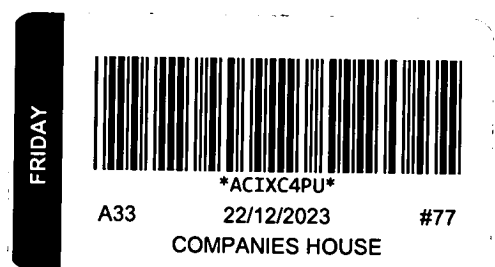


**RICHEMONT INTERNATIONAL LIMITED**  
Registered number: 2263767

**Annual report and audited financial statements  
for the year ended 31 March 2023**



# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Annual report for the year ended 31 March 2023**

### **Contents**

	<b>Pages</b>
Strategic Report.....	2 - 3
Directors' Report.....	4 - 6
Independent Auditors' Report.....	7 - 9
Statement of Comprehensive Income .....	10
Statement of Financial Position .....	11
Statement of Changes in Equity .....	12
Statement of Cash Flows .....	13
Notes to the financial statements .....	14 - 32

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Strategic Report for the year ended 31 March 2023**

The Directors submit their Strategic Report on Richemont International Limited (the "Company") for the year ended 31 March 2023.

### **Principal objectives, strategy and outlook**

The principal activity of the Company during the year was to provide administrative services to Group undertakings. Both the level of business and the year-end position were as expected. No additional activity is anticipated for the foreseeable future.

The Company is part of the luxury maisons group, Compagnie Financière Richemont S.A. Group (the "Group"), incorporating several prestigious maisons including Cartier, Chloé, Montblanc and Alfred Dunhill. The UK corporate office of Richemont International Limited provides a support function to the brands. The Group have implemented Enterprise Resource Planning software (ERP) which integrates Human Resources, Distribution and Finance functions. The Company has implemented the Group standard ERP software to ensure the corporate office provides efficient and transparent services to the brands and subsidiaries. The Company is managed by Compagnie Financière Richemont S.A. and as activity is limited to providing support functions to the brands in the UK, the Company's key performance indicators are aligned to those of the Group. The development, performance, and position of the Group brands, which include the Company, is discussed on the Group website ([www.richemont.com](http://www.richemont.com)).

### **Review of the business**

The Company is guided from the Geneva Head Office and as a result is dependent on overall Group performance of the brands owned by the Group and the needs of the UK based brands. The Group has taken steps to limit the impact of the unstable financial markets through conservative cash and brand management. The Group's Investment in the distributions platform in the UK will continue to at least maintain existing levels of support to the brands. The Company's aim is to continue to provide an efficient and effective support function to the UK brands in areas such as Information Technology, Intellectual Property, Human Resources, Finance and Marketing, also supporting the management of the UK brands. The Company continues to provide these services to the brands as required by the Group.

### **Business review**

The results for the year are set out in the Statement of Comprehensive Income on page 10 which shows a pre-tax profit of £1,927,000 (2022: profit of £1,919,000) and revenue of £27,163,000 (2022: £26,021,000). In the year the company recognised, as a result of surrendering losses to a fellow group company, £2,157,000 of tax income. Total shareholders' equity is £45,279,000 (2022: £39,944,000). Net cash inflow from operating activities for 2023 was £1,837,000 (2022: cash inflow £1,506,000). Revenue is generated by recharging substantially all expenses for the year with a 12.5% mark up to Richemont International S.A., along with recharging fellow UK subsidiaries for Human Resources, Finance and IT services incurred.

The Directors use pre-tax profit, revenue, total shareholders' equity and net cash flows from operating activities as key performance indicators.

Since May 2017, the Company has been part of the UK Physical Cash Pool, where the Company's bank accounts are swept to nil each evening, regardless as to whether the balance is positive or negative. This means that the Company always has access to funding to meet its obligations as they fall due. All cash is held by the Cash Pool Leader, Richemont Holdings (UK) Limited, the Company's immediate parent.

### **Principal risks and uncertainties**

Given the size and nature of the Company, the monitoring of financial risk management is performed centrally by the Group rather than at an individual business unit level. The Company's Directors believe that the principle risks and uncertainties are as follows:

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Strategic Report for the year ended 31 March 2023 (continued)**

### **Principal risks and uncertainties (continued)**

#### **(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 Swiss Franc and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Company does not seek to hedge this exposure, as this risk is managed by the Group for the Group's overall foreign exchange risk.

#### **(b) Cash flow interest rate risk**

The Company is exposed to future cash flow fluctuation risk due to changes in variable market interest rates, which is managed by the Group.

#### **(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate level of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying Group business, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available. Local liquidity is ensured by maintaining local bank credit facilities and by funding the excess funding requirements by the Group overlay cash pool. The Company has no significant liquidity risk as funding is generated through settlement of debt by fellow subsidiary companies and associated undertakings.

#### **(d) Credit risk**

The Company has no significant credit risk. The credit risk arising from cash and deposits with credit institutions is managed by the Group. The minimum long-term credit rating requirements of financial counterparties is A1/P1. Income is generated through invoicing service costs to fellow subsidiary companies and associated undertakings, which is fully recoverable. Amounts receivable from the Parent and Group Undertakings are fully recoverable.

#### **(e) Price risk**

The Company has no significant price risk.

