RICHEMONT UK LIMITED

COMPANY INFORMATION

Directors	Rupert John Brooks Sheila Mary Henderson Olivier Percetti
Company secretary	Rupert Brooks
Registered number	03484692
Registered office	15 Hill Street London W1J 5QT
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

RICHEMONT UK LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The Directors present their Strategic Report for the year ended 31 March 2022.

Principal activities

Richemont UK Limited (the "Company") 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, watches, leather goods, clothing, writing instruments and other luxury goods through its retail, online retail and wholesale distribution channels and provides after-sales service for its products as well as acting as agents for the distribution of watches to an authorised dealer distribution network in the United Kingdom and Ireland.

Business review and Future Outlook

During the financial year, the Company made a profit for the period ended 31 March 2022 of £8,868,000 (2021 loss: £1,524,000). Trading returned to normal in the year, post Covid-19 restrictions, with revenues increasing from £80,058,000 in FY21 to £164,215,000 in FY22. Following an impairment review, the value of Leasehold improvements has been impaired by £36,000 (2021: £356,000) and Right of Use assets by £298,000 (2021: £6,559,000).

The Statement of Comprehensive Income is set out on page 11. The net assets as at the 31st March 2022 were £33,638,000 (2021: £24,697,000). The Directors consider the position of the Company to be satisfactory at the year-end.

The future results are in part dependent on the strategy of the Richemont group (Compagnie Financière Richemont SA) as a whole. Details can be found in the Business Review section of the Richemont Group Annual Report and Accounts.

Richemont UK Limited will continue to follow its strategy in elevating the Maisons as leading luxury destinations. Richemont UK Limited will continue to distribute its products, focusing its expansion in the United Kingdom and Ireland. Stores are continuously being revamped to express the brands vision. Going forward the strategy will be to focus on where sales are growing and there will be a continued concentration on e-commerce.

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 within the Richemont Group Annual Report and Accounts.

The directors do not consider that the implementation of Brexit has or will impact the going concern of the entity and measures have been taken to comply with any new customs regulations. The directors continue to monitor regulations as they are introduced.

Restrictions in trading, due to Covid-19, have had a limited effect on the company's sales revenue with boutiques open for the majority of the year. Online trading has continued to grow.

RICHEMONT UK LIMITED

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RICHEMONT UK LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

Impact of the Covid-19 outbreak

At the date of these financial statements the Covid-19 pandemic and related measures taken to control it, including the global trading uncertainty are not yet over. In preparing these financial statements, the short-term impact on items has been fully considered. The valuations of financial assets and liabilities carried at fair value reflect inputs at the balance sheet date. In assessing the carrying value of its other non-current assets, the Company has assumed that, despite a significant short-term impact, long-term market conditions remain unchanged, as the timing of market recovery and the duration of the economic impact remain uncertain.

The directors do not consider that the global pandemic will impact the going concern of the entity.

Key performance indicators

The Directors of the Richemont Group manage the Group's operations on a divisional basis and monitor the performance of the Company 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 the Company. The development, performance and position of the Richemont brands, which includes the Company, is discussed within the Business Review section of the Richemont Group Annual Report and Accounts.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:
- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationship with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.'

As part of their induction, Directors are briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. It is important to recognise that in an organisation such as ours, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the Company.

The following paragraphs summarise how the Directors' fulfil their duties:

Risk Management
Consideration of risks is an integral part of how Richemont UK Limited operates on a daily basis and is part of any transaction appraisal.

Our people
The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. The health, safety and well-being of our employees is one of our primary considerations in the way we do business. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We also ensure we share common values that inform and guide our behaviour with published guidelines, therefore achieving our goals in the right way.

Business Relationships
Our strategy prioritises organic growth, it is driven by ensuring the best services to existing loyal clients and bringing new customers into the business. To do this, we need to develop and maintain strong customer relationships. We value our suppliers and build long term partnerships with our key suppliers.

Community and Environment
The Company's approach is to use our position of strength to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us.
We actively encourage environmental initiatives and measure our impact on the environment.

