

Registered number: 2863410

**DUNHILL TOBACCO OF LONDON LIMITED**

**ACCOUNTS FOR THE YEAR ENDED  
31 MARCH 1997**



# **Dunhill Tobacco of London Limited**

## **DIRECTORS' REPORT**

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The directors submit their Report and the audited accounts for the year ended 31 March 1997.

### **Principal activity and results**

The Company is actively engaged in developing the use of the Dunhill brand name on tobacco products, including licensing other Rothmans International Group companies to market tobacco products under the Dunhill trade mark.

The results for the year are set out in the profit and loss account on page 3.

### **Dividends**

During the year the Company declared dividends totalling £8,000,000 (1996 : £7,000,000).

### **Directors**

The directors of the Company during the year ended 31 March 1997 were:

E L Brooks	
G R Thomas	
E N Wingfield	
P J Holmes	(appointed 18 July 1996)
T D R Peacock	(resigned 18 July 1996)

### **Directors' interests**

The interests of Mr E L Brooks and his immediate family in the shares of the Company, its parent company or its fellow subsidiaries as shown in the Register of Directors' Shareholdings kept pursuant to Section 325 of the Companies Act 1985, are disclosed in the accounts of Rothmans International Limited.

No other director or their immediate families had any notifiable interests in the shares, or in any options to subscribe for shares, in the capital of the company, its parent companies or its fellow subsidiaries.

### **Auditors**

An elective resolution has been passed that, in accordance with Section 379A and 386 of the Companies Act 1985 (as amended), the Company would dispense with the obligation under Section 384 of the Act to appoint auditors annually.

# **Dunhill Tobacco of London Limited**

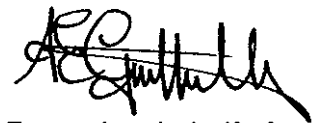
## **DIRECTORS' REPORT**

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### **General Meetings**

Elective resolutions have been passed in accordance with Section 379A of the Companies Act 1985 (as amended) to dispense with the laying of accounts before the Company in General Meeting (pursuant to Section 252 of the Act) and to dispense with the holding of the Annual General Meeting (pursuant to Section 366A of the Act).

**On behalf of the Board**



**For and on behalf of  
Risecretaries Limited  
Secretary**

**5 September 1997**

### **Registered Office**

**1a St. James's Street  
London SW1A 1EF**

**Registered Number: 2863410**

# Dunhill Tobacco of London Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 1997

	Notes	1997 £'000	1996 £'000
Turnover	2	14,687	13,049
Administrative expenses		(2,316)	(941)
<b>Operating profit</b>	3	12,371	12,108
Net investment income	4	310	563
<b>Profit on ordinary activities before taxation</b>		12,681	12,671
Taxation on profit on ordinary activities	5	(4,185)	(4,183)
<b>Profit for the financial year attributable to shareholders</b>		8,496	8,488
Dividends	6	(8,000)	(7,000)
<b>Retained profit</b>	11	496	1,488

The results above all relate to continuing activities of the company.

There were no recognised gains and losses other than the profit for the financial year.

# Dunhill Tobacco of London Limited

## BALANCE SHEET As at 31 March 1997

		1997		1996	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Licences, trade marks and similar rights and assets	7		100,000		100,000
<b>Current assets</b>					
Debtors	8	5,529		5,127	
Creditors: amounts falling due within one year	9	(3,205)		(3,299)	
Net current assets			2,324		1,828
<b>Total assets less current liabilities</b>			102,324		101,828
<b>Capital and reserves</b>					
Called up share capital	10		1		1
Reserves					
Share premium account	11	99,999		99,999	
Profit and loss account	11	2,324		1,828	
			102,323		101,827
			102,324		101,828

Approved by the Board of Directors on 5 September 1997 and signed on its behalf by:



E L Brooks, Director

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 1997**

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**1. Accounting policies**

The financial statements have been prepared on historical cost accounting principles and in accordance with applicable Accounting Standards in the United Kingdom. Information relating to significant accounting policies is set out below.

**(a) Turnover**

Turnover represents income related to the sale of Dunhill tobacco products.

**(b) Investment income**

Income from investments is included in the profit and loss account on an accruals basis.

**(c) Licences, trade marks and similar rights and assets**

Licences, trade marks and similar rights and assets are stated at cost, less any amounts provided for permanent diminution in value. No annual amortisation is charged in respect of these assets except where the end of the useful economic lives of the assets can be foreseen. The useful economic lives and the carrying value are reviewed annually and any amortisation or provision for permanent diminution in value charged in the profit and loss account.

**(d) Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Any exchange differences, including those arising from currency conversions in the usual course of trading, are included in the profit and loss account.

**(e) Taxation**

Provision is made in each accounting period for all taxation expected to be payable in respect of profits earned to the end of the period.