### **Duty to promote the success of the Company**

Each person who is a Director at the date of approval of this report confirms that they act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct and
- (f) the need to act as fairly between members of the Company.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By order of the board



Mr R J Brooks  
Director

20 December 2023

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Directors' Report for the year ended 31 March 2023**

The Directors submit their annual report and the audited financial statements of Richemont International Limited (the "Company") for the year ended 31 March 2023. These financial statements have been prepared in accordance with UK-adopted international accounting standards and the applicable legal requirements of the Companies Act 2006.

### **Principal activities**

The Company is a private limited company incorporated on 1 June 1998, in the United Kingdom under the Companies Act 2006. The Company is a wholly owned subsidiary of Richemont Holdings (UK) Limited (registered in England and Wales). The principal activity of the Company during the year was to provide administrative services to Group undertakings. The Company is registered in London and its registered office address is 15 Hill Street, London, W1J 5QT, United Kingdom.

### **Financial risk management**

The principal financial risks relating to the Company are given in the Strategic Report on page 3.

### **Dividends**

The Company paid no interim dividend in the year (2022: £nil). The Directors do not recommend the payment of a final dividend for the year ended 31 March 2023 (2022: £nil).

### **Directors**

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

Mr R J Brooks  
Ms S Henderson

### **Secretary**

The Secretary who held office throughout the year and subsequently was Ms S Rajah-Barrett.

### **Donations**

Donations for a variety of charitable purposes made by the Company during the year amounted to £59,000 (2022: £57,000). No contributions for political purposes were made during the year (2022: £nil).

### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### **Employee information**

The Company is an equal opportunities employer and no job applicant or employee receives either less or more favourable treatment on the grounds of sex, marital status, race, colour, or religion.

Employees are kept as fully informed as possible of the Company's performance and direction, and there are established channels for consultation and communication at a corporate and divisional level.

Employee retention is a key requirement of the Company for continuity to support local brand management. The average number of employees, including executive directors, for the year ended 31 March 2023 was 130 (2022: 112).

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Directors' Report for the year ended 31 March 2023 (continued)**

### **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 re-training 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.

### **Creditors payment policy**

The current policy of the Company and the Group's United Kingdom subsidiaries concerning the payment of most of its trade creditors is:

- (a) to settle the terms of payment with those suppliers when agreeing the terms of each transaction;
- (b) to ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) to pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception. The creditors days as at 31 March 2023 was 44.9 days (2022: 41.1 days).

### **Statement of Directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the Directors' Report, the Strategic Report, and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 ("Company Law") requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 confirm they have complied with the above requirements in the preparation of the financial statements.

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. They 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.

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Directors' Report for the year ended 31 March 2023 (continued)**

### **Disclosure of information to auditors**

Each person who is a Director at the date of approval of this report confirms that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he or she has taken all the steps that he ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

### **Corporation tax changes**

In accordance with the requirement set out in IAS 12 'Income taxes', the tax rate of 25% (2022: 25%) is used as the basis for the calculation of deferred taxes stated.

### **Amendment of financial statements**

No party has the power to amend the financial statements after issue.

### **Post balance sheet events**

The Directors continue to monitor the ongoing conflict between Russia and Ukraine and any potential impact this could have on the Company. As at 31 March 2023 and to the date of this report, there is no known material exposure arising from this conflict.

There were no other significant events after the balance sheet date.

### **Independent Auditors**

The auditors, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office.

By order of the board



Mr R J Brooks  
Director

20 December 2023

# Independent auditors' report to the members of Richemont International Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Richemont International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 and audited financial statements (the "Annual Report"), which comprise: Statement of Financial Position as at 31 March 2023; Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### 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.



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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of manual journal entries to manipulate the financial performance and the potential for management bias in accounting estimates and key judgements impacting the financial statements. Audit procedures performed by the engagement team included:

- *enquiring with management and those charged with governance as to any actual or suspected instances of fraud or non compliance with laws and regulations.*
- reviewing the minutes of meetings of the board of directors for matters relevant to the audit.
- inspecting legal fee expenditure for any indication of undisclosed litigation or non-compliance with laws and regulations.
- identification and testing of journal entries considered to be higher risk, including unusual journal entries posted, and evaluation of the business rationale of any significant and unusual transactions identified outside the normal course of business.
- performing audit procedures to incorporate an element of unpredictability in relation to the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **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.

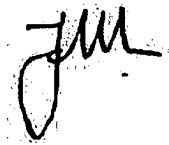
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

- we have not obtained 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.



James de Veulle (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Jersey  
20 December 2023

**RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)****Statement of Comprehensive Income for the year ended 31 March 2023**

	Notes	2023 £'000	2022 £'000
<b>Continuing operations</b>			
Revenue	4	27,163	26,021
Administrative expense	8	(25,191)	(24,047)
<b>Operating profit</b>		<u>1,972</u>	<u>1,974</u>
Finance costs	7	(45)	(55)
<b>Net finance expense</b>		<u>(45)</u>	<u>(55)</u>
<b>Profit before tax</b>	8	1,927	1,919
Taxation	9	2,348	17
<b>Profit for the year</b>		<u>4,275</u>	<u>1,936</u>
<b>Total comprehensive income for the year</b>		<u>4,275</u>	<u>1,936</u>

The notes on pages 14 to 31 form an integral part of these financial statements.

**RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)****Statement of Financial Position as at 31 March 2023**

	Notes	2023 £'000	2022 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	10	12	-
Property, plant and equipment	11	1,536	1,187
Right of use assets	12	1,642	2,542
Deferred tax asset	13	-	11
		<u>3,190</u>	<u>3,740</u>
<b>Current assets</b>			
Trade and other receivables	14	49,712	44,194
Cash and cash equivalents	15(a)	-	-
		<u>49,712</u>	<u>44,194</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	(4,604)	(4,437)
Provision for liabilities and charges	17(a)	(182)	-
Finance lease obligation	20	(831)	(908)
		<u>44,095</u>	<u>38,849</u>
<b>Net current assets</b>			
		<u>47,285</u>	<u>42,589</u>
<b>Total assets less current liabilities</b>			
		<u>47,285</u>	<u>42,589</u>
<b>Non-current liabilities</b>			
Provision for liabilities and charges	17(b)	(1,242)	(1,050)
Finance lease obligation	20	(764)	(1,595)
		<u>45,279</u>	<u>39,944</u>
<b>Net assets</b>			
		<u>45,279</u>	<u>39,944</u>
<b>Equity</b>			
Share capital	18	33,852	33,852
Deficit		(17,274)	(21,549)
Share based payment reserve	19	28,701	27,641
		<u>45,279</u>	<u>39,944</u>
<b>Total equity</b>			
		<u>45,279</u>	<u>39,944</u>

The notes on pages 14 to 32 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 20 December 2023 and were signed on its behalf by:



Ms S Henderson  
Director

**RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)****Statement of Changes in Equity for the year ended 31 March 2023**

	<b>Share capital</b>	<b>Deficit</b>	<b>Share based payment reserve</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 April 2021</b>	33,852	(23,485)	26,589	36,956
Profit for the year	-	1,936	-	1,936
Share-based payments – value of services provided	-	-	1,052	1,052
<b>At 31 March 2022</b>	33,852	(21,549)	27,641	39,944
Profit for the year	-	4,275	-	4,275
Share-based payments – value of services provided	-	-	1,060	1,060
<b>At 31 March 2023</b>	<b>33,852</b>	<b>(17,274)</b>	<b>28,701</b>	<b>45,279</b>

The notes on pages 14 to 32 form an integral part of these financial statements.

**RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)****Statement of Cash Flows for the year ended 31 March 2023**

	Notes	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	15(b)	1,872	1,555
Lease interest paid		(34)	(49)
<b>Net cash generated from operating activities</b>		<u>1,838</u>	<u>1,506</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	10	(12)	-
Purchase of property, plant and equipment	11	(921)	(616)
<b>Net cash used in investing activities</b>		<u>(933)</u>	<u>(616)</u>
<b>Cash flows from financing activities</b>			
Lease payments - principal		(905)	(890)
<b>Net cash used in financing activities</b>		<u>(905)</u>	<u>(890)</u>
<b>Net decrease in cash and cash equivalents</b>		-	-
Cash and cash equivalents at beginning of year		-	-
<b>Cash and cash equivalents at end of year</b>	15(a)	<u>-</u>	<u>-</u>

The notes on pages 14 to 32 form an integral part of these financial statements.

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023**

### **1 Summary of significant accounting policies**

The financial statements of Richemont International Limited (the "Company") have been prepared on the going concern basis under the accounting policies set out below, which have been applied consistently, except where noted, and in accordance with applicable accounting standards.

The Company is a private limited company registered in London. The registered office is 15 Hill Street, London, W1J 5QT.

The principal activity of the Company during the year was to provide administrative services to Group undertakings. Both the level of business and the year-end position were as expected. No additional activity is anticipated for the foreseeable future.

#### **Basis of preparation**

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the UK-adopted international accounting standards and the applicable legal requirements of the Companies Act 2006. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with UK-adopted international accounting standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

The policies set out in this note have been consistently applied to the year presented:

#### **Going concern**

The Company meets its day-to-day working capital requirements through its access to pooled cash reserves and borrowings. The Company's forecasts and projections show that the Company should be able to operate within the level of available cash reserves. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. Further information on the Company's cash resources is given in note 14.

#### **Revenue recognition**

Management fees are recognised as revenue on an accruals basis when services have been performed and can be measured reliably. Revenue is generated by recharging all costs incurred in providing services to fellow UK subsidiaries for Human Resources, Finance and IT. The recharges to the fellow UK subsidiaries do not include a markup except for, a 12.5% markup charged to Richemont Employee Benefits Ltd. Substantially, all remaining expenses for the year are recharged with a 12.5% mark up to Richemont International S.A.

#### **Finance income**

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

#### **Finance expense**

Finance expenses, including lease liability interest costs, are charged to the profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **1 Summary of significant accounting policies (continued)**

#### **Foreign currencies**

Foreign currency transactions are translated into the functional currency using the actual exchange rates prevailing during the year. 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 the Statement of Comprehensive Income.

#### **Taxation**

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using taxation rates that are applicable to the taxable income.

#### **Deferred tax**

Deferred taxation is recognised 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 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 liabilities is settled.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

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.

#### **Intangible assets**

Intangible assets comprise computer software and related licenses. 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 five years. Costs associated with evaluating or maintaining computer software are expensed as incurred.

