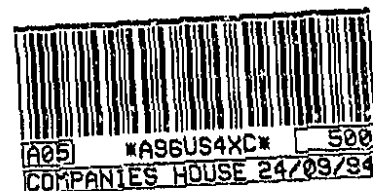


Alfred Dunhill Limited
Report and Accounts
for the year ended 31 March 1994

Registered no: 00191031



**Report of the Directors
for the year ended 31 March 1994**

The directors submit their report and the audited accounts for the year ended 31 March 1994.

Alfred Dunhill Limited is a subsidiary of Vendôme Luxury Group PLC.

The amalgamation and reconstruction of the luxury goods and tobacco businesses of Compagnie Financière Richemont AG, Rothmans International p.l.c. and Dunhill Holdings PLC into two new quoted groups, Vendôme and Rothmans International was finalised in October 1993.

Vendôme is comprised of two publicly listed companies: Vendôme Luxury Group PLC, incorporated and listed in England, and Vendôme Luxury Group SA, incorporated and listed in Luxembourg. Vendôme is one of the world's largest luxury goods groups, with a significant and geographically balanced presence in all the major luxury goods markets. Vendôme has a portfolio of premier brands covering a broad range of luxury products, its principal brands being Cartier, Alfred Dunhill and Montblanc.

Review of activities

The principal activity of the Company is the marketing of luxury consumer products worldwide including fashion clothing and accessories for men and women, watches, jewellery, leather goods, pens and associated products and fragrances.

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 7 and the notes on pages 9 to 23. The retained profit of £10,702,000 has been taken to reserves.

Report of the Directors (continued)

Changes in presentation of the financial statements

Following the introduction of Financial Reporting Standard No.3, "Reporting Financial Performance", the presentation of the financial statements has been amended to conform with the new requirements. Turnover and operating profit have been analysed between continuing and discontinued operations.

Appropriations

Dividends of £11.43 per share were declared on the Ordinary Shares in respect of the year to 31 March 1994 amounting to £168,036,379. No final dividend has been proposed.

Fixed assets

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

In the opinion of the directors, having considered independent professional advice, the market value of the freehold and leasehold premises on an existing use basis exceeds by at least £4.2 million the amount at which such premises are included in the historical cost balance sheet at 31 March 1994. The majority of this surplus is attributable to the head office 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, the directors consider that there would be no taxation liability.

Directors

The directors of the Company during the year to 31 March 1994, were:

Richard Dunhill
Graham W Searle (resigned 21 July 1993)
John P Manners (resigned 22 October 1993)
Mounir T Moufarrige
Aubrey I Styles (resigned 8 July 1993)
John S T Tomlinson
Richard P Green (resigned 31 March 1994)
François P L Poirel (appointed 28 June 1993)
James E K Pye (appointed 21 July 1993)

Report of the Directors (continued)

Directors' interests

Dunhill Holdings PLC ceased to be a publicly listed company subsequent to the close of business on 22 October 1993. All outstanding options, held by senior executives in the Dunhill Group, over shares in Dunhill Holdings PLC which had not been conditionally exercised by 20 October 1993 lapsed upon sanction of the Dunhill Scheme of Arrangement.

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

	Beneficial interests		Options			
	31 March 1993	22 October 1993	31 March 1993	Granted in year	Exercised in year	Lapsed 22 October 1993
Richard Dunhill	101,660	101,660	-	-	-	-
Mounir T Moufarrige	5,743	-	117,501	-	37,896	79,605
John S T Tomlinson	-	-	32,518	-	-	32,518
James E K Pye	-	-	47,794	-	9,422	38,372
Richard P Green	-	-	50,000	-	-	50,000

The above options were issued between September 1986 and June 1992 at prices between 132.0p and 457.4p per share. These options were originally exercisable between 2 September 1989 and 29 June 2002. Under the Scheme of Arrangement option holders received an amount of 48.0p per unexercised option held as at 10 August 1993.