Shareholders
The Board is openly engaging with our group shareholder, as we recognise the importance of a continuing effective dialogue. It is important to us that shareholder understand our strategy and objectives, so these must be explained clearly, feedback heard and any issues or questions raised properly considered.

This report was approved by the board on 24th November 2022 and signed on its behalf.

R. Brooks

Rupert John Brooks
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors submit their report and the audited financial statements of Richemont UK Limited ("the Company) for the year ended 31 March 2022.

Results and dividends

The profit for the financial year amounted to £8.868.000 (2021 loss: £1.524.000). No dividends were declared nor recommended in respect of the year ended 31 March 2022 (2021: £nil).

Directors

The directors of the Company during the year and up to the date of signing the financial statements were:

Rupert John Brooks
Sheila Mary Henderson
Olivier Percetti

During the year, no director had a material interest in any contract that was significant in relation to the Company's business. Also, in the year, qualifying third party indemnity provisions were in force for the benefit of the three (2021: three) directors of the Company. At the date of approval of the financial statements qualifying third party indemnity were in force for the benefit of three directors of the Company.

Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

Donations

Contributions made by the company during the year for a variety of charitable purposes amounted to £66.000 (2021: £15.000). No contributions for political purposes were made during the year (2021: £nil).

Financial Risk Management

The Company's policy on financial risk management is disclosed in note 4.

Future Developments

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

Engagement with employees

The Company is an equal opportunity employer and no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, race, colour or creed. Employees are kept as fully informed as possible on the Company's performance and direction and there are established channels for consultation and communication at a corporate and divisional level.

Employment of disabled persons in the United Kingdom

It is the policy of the Company to give full and fair consideration to the employment of disabled persons, in jobs suited to their individual circumstances and, as appropriate, to consider them for recruitment opportunities, career development and training. Special consideration is given to retraining those who become disabled whilst in the Company's employment.

Engagement with suppliers, customers and others

The development of this engagement is discussed in the Strategic Report.

Streamlined energy and carbon reporting (SECR)

The following figures make up the energy and carbon baseline for the company and are reported on a calendar year (CY) basis.
Scope 1 consumption and emissions relate to direct combustion of gas and fuels utilised for transportation operations.
Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of electricity in day to day business operations. In most cases actual metered consumption has been used.

The total consumption (kWh) figures for energy supplied reportable for the company are as follows:

Utility and Scope	CY 2021	CY 2020
Grid-supplied electricity	**1,879,847**	1.767.070

The total emission (tCO2e) figures for energy supplies reportable are as follows:

Utility and Scope	CY 2021	CY 2020
Transportation (Scope 1)	**2**	2
Grid-supplied electricity (Scope 2)	**202**	196

Intensity Ratio

	CY 2021 intensity ratio	CY 2020 intensity ratio
CO2e/ £m turnover	1.25	0.40

Energy Efficiency Improvements & Carbon reduction initiatives for the financial year

The company is making efforts to improve their operational energy efficiencies and reduce carbon emissions. For the majority of the year the company switched to EDF "green tariff".

Reporting Methodology

Consumption and CO2e emission data have been calculated in line with the 2019 UK Government environmental reporting guidance by reference to the Emission Factor Database 2019 Version 1.01.

Energy Efficiency Improvements

The Company is committed to improving their operational energy efficiency and measures have been planned for the coming years. All sites will be supplied with renewable electricity and the facilities manager will be responsible for developing and implementing energy efficiency measures and improve efficiency..

Going concern

On the basis of the ongoing review of the activities. Compagnie Financière Richemont SA has provided a letter of support. confirming that they will provide ongoing financial support to the Company until at least twelve months from the date of approval of the financial statements. to enable the Company to continue its operating activities. The Directors also have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For thisreason, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Post balance sheet events

There are no significant events after the balance sheet date. the impact of Covid-19 is given in the Strategic report.

The current conflict between Russia and Ukraine has not affected operations directly. Both countries have had no impact on the Groups sourcing of materials. Locally no sales are permitted to sanctioned Russian individuals which will have an immaterial effect on sales.

Statement of directors' responsibilities in respect of the financial statements.

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

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

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

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:
(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

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

This report was approved by the board on 24th November 2022 and signed on its behalf.

