

Richemont UK Limited
(Registered Number: 3484692)

Annual Report
For the year ended 31 March 2012

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Richemont UK Limited

Annual report for the year ended 31 March 2012

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Richemont UK Limited

Directors and Advisors

Directors

| | |
|---------------------|----------------------------------|
| Mr Arnaud Bamberger | (Managing Director) |
| Mr Greig Catto | (Finance Director and Secretary) |

Registered Office

175-177 New Bond Street
London
W1S 4RN

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Richemont UK Limited

Directors' Report for the year ended 31 March 2012

The directors submit their report and the audited financial statements of Richemont UK Limited ('the Company') for the year ended 31 March 2012

Principal activities

Richemont UK Limited is a private limited company incorporated in the United Kingdom under the Companies Act 2006

The principal activities of the Company are the sale of jewellery and other luxury goods from four boutiques in central London and the sale of watches via an authorised dealer network in the United Kingdom and Ireland

Results

During the year, the company made a profit after tax of £4,055,000 (2011 £2,687,000) The Income Statement is set out on page 7 The Directors consider the position of the Company to be satisfactory at the year end

Dividends

No dividend has been declared nor paid in respect of the year (2011 £8,000,000)

Review of business and future developments

The level of business of the Company continued to grow despite the current economic environment The future results are in part also dependant on the strategies of each of the brands as determined by the Compagnie Financière Richemont SA (Richemont Group) as a whole Details can be found on the Richemont website (www.richemont.com)

Principal risks and uncertainties

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

The key business risks and uncertainties affecting the Company are considered to relate to competition from both national and independent retailers, employee retention, and product availability However, the directors of the Richemont Group manage the group's risk at a brand level rather than at an individual business unit level Further discussion of these risks and uncertainties, in the context of the Richemont Group as a whole, is provided on the Richemont website (www.richemont.com)

Key performance indicators

The directors of the Richemont Group manage the Group's operations on a divisional basis and monitor the performance of Richemont UK Limited at a consolidated brand level For this reason, the company's directors believe that analysis using key performance indicators for the Company is not necessary nor appropriate for an understanding of the development, performance or position of the business of Richemont UK Limited The development, performance and position of the Richemont brands, which includes the Company, is discussed on the Richemont website (www.richemont.com)

Richemont UK Limited

Directors' Report for the year ended 31 March 2012 (continued)

Directors and their interests

The directors of the company during the year and up to the date of signing the financial statements were -

Mr Arnaud Bamberger (Managing Director)
Mr Greig Catto (Finance Director and Secretary)

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

During the year qualifying third party indemnity provisions were in force for the benefit of the two (2011 two) directors of the company

Environmental policy

The Company is committed to monitoring and improving environmental performance in all aspects of its business activities. The Company has established and implemented an environmental policy, which takes account of good environmental practice in managing the business

Donations

Contributions made by the company during the year for a variety of charitable purposes amounted to £37,440 (2011 £15,803). No contributions for political purposes were made during the year (2011 £nil)

Post balance sheet events

There are no post balance sheet events requiring disclosure

Policy and practice on payment of creditors

The Company generally makes payment to its creditors in accordance with agreed terms of business provided that those terms have been met. It is the policy of the Company that all invoices are paid at the end of the month following the month in which the invoice is received unless separate terms of business have been agreed with a particular supplier

The total amount of the Company's trade creditors falling due within one year represents 21 days (2011 22 days) worth as a proportion of the total amount invoiced by suppliers during the year ended on that date (excluding inter company trade creditor balances)

Richemont UK Limited

Directors' Report for the year ended 31 March 2012 (continued)

Statement of directors' responsibilities

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

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are 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.

Statement of disclosure of information to auditors

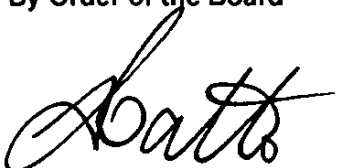
Each director in office at the date of approval of this directors' report confirms that

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent Auditors

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

By Order of the Board



Mr Greg Catto
Secretary

31 July 2012

Richemont UK Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RICHEMONT UK LIMITED

We have audited the financial statements of Richemont UK Limited for the year ended 31 March 2012 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


Richemont UK Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RICHEMONT UK LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Simon Morley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

31 July 2012

Richemont UK Limited

Income Statement for the year ended 31 March

| | | 2012 | 2011 |
|-------------------------------|------|---------------|---------------|
| | Note | £'000 | £'000 |
| Revenue | | 68,398 | 52,515 |
| Cost of goods sold | | (43,346) | (33,607) |
| Gross profit | | 25,052 | 18,908 |
| Selling and marketing costs | | (18,347) | (14,183) |
| Administrative expenses | | (988) | (837) |
| Other operating income | 6 | 298 | 293 |
| Operating profit | 4 | 6,015 | 4,181 |
| Finance costs | 8 | (47) | (53) |
| Profit before taxation | | 5,968 | 4,128 |
| Taxation | 9 | (1,913) | (1,441) |
| Profit for the year | | 4,055 | 2,687 |

