Fabergé Services Limited

Report and Financial Statements

15 month period to 31 March 2009

Company number: 6236931

Contents

Registered No: 6236931

Information and advisors

Directors
Kevin Mutch
Andrew Willis
Nataliya Vorona (appointed 9 November 2009)

Secretary
Joanna Azra

Auditors
BDO LLP
55 Baker Street
London
W1U 7EU

Bankers
HSBC Bank PLC
70 Pall Mall
London
SW1Y 5EZ

Registered office
17 St George Street
London
W1S 1FJ

Directors' report

The Directors present their report and financial statements for 15 month period from 1 January 2008 to 31 March 2009.

Results and dividends

The loss for the period, after taxation, amounted to £1,078,083 (last year profit £2,702). The Directors do not recommend payment of a dividend.

Principal activities and review of the business

The principal activity of the Company during the period is that of the provision of advisory services and administrative support in connection with the Fabergé brands to its immediate parent company Fabergé Limited.

During the 15 month period to 31 March 2009, the focus of the Company was to support Fabergé Limited in the creation and implementation of the pre launch strategy. Going forward, the activity will consist of providing advisory and administrative support to Fabergé Limited.

Turnover for the period was £6,000,000 (£800,000 in 2007). The Directors expect the general level of activity to increase in line with increased trading activity at Fabergé Limited.

Principal risks and uncertainties

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash flow and working capital. This may involve budgeting and forecasting, changes to purchasing or ordering policies and negotiation of payment terms with key suppliers.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a recognised asset or liability such as future interest payments on variable rate debt.

The Company will be managing this risk, where significant, by implementing the use of hedges to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency. No foreign currency hedging arrangements have been considered necessary in the current period.

The Company currently has no borrowings.

Charitable contributions

During the period, the Company made charitable contributions totalling £4,420 (£6,850 in 2007).

Post Balance Sheet Events

Post Balance Sheet events are disclosed in Note 19.

Going Concern

The financial statements were prepared on a going concern basis. For more details please refer to Note 1 *Accounting Policies*.

Directors' report (continued)

Directors

The Directors who served the Company during the period are listed below:
Kevin Mutch
Magda Palczynska (resigned 9 October 2009)
Andrew Willis

Nataliya Vorona (appointed 9 November 2009)

There are no Directors' interests requiring disclosure under the Companies Act 1985, Section VII.

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

BDO LLP were appointed as the Company's auditors in accordance with the elective resolution passed by the Company under section 386 of the Companies Act 1985.

On behalf of the Board

Nataliya Vorona
Director

Statement of Directors' responsibilities

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 being in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Independent auditors' report

To the shareholders of Fabergé Services Limited

Independent auditors' report

We have audited the financial statements of Fabergé Services Limited for the period from 1 January 2008 to 31 March 2009 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' report is consistent with those financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

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

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

Independent auditors' report

To the shareholders of Fabergé Services Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

BDO LLP

BDO LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

Date 13-11-09

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Profit and loss account

For the period ended 31 March 2009

	Note	*Period from 1 Jan 2008 to 31 Mar 2009* £	*Period from 3 May 2007 to 31 Dec 2007* £
Turnover	2	6,000,000	800,000
Gross profit		6,000,000	800,000
Administrative expenses		(7,091,258)	(792,797)
Operating (loss)/profit	3	(1,091,258)	7,203
Other interest receivable and similar income	6	24,922	3,907
Interest payable and similar charges	7	-	(360)
(Loss)/Profit on ordinary activities before taxation		(1,066,336)	10,750
Tax on (loss)/profit on ordinary activities	8	(11,747)	(8,048)
(Loss)/Profit retained for the financial period	14	(1,078,083)	2,702

All amounts relate to continuing activities.

There are no recognised gains or losses other than the loss for the period.

The notes on pages 9 to 20 form part of these Financial Statements.

Balance Sheet
at 31 March 2009

	Note	31 Mar 2009	31 Dec 2007
		£	£
Fixed assets			
Tangible assets	9	98,359	13,509
		98,359	13,509
Current assets			
Debtors	10	523,985	45,073
Cash at bank		181,969	332,458
		705,954	377,531
Creditors: amounts falling due within one year	11	(1,552,502)	(373,741)
Net current (liability)/assets		(846,548)	3,790
Creditors: amounts greater than one year	12	(327,191)	(14,596)
Net (liabilities)/assets		(1,075,380)	2,703
Capital and reserves			
Issued share capital	13	1	1
Profit and loss account	14	(1,075,381)	2,702
Equity shareholders'(deficit)/funds	14	(1,075,380)	2,703

The Accounts have been prepared in accordance with the special provision for small companies under part VII of the Companies Act 1985.