#### **Impairment of assets**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.



# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **1 Summary of significant accounting policies (continued)**

#### **Property, plant and equipment**

Property, plant and equipment is recorded 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 the Statement of Comprehensive Income during the financial year 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 limits of, as follows:

Leasehold improvements to buildings	3 to 10 years
Office furniture and equipment	3 to 5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed annually and adjusted if appropriate. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised in the Statement of Comprehensive Income.

#### **Leases**

The Company leases its offices under non-cancellable lease arrangements from third parties.

A right of use asset and corresponding lease liability is recognised with respect to all lease arrangements where the Company is the lessee, except for short-term leases (where the lease term is 12 months or less).

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by the incremental borrowing rate, which is based on the rate at which the Group would be able to borrow funds in the same jurisdiction over the same term as the lease agreement. The lease liability is subsequently measured using the effective interest rate method.

The right of use asset is based on the initial measurement of the lease liability, adjusted for any payments made at or before the commencement date and for initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment charges. Depreciation is charged on a straight-line basis over the lease term.

The lease term used to determine the lease liability and the useful life of the right of use asset is based on the lease agreement, excluding renewal options unless these are contractual, the specific terms of the additional rental period are included in the initial lease agreement and the Company has a reasonable expectation of exercising the option. Termination options are ignored unless the Company already has the intention to exercise the option at the commencement date.

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.

#### **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of 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 provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **1 Summary of significant accounting policies (continued)**

#### **Cash and cash equivalents**

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

#### **Trade and other payables**

Payables are initially measured at fair value and subsequently measured at amortised cost.

#### **Share capital**

Shares issued by the Company are classified as equity attributable to the Company's shareholders.

#### **Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **Employee benefits**

The Executives of the Company participate in Group equity-settled share-based compensation plans based on options and restricted shares granted in respect of Richemont Group 'A' shares. The fair value of the employee services received in exchange for the grant of options or restricted shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the option or share granted. At each reporting date, the Group revises its estimate of the number of options or shares that are expected to vest. The Company recognises the impact of the revision of original estimates, if any, in the Statement of Comprehensive Income as an expense over the remaining vesting period with a corresponding adjustment to equity.

#### **Adoption of new accounting standards**

There have been no new accounting standards or other amendments that came into force with effect from 1 April 2022 that applied in preparing these financial statements.

#### **New standards and interpretations not yet adopted**

Certain new accounting standards and amendments issued by the IASB and interpretations issued by IFRIC are not yet effective and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below.

Amendment to IAS 12 'Income Taxes' (effective 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. No material impact on profit for future periods is expected.

Narrow scope amendments to IAS 1 'Presentation of financial statements', Practice statement 2 and IAS 8 (effective 1 January 2023). These amendments aim to improve accounting policy disclosures and to help the users of financial statements to distinguish between changes in accounting estimates and changes in accounting policies. No material impact on profit for the future periods is expected.

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **2 Financial risk factors**

The Company's activities expose it to financial risks detailed below. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance, including the Company.

#### **(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 Swiss Franc and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Foreign exchange risk arises when recognised assets and liabilities are dominated in a currency that is not the entity's functional currency. The Company does not seek to hedge this exposure, as this risk is managed by the Group for the Group's overall foreign exchange risk.

#### **(b) Cash flow interest rate risk**

The Company is exposed to future cash flow fluctuation risk due to changes in variable market interest rates, which is managed by the Group.

#### **(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate level of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying Group business, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available. Local liquidity is ensured by maintaining local bank credit facilities and by funding the excess funding requirements by the Group overlay cash pool. The Company has no significant liquidity risk as funding is generated through settlement of debt by fellow subsidiary companies and associated undertakings.

#### **Financial commitments**

	<b>Carrying amount</b>	<b>Total contractual cash flows</b>	<b>12 months or less</b>	<b>Within 2-5 years</b>	<b>More than 5 year</b>
<b>31 March 2023</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Finance lease obligations	1,595	1,617	831	764	-
Trade and other payables	4,604	4,604	4,604	-	-
	<b>6,199</b>	<b>6,221</b>	<b>5,435</b>	<b>764</b>	<b>-</b>

#### **(d) Credit risk**

The Company has no significant credit risk. The credit risk arising from cash and deposits with credit institutions is managed by the Group. The minimum long-term credit rating requirements of financial counterparties is A1/P1. Income is generated through invoicing service costs to fellow subsidiary companies and associated undertakings, which is fully recoverable. Amounts receivable from the Parent and Group Undertakings are fully recoverable.

#### **(e) Price risk**

The Company has no significant price risk.

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **3 Critical accounting estimates and assumptions**

The Company is required to make estimates and assumptions that affect the reporting amount of certain asset, liability and expense items and certain disclosure regarding contingencies. 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 preparing of the financial statements. Principal matters where estimates and assumptions are made relate in particular to:

- a) The determination of carrying values for property, plant, and equipment. (note 10)
- b) The recognition of provision for income taxes, including deferred taxation, taking into account the related uncertainties in the normal course of business. (note 9)

### **4 Revenue by segment**

	UK £'000		Europe £000		Total £000	
	2023	2022	2023	2022	2023	2022
Management services	8,281	7,632	15,934	15,959	24,215	23,591
Recharged employee services	514	476	22	-	536	476
Recharge computer services	2,147	1,689	-	-	2,147	1,689
All other services	265	265	-	-	265	265
Total	11,207	10,062	15,956	15,959	27,163	26,021

### **5 Directors' emoluments**

The below figures include all payments made during the year to current Directors and those who left the Company within the past five years in respect of qualifying services:

	2023 £'000	2022 £'000
Aggregate amount of remuneration, including social security on stock options	913	941
Aggregate gains on exercise of stock options	489	1,086
Pension costs – defined contributions plan	10	16
	<b>1,412</b>	<b>2,043</b>

The above figures include all payments made during the year to current Directors and those who left the Company within the past five years, except for employer's social security costs which are disclosed separately below.