R. Brooks

Rupert John Brooks
Director

Independent auditors' report to the members of Richemont UK Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 March 2022; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, 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 the 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 the potential posting of inappropriate journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud.
- Performing procedures over any unusual journal entries.
- Reviewing minutes of meetings of those charged with governance.
- Designing audit procedures to incorporate unpredictability into our testing.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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. 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.

Stuart Macdougall

Stuart Macdougall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 November 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2021 £000
Revenue	5	164,215	80.058
Cost of sales		(94,244)	(51.444)
Gross profit		69,971	28.614
Selling and distribution costs		(72,402)	(56.622)
Administrative expenses		(5,083)	(4.206)
Other operating income	6	20,349	33.613
Operating profit	7	12,835	1.399
Finance income	10	38	67
Finance costs	11	(2,284)	(2.420)
Profit/(loss) before tax		10,589	(954)
Tax on profit/(loss)	12	(1,721)	(570)
Profit/(loss) for the financial year		8,868	(1.524)
Other comprehensive income/(expense)for the year		-	-
Total comprehensive profit/(loss) for the year		8,868	(1.524)

The notes on pages 15 to 37 form part of these financial statements.

All operations are continuing.

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Non-current assets			
Intangible assets	13	5,274	6.248
Property, plant and equipment	14	104,469	119.356
Other non-current assets		1,023	1.301
		110,766	126.905
Current assets			
Deferred taxation	15	6,831	6.096
Inventories	16	39,212	49.007
Trade and other receivables	17	67,907	31.144
Cash and cash equivalents	18	237	275
		114,187	86.522
Current liabilities			
Trade and other payables	19	(57,122)	(39.319)
Provisions for liabilities	22	(594)	(315)
Lease liabilities	20	(25,208)	(25.824)
Net current assets		31,263	21.064
Total assets less current liabilities		142,029	147.969
Non-current liabilities			
Provisions for liabilities	22	(104)	(86)
Other non-current liabilities	21	(279)	-
Lease liabilities	20	(108,008)	(123.186)
Total non-current liabilities		(108,391)	(123.272)
Net assets		33,638	24.697
Capital and reserves			
Called up share capital	23	15,776	15.776
Share option reserve		733	660
Retained earnings		17,129	8.261
Total Equity		33,638	24.697

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The financial statements on pages 11 to 37 were approved by the board of directors on 24th November 2022 and were signed on its behalf on:

Olivier Percetti
Director

The notes on pages 15 to 37 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share Option reserve	Retained Earnings	Total equity
	£000	£000	£000	£000
At 1 April 2020	**15,776**	**558**	**9,785**	**26,119**
Loss for the financial year	-	-	**(1,524)**	**(1,524)**
Value of employee benefits	-	**102**	-	**102**
At 31 March 2021	**15,776**	**660**	**8,261**	**24,697**
Profit for the financial year	-	-	**8,868**	**8,868**
Other comprehensive income	-	-	-	-
Value of employee benefits	-	**73**	-	**73**
At 31 March 2022	**15,776**	**733**	**17,129**	**33,638**

The notes on pages 15 to 37 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

These financial statements are the financial statements of Richemont UK Limited, a private company limited by shares, and registered and domiciled in England and Wales, United Kingdom. The address of the registered office is 15 Hill Street, London, W1J 5QT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to Companies reporting under FRS 101.

Where relevant, equivalent disclosures have been given in the group financial statements of Compagnie Financière Richemont SA. The group financial statements of Compagnie Financière Richemont SA are available to the public and can be obtained as set out in note 32.

The principal accounting policies adopted in preparation of these financial statements are set out below. These policies have been consistently applied for 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 United Kingdom Generally Accepted Accounting Practice, including FRS 101, requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement and significant estimates are disclosed in note 3.

The financial statements are prepared on a going concern basis.