Report of the Directors (continued)

As at 23 October, following the implementation of the reconstruction of the luxury goods and tobacco interests of Richemont, Rothmans and Dunhill (referred to on page 1) and as at 31 March 1994, except for Mr Richard Dunhill, (whose details are given above), there were no individual interests of directors and their families in Vendôme Luxury Group units and Rothmans International units, as shown in the register kept in accordance with section 325 of the Companies Act 1985. Mr Richard Dunhill was allotted 76,143 Vendôme Luxury Group units and 13,521 Rothmans International units on 23 October 1993, and he remains interested in these units as at 31 March 1994.

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

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.

Close company provisions

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

Donations

Donations for charitable purposes made by the Company in the United Kingdom during the year amounted to £68,000 (1993: £77,000). No contributions for political purposes were made during the year (1993: £Nil).

Report of the Directors (continued)

Directors' responsibilities

The directors are required by United Kingdom company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year.

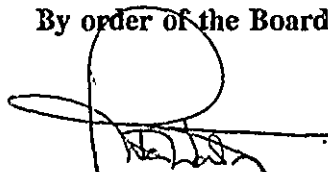
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

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

By order of the Board



R Watson
Secretary
1 July 1994

Report of the auditors to the members of Alfred Dunhill Limited

We have audited the financial statements on pages 7 to 23.

Respective responsibilities of directors and auditors

As described on page 5 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

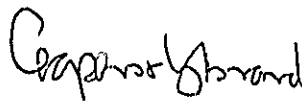
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1994 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Coopers & Lybrand
Chartered Accountants and Registered Auditors
London
1 July 1994

Alfred Dunhill Limited

7

Profit and Loss Account for the year ended 31 March 1994

	Notes	1994 £'000	1993 as restated £'000
Turnover		69,800	68,908
Continuing operations		5,303	10,519
Discontinued operations			
	2	<u>75,103</u>	<u>79,427</u>
Total turnover			
Cost of sales		(33,993)	(31,941)
Continuing operations		-	-
Discontinued operations			
		<u>(33,993)</u>	<u>(31,941)</u>
Total cost of sales			
Gross profit	3	41,110	47,486
Net operating expenses		<u>(53,829)</u>	<u>(53,832)</u>
Operating profit/(loss)		(28,022)	(16,865)
Continuing operations		5,303	10,519
Discontinued operations			
		<u>(22,719)</u>	<u>(6,346)</u>
Total operating loss			
Profit on sale of operations	4	100,000	-
- discontinued operations	5	3,263	5,727
Net interest receivable		95,080	-
Dividends receivable from subsidiary undertakings			
	6	175,624	(619)
Profit/(loss) on ordinary activities before taxation	7	3,115	(4,928)
Taxation on profit on ordinary activities			
		178,739	(5,547)
Profit/(loss) on ordinary activities after taxation	8	<u>(168,037)</u>	<u>(13,807)</u>
Dividends			
		10,702	(19,354)
Profit retained		<u><u>10,702</u></u>	<u><u>(19,354)</u></u>

The Company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The notes on pages 9 to 23 form an integral part of these accounts.
The Auditors' Report is on page 6.

**Balance Sheet
as at 31 March 1994**

	Notes	£'000	1994 £'000	1993 £'000
Fixed assets				
Tangible assets	9		3,820	3,031
Investments in subsidiaries	10		27,740	13,841
Current assets				
Stocks	11	7,676		7,965
Debtors	12	73,641		72,613
Investments	13	-		11,976
Cash at bank and in hand		21,039		75,370
		<u>102,356</u>		<u>167,924</u>
Creditors: amounts falling due within one year	14	(75,462)		(124,412)
Net current assets			<u>26,894</u>	<u>43,512</u>
Total assets less current liabilities			<u>58,454</u>	<u>60,384</u>
Creditors: amounts falling due after more than one year	15	-		(37,552)
Provisions for liabilities and charges	16	(2,972)		(3,088)
			<u>(2,972)</u>	<u>(40,640)</u>
			<u><u>55,482</u></u>	<u><u>19,744</u></u>
Capital and reserves				
Called up share capital	17		1,584	1,440
Merger reserve	18		24,892	-
Profit and loss account	18		29,006	18,304
			<u><u>55,482</u></u>	<u><u>19,744</u></u>

Approved by the Board on 1 July 1994

F H D Poirel Director

J S T Tomlinson Director

The notes on pages 9 to 23 form an integral part of these accounts.

The Auditors' Report is on page 6.