The notes on pages 11 to 32 form an integral part of these financial statements

Richemont UK Limited does not have any non-owner changes in equity, and as a result a separate Statement of Comprehensive Income is not presented

All operations are continuing

Richemont UK Limited

Balance Sheet as at 31 March

| | Note | 2012 £'000 | 2011 £'000 |
|--|------|-----------------|-----------------|
| Non-current assets | | | |
| Property, plant and equipment | 10 | 2,620 | 1,701 |
| Intangible assets | 11 | 2,230 | 2,712 |
| Deferred tax asset | 9 | 388 | 177 |
| Total non-current assets | | 5,238 | 4,590 |
| Current assets | | | |
| Inventories | 12 | 21,066 | 14,257 |
| Trade and other receivables | 13 | 6,761 | 4,762 |
| Cash and cash equivalents | 14 | 3,153 | 5,637 |
| Total current assets | | 30,980 | 24,656 |
| Current liabilities | | | |
| Bank overdrafts | 14 | (13) | (11) |
| Trade and other payables | 15 | (12,395) | (10,176) |
| Provisions for liabilities and charges | 16 | (144) | (203) |
| Corporation tax liability | 9 | (2,025) | (1,468) |
| Total current liabilities | | (14,577) | (11,858) |
| Net current assets | | 16,403 | 12,798 |
| Total assets less current liabilities | | 21,641 | 17,388 |
| Non-current liabilities | | | |
| Provisions for liabilities and charges | 16 | (300) | (214) |
| Retirement benefit obligation | 18 | (151) | (119) |
| Total non-current liabilities | | (451) | (333) |
| Net assets | | 21,190 | 17,055 |
| Capital and reserves | | | |
| Ordinary capital | 19 | 14,200 | 14,200 |
| Share option reserve | | 335 | 255 |
| Retained earnings | | 6,655 | 2,600 |
| Total equity | | 21,190 | 17,055 |

Registered Number 3484692

The financial statements on pages 7 to 32 were approved by the Board of Directors on 31 July 2012 and were signed on its behalf by


Mr A M Bamberger
Director

Richemont UK Limited

Statement of Changes in Shareholders' Equity

| | Share capital £'000 | Share option reserve* £'000 | Retained earnings £'000 | Total £'000 |
|----------------------------|---------------------------|--------------------------------------|-------------------------------|----------------|
| At 31 March 2010 | 14,200 | 174 | 7,913 | 22,287 |
| Profit for the year | - | - | 2,687 | 2,687 |
| Dividends paid | - | - | (8,000) | (8,000) |
| Value of employee services | - | 81 | - | 81 |
| At 31 March 2011 | 14,200 | 255 | 2,600 | 17,055 |
| Profit for the year | - | - | 4,055 | 4,055 |
| Dividends paid | - | - | - | - |
| Value of employee services | - | 80 | - | 80 |
| At 31 March 2012 | 14,200 | 335 | 6,655 | 21,190 |

* Credits to the Share option reserve correspond to the fair value of the employee services received in exchange for share options granted to certain of the Company's employees. The Share option reserve is not distributable.

The notes on pages 11 to 32 form an integral part of these financial statements.

Richemont UK Limited

Statement of Cash Flows for the year ended 31 March

| | Note | 2012 £'000 | 2011 £'000 |
|--|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Cash inflow from operations | 20 | 756 | 4,167 |
| Finance costs | | (47) | (53) |
| Taxation paid | | (1,568) | (1,559) |
| Net cash (used in)/generated from operating activities | | (859) | 2,555 |
| Cash flows from investing activities | | | |
| Purchases of property, plant and equipment | 10 | (1,626) | (1,338) |
| Purchases of intangible assets | 11 | (1) | - |
| Proceeds from sale of intangible assets | | - | 7 |
| Net cash used in investing activities | | (1,627) | (1,331) |
| Cash flows from financing activities | | | |
| Dividend paid | | - | (8,000) |
| Net cash used in financing activities | | - | (8,000) |
| Net decrease in cash and cash equivalents | | (2,486) | (6,776) |
| Cash and cash equivalents at 1 April | 14 | 5,626 | 12,402 |
| Cash and cash equivalents at 31 March | 14 | 3,140 | 5,626 |

The notes on pages 11 to 32 form an integral part of these financial statements

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

1 Basis of preparation

(a) General information and basis of preparation

These financial statements are the financial statements of Richemont UK Limited, a private limited company registered and domiciled in the United Kingdom. The address of the registered office is 175-177 New Bond Street, London, W1S 4RN.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement and significant estimates are disclosed in note 2.