The highest paid current Director received aggregate emoluments of £690,863 (2022: £713,581), £Nil (2022: £Nil) in their defined contribution scheme and exercised share options during the year with an aggregate gain of £419,601 (2022: £693,910).

The two current Directors have interests in the share options of the Company's ultimate parent, Compagnie Financière Richemont S.A. During the year both of the current Directors (2022: both) and one former Directors in the prior year exercised share options of 'A' equity units of Compagnie Financière Richemont S.A.

Employer's social security costs on remuneration for the year ended 31 March 2023 was £140,380 (2022: £118,348) and on aggregate gains on exercise of stock options was £67,420 (2022: £149,812).

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **6 Staff costs**

The aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>14,481</b>	14,204
Termination payments	<b>94</b>	37
Social security costs	<b>2,296</b>	1,759
Defined contribution scheme expense	<b>658</b>	685
Share-based payment expense (note 18)	<b>1,060</b>	1,052
Social security on share options costs	<b>581</b>	1,257
	<b>19,170</b>	18,994

The average number of employees (including executive directors) employed by the Company during the year was 130 (2022: 112). All staff are employed for finance and administrative purposes.

### **Key management compensation**

Key management are considered to be the Directors, all of whom are employed by the Company. Refer to note 4 for further information.

### **7 Net finance costs**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Finance costs</b>		
Foreign exchange losses	<b>14</b>	10
Lease liability interest charge	<b>31</b>	45
<b>Net finance expense</b>	<b>45</b>	55

**RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)****Notes to the financial statements for the year ended 31 March 2023 (continued)****8 Profit before tax**

The following items have been included in arriving at profit before taxation:

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>Revenue</b>	<b>27,163</b>	<b>26,021</b>
Staff costs (note 6)	<b>19,170</b>	<b>18,994</b>
Other Administration Expenses	<b>4,211</b>	<b>3,142</b>
Amortisation of intangible assets (note 10)	-	-
Depreciation of property, plant, and equipment (note 11)	<b>571</b>	<b>649</b>
Loss on disposal of property, plant and equipment (note 11)	<b>1</b>	-
Depreciation of right of use assets (note 12)	<b>900</b>	<b>899</b>
Low value lease payments		
- Property	<b>21</b>	<b>15</b>
- Plant and machinery	<b>20</b>	<b>22</b>
Repairs and maintenance expenditure on property, plant and equipment	<b>265</b>	<b>303</b>
Auditors' remuneration		
- audit fees relating to PwC CI	<b>32</b>	<b>13</b>
- other services relating to other PwC entities	-	10
<b>Total Administrative expenses</b>	<b>25,191</b>	<b>24,047</b>
Net finance cost (note 7)	<b>45</b>	<b>55</b>
<b>Total expenses</b>	<b>25,236</b>	<b>24,102</b>
<b>Profit before tax</b>	<b>1,927</b>	<b>1,919</b>

# RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 9 Taxation

	2023 £'000	2022 £'000
Analysis of charge in the year:		
<b>Current tax charge</b>		
- Group relief receivable/(payable)	109	(6)
- Adjustment in respect of prior years	(2,468)	-
	<u>(2,359)</u>	<u>(6)</u>
<b>Deferred tax charge</b>		
- Origination and reversal of temporary differences	-	(11)
- Adjustment in respect of prior years	11	-
Total deferred tax charge / (credit)	<u>11</u>	<u>(11)</u>
Tax on Profit on ordinary activities	<u>(2,348)</u>	<u>(17)</u>
	2023 £'000	2022 £'000 Restated
Profit before tax	<u>1,927</u>	<u>1,919</u>
Tax on profit on ordinary activities at standard rate of corporation tax in the UK of 19% (2022: 19%)	366	364
<i>Effects of:</i>		
Fixed asset differences	(51)	(33)
Expenses not deductible for taxation purposes	215	229
Income not taxable for taxation purposes	(3)	(3)
Other temporary differences, not provided	-	-
Group relief surrendered/(claimed)	(109)	11
Payment/(Receipt) for group relief	109	-
Adjustments to tax charge in respect of previous periods	(2,468)	(6)
Tax benefit of share option exercise	(352)	(871)
Remeasurement of deferred tax for changes in tax rates	21	(5,667)
Deferred tax not recognised	(76)	5,959
<b>Total tax charge</b>	<u>(2,348)</u>	<u>(17)</u>

# RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 10 Intangibles

	Total £'000
<b>Cost</b>	
At 1 April 2022	10
Additions	12
At 31 March 2023	<u>22</u>
<b>Accumulated amortisation</b>	
At 1 April 2022	(10)
Charge for the year	-
Disposals	-
At 31 March 2023	<u>(10)</u>
<b>Net book value</b>	
At 31 March 2023	<u>12</u>
At 31 March 2022	<u>-</u>

Intangible assets comprise computer software and related licenses.