Notes to the Accounts for the year ended 31 March 1994

1 Accounting Policies

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

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

Changes in presentation of the financial statements

Following the introduction of Financial Reporting Standard No.3, "Reporting Financial Performance", the presentation of the financial statements has been amended to conform with the new requirements. Turnover and operating profit have been analysed between continuing and discontinued operations.

Changes in accounting policies

Alfred Dunhill Limited has changed its policy with respect to accounting for production tool costs. Such costs, which were previously expensed, are now capitalised and written off over the estimated useful economic life of the assets. The impact of this change is not material to the Company's results and therefore no adjustment has been made to the prior year figures.

Historical cost convention

The accounts have been prepared under the historical cost convention.

Foreign Currencies

Where foreign exchange contracts are used to provide a hedge against future foreign currency transactions, currency hedging gains and losses, whether realised or unrealised, are deferred to the subsequent accounting periods in which the hedged transactions arise. All other exchange differences, including those arising from currency conversion in the usual course of trading, are taken into account in arriving at the profit for the year.

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 and proposed during the financial year, not recoverable against current and prior year mainstream corporation tax liabilities, is carried forward to the extent that it can be offset against deferred taxation.

**Notes to the Accounts
for the year ended 31 March 1994**

Deferred taxation arises from timing differences between the recognition of certain items of income and expenditure for accounting and taxation purposes. Deferred taxation is accounted for using the liability method in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Stocks

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

Depreciation

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

Turnover

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

Investments held as Current Assets

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

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**Notes to the Accounts
for the year ended 31 March 1994**

Pension scheme arrangements

The Company is a member of the Rothmans International UK Pension Fund, which is a defined benefit pension scheme. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

The Company provides no other post retirement benefits to its employees.

Note 16 to the accounts provides further details relating to pension scheme arrangements.

2 Turnover

	1994 £'000	1993 £'000
Gross sales revenue including royalties and similar income receivable	77,500	82,597
Value added taxes, duty excise and other sales taxes	(2,397)	(3,170)
	<u>75,103</u>	<u>79,427</u>

Sales to third parties for the year ended 31 March 1994 are analysed as follows:

	Europe £'000	Asia Pacific £'000	Rest of World £'000	Total £'000
Turnover by destination	<u>23,308</u>	<u>36,129</u>	<u>15,666</u>	<u>75,103</u>
Turnover by origin	<u>75,103</u>	<u>-</u>	<u>-</u>	<u>75,103</u>

Notes to the Accounts for the year ended 31 March 1994

Sales to third parties for the year ended 31 March 1993 were:

	Europe £'000	Asia Pacific £'000	Rest of World £'000	Total £'000
Turnover by destination	<u>24,002</u>	<u>40,129</u>	<u>15,296</u>	<u>79,427</u>
Turnover by origin	<u>79,427</u>	<u>-</u>	<u>-</u>	<u>79,427</u>

The above analysis include the results from discontinued operations as follows: Europe £5,303,000 (1993: £10,519,000).

In the opinion of the directors, the Company operates in one class of business, that of luxury products. A segmental analysis of profitability and net assets by geographical region is not disclosed.

3 Net Operating Expenses

	1994 £'000	1993 £'000
Distribution costs	(22,845)	(25,256)
Administrative expenses	(40,984)	(28,576)
	<u>(63,829)</u>	<u>(53,832)</u>

There were no operating expenses relating to discontinued operations in the year (1993: £Nil).

4 Profit on sale of operations

	1994 £'000	1993 £'000
Discontinued operations		
Profit on disposal of trademarks	<u>100,000</u>	<u>-</u>
	<u>100,000</u>	<u>-</u>

As part of the reorganisation, referred to in the directors' report on page 1, a profit of £100,000,000 arose on the disposal of the Company's tobacco trademarks to Rothmans International PLC. Prior to the disposal, the Company earned royalty income on such trademarks.