Certain new accounting standards issued by IASB and new interpretations issued by IFRIC are not yet effective for the year ended 31 March 2012 and have not been applied in preparing these financial statements.

The financial statements are prepared on a going concern basis.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Sterling, which is the company's functional and presentation currency.

Transactions and balances

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

(c) Intangible assets

Software

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.

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

1 Basis of preparation (continued)

(c) Intangible assets (continued)

Leasehold rights and premiums

Premiums paid to parties other than the lessor at the inception of operating leases for leasehold buildings are capitalised and amortised over their expected useful lives or, if shorter, the lease period

(d) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All repair and maintenance costs are charged to the Income Statement 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 less its estimated residual value over its estimated useful life, up to the limits of, as follows:

| | |
|--------------------------|--|
| - Leasehold improvements | the shorter of 10 years or the life of the lease |
| - Motor vehicles | 4 years |
| - Office equipment | 10 years |
| - Fixtures and fittings | 10 years |
| - Point of sale fixtures | 3 years |

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying value.

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

1 Basis of preparation (continued)

(e) Impairment of assets

All property, plant and equipment, intangible assets and financial assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using either a weighted average cost, specific identification or the 'first-in, first-out' (FIFO) method depending on the nature of the inventory. The cost of finished goods and work in progress comprises raw materials, direct labour, related production overheads and, where applicable, duties and taxes.

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value. A provision for impairment of trade 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 quantum of the provision is set by the directors with reference to all the available information and including an assessment of the extent to which the debt may be recovered and the likelihood of such a recovery being made. The amount of the provision is recognised in the Income Statement.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at banks, less bank overdrafts, which are classified as current liabilities and are stated at fair value. There are no other borrowings.

(i) Current and deferred income tax

Provision is made in each financial year for all taxation expected to be payable in respect of profits earned during the year.

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

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

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

1 Basis of preparation (continued)

(j) Employee benefits

Retirement benefit obligations

The Company is a participating employer in the Richemont UK Pension Plan, which provides defined benefits. The Plan's funds are administered by trustees and are independent of the Company's finances. Contributions are paid to the Plan in accordance with the recommendations of an independent actuarial advisor.

The total pension cost for the year, calculated in accordance with IAS19 (Employee Benefits), is split between the UK brands that participate in the Plan taking into account the attributes of each brand's employees. In determining the total pension cost, actuarial gains and losses in excess of the 10% corridor (10% of the greater of the Plan's assets and liabilities) are recognised in the income statement over the future remaining working life of the active membership.

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

Bonus plans

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

(k) Provisions

Provisions for restructuring costs, legal claims and other liabilities are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the Balance Sheet date. The impact of discounting on provisions is immaterial.

(l) Revenue recognition

Goods and services

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, duties, other sales taxes, rebates, expected returns and trade discounts. Revenue is recognised when the significant risks and rewards of ownership of the goods and services are transferred to the buyer.

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

1 Basis of preparation (continued)

(m) Interest income

Interest income is recognised using the effective interest method

(n) Leases

The Company leases certain property, plant and equipment. All of the leases for which the Company is the lessee are accounted for as operating leases as a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases (net of any incentives received) are charged to the Income Statement on a straight-line basis over the lease term.

(o) Share-based payments

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

(p) Trade payables

Trade payables are initially recognised at fair value.

(q) Share capital

Ordinary shares are classified as equity.

2 Critical accounting estimates and judgements

The company is required to make estimates and assumptions that affect certain balance sheet and income statement items and certain disclosures regarding contingencies. Estimates and judgements applied by management are continuously evaluated and are based on information available, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances at the dates of preparation of the financial statements. Principal matters where assumptions, judgement and estimates have a significant role relate in particular to:

- the determination of sales deductions, including rebates, returns, discounts and incentives, which are reported as a reduction in sales,
- the determination of carrying values for property, plant and equipment and inventories,
- the assessment and recording of liabilities in respect of retirement benefit obligations, and
- the recognition of provision for income taxes, including deferred taxation, taking into account the related uncertainties in the normal course of business.

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

3 Financial risk management

The Company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, interest rate cash flow risk and foreign exchange risk

Price risk

The Company is not exposed, materially, to commodity price risk as generally purchases are intra-Group. Any exposure to commodity price risk is therefore managed by the Richemont Group.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Credit risk arising from cash and deposits with credit institutions is managed by the Richemont Group.

Liquidity risk

The Company maintains a mixture of cash balances and overdrafts that are designed to ensure the Company has sufficient funds available for operations and planned expansions.

Interest rate cash flow risk

As the Company has no significant interest bearing assets, with the exception of cash, the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate risk arising from cash and cash equivalents with credit institutions is managed by the Richemont Group.

Foreign exchange risk

The Company has limited exposure 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. The Company does not seek to hedge this exposure.