Deferred taxation, arising from timing differences between the recognition of certain items of income and expenditure for accounting and taxation purposes is accounted for to the extent that it is probable that a liability or asset will crystallise.

**NOTES TO THE ACCOUNTS**

**For the year ended 31 March 1997**

**2. Turnover**

The analysis of turnover by geographical destination was as follows:

	1997 £'000	1996 £'000
Europe	3,678	3,550
Americas	762	671
Asia	9,088	7,713
Pacific	670	578
Southern Africa	489	537
Turnover	<u>14,687</u>	<u>13,049</u>

**3. Operating profit**

The operating profit for the year is stated after charging:

	1997 £'000	1996 £'000
Auditors' remuneration	<u>5</u>	<u>5</u>

The Company had no employees during the year (1996 : nil) other than the directors, but has the services of other Group employees. The directors did not receive any emoluments during the year (1996 : nil) in respect of their services as directors of the Company.

**4. Net investment income**

	1997 £'000	1996 £'000
Interest receivable from Group undertakings	<u>310</u>	<u>563</u>

**5. Taxation on profit on ordinary activities**

	1997 £'000	1996 £'000
United Kingdom corporation tax at 33%	4,185	4,183
Less: relief for overseas taxation	(987)	(889)
	<u>3,198</u>	<u>3,294</u>
Overseas taxation	<u>987</u>	<u>889</u>
	<u>4,185</u>	<u>4,183</u>

# Dunhill Tobacco of London Limited

## NOTES TO THE ACCOUNTS For the year ended 31 March 1997

<b>6. Dividends</b>	<b>1997</b>	<b>1996</b>
	<b>£'000</b>	<b>£'000</b>
Interim dividends	8,000	7,000
	<u>          </u>	<u>          </u>

### 7. Intangible fixed assets

Intangible fixed assets represents Dunhill tobacco trade marks and licences, stated at cost.

<b>8. Debtors</b>	<b>1997</b>	<b>1996</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by fellow subsidiary undertakings	5,529	5,127
	<u>          </u>	<u>          </u>

<b>9. Creditors: amounts falling due within one year</b>	<b>1997</b>	<b>1996</b>
	<b>£'000</b>	<b>£'000</b>
Corporate taxation	3,199	3,293
Accruals and deferred income	6	6
	<u>          </u>	<u>          </u>
	3,205	3,299
	<u>          </u>	<u>          </u>

### 10. Share capital

At 31 March 1997 and 31 March 1996 the share capital of the Company was as follows:

	£
Authorised	
10,000,000 Ordinary shares of 1p each	100,000
	<u>          </u>
	£
Allotted, called up and fully paid	
100,000 Ordinary share of 1p each	1,000
	<u>          </u>



**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 1997

<b>11. Reserves</b>	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 1996	99,999	1,828	101,827
Retained profit for the year	-	496	496
	<hr/>	<hr/>	<hr/>
At 31 March 1997	99,999	2,324	102,323
	<hr/>	<hr/>	<hr/>

<b>12. Reconciliation of movements in shareholders' funds</b>	1997 £'000	1996 £'000
Profit for the financial year	8,496	8,488
Dividends	(8,000)	(7,000)
	<hr/>	<hr/>
	496	1,488
Opening shareholders' funds	101,828	100,340
	<hr/>	<hr/>
Closing shareholders' funds	102,324	101,828
	<hr/>	<hr/>

**13. Related party transactions**

No transactions are disclosed due to the Company being a 100% subsidiary of Rothmans Group Holdings B.V..

**14. Parent companies and controlling parties**

The directors regard Compagnie Financière Richemont AG, a listed company incorporated in Switzerland, to be the ultimate parent company; shares representing 50% of the voting rights of that company are held by Compagnie Financière Rupert which, for the purposes of Financial Reporting Standard 8, is regarded by the directors as the ultimate controlling party. The directors consider that the Company is controlled, for operational purposes, by Rothmans International B.V.. At 31 March 1997 the Company's immediate parent company for which group accounts were drawn up was Rothmans Group Holdings B.V., a company incorporated in The Netherlands. Copies of the group accounts of Compagnie Financière Richemont AG are available from The Secretary, Rigistrasse 2, CH-6300 Zug, Switzerland.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on the next page, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 3 to 8 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The directors are required to use a going concern basis in preparing the financial statements unless this is inappropriate.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**AUDITORS' REPORT**

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**To the members of Dunhill Tobacco of London Limited**

We have audited the financial statements on pages 3 to 8.

**Respective responsibilities of directors and auditors.**

As described on page 9 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.

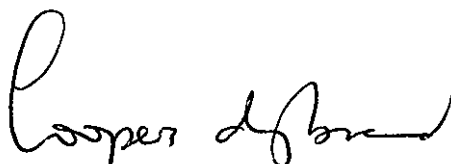
**Basis of opinion**

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 affairs of the Company at 31 March 1997 and of the profit 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  
5 September 1997