Notes to the Accounts for the year ended 31 March 1994

5 Net Interest Receivable and Similar Income

	1994 £'000	1993 £'000
Interest receivable and similar income from investments held as current assets:		
Listed	203	949
Unlisted	6,613	11,096
	<u>6,816</u>	<u>12,045</u>
Less: Interest payable on bank loans and overdrafts due within five years	(3,553)	(6,318)
	<u>3,263</u>	<u>5,727</u>

6 Profit on ordinary activities before taxation

	1994 £'000	1993 £'000
Profit on ordinary activities before taxation is stated after taking account of the following items:		
Depreciation of tangible fixed assets	938	1,353
Hire of plant and machinery - operating leases	446	870
Redundancy and other costs relating to the rationalisation of operations	1,213	1,956
Foreign exchange (losses)/gains	(26,254)	1,706
Auditors' remuneration		
- audit	192	123
- other services	1,343	599
Directors' emoluments (see note 22)	1,046	1,119

There were no operating expenses relating to discontinued operations in the year (1993: £Nil).

Alfred Dunhill Limited

Notes to the Accounts for the year ended 31 March 1994

7 Taxation

	1994 £	1993 £
United Kingdom current taxation	(1,853)	6,449
Corporation tax (credit)/charge at 33% (1993: 33%)	-	(960)
Less: Double taxation relief	<u>(1,853)</u>	<u>5,489</u>
Advance corporation tax written off	174	-
Withholding tax written off	1,046	-
Transfer (from)/to deferred taxation:		758
United Kingdom	(2,575)	
Prior year items:	93	(1,746)
United Kingdom corporation tax	-	427
Deferred tax	<u>(3,115)</u>	<u>4,928</u>

The credit for taxation has been reduced by £958,000 by reason of group relief surrendered to a subsidiary undertaking for which payment was not received.

8 Dividends

	1994 £'000	1993 £'000
Paid on Preference Shares	-	13
Paid or proposed on Ordinary Shares:		
Interim dividends paid or proposed of £11.43 per share (1993: 34.1p)	168,037	4,908
Proposed final dividend of nil p per share (1993: 61.7p)	-	8,886
	<u>168,037</u>	<u>13,807</u>

Notes to the Accounts
for the year ended 31 March 1994

9 Tangible Fixed Assets

	Leasehold Land and buildings £'000	Fixtures, fittings, tools and equipments £'000	Total £'000
Cost			
1 April 1993	1,627	8,843	10,470
Additions	-	1,285	1,285
Disposals	-	(423)	(423)
31 March 1994	1,627	9,705	11,332
Depreciation			
1 April 1993	757	6,682	7,439
Charge for the year	60	878	938
Disposals	-	(865)	(865)
31 March 1994	817	6,695	7,512
Net book value at 31 March 1994	810	3,010	3,820
Net book value at 31 March 1993	870	2,161	3,031

The Company's net book value of leasehold land and buildings includes £141,000 (1993: £150,000) where the term unexpired is less than 50 years.

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

	1994 £'000	1993 £'000
Contracts placed	68	933
Authorised but not yet contracted	1,260	895
	1,328	1,828

**Notes to the Accounts
for the year ended 31 March 1994**

10 Investment in Subsidiary Undertakings

	1994 £'000	1993 £'000
Investments at cost	<u>27,740</u>	<u>13,841</u>

The principal immediate subsidiary undertaking is Dunhill Lighters Limited, a wholly owned investment holding company incorporated and operating in England. A list of the principal subsidiary and associated companies which are directly or indirectly held by Dunhill Lighters Limited is provided in note 25.

The carrying value of the investment in subsidiary undertakings has increased as a result of the group reorganisation referred to in the directors' report on page 1. Additionally, on 7 April 1993, the Company acquired the remaining 21% of the issued shares in Hackett Limited which the Group did not already own from Mr J V P Hackett and Mr H A Lloyd-Jennings for a total consideration of £50,000.

11 Stocks

	1994 £'000	1993 £'000
Finished goods and goods for resale	<u>7,676</u>	<u>7,965</u>
	<u>7,676</u>	<u>7,965</u>

12 Debtors

	1994 £'000	1993 £'000
Amounts falling due within one year:		
Trade debtors	3,990	4,675
Amounts owed by the holding company and fellow subsidiaries	7,049	6,191
Amounts owed by subsidiaries	55,307	25,094
Other debtors	428	77
Prepayments and accrued income	3,889	36,576
Taxation (see below)	2,978	-
	<u>73,641</u>	<u>72,613</u>