4 Operating profit

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Operating profit is stated after charging/(crediting) | | |
| Operating lease rentals – office equipment | 14 | 8 |
| Operating lease rentals - other | 4,402 | 3,154 |
| Employee benefit expenses | 5,386 | 4,470 |
| Depreciation of property, plant and equipment | 707 | 429 |
| Amortisation of leasehold property | 479 | 424 |
| Loss on disposal of intangible assets | 4 | - |
| Repairs and maintenance expenditure on property, plant and equipment | 114 | 79 |
| Inventory – net movement in provision | (10) | - |
| Trade receivables – net movement in provision | 17 | (23) |

The auditors' remuneration of £24,000 (2011: £24,000) is borne by Richemont UK Limited's parent company, Cartier Limited.

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

5 Employee benefits and other information

The average number of persons employed by the company during the year, is analysed below -

| | 2012 Number | 2011 Number |
|----------------|------------------------|------------------------|
| Selling | 65 | 51 |
| Administration | 32 | 25 |
| | 97 | 76 |

Employment costs of all employees included above were -

| | 2012 £'000 | 2011 £'000 |
|--|-----------------------|-----------------------|
| Gross wages, salaries and commissions | 4,565 | 3,711 |
| Social security costs | 533 | 435 |
| Share-based payment awards (note 17) | 80 | 81 |
| Pension cost— defined benefit (note 18) | 152 | 187 |
| Other pension costs – defined contribution (note 18) | 56 | 56 |
| | 5,386 | 4,470 |

6 Other operating income

Other operating income represents costs for the provision of services recharged to fellow Richemont Group companies

7 Directors' emoluments

The directors received no emoluments in respect of their services to Richemont UK Limited (2011 £nil)

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

8 Finance costs

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Finance costs. | | |
| Interest payable on bank loans and overdrafts | 27 | 20 |
| Net foreign exchange losses | 11 | 25 |
| Other finance costs | 9 | 8 |
| Finance costs | 47 | 53 |

9 Income tax charge

| | | |
|--|-----------------------|-----------------------|
| Analysis of charge in the year | 2012 £'000 | 2011 £'000 |
| Current tax - continuing operations | | |
| - UK corporation tax on profits for the year | 2,025 | 1,468 |
| - Under/(over) provision in respect of prior year | 100 | (46) |
| Total current tax | 2,125 | 1,422 |
| Deferred tax | | |
| - Origination and reversal of temporary differences | (101) | (9) |
| - Previously unrecognised deferred tax assets assessed as recoverable at the end of the year | - | - |
| - Adjustment in respect of prior years | (135) | 16 |
| - Effect of decreased tax rate on opening balance | 24 | 12 |
| Total deferred tax (credit)/charge | (212) | 19 |
| Total tax charge | 1,913 | 1,441 |

There is a taxation charge of £1,913,000 for the current year (2011 £1,441,000)

The UK corporation tax charge represents the consideration paid to other group entities for losses claimed as group relief

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

9 Income tax charge (continued)

The total tax charge is reconciled to the profit before tax at the standard rate of UK corporation tax below -

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Profit before taxation | 5,968 | 4,128 |
| United Kingdom corporation tax on profit for the year at 26% (2011 28%) | 1,552 | 1,156 |
| <i>Effects of</i> | | |
| Expenses not deductible for tax purposes | 388 | 353 |
| Group relief claimed | (2,025) | (1,468) |
| Consideration paid for losses claimed as group relief | 2,025 | 1,468 |
| Tax benefit of share options exercised | (24) | (50) |
| Adjustments in respect of prior year | (35) | (30) |
| Effect of change in rates | 32 | 12 |
| Tax charge | 1,913 | 1,441 |

There is a net deferred tax asset at the balance sheet date. The asset has been recognised to the extent that it is considered to be recoverable in the foreseeable future. Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 24% (2011 26%). The total recognised deferred tax asset is £ 388,000 (2011 £177,000). The asset is made up of -

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Property, plant and equipment and intangible assets temporary differences | 311 | 89 |
| Other temporary differences | 77 | 88 |
| Recognised deferred tax asset | 388 | 177 |

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

10 Property, plant and equipment

| | Motor vehicles | Point of sale fixtures | Assets under construction | Office equipment | Leasehold improvements | Total |
|---------------------------------|----------------|---------------------------|------------------------------|------------------|---------------------------|--------------|
| Cost | | | | | | |
| At 1 April 2011 | 45 | 127 | 20 | 42 | 4,055 | 4,289 |
| Additions | - | 633 | 288 | 3 | 702 | 1,626 |
| Reclassification | - | - | (281) | - | 281 | - |
| Disposals | - | - | - | - | - | - |
| At 31 March 2012 | 45 | 760 | 27 | 45 | 5,038 | 5,915 |
| Accumulated depreciation | | | | | | |
| At 1 April 2011 | 31 | 66 | - | 40 | 2,451 | 2,588 |
| Charge for the year | 4 | 127 | - | 2 | 574 | 707 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2012 | 35 | 193 | - | 42 | 3,025 | 3,295 |
| Net book value | | | | | | |
| At 31 March 2012 | 10 | 567 | 27 | 3 | 2,013 | 2,620 |
| At 31 March 2011 | 14 | 61 | 20 | 2 | 1,604 | 1,701 |