The financial statements on pages 7 to 20 were approved and authorised for issue by the Board of Directors on 13 November 2009 and were signed on its behalf by:

Nataliya Vorona
Director
Company number: 6236931

The notes on pages 9 to 20 form part of these Financial Statements.

Notes to the financial statements
at 31 March 2009

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards.

Going concern

The financial statements have been prepared on the going concern basis. The Company provides services to its parent company Fabergé Limited.

Since the balance sheet date the Directors the parent company have successfully undertaken a capital raising, with the receipt of US$35 million for new equity shares in the Company, see Note 19 *Post balance sheet events* for more detail.

As such the Directors believe that there are adequate financial resources for the foreseeable future and that the accounts should be prepared on a going concern basis.

Cash flow statement

The Company has taken advantage of the concession in FRS 1 "Cash Flow Statements" which exempts a company from the requirement to prepare a statement of cash flows on the grounds that the Company is a "Small Entity" as defined under section 247 of the Companies Act 2006.

Fixed Assets

All fixed assets are initially recorded at cost. They are subsequently held at cost less accumulated depreciation and impairment for diminution in value.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	-	3 years
Computer equipment	-	3 years
Computer software	-	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements
at 31 March 2009

1. Accounting policies (continued)

Turnover

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Rendering of services

Turnover from the provision of advisory and administrative support is recognised by reference to the terms of the service agreement between the Company and its immediate parent company.

Leased Assets

Where assets are financed by leasing agreement that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation of the relevant assets is charged to the profit and loss account.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premium and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax, with the following exception:

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Notes to the financial statements
at 31 March 2009

1. Accounting policies (continued)

Share-based payments

Cash-settled transactions

FRS 20 requires the fair value of awards and share awards which ultimately vest to be charged to the profit and loss account over the vesting period.

The cost of cash-settled transactions is measured at fair value by an external company using an appropriate pricing model. Fair value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in profit or loss for the period.

If an award fails to vest the charge to the income statement will be adjusted to reflect this.

2. Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of services in the normal course of business from continuing activities. Turnover arises solely in the United Kingdom.

3. Operating (loss)/profit

This is stated after charging:

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	£	**£**
Auditors' remuneration: - audit services	26,450	19,000
- tax compliance services	4,250	3,000
Depreciation of owned fixed assets	47,818	542
Operating leases - land and building	294,297	-
Share based payment charge	1,167,271	31,971
Foreign currency translation	41,534	-

Notes to the financial statements
at 31 March 2009

4. Staff costs

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	£	£
Wages and salaries	2,803,140	358,781
Social security costs	226,969	38,195
	3,030,109	396,976

Included in wages and salaries is a total expense of £1,167,271 (£31,971 in 2007), arising from transactions accounted for as share-based payment transactions (refer to Note 15).

The monthly average number of employees during the period was as follows:

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	No.	*No.*
Administrative staff	14	4

5. Directors' emoluments

The Directors' aggregate emoluments in respect of qualifying services were:

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	£	£
Aggregate emoluments in respect of qualifying services	336,139	100,282
Share based payment provision	229,844	14,200
Gains on the exercise of share-based awards	62,674	-
	628,657	114,482

Amounts receivable under long term incentive plans are made up of a share-based payments charge of £229,844 (£14,200 in 2007) arising from transactions accounted for as cash-settled share-based payment transactions for two (two in 2007) Directors of the Company.

Gains on exercise of share-based awards of £62,674 (nil in 2007) were realised after exercise of rights on share-based payment transactions.

A loan of £45,409 was granted to one Director (nil in 2007) to enable the purchase of shares in Fabergé Limited. This has been partially repaid by 31 March 2009 with the outstanding balance at that date of £28,627.