During the year no assets were disposed of, book value of £nil (2022: £nil), with accumulated depreciation of £nil (2022: £nil), were disposed of at £nil value (2022: £nil), resulting in a loss on disposal of £nil (2022: £nil).

### 11 Property, plant and equipment

	Leasehold improvements £'000	Office furniture and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 April 2022	2,186	4,531	62	6,779
Additions	51	870	-	921
Disposals	(9)	(345)	(21)	(375)
At 31 March 2023	<u>2,228</u>	<u>5,056</u>	<u>41</u>	<u>7,325</u>
<b>Accumulated depreciation</b>				
At 1 April 2022	(1,940)	(3,600)	(52)	(5,592)
Charge for the year	(60)	(501)	(10)	(571)
Disposals	9	344	21	374
At 31 March 2023	<u>(1,991)</u>	<u>(3,757)</u>	<u>(41)</u>	<u>(5,789)</u>
<b>Net book value</b>				
At 31 March 2023	<u>237</u>	<u>1,299</u>	<u>-</u>	<u>1,536</u>
At 31 March 2022	<u>246</u>	<u>931</u>	<u>10</u>	<u>1,187</u>

During the year assets with a total cost of £375,000 (2022: £nil), with accumulated depreciation of £374,000 (2022: £nil), were disposed of at £nil value (2022: £nil), resulting in a loss on disposal of £1,000 (2022: £nil), see note 8.



# RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 12 Right of use assets

The Company has two commitments under non-cancellable lease contracts relating to offices. Leases are negotiated on an individual basis and may contain escalation clauses, renewal rights and termination options, depending on standard practices and on the Company's desire to maintain flexibility in its asset base. For details about the leases refer to note 20.

	<b>Total</b>
<b>Cost</b>	<b>£'000</b>
At 1 April 2022 and 31 March 2023	<u>5,243</u>
<b>Accumulated amortisation</b>	
At 1 April 2022	(2,701)
Charge for the year	<u>(900)</u>
At 31 March 2023	<u>(3,601)</u>
<b>Net book value</b>	
At 31 March 2023	<u>1,642</u>
At 31 March 2022	<u>2,542</u>

### 13 Deferred Tax

A deferred tax asset has not been recognised on unutilised tax losses. The Company has an unrecognised deferred tax asset of £20,767,000 (2022: £23,605,000). This has not been recognised in the financial statements as the Directors believe that it is improbable that there will be future taxable profits against which the remaining losses carried forward can be utilised.

At Summer Budget 2015, the UK government announced legislation setting the corporation tax rate (for all profits except ring fence profits) at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2021. A further reduction to 17% for the year starting 1 April 2021 was announced at Budget 2016.

At Budget 2021, the UK government announced that the corporation tax rate (for all profits except ring fence profits) for the years commencing 2023. Businesses with profits of £50,000 or less will continue to be taxed at 19% and a taper above £50,000 will be introduced so that only businesses with profits greater than £250,000 will be taxed at the full 25% rate.

In accordance with the requirement set out in IAS 12 'Income taxes', the tax rate of 25% (2022: 25%) is used as the basis for the calculation of deferred taxes stated.

	<b>Not recognised</b>		<b>Recognised</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Depreciation in excess of capital allowances, not provided	3,327	3,416	-	-
1 April 2022 and 2023 will be 25%.				
Other temporary differences	40	38	-	11
Unutilised trading losses	17,400	20,151	-	-
<b>Deferred tax asset</b>	<u>20,767</u>	<u>23,605</u>	<u>-</u>	<u>-</u>

# RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 14 Trade and other receivables

	2023 £'000	2022 £'000
Amount owed by parent	41,487	37,178
Amounts owed by fellow subsidiaries	7,095	6,022
Amounts owed by associated undertakings	-	1
Other receivables	8	78
Prepayments and accrued income	1,122	915
	<u>49,712</u>	<u>44,194</u>

The fair value of trade and other receivables approximates their carrying value. Substantially all balances are denominated in Pounds Sterling.

The amount due from parent consists of £11,701,000 that have been swept in the UK Physical Cash Pool, see note 15.

### 15 Cash and cash equivalents

#### (a) Cash and cash equivalents

	2023 £'000	2022 £'000
Cash and cash equivalents	-	-

Since May 2017, the Company has been part of the UK Physical Cash Pool, where the Company's bank accounts are swept to nil each evening, regardless as to whether the balance is positive or negative. This means that the Company has always got access to funding to meet its obligations as they fall due. All cash is held by the Cash Pool Leader, Richemont Holdings (UK) Limited, the Company's immediate parent, see note 14.

#### (b) Reconciliation of operating profit to net cash inflow from operating activities:

	2023 £'000	2022 £'000
<b>Cash generated from operations</b>		
Operating profit	1,972	1,974
Adjustments for:		
Depreciation of property, plant, and equipment	571	649
Depreciation of right of use assets	900	899
Amortisation of intangibles	-	-
Loss on disposal of property, plant, and equipment	1	-
Increase in trade and other receivables	(3,163)	(5,599)
Increase/(decrease) in trade and other payables	164	2,022
Increase in provisions	367	559
Non-cash items	-	-
Share-based payment charge (note 19)	1,060	1,051
<b>Cash generated from operations</b>	<u>1,872</u>	<u>1,555</u>

**RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)****Notes to the financial statements for the year ended 31 March 2023 (continued)****16 Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	<b>812</b>	594
Taxation and social security	<b>66</b>	242
Amounts owed to fellow subsidiaries	<b>1,241</b>	1,255
Accruals and deferred income	<b>2,485</b>	2,346
	<b>4,604</b>	<b>4,437</b>

The fair value of trade and other payables approximates their carrying value. Substantially all balances are denominated in Pounds Sterling.