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

10 Property, plant and equipment (continued)

| | Motor vehicles | Point of sale fixtures | Assets under construction | Office equipment | Leasehold improvements | Total |
|---------------------------------|----------------|---------------------------|------------------------------|------------------|---------------------------|--------------|
| Cost | | | | | | |
| At 1 April 2010 | 68 | 116 | 115 | 42 | 2,645 | 2,986 |
| Additions | - | 23 | (13) | - | 1,328 | 1,338 |
| Reclassification | - | - | (82) | - | 82 | - |
| Disposals | (23) | (12) | - | - | - | (35) |
| At 31 March 2011 | 45 | 127 | 20 | 42 | 4,055 | 4,289 |
| Accumulated depreciation | | | | | | |
| At 1 April 2010 | 41 | 41 | - | 38 | 2,068 | 2,188 |
| Charge for the year | 7 | 37 | - | 2 | 383 | 429 |
| Disposals | (17) | (12) | - | - | - | (29) |
| At 31 March 2011 | 31 | 66 | - | 40 | 2,451 | 2,588 |
| Net book value | | | | | | |
| At 31 March 2011 | 14 | 61 | 20 | 2 | 1,604 | 1,701 |
| At 31 March 2010 | 27 | 75 | 115 | 4 | 577 | 798 |

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

11 Intangible assets

| | Leasehold premiums £'000 | Software £'000 | Total £'000 |
|--|--------------------------------|-------------------|----------------|
| Cost at 1 April 2011 | 5,463 | 7 | 5,470 |
| Additions | 1 | - | 1 |
| Disposals | - | (4) | (4) |
| Cost at 31 March 2012 | 5,464 | 3 | 5,467 |
| Accumulated amortisation at 1 April 2011 | 2,755 | 3 | 2,758 |
| Charge for year | 479 | - | 479 |
| Accumulated amortisation at 31 March 2012 | 3,234 | 3 | 3,237 |
| Net book value at 31 March 2012 | 2,230 | - | 2,230 |
| Net book value at 31 March 2011 | 2,708 | 4 | 2,712 |
| | Leasehold premiums £'000 | Software £'000 | Total £'000 |
| Cost at 1 April 2010 | 5,463 | 7 | 5,470 |
| Additions | - | - | - |
| Cost at 31 March 2011 | 5,463 | 7 | 5,470 |
| Accumulated amortisation at 1 April 2010 | 2,331 | 3 | 2,334 |
| Charge for year | 424 | - | 424 |
| Accumulated amortisation at 31 March 2011 | 2,755 | 3 | 2,758 |
| Net book value at 31 March 2011 | 2,708 | 4 | 2,712 |
| Net book value at 31 March 2010 | 3,132 | 4 | 3,136 |

12 Inventories

| | 2012 £'000 | 2011 £'000 |
|----------------|---------------|---------------|
| Finished goods | 21,066 | 14,257 |

The above amounts are net of provisions

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

13 Trade and other receivables

| | 2012 £'000 | 2011 £'000 |
|------------------------------------|---------------|---------------|
| Trade receivables | 4,484 | 2,885 |
| Less provision for impairment | (23) | (6) |
| | <u>4,461</u> | <u>2,879</u> |
| Amounts owed by Group undertakings | 334 | 170 |
| Other taxes | 446 | 705 |
| Other receivables | 907 | 380 |
| Prepayments and accrued income | 613 | 628 |
| | <u>6,761</u> | <u>4,762</u> |

The Directors consider that the carrying amount of trade and other receivables approximates to their fair values. The past due but not impaired receivables are deemed to be recoverable as there is no history of default. The other classes of receivables do not contain impaired assets. Other receivables are primarily amounts owed by credit card issuers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The company does not hold any collateral as security.

The carrying amounts of trade receivables denominated in Euros are £22,562 (2011 £14,000). There are no other significant foreign currency receivables.

