company was charged £171,000 (2018: £199,000) of costs from Laureus World Sports Awards in relation to the Alfred Dunhill Links event. The Laureus World Sports Awards is a joint venture between Daimler AG and Richemont SA. At 31 March 2019, a balance of £nil (2018: £34,000) was due from Laureus World Sports Awards.

- The Company was charged £110,000 (2018: £nil) of costs from Ventek International SA for the provision of an IT maintenance contract. Ventek International SA is a company under common control within the Richemont group.

- The Company was charged £215,000 (2018: £450,000) of costs from NBS Trustee One Limited and NBS Trustee Two Limited in relation to rent for the Bond Street Showroom.

24 Share-based payments

The Richemont Group has a long-term share-based compensation plan whereby executives are awarded options to acquire shares at the market price on the date of grant. Awards under the share option plan generally vest over periods of four to six years and have expiry dates, the date after which unexercised options lapse, of nine years from the date of grant. The executive must remain in the Group's employment until vesting. The options granted as from 2008 onwards include a performance condition correlated to other luxury goods companies upon which vesting is conditional.

A reconciliation of the movement in the number of awards granted to Alfred Dunhill Limited executives is as follows:

	Weighted average exercise price in CHF per share	**Number of options**
Balance at 1 April 2017	73.00	21,252
Exercised	58.43	(4,752)
Balance at 31 March 2018	77.20	16,500
Granted	92.00	4,000
Balance at 31 March 2019	80.09	20,500

During the year 4,000 share options were awarded (2018: nil). Options in respect of 11,667 shares were exercisable at 31 March 2019 (2018: 4,501 shares).

24 Share-based payments

The following information applies to options outstanding at the end of each year:

	Exercise Price	Number of options	Weighted average remaining contractual life
31 March 2019	CHF 57.45	7,000	2.25 years
	CHF 90.11	5,500	3.25 years
	CHF 94.00	4,000	4.25 years
	CHF 92.00	4,000	8.25 years
31 March 2018	CHF 57.45	7,000	3.25 years
	CHF 90.11	5,500	4.25 years
	CHF 94.00	4,000	5.25 years

The amounts recognised in the statement of comprehensive income (before social security and taxes) for equity-settled share-based payment transactions can be summarised as follows:

	2019	2018
	£'000	£'000
Share option expense	36	50

25 Country of incorporation and registered address

The Company is registered and domiciled in England and Wales and is incorporated in the United Kingdom.

The Company's registered office is 15 Hill Street, London W1J 5QT.Ultimate parent undertaking and controlling party.

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

The Directors regard Compagnie Financière Richemont SA, a listed company incorporated in Switzerland, to be the ultimate parent company. Shares representing 50% of the voting rights of that company are held by Compagnie Financière Rupert which, for the purposes of IAS 24, is regarded by the Directors as the controlling party.

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

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

26 Post balance sheet event

On 6 June 2019, Richemont UK Pension Trustees Limited instructed that members benefits are moved to buy-out by requesting the insurer to establish individual policies in respect of all of the beneficiaries under the previous annuity policies between the Trustee Legal & General Assurance Society Limited dated 1 December 2016.