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS16, 'Property, plant and equipment'; and
  - paragraph 118(e) of IAS 38, 'Intangible assets'
- the requirements of the following paragraphs of IAS1, 'Presentaion of financial statements':
  - 10(d), 16,38A, 38B-D, 111 and 134-136
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2. Accounting policies (continued)

2.3 Impact of new international reporting standards, amendments and interpretations

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022. There is no material impact from the adoption of these standards:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020 (IFRS 9, IFRS 16, IFRS 1)

2.4 Revenue recognition

Revenue is recognised when the customer obtains control of the goods. For retail sales, which take place in the Company's network of internal boutiques, control generally passes when the customer takes physical possession of goods, at which time the Company has a right to receive payment for the asset and it is implicit that the customer has accepted it. In the case of online retail sales made directly to the end customer, sales are recorded when the goods are delivered to the customer, as the Company remains in control of, and is subject to the related risks of, the delivery process. Wholesale sales are made to distributors, wholesalers or external franchisees. For these sales, revenue is recognised when the wholesaler takes delivery of the shipment, in most cases after customs formalities have been cleared in the destination country. At this point, the customer is able to control the future use of the product, in terms of where and how it will be sold, and assumes the risk of obsolescence and loss. Revenue relating to after-sales services is recognised when the service has been completed. The commissions receivable on sales procured as agents are recognised as other operating income in the same period that those sales are recognised by the fellow Richemont group companies.

Revenue is measured net of value-added tax, duties, other sales taxes, rebates and trade discounts. Goods sold to wholesale customers are often sold with volume discounts based on total sales over a twelve-month period or other similar criteria. Revenue from such contracts is recorded net of the estimated discount, based on the accumulated experience of the Company, using the expected value method, and recognised up to an amount beyond which a significant reversal is not expected to occur. The Company does not have any contracts where the period between recognition of revenue and payment by the customer exceeds one year. As a consequence, the Company does not adjust the transaction price for the time value of money.

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

2. Accounting policies (continued)

2.5 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 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 Statement of Comprehensive Income.

2.6 Leases

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 effect 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.

2.7 Finance income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance, including lease liability interest costs, are charged to 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.

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Share-based payments

The Company's ultimate parent company, Compagnie Financière Richemont SA, operates an equity-settled share-based compensation plan based on options and restricted shares granted in respect of Richemont "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 options granted. At each reporting date, the Richemont Group revises its estimate of the number of options or shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Statement of Comprehensive Income over the remaining vesting period and a corresponding adjustment to equity.

2.11 Current and deferred taxation

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 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 year end 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.

2. Accounting policies (continued)

2.12 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.

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.

2.13 Property, plant and equipment

All property, plant and equipment are 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 Statement of Comprehensive Income during the financial year in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- The shorter of 10 years and the life of the lease
Point of sale fixtures	- 3 years
Office equipment	- 10 years
Right of use assets	- Over the remaining term of the lease after asset brought into full operational use

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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

2. Accounting policies (continued)

2.14 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.

2.15 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. A provision for damaged or slow-moving stock is considered and recorded by the management, taking into consideration various factors including historical experience, estimated future demand, discontinuations and product development (Note 16).

2.16 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost. 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 Statement of Comprehensive Income.

2.17 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.

2.18 Trade and other payables

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

2.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Grant income has been offset against the relevant expenditure where permitted.

Further information on the grants received during the year is provided in note 6 and 29.

2. Accounting policies (continued)

2.20 Provisions for liabilities

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. Restructuring and property-related provisions include lease termination penalties and employee termination payments.

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

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

2.21 Share Capital

Ordinary shares and redeemable preference shares are classified as equity.

2.22 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Key sources of estimations and judgements

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

(a) The carrying values of property, plant and equipment, including right of use assets, have been assessed. As per notes 14 and 20, impairment charges have been recorded against leasehold improvements and right of use assets relating to multiple loss-making boutiques, has been impaired. The impairment charge has been recorded in selling and distribution costs. The recoverable amount of the impaired assets is nil, based on an assessment of future cashflows. The remaining balance that has not been impaired relates to boutiques which management judge to be profitable going forward. Based on past and forecast performance of these boutiques, a reasonably probable change in the estimates is not expected to result in a material change to the carrying value of property, plant and equipment as at the balance sheet date.