Ageing of trade receivables -

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Not overdue | 4,450 | 2,840 |
| Past due less than three months | - | 30 |
| Past due between three months and six months | 31 | 12 |
| Past due more than six months | 3 | 3 |
| Impairment provision for trade receivables | (23) | (6) |
| | <u>4,461</u> | <u>2,879</u> |

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| At 1 April of prior year | 6 | 29 |
| Increase in provision for receivables impairment | 17 | - |
| Unused amount reversed | - | (23) |
| At 31 March | <u>23</u> | <u>6</u> |

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

14 Cash and cash equivalents

| | 2012 £'000 | 2011 £'000 |
|--------------------------|---------------|---------------|
| Cash at bank and on hand | 3,153 | 5,637 |
| Bank overdraft | (13) | (11) |
| | <u>3,140</u> | <u>5,626</u> |

15 Trade and other payables

| | 2012 £'000 | 2011 £'000 |
|------------------------------------|---------------|---------------|
| Trade payables | 864 | 695 |
| Amounts owed to Group undertakings | 9,120 | 7,847 |
| Other payables | 1,256 | 888 |
| Other taxes and social security | - | 12 |
| Accruals and deferred income | 1,155 | 734 |
| | <u>12,395</u> | <u>10,176</u> |

The directors consider that the carrying amount of trade and other payables approximates to their fair values. No security has been given by the company in respect of the creditors detailed above.

16 Provisions for liabilities and charges

| | Warranty £'000 | Sales return £'000 | Social security on share options £'000 | Total £'000 |
|--------------------------|-------------------|-----------------------|--|----------------|
| At 1 April 2011 | 37 | 166 | 214 | 417 |
| Provided during the year | 7 | 4 | 86 | 97 |
| Utilised during the year | (4) | (66) | - | (70) |
| At 31 March 2012 | <u>40</u> | <u>104</u> | <u>300</u> | <u>444</u> |

Analysis of total provisions.

| | 2012 £'000 | 2011 £'000 |
|---------------------|---------------|---------------|
| Current portion | 144 | 203 |
| Non-current portion | 300 | 214 |
| | <u>444</u> | <u>417</u> |

Warranty and sales related provisions

The company has established provisions for potential sales returns and warranties provided on certain products. Based on past experience a provision of £144,000 (2011 £203,000) has been recognised. It is anticipated that the provisions will be utilised within one year.

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

16 Provisions for liabilities and charges (continued)

Employee benefits provision

These include social security charges on the Compagnie Financière Richemont SA share-based compensation plan. It is anticipated that the provisions will be utilised within 5 years.

17 Share option scheme

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

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

| | Weighted average exercise price in CHF per share | Number of options |
|--|---|----------------------|
| Balance at 1 April 2010 | 22.44 | 88,302 |
| Exercised | 15.51 | (9,959) |
| Net transfer from other Group entities | 21.13 | 15,754 |
| Balance at 31 March 2011 | 21.38 | 94,097 |
| Net transfer from other Group entities | 21.20 | 3,435 |
| Balance at 31 March 2012 | 21.38 | 97,532 |

Options in respect of 43,420 shares were exercisable at 31 March 2012 (2011: 28,532).

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

17 Share option scheme (continued)

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

| | Exercise price | Number of options | Weighted average remaining contractual life |
|---------------|----------------|-------------------|---|
| 31 March 2012 | CHF 14 45 | 11 354 | 1 2 years |
| | CHF 18 01 | 20 613 | 2 2 years |
| | CHF 23 18 | 14 888 | 3 2 years |
| | CHF 32 79 | 6 872 | 4 2 years |
| | CHF 21 20 | 22 329 | 5 2 years |
| | CHF 23 55 | 21 476 | 6 2 years |
| 31 March 2011 | CHF 14 45 | 11 354 | 2 2 years |
| | CHF 18 01 | 20 613 | 3 2 years |
| | CHF 23 18 | 14 888 | 4 2 years |
| | CHF 32 79 | 6 872 | 5 2 years |
| | CHF 21 20 | 18 894 | 6 2 years |
| | CHF 23 55 | 21 476 | 7 2 years |

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

| | 2012 £'000 | 2011 £'000 |
|----------------------|---------------|---------------|
| Share option expense | 80 | 81 |

As a result of the de-twinning of the Richemont units in October 2008, certain executives holding vested options over the old CFR units were granted vested options over shares in a UK listed entity and a Luxembourg listed entity. These options are fully hedged by shares held in the listed entities. Both the option liability and the shares are recognised at fair value through profit or loss in the entity awarding the options, namely Richemont Employee Benefits Ltd, a company registered in Jersey. The total value of the option liability as recognised in the consolidated balance sheet of Compagnie Financière Richemont SA was € 40 million.

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

18 Retirement benefit obligations

Defined benefit plan

The company, along with other Richemont Group entities in the UK, is a participating employer in the Richemont UK Pension Plan which provides benefits based on final pensionable emoluments. The Plan's funds are administered by trustees and are independent of the company's finances.

The total pension cost for the year that relates to the Plan is calculated in accordance with IAS19 (Employee Benefits). The provisions of paragraph 34A of IAS19 (Revised December 2004) have been adopted with regard to charging the net defined benefit cost to individual participating employers in the plan.

The total cost is split by reference to the cost of accruing benefits, allowing for the age, benefit and salary profile of each participating employer's members in the Plan. Hence, the company's pension cost represents its share of the total cost relating to the Plan. The company's pension costs are included in employee benefits expense (note 5).