**Notes to the Accounts
for the year ended 31 March 1994**

Taxes receivable/(payable) are made up as follows:

	1994 £'000	1993 £'000
United Kingdom corporation tax	4,665	(749)
Advance corporation tax on dividends	(1,707)	(2,580)
Overseas taxation	-	-
	<u>2,958</u>	<u>(3,329)</u>
Excise duty	-	-
Social security	20	(1)
	<u>2,978</u>	<u>(3,330)</u>

13 Investments

	1994 £'000	1993 £'000
Listed securities	-	10,167
Unlisted securities	-	1,809
	<u>-</u>	<u>11,976</u>

The market value of the listed securities in the prior year was £12,260,000.

14 Creditors: Amounts falling due within one year

	1994 £'000	1993 £'000
Bank loans and overdrafts repayable in one year - unsecured	4,590	33,763
Trade creditors	2,470	2,344
Amounts owed to the holding company and fellow subsidiaries	39,478	271
Amounts owed to subsidiaries	20,948	37,146
Proposed final dividend	-	8,886
Taxes payable (see note 12)	-	3,330
Other creditors, accruals and deferred income	7,976	38,672
	<u>75,462</u>	<u>124,412</u>

Notes to the Accounts
for the year ended 31 March 1994

15 Creditors: Amounts falling due after more than one year

	1994	1993 £'000
Bank loans - unsecured	-	37,552
	-	37,552
Bank loans are analysed as follows:		
Deutschmark	-	25,082
US dollar	-	12,470
	-	37,552
Amounts payable between one and two years	-	1,311
Amounts payable between two and five years	-	36,241
	-	37,552

16 Provisions for Liabilities and Charges

	Deferred Taxation £'000	Other provisions £'000	Total £'000
1 April 1993			
Net amount provided in the year	1,707	1,381	3,088
Other movements	(2,575)	852	(1,723)
	1,542	65	1,607
31 March 1994	674	2,298	2,972

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

Other provisions

Other provisions mainly comprise provision for future pension costs. The Rothmans International UK Pension Fund, established by Rothmans International PLC, the assets of which are held in a separate trustee administered fund, covers the majority of the Company's employees in the United Kingdom. An actuarial valuation of the Fund was performed by William M Mercer Limited, as at 31 March 1993 using the projected unit credit method. Under the assumptions that the long term annual rate of return on the Fund's investments will exceed the increase in pensionable earnings by 1.5% and will exceed the annual growth in future pensions by 4%, the actuarial

Notes to the Accounts for the year ended 31 March 1994

value of assets represented 126% of the estimated long term accrued liabilities of the Fund as at 31 March 1993 after implementation of improvements in benefits granted from the actuarial surplus disclosed by the valuation. At the date of the valuation, the market value of the Fund's assets was £492 million.

The surplus shown by the above valuation is being spread over the average remaining service lives of the current employees of participating companies. Participating companies did not contribute to the Fund during the year.

Deferred taxation

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

	1994 £'000	1993 £'000
Short term timing differences	1,493	2,269
Accelerated fiscal depreciation	219	199
Less: Advance corporation tax recoverable	(1,038)	(2,580)
Add: Transfer from corporation tax	-	1,819
	<u>674</u>	<u>1,707</u>

17 Called Up Share Capital

	1994 £'000	1993 £'000
Authorised, allotted, called up and fully paid: 15,840,000 (1993: 14,400,000) ordinary shares of 10p each	1,584	1,440
	<u>1,584</u>	<u>1,440</u>

As part of a reorganisation of the UK companies, 1,440,000 shares were issued to Dunhill Holdings Limited in exchange for the whole of its equity interest in Dunhill International Limited. The nominal value of the shares issued was £144,000 and the premium of £24,892,379 which arose has been transferred to a merger reserve.