(b) When assessing the net realisable value of inventory, estimation is required regarding the level of future sales volumes and prices. However, a reasonably probable change in the estimates is not expected to result in a material change to the carrying value of inventory as at the balance sheet date:

(c) The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, the incremental borrowing rate is used, being the rate that the individual lessee would have to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). No extension options have been included in the lease liabilities:

3. Key sources of estimations and judgements (continued)

The amounts involved are disclosed elsewhere in the financial statements.

4. 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 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.

5. Revenue

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Sale of goods and services	164,215	80,058
	164,215	80,058

All turnover arose within the United Kingdom and Northern Ireland.

6. Other operating income

	2022	2021
	£000	£000
Group commission received	20,249	31.066
Government grants relating to staff costs (Note 29)	100	2.547
	20,349	33.613

Other operating income includes commissions received from fellow Richemont Group companies for sales procured as agents as well as costs for the provision of services recharged to fellow Richemont Group companies.

7. Operating profit

The operating profit is stated after charging/(crediting):	2022	2021
	£000	£000
Short term and low value lease expenses	2	17
Variable lease expenses - property	4,177	3.505
Depreciation of property, plant and equipment (Note 14)	3,163	3.083
Depreciation on right of use assets (Note 14)	23,201	22.288
Impairment of property, plant and equipment (Note 14)	36	356
Impairment of right of use assets (Note 14)	298	6.559
Intercompany balance waiver on purchase of trade, assets and liability of Buccellati London Limited	-	1.831
Loss on disposal of property, plant and equipment	7	7
Amortisation of intangibles assets (Note 13)	974	1.011
Inventory – recognised in cost of goods sold	92,086	49.825
Trade receivables – net movement in provision	(167)	11
Repairs and maintenance expenditure on property, plant and equipment	1,559	1.131
Employee benefit expenses	21,244	20.923
Government grants relating to staff costs (Note 6 and 29)	(100)	(2.547)
Auditors' remuneration – for audit services	101	109
Auditors' remuneration – non-audit services (tax and legal compliance)	12	25
Inventory – net movement in provision	(1,762)	535

8. Employees

	2022	2021
Staff costs, including directors' remuneration, were as follows:	£'000	£'000
Wages and salaries	17,598	17.416
Social security costs	2,600	2.471
Other pension costs	1,046	1.036
	21,244	20.923

8. Employees (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Selling	248	259
Administration	70	98
	318	357

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	350	343
Company contributions to defined contribution pension schemes	15	14
	365	357

None of the directors received payment from the company. Their remuneration is paid by other Richemont companies. The director's remuneration disclosed relates to directors who are paid by other Richemont companies of which they are not a director and their remuneration is not disclosed elsewhere in the Group.

The highest paid Director not disclosed elsewhere in the Group received aggregate emoluments of £350,000 (2021: £343,000). Payment to a defined contribution pension scheme for the year to 31st March 2022 were £15,000 (2021: £14,000) for the previously mentioned director.

The Directors have interests in the share options of the Company's ultimate parent: Compagnie Financière Richemont SA.

10. Finance income

	2022 £000	2021 £000
Foreign exchange gains	38	67
	38	67

11. Finance costs

	2022 £000	2021 £000
Other finance costs	8	8
Lease liability expense	2,235	2,382
Foreign exchange losses	41	30
	2,284	2,420

12. *Tax on profit/(loss)*

	2022 £000	2021 £000
Corporation tax		
Current tax on profit/(loss) for the year	3,126	924
Adjustment in respect of prior years	(670)	(66)
Total current tax	2,456	858
Deferred tax		
Origination and reversal of timing differences	426	(315)
Adjustment in respect of prior years	580	27
Effect of tax rate change on opening balance	(1,741)	-
Total deferred tax	(735)	(288)
Taxation on profit/(loss)	1,721	570

12. Tax on profit/(loss) (continued)

Factors affecting tax charge for the year

The tax assessed for the year at the standard rate of corporation tax in the UK of 19% (2021: 19%) as set out below:

	2022 £000	2021 £000
Profit/(loss) before tax	**10,589**	(954)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	**2,012**	(181)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,781**	887
Adjustments to tax charge in respect of prior periods	**(670)**	(66)
Adjustments to deferred tax charge in respect of previous periods	**580**	27
Movement in deferred tax not recognised	**(245)**	245
Consideration paid for losses claimed as group relief	**(3,127)**	(924)
Premium on short lease	**(98)**	(98)
Effect of transfer in of Buccellati London Limited's trade and assets	**-**	(244)
Remeasurement of deferred tax for changes in tax rates	**(1,639)**	-
Group relief	**3,127**	924
Total tax charge/(credit) for the year	**1,721**	570

13. Intangible assets

	Leasehold premiums	Software	Total
	£000	£000	£000
Cost			
At 1 April 2021	17,138	49	17,187
Additions	-	-	-
At 31 March 2022	17,138	49	17,187
Accumulated amortisation			
At 1 April 2021	10,896	43	10,939
Charge for the year on owned assets	968	6	974
At 31 March 2022	11,864	49	11,913
Net book value			
At 31 March 2022	5,274	-	5,274
At 31 March 2021	6,242	6	6,248

Amortisation of intangible assets is charged to selling and distribution costs in the Statement of Comprehensive Income.

14. Property, plant and equipment

	Leasehold improvements	Point of sale fixtures	Office equipment	Rights of use assets	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2021	36,264	149	635	193,732	181	230,961
Additions	229	-	34	11.382	174	11,819
Transfers between classes	90	-	-	-	(90)	-
Disposals	(1.609)	-	(3)	(8.722)	-	(10,334)
Impairments	(36)	-	-	(298)	-	(334)
At 31 March 2022	34,938	149	666	196,094	265	232,112
Accumulated Depreciation						
At 1 April 2021	27,260	109	272	83,964	-	111,605
Charge for the year on owned assets	3.066	25	72	23.201	-	26,364
Disposals	(1.602)	-	(2)	(8.722)	-	(10,326)
At 31 March 2022	28,724	134	342	98,443	-	127,643
Net book value						
At 31 March 2022	6,214	15	324	97,651	265	104,469
At 31 March 2021	9.004	40	363	109,768	181	119,356

15. Deferred Taxation

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 taxes at the balance sheet date have been measured using the enacted tax rate of 25% (PY: 19%) and reflected in these financial statements.

	2022 £000	2021 £000
At 1 April 2021	6,096	5,808
Movement in year	735	288
At 31 March 2022	**6,831**	**6,096**

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Property, plant and equipment and intangible assets temporary differences	5,759	4.028
Other temporary differences and losses	1,072	2.068
	6,831	6.096

16. Inventories

	2022 £000	2021 £000
Finished goods and goods for resale	39,212	49.007
	39,212	49.007

The above amounts are net of provisions of £975.000 (2021: £2.737.000).

17. Trade and other receivables

	2022 £000	2021 £000
Amounts falling due within one year:		
Trade debtors	11,125	3.168
Amounts owed by group undertakings	48,354	22.650
Other debtors	3,469	1.653
Prepayments and accrued income	4,959	3.673
	67,907	31.144

17. Trade and other receivables (continued)

The Directors consider that the carrying amount of trade and other receivables approximates 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 debtors are primarily amounts owed by credit card issuers. All trade and other receivables are due within one year. Provision for overdue debts was £334.000 (2021: £167.000).

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

The 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.

18. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	**237**	275

19. Trade and other payables

	2022 £000	2021 £000
Trade creditors	**3,366**	5.483
Amounts owed to group undertakings	**32,388**	21.233
Other creditors	**13,973**	8.333
Accruals and deferred income	**7,395**	4.270
	57,122	39.319

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. All trade and other payables are due within one year.

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

20. Leases

Richemont UK Limited has lease contracts for buildings and vehicles. The amounts recognised in the financial statements in relation to the leases are as follows:

Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

	2022	2021
	£000	£000
Buildings	97,638	109,755
Other	13	13
	97,651	109,768

Lease liabilities	2022	2021
	£000	£000
Current	25,208	25,824
Non-current	108,008	123,186
	133,216	149,010

Additions to the right-of-use assets during the 2022 financial year were £11,382,000 including remeasurements of £1,210,000 on existing leases as a result of lease modifications (2021: £26,036,000 including £4,325,000 from the purchase of the trade of Buccellati London Limited).