The results of the formal actuarial valuation as at 31 March 2010 were updated to the accounting date by an independent qualified actuary in accordance with IAS19 (Employee benefits) ("IAS19").

The company's asset or liability relating to the Plan is calculated as the cumulative difference between the pension cost and the company's contributions to the Plan. The recent history of pension costs, contributions and statement of financial position items is as follows:

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Balance sheet liability at 1 April of prior year | 119 | 43 |
| Pension cost | 152 | 187 |
| Company contribution | (120) | (111) |
| Balance sheet liability at 31 March | 151 | 119 |

The aggregate amount included in the statements of financial position of the participating employers arising from the Richemont Group's obligations in respect of the Plan is as follows:

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Present value of defined benefit obligation | (192,575) | (170,418) |
| Fair value of Plan assets | 172,612 | 154,601 |
| Deficit | (19,963) | (15,817) |
| Unrecognised actuarial losses | 30,586 | 22,860 |
| Asset recognised in the statement of financial position | 10,623 | 7,043 |

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

18 Retirement benefit obligations (continued)

Defined benefit plan (continued)

A reconciliation of the present value of the Plan's overall defined benefit obligation is

| | 2012 £'000 | 2011 £'000 |
|---|----------------|------------------|
| Balance at 1 April of prior year | (170,418) | (168,413) |
| Employers' part of current service cost | (2,395) | (2,841) |
| Interest cost | (9,327) | (9,377) |
| Contributions from Plan members | (639) | (657) |
| Actuarial (loss)/gains | (14,509) | 5,403 |
| Past service cost | - | - |
| Benefits paid | 4,713 | 5,467 |
| Balance at 31 March | 192,575 | (170,418) |

A reconciliation of the fair value of the Plan assets is as follows

| | 2012 £'000 | 2011 £'000 |
|-------------------------------------|----------------|----------------|
| Balance at 1 April of prior year | 154,601 | 145,572 |
| Expected return on Plan assets | 8,044 | 8,497 |
| Actuarial gains | 6,367 | 532 |
| Contributions paid by the employers | 7,674 | 4,810 |
| Contributions paid by Plan members | 639 | 657 |
| Benefits paid | (4,713) | (5,467) |
| Balance at 31 March | 172,612 | 154,601 |

The current allocation of Plan assets is as follows

| | 2012 % | 2011 % |
|--------------------------|------------|------------|
| Equity instruments | 15 | 15 |
| Diversified Growth Funds | 15 | 15 |
| Debt instruments | 60 | 60 |
| Property | 10 | 10 |
| | 100 | 100 |

The Plan does not hold any assets that are directly self-invested within the Group

The expected rate of return on Plan assets as at 31 March 2012 was 4.5% p.a. (2011 5.4% p.a.) This rate is derived by taking the weighted average of the long term expected rate of return on each of the asset classes that the Plan was invested in at 31 March 2012 less administration expenses. The actual return on Plan assets over the year was a gain of £14.4m (2011 a gain of £9.0m)

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

18 Retirement benefit obligations (continued)

Defined benefit plan (continued)

The aggregate amounts recognised in the statements of comprehensive income of the participating employers are as follows

| | 2012 £'000 | 2011 £'000 |
|---|----------------|----------------|
| Employers' part of current service cost | (2,395) | (2,841) |
| Interest cost | (9,327) | (9,377) |
| Expected return on plan assets | 8,044 | 8,497 |
| Amortisation of gains/ (losses) | (416) | (885) |
| | <u>(4,094)</u> | <u>(4,606)</u> |

Contributions are paid to the Plan in accordance with the recommendations of an independent actuarial advisor. The estimated amount of total employer contributions expected to be paid to the Plan during the year ending 31 March 2013 is £7.6m (2012 actual £7.7m)

The following table sets out the key IAS19 assumptions used for the Plan

| | 2012 | 2011 |
|--|------------|------------|
| Price inflation (RPI) | 3.3% p.a. | 3.5% p.a. |
| Price inflation (CPI) | 2.3% p.a. | 2.8% p.a. |
| Discount rate | 4.9% p.a. | 5.5% p.a. |
| Pension increases in payment | 3.2% p.a. | 3.4% p.a. |
| General salary increases | 4.8% p.a. | 5.0% p.a. |
| Life expectancy of male aged 60 at 31 March | 27.2 years | 27.2 years |
| Life expectancy of male aged 60 in 20 years time | 28.8 years | 28.7 years |

The company does not have any significant assets or liabilities in respect of any other post retirement benefits including post retirement health care liabilities