Notes to the Accounts for the year ended 31 March 1994

18 Reserves

	Merger reserve £'000	Profit and loss account £'000
At 1 April 1993	-	18,304
Premium on issue of shares (see note 17)	24,892	-
Retained profit for the year	-	10,702
At 31 March 1994	<u>24,892</u>	<u>29,006</u>

19 Reconciliation of movements in shareholders' funds

	1994 £'000	1993 £'000
Opening shareholders' funds	19,744	39,098
Profit/(loss) for the financial year	10,702	(19,354)
New share capital issued	144	-
Premium on issue of shares	24,892	-
Closing shareholders' funds	<u>55,482</u>	<u>19,744</u>

20 Commitments

The Company has entered into lease commitments under operating leases in the normal course of business. The annual commitments, as at 31 March, under these leases expire as follows:

	1994 £'000	1993 £'000
Land and buildings		
Within one year	-	298
Between one and five years	1,463	1,047
	<u>1,463</u>	<u>1,345</u>
Other assets		
Within one year	-	56
Between one and five years	433	420
	<u>433</u>	<u>476</u>

**Notes to the Accounts
for the year ended 31 March 1994**

21 Personnel

The average number of persons (including executive directors) employed during the year by the Company in the production, distribution and sale of luxury consumer products was 331 (1993: 333).

Their aggregate compensation was as follows:

	1994 £'000	1993 £'000
Wages and salaries	8,922	8,846
Social security costs	752	738
Other pension costs	1,677	220
	<u>10,751</u>	<u>10,464</u>

22 Directors' Emoluments

Emoluments of directors of the Company including pension contributions were:

	1994 £'000	1993 £'000
Management remuneration	<u>1,046</u>	<u>1,119</u>
Compensation for loss of office	<u>568</u>	<u>-</u>

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

	1994 £	1993 £
Chairman	80,580	78,401
Highest paid director	<u>149,507</u>	<u>207,895</u>

**Notes to the Accounts
for the year ended 31 March 1994**

The number of directors in each emolument band was:

	1994 Number	1993 Number
£45,001 to £50,000	1	-
£50,001 to £55,000	-	1
£65,001 to £70,000	1	-
£75,001 to £80,000	-	1
£80,001 to £85,000	2	1
£95,001 to £100,000	-	1
£105,001 to £110,000	1	1
£115,001 to £120,000	1	-
£120,001 to £125,000	-	1
£125,001 to £130,000	-	1
£130,001 to £135,000	2	-
£145,001 to £150,000	1	1
£205,001 to £210,000	-	1

23 Ultimate Holding Company

The Company is a wholly owned subsidiary of Vendôme Luxury Group PLC (registered in England and Wales). Copies of the accounts of Vendôme Luxury Group PLC are available from 50 Jermyn Street, St James's, London, SW1Y 6DL.

The directors consider the Company's ultimate holding company to be Compagnie Financière Richemont AG, which is incorporated in Switzerland. Copies of that company's accounts are available from its registered office at Rigistrasse 2, CH-6300 Zug, Switzerland.

24 Cashflow statement

As the Company is a wholly owned subsidiary of Vendôme Luxury Group PLC the cashflows of the Company are included in the consolidated group cash flow statement of Vendôme Luxury Group PLC. Consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cashflow statement.

**Notes to the Accounts
for the year ended 31 March 1994****25 Principal subsidiary and associated undertakings**

As the Company is a wholly owned subsidiary of Vendôme Luxury Group PLC, Alfred Dunhill Limited is not required to produce consolidated accounts. As detailed in note 10, the Company has a principal immediate subsidiary undertaking, Dunhill Lighters Limited, which is 100% owned.

There are certain other group companies which, from a legal point of view, are associated rather than subsidiary undertakings, since they are held indirectly through Dunhill Investments (Holland) BV ("DI(H)BV"), the majority of whose equity is not owned by Vendôme Luxury Group PLC. However, by virtue of provisions in the Articles of DI(H)BV, Vendôme Luxury Group PLC exercises control over these companies. They are therefore fully consolidated in the accounts of Vendôme Luxury Group PLC. These companies, which are fully owned by the Vendôme Luxury Group, unless otherwise stated, include:

	Incorporated and operating in:
Alfred Dunhill (Pacific) Limited	Hong Kong
Dunhill Group Japan Limited (34%)	Japan
SAF Alfred Dunhill	France
Alfred Dunhill GmbH	Germany
Hackett Limited	England
Alfred Dunhill of London, Inc	USA
Alfred Dunhill SA	Switzerland
Dunhill International Limited	England

With the exception of Dunhill International Limited, which is an investment holding company, all the above companies are engaged in the sale of luxury consumer products.