**17 Provision for liabilities and charges**

	Employee benefits	Long-term retention plan	Social security on plan	Total
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>(a) Due within one year:</b>				
At 1 April 2021	-	28	4	32
Provided in the year	-	3	-	3
Released in the year	-	(31)	(4)	(35)
At 31 March 2022	-	-	-	-
Provided in the year	182	-	-	-
Released in the year	-	-	-	-
<b>At 31 March 2023</b>	<b>182</b>	<b>-</b>	<b>-</b>	<b>182</b>

# RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 17 Provision for liabilities and charges (continued)

	Employee benefits	Long-term retention plan	Social security on plan	Total
	£'000	£'000	£'000	£'000
<b>(b) Due after more than one year:</b>				
At 1 April 2021	437	-	-	437
Transfer to provisions due within one year	-	-	-	-
Provided in the year	613	-	-	613
At 31 March 2022	1,050	-	-	1,050
Transfer to provisions due within one year	-	-	-	-
Provided in the year	192	-	-	192
<b>At 31 March 2023</b>	<b>1,242</b>	<b>-</b>	<b>-</b>	<b>1,242</b>

The employee benefit provision is held for National Insurance Contributions on employee share options and is utilised as and when the relevant employees exercise their share options.

The long-term retention plan provision is a management incentive scheme based on a fixed amount with a vesting period of three years. The plan ceased in July of 2021. The final payment for the plan was on 20 July 2021.

### 18 Share capital

	2023 £'000	2022 £'000
<b>Authorised:</b>		
33,852,400 (2022: 33,852,400) ordinary shares of £1 each	<u>33,852</u>	<u>33,852</u>
<b>Allotted and fully paid:</b>		
33,852,400 (2022: 33,852,400) ordinary shares of £1 each	<u>33,852</u>	<u>33,852</u>

The Company has one class of ordinary shares, which carry no rights to fixed income.

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **19 Share-based payment**

The Group has a long-term share-based compensation plan whereby executives are awarded options to acquire Richemont Group 'A' shares at the market price on the date of grant. Awards under the share option plan vest over periods of three to six years and have expiry dates, the date after which unexercised options lapse, after nine years from the date of grant. The executive must remain in the Group's employment until vesting. No awards have been made under this plan since the year ended 31 March 2021.

A reconciliation of the movement in the number of share option awards granted to executives is as follows:

	Weighted average exercise price in CHF per share	Number of options
Balance at 1 April 2021	77.09	327,808
Exercised	78.40	(143,771)
Transfer in	87.41	2,095
Lapsed	82.00	(2,500)
Balance at 31 March 2022	84.07	183,632
Exercised	89.56	(67,640)
Transfer in		-
Lapsed	89.72	(2,000)
<b>Balance at 31 March 2023</b>	<b>80.72</b>	<b>113,992</b>

Of the total options outstanding at 31 March 2023, options in respect of 86,023 shares (2022: 114,301 shares) had vested and were exercisable.

The weighted average share price at the date of exercise for options exercised during the year was CHF111.26 (2022: CHF119.84).

# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **19 Share-based payment (continued)**

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

	<b>Exercise price</b>	<b>Number of options</b>	<b>Weighted average remaining contractual life</b>
<b>31 March 2023</b>	<b>CHF 94.00</b>	<b>15,000</b>	<b>0.2 years</b>
	<b>CHF 83.80</b>	<b>15,000</b>	<b>1.2 years</b>
	<b>CHF 56.55</b>	<b>20,000</b>	<b>2.2 years</b>
	<b>CHF 80.20</b>	<b>23,334</b>	<b>3.2 years</b>
	<b>CHF 92.00</b>	<b>25,467</b>	<b>4.2 years</b>
	<b>CHF 82.86</b>	<b>6,361</b>	<b>5.2 years</b>
	<b>CHF 75.84</b>	<b>8,830</b>	<b>6.2 years</b>
		<b>113,992</b>	
<b>31 March 2022</b>	<b>CHF 90.11</b>	<b>20,000</b>	<b>0.2 years</b>
	<b>CHF 94.00</b>	<b>40,000</b>	<b>1.2 years</b>
	<b>CHF 83.30</b>	<b>15,000</b>	<b>2.2 years</b>
	<b>CHF 56.55</b>	<b>21,334</b>	<b>3.2 years</b>
	<b>CHF 80.20</b>	<b>34,002</b>	<b>4.2 years</b>
	<b>CHF 92.00</b>	<b>37,133</b>	<b>5.2 years</b>
	<b>CHF 82.86</b>	<b>7,333</b>	<b>6.2 years</b>
	<b>CHF 75.84</b>	<b>8,830</b>	<b>7.7 years</b>
		<b>183,632</b>	

There were no options granted in this financial year (2022: nil)

The amounts recognised in the Statement of Comprehensive Income before social security and taxes for equity-settled share-based payment transactions were £138,518 (2022: £295,825). The share-base reserve balance is £28,701,000 (2022: £27,641,000).