Amounts for the current and previous periods

| | 2012 £'000 | 2011 £'000 | 2010 £'000 | 2009 £'000 | 2008 £'000 |
|--|-----------------|-----------------|-----------------|---------------|---------------|
| Present value of defined benefit obligation | (192,575) | (170,418) | (168,413) | (118,280) | (119,935) |
| Fair value of plan assets | 172,612 | 154,601 | 145,572 | 117,500 | 131,817 |
| (Deficit)/surplus | <u>(19,963)</u> | <u>(15,817)</u> | <u>(22,841)</u> | <u>(780)</u> | <u>11,882</u> |
| Experience adjustments on plan assets amount of gain/(loss) | 6,367 | 532 | 20,806 | (24,558) | (5,056) |
| Experience adjustments on plan liabilities amount of gain/(loss) | - | (2,835) | - | - | 639 |

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

18 Retirement benefit obligations (continued)

Defined contribution plans

Pension costs for defined contribution schemes are as follows

| | 2012 £'000 | 2011 £'000 |
|------------------------------|---------------|---------------|
| Defined contribution schemes | 56 | 56 |

19 Share capital

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Allotted, called up and fully paid: | | |
| 14,200,000 (2011 14,200,00) ordinary shares of £1 each | 14,200 | 14,200 |

The company has one class of Ordinary shares, which carry no rights to fixed income

20 Cash flows from operating activities

Reconciliation of profit to net cash inflow from operating activities:-

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Profit before tax | 5,968 | 4,128 |
| Adjustments for | | |
| Depreciation | 707 | 429 |
| Amortisation of intangibles | 479 | 424 |
| Loss on disposal of intangible assets | 4 | - |
| Finance costs | 47 | 53 |
| Pension contribution below pension charge | 32 | 76 |
| Non-cash share based compensation charge | 80 | 81 |
| Changes in working capital | | |
| Increase in inventories | (6,808) | (3,304) |
| Increase in trade and other receivables | (1,999) | (770) |
| Increase in trade and other payables | 2,219 | 2,847 |
| Increase in provisions | 27 | 203 |
| Cash inflow from continuing operations | 756 | 4,167 |

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

21 Capital commitments

Capital commitments authorised and contracted for at 31 March 2012 amounted to £nil (2011 £nil) Capital commitments authorised but not contracted for at that date amounted to £nil (2011 £nil)

22 Contingent liabilities and guarantees

The Company has granted indemnities to banks totalling £1,000,000 (2011 £1,000,000) in respect of the operation of a deferment guarantee arrangement with HMRC

23 Related party transactions

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Sales of goods to related parties | | |
| Fellow group undertakings | 129 | 154 |
| Sales of services to related parties | | |
| Fellow group undertakings | 419 | 384 |
| Purchase of goods from related parties | | |
| Fellow group undertakings | 48,843 | 36,333 |
| Purchase of services from related parties | | |
| Fellow group undertakings | 412 | 1,748 |

Sales and purchases to and from fellow group undertakings were carried out on commercial terms and at market prices

Year end balances arising from sales, purchases of goods and services and financing activities are as follows

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Receivables from related parties | | |
| Fellow group undertakings | 334 | 170 |
| Payables to related parties | | |
| Fellow group undertakings | 9,120 | 7,847 |

No provision has been recognised in respect of impairment of the above receivables

The directors consider that there are no key managers, whose roles and activities within the company define them as related parties in accordance with IAS 24, outside the Board of Directors Disclosures in respect of the remuneration of directors are located in note 7 to the financial statements

Richemont UK Limited

Notes to the financial statements for the year ended 31 March 2012

24 Operating lease commitments

At 31 March 2012 the group had minimum commitments under non-cancellable operating leases expiring as follows -

| Property | 2012 £'000 | 2011 £'000 |
|---|-----------------------|-----------------------|
| Not later than one year | 3,186 | 2,803 |
| Later than one year and not later than five years | 6,820 | 3,183 |
| Later than five years | 19,950 | 11,175 |
| | <u>29,956</u> | <u>17,161</u> |
| Other | 2012 £'000 | 2011 £'000 |
| Not later than one year | 48 | 49 |
| Later than one year and not later than five years | 35 | 52 |
| Later than five years | - | - |
| | <u>83</u> | <u>101</u> |

The company has in place an arrangement with one lessor which provides for rent on one retail premises to be determined according to the level of retail turnover in those premises subject to a minimum annual rent included in the figures above

25 Ultimate and immediate holding company

The company is a wholly owned subsidiary of Cartier Limited, a company incorporated in Great Britain, registered in England and Wales

The directors regard Compagnie Financière Richemont SA, a limited company incorporated in Switzerland, to be the ultimate parent company, with the direct holding company being Cartier Limited. Shares representing 50% of the voting rights of that company are held by Compagnie Financière Rupert which, for the purposes of IAS 24, is regarded by the directors as the controlling party. Copies of the consolidated financial statements of Compagnie Financière Richemont SA may be obtained from The Secretary, Compagnie Financière Richemont SA, 50 Chemin de la Chenaie, 1293 Bellevue - Geneva, Switzerland and of Cartier Limited are available from Companies House