20. Leases (continued)

Amounts recognised in the income statement
The income statement shows the following amounts relating to leases:

		2022 £000	2021 £000
Depreciation charge of right-of-use assets			
Property		(23,201)	(22.280)
Other		-	(8)
	Note 14	(23,201)	(22.288)
Impairment charge of right of use assets		(298)	(6.559)
Interest expense (included in finance cost)	Note 11	(2,235)	(2.382)
Expense relating to short-term leases		(1,733)	(220)
Expense relating to leases of low-value assets not shown as short-term leases		(65)	(45)
Expense relating to variable leases payments not included in lease liabilities		(4,177)	(3.505)

Future minimum lease payments as at 31 March are as follows:

	2022 £000	2021 £000
Not later than one year	(27,216)	(28.015)
Later than one year and not later than five years	(76,922)	(80.109)
Later than five years	(37,862)	(51.594)
Total gross payments	(142,000)	(159.718)
Impact of finance expenses	(8,784)	(10.708)
Carrying amount of liability	(133,216)	(149.010)

The total cashflow for leases in the year was £33.512.000 (2021: £14.764.105).

21. Other non-current liabilities

	2022 £000	2021 £000
Other creditors	279	-
	279	-

22. Provisions for liabilities

	Employee benefits £000	Warranty and Sales Returns £000	Social security on share options £000	Total £000
At 1 Apr 2021	131	232	38	401
Charge to profit and loss	106	350	34	490
Utilised in year	(145)	(48)	-	(193)
At 31 March 2022	92	534	72	698

Of the total provisions. £594.000 (2021: £315.000) is current and £104.000 (2021: £86.000) is non-current.

Warranty and sales returns provisions
The Company has established provisions for warranties and sales returns provided on certain products. Based on past experience a provision of £534.000 (2021: £232.000) has been recognised. It is anticipated that the provision will be utilised within two years.

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

23. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
15.776.400 (2021: 15.776.400) Ordinary Shares of £1.00 each	15,776	15.776

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

24. **Equity-settled option plan**

The Group has a long-term share-based compensation plan whereby executives are awarded options to acquire Richemont "A" shares at the market price on the date of grant. Awards under the stock option plan vest over periods of three 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 between 2008 and 2016 include a performance condition correlated to other luxury goods companies upon which vesting is conditional.

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

	Weighted average exercise price in CHF 2022	Number 2022	Weighted average exercise price in CHF 2021	Number 2021
Outstanding at the beginning of the year	81.75	18,255	82.20	16.966
Granted during the year	-	-	75.84	1.289
Transferred during the year	89.09	(5,928)	-	-
Outstanding at the end of the year	78.23	12,327	81.75	18.255

Of the total options outstanding at 31 March 2022, options in respect of 8.333 shares (2021: 5.000 shares) had vested and were exercisable.

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

	Number 2022	Number 2021
Exercise price CHF 94.00- Weighted average remaining contractual life 1.2yrs (2021 – 2.2yrs)	1,000	1.000
Exercise price CHF 83.30- Weighted average remaining contractual life 2.2yrs (2021 – 3.2yrs)	1,500	1.500
Exercise price CHF 56.55- Weighted average remaining contractual life 3.2yrs (2021 – 4.2yrs)	3,000	3.000
Exercise price CHF 80.20- Weighted average remaining contractual life 4.2yrs (2021 – 5.2yrs)	3,000	3.000
Exercise price CHF 92.00- Weighted average remaining contractual life 5.2yrs (2021 – 6.2yrs)	2,500	7.000
Exercise price CHF 82.86- Weighted average remaining contractual life 6.2yrs (2021 – 7.2yrs)	633	1.466
Exercise price CHF 75.84- Weighted average remaining contractual life 7.7yrs (2021 – 8.2yrs)	694	1.289
Outstanding options	12,327	18.255

A further share-based compensation plan was introduced in the prior year whereby executives are awarded Restricted Share Units ('RSU'). Awards under this plan vest over periods of three to five years from the date of grant. On vesting, the executive will receive and '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.