#### **Restricted share units**

A further share-based compensation plan was introduced in the prior year whereby executives are awarded Restricted Share Units ('RSU'). Awards under this plan also vest over periods of three to five years from the date of grant. On vesting, the executive will receive an 'A' share in the Company. Awards granted to senior executives are also subject to performance conditions which may reduce the number of shares vesting (Performance Share Units, or 'PSU'). Executives are not entitled to dividends during the vesting period.

# RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 19 Share-based payment (continued)

A reconciliation of the movement in the number of restricted and performance share awards granted to executives is as follows:

	Number of shares
Balance at 31 March 2021	40,399
Granted	11,507
Transfer in	1,391
Lapsed	(2,000)
<b>Balance at 31 March 2022</b>	<b>51,297</b>
Granted	8,951
Transfer out	(340)
Distributed	(7,978)
Lapsed	(3,940)
<b>Balance at 31 March 2023</b>	<b>47,990</b>

The per unit fair value of RSU and PSU granted during the year was CHF 104.61. The significant inputs to the model were the share price of CHF 111.30 at the grant date and a dividend yield of 2.0%.

The amounts recognised in the Statement of Comprehensive Income before social security and taxes for RSU transactions was £922,040 (2022: £755,248).

The amount recognised in the Statement of Comprehensive Income before social security and taxes for options and RSU transactions combined was £1,060,000 (2022: £1,052,000 ).

### 20 Leases

The Company has the following commitments under non-cancellable lease contracts relating to offices:

Gross finance lease liabilities	2023 £'000	2022 £'000
<b>Amounts payable</b>		
Within one year	848	939
Between one and five years	769	1,617
	<b>1,617</b>	<b>2,556</b>
Future interest charge on finance lease obligation	(22)	(53)
<b>Present value of finance lease obligation</b>	<b>1,595</b>	<b>2,503</b>

The present value of the lease liabilities is classified as follows:

Finance lease obligation	2023 £'000	2022 £'000
Current	831	908
Non-current	764	1,595
	<b>1,595</b>	<b>2,503</b>

Included with operating profit are expenses of £41,000 (2022: £37,000) for low value leases, which are not reflected in the lease liabilities.

# RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)

## Notes to the financial statements for the year ended 31 March 2023 (continued)

### 21 Related party transactions

During the year, the Company entered into the following transactions with related parties giving rise to income/(expenses) and receivables/(payables):

Transactions with related party (income)/ expense	Recharged employee services £'000	Recharged computer services £'000	Recharged professional fees £'000	Recharged intellectual property £'000	Recharged operating costs £'000
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#### Goods and services recharged to related parties

Associated undertakings	2023	(19)	(58)	-	-	(152)
Fellow subsidiaries	2023	(518)	(2,088)	(15,827)	(8,388)	(113)
Associated undertakings	2022	(43)	(69)	-	(33)	(266)
Fellow subsidiaries	2022	(554)	(1,627)	(16,420)	(7,561)	-

#### Goods and services recharged from related parties

Associated undertakings	2023	-	-	3	149	-
Fellow subsidiaries	2023	88	-	832	-	5
Associated undertakings	2022	-	-	3	216	-
Fellow subsidiaries	2022	141	-	764	-	4

#### Balances with related party

		Receivable £'000	Payable £'000
Immediate parent	2023	41,487	-
Fellow subsidiaries	2023	7,095	1,241
Associated undertakings	2023	-	-
Immediate parent	2022	37,178	-
Fellow subsidiaries	2022	6,022	1,255
Associated undertakings	2022	1	-

Amounts recharged to fellow subsidiaries and associated undertakings, in certain circumstances exceed the Company's revenue as the Company acts as an agent and recharges costs incurred on behalf of fellow subsidiaries and associated undertakings at no mark-up.

Amounts owed by fellow subsidiaries and associated undertakings are disclosed in note 13 and the amounts owed to fellow group undertakings and associated undertakings are disclosed in note 15.

Key management compensation and other related party transactions are disclosed in note 4, Directors' emoluments.

The Company has not entered into any other related party transactions as defined by IAS 24 (Related party disclosures).



# **RICHEMONT INTERNATIONAL LIMITED (Registered number: 2263767)**

## **Notes to the financial statements for the year ended 31 March 2023 (continued)**

### **22 Financial instruments**

The carrying amounts of the financial assets and financial liabilities are set out below. The carrying amounts approximate their fair value. The Company's credit risk is mitigated by the counterparty being a fellow group company, which maintains sufficient liquid assets to comfortably settle any financial instruments outstanding with the Company as at the reporting date.

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial assets at amortized cost</b>		
Trade and other receivables	<b>49,712</b>	44,194
Cash at bank	-	-
	<b>49,712</b>	44,194
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial liabilities at amortized cost</b>		
Trade and other payables	<b>4,604</b>	4,437
Bank overdraft	-	-
	<b>4,604</b>	4,437

### **23 Ultimate 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 S.A., a listed company incorporated in Switzerland, to be the ultimate controlling party. Copies of the accounts of Compagnie Financière Richemont S.A. are available from its registered office at 50 Chemin de la Chênaie, 1293 Bellevue, Geneva, Switzerland.

### **24 Post balance sheet events**

The Directors continue to monitor the ongoing conflict between Russia and Ukraine and any potential impact this could have on the Company. As at 31 March 2023 and to the date of this report, there is no known material exposure arising from this conflict.

There were no other significant events after the balance sheet date.