24. Equity-settled option plan (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 1st April 2020	3,254
Granted	917
Lapsed	-
Balance at 31st March 2021	4,171
Granted	1,458
Transfer in	127
Transfer out	(2,457)
Balance at 31st March 2022	3,299

The per unit fair value of RSU and PSU granted during the year was CHF 109.34. The significant inputs to the model were the share price of CHF 115.30 and the grant date and a given dividend yield of 0.5%.

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

	2022 £000	2021 £000
Share option expense	73	133
	73	133

25. Contingent liabilities and guarantees

The Company has granted indemnities to banks totalling £2.000.000 (2021: £2.000.000) in respect of the operation of a deferment guarantee arrangement with HM Revenue & Customs. and a guarantee for the rental obligations of a subsidiary property of £520.000 (2021: £520.000).

26. Capital commitments

Capital commitments authorised and contracted for at 31 March 2022 amounted to £nil (2021: £nil). Capital commitments authorised but not contracted for at that date amounted to £3.197.000 (2021: £734.000).

27. Pension Commitments

Defined contribution plans

Pension costs incurred by the company for defined contribution schemes are £1.046.000 (2021: £1.036.000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

28. Related party transactions

	2022 £000	2021 £000
Sale of goods to directors	104	79
	104	79

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 9 to the financial statements. This does not include share options, details of which are disclosed in note 24.

29. Government Grants

Government grants of £102,000 (2021: £359,000) relating to store closures resulting from Covid-19 are included in operating expenses. There are no unfulfilled conditions or other contingencies attached to these grants. During the year the company utilised the Coronavirus Job Retention Scheme implemented by the government of the United Kingdom, where employees designated as being "furloughed workers" are eligible to have 80% of their wage costs paid up to a maximum amount of £2,500 per month. The total amount of such relief received was £100,000 (2021: £2,547,000). There are no unfulfilled conditions or other contingencies attached to these grants.

30. Business combinations and transfer of trade and assets and liabilities

There were no business combinations during the year.

In the previous year, as part of a group reorganisation, the trade, assets and the liabilities of Bucellatti London Limited were acquired by Richemont UK Limited at book value on 1st October 2020. The intercompany liability in favour of Richemont UK Limited that arose on completion of the transfer was waived immediately following completion.

	1st October 2020 £000's
Intangible assets	11
Tangible assets	5,132
Stock	2,707
Debtors and other current assets	251
Bank	228
Trade creditors	(336)
Accrued expenses	(201)
Guarantee deposits	(21)
Other creditors	(24)
Lease liability	(4,123)
Debt owed to group company	(5,455)
Net Liability	(1,831)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

31. Post balance sheet events

There were no significant events after the balance sheet date.

At the date of these financial statements the Covid-19 pandemic and the related measures taken to control it, including the global trading uncertainty are not yet over. In preparing these financial statements, the short-term impact on items has been fully considered. The valuations of financial assets and liabilities carried at fair value reflect inputs at the balance sheet date. In assessing the carrying value of its other non-current assets, the Company has assumed that, despite an initial short-term impact, long-term market conditions remain unchanged, as the timing of market's recovery and the duration of the economic impact remain uncertain

The directors do not consider that the global pandemic will impact the going concern of the entity.

The current conflict between Russia and Ukraine has not affected operations directly. Both countries have had no impact on the Groups sourcing of materials. Locally no sales are permitted to sanctioned Russian individuals which will have an immaterial effect on sales.

32. Ultimate and immediate holding company

The Company is a wholly owned subsidiary of Cartier Limited, a company registered in England and Wales.

The Directors regard Compagnie Financière Richemont SA, a limited company incorporated in Switzerland, to be the ultimate parent company. Shares representing 51% of the voting rights of that company are held by Compagnie Financière Rupert which, for the purposes of IAS 24, is regarded by the Directors as the controlling party.

Compagnie Financiere Richemont SA is the largest and smallest group of related undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Compagnie Financière Richemont SA may be obtained from: The Secretary, Compagnie Financière Richemont SA, 50 Chemin de la Chenaie, 1293 Bellevue - Geneva, Switzerland.