Notes to the financial statements
at 31 March 2009

6. Other interest receivable and similar income

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	£	£
Bank interest receivable	14,518	3,907
Other interest receivable	10,404	-
	24,922	3,907

7. Interest payable and similar charges

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	£	£
Interest payable	-	278
Other finance costs	-	82
	-	360

8. Taxation

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows:

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	£	£
Current tax:		
UK corporation tax	13,155	14,385
Tax refund	(1,408)	-
Total current tax (note 8(b))	11,747	14,385
Deferred tax:		
Origination and reversal of timing differences (note 8(c))	-	(6,337)
Tax on (loss)/profit on ordinary activities	11,747	8,048

Notes to the financial statements
at 31 March 2009

8. **Taxation** (continued)
(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period differs from the weighted average rate of corporation tax applicable to the Company of 20.795%. The differences are reconciled below:

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	£	£
(Loss)/Profit on ordinary activities before taxation	(1,066,336)	10,750
(Loss)/Profit on ordinary activities multiplied by the weighted average rate of corporation tax applicable to the Company	(221,744)	2,150
Adjusted for corporation tax on:		
Disallowed expenses and non-taxable income	10,563	6,200
Capital allowances	(5,365)	(468)
Employee benefits charge	229,701	6,395
Other timing difference	-	108
Tax Refund	(1,408)	-
Total current tax (note 8(a))	11,747	14,385

(c) Deferred tax

	Period from 1 Jan 2008 to 31 Mar 2009	*Period from 3 May 2007 to 31 Dec 2007*
	£	£
Opening Balance	(6,337)	-
Charges to profit and loss account	-	(6,337)
Closing Balance	(6,337)	(6,337)

	31 Mar 2009	*31 Dec 2007*
	£	£
Accelerated capital allowances	378	378
Short term timing differences	(6,715)	(6,715)
Balance of deferred tax asset (note 8(a))	(6,337)	(6,337)

The deferred tax asset is expected to be recovered from future taxable profits.

Notes to the financial statements
at 31 March 2009

9. Tangible fixed assets

	Fixture and fittings	*Computer equipment*	*Computer software*	*Total*
	£	£	£	£
Cost				
Opening Balance at 1 January 2008	5,497	8,554	-	14,051
Additions	58,599	52,226	21,843	132,668
Balance at 31 March 2009	64,096	60,780	21,843	146,719
Depreciation				
Balance at 1 January 2008	-	542	-	542
Charge for the period	21,546	21,528	4,744	47,818
Balance at 31 March 2009	21,546	22,070	4,744	48,360
Net carrying value				
Balance at 1 January 2008	5,497	8,012	-	13,509
Balance at 31 March 2009	42,550	38,710	17,099	98,359

10. Debtors

	31 Mar 2009	*31 Dec 2007*
	£	£
Due within 1 year	287,784	38,736
Due after 1 year	236,201	6,337
	523,985	45,073

Due within 1 year	*31 Mar 2009*	*31 Dec 2007*
	£	£
Trade Debtors	5,542	-
Amounts due from group undertaking	-	196
Prepayments and accrued income	79,824	1,747
Other debtors	130,387	36,793
Loan to Employees	72,031	-
	287,784	38,736

Notes to the financial statements
at 31 March 2009

10. Debtors (continued)

Due after 1 year

	31 Mar 2009	*31 Dec 2007*
	£	£
Deferred tax	6,337	6,337
Rent Deposit	158,149	-
Loan to Employees	71,715	-
	236,201	6,337

11. Creditors: amounts falling due within one year

	31 Mar 2009	*31 Dec 2007*
	£	£
Trade creditors	184,256	60,513
Amounts due to group undertakings	178,175	-
Accruals and deferred income	240,782	208,688
Corporation tax	13,155	14,385
Social security costs	106,770	71,170
Share based payments provision (note 12)	822,392	17,378
Other creditors	6,972	1,607
	1,552,502	373,741

Amounts due to group undertakings are repayable on demand and bear no interest.

12. Employee benefits

Liabilities for cash settled share-based awards comprise:

	31 Mar 2009	*31 Dec 2007*
	£	£
Share based payment provision	1,149,583	31,974
Categorised as:		
Due in one year or less (note 11)	822,392	17,378
Due after more than one year	327,191	14,596
	1,149,583	31,974

Notes to the financial statements
at 31 March 2009

13. Authorised and issued share capital

Authorised share capital

	31 Mar 2009	*31 Dec 2007*
	£	£
1,000 Ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid

	31 Mar 2009	*31 Dec 2007*
	£	£
1 share of £1 each	1	1

14. Reconciliation of shareholders' funds and movement on share capital and reserves

	Share capital	*Profit and loss account*	*Total shareholders' funds*
	£	£	£
At 1 January 2008	1	2,702	2,703
Loss for the period	-	(1,078,083)	(1,078,083)
At 31 March 2009	1	(1,075,381)	(1,075,380)

Notes to the financial statements
at 31 March 2009

15. Share-based payments

The Company operates a cash-settled share-based remuneration scheme which is open to any officer or employee of the Company ("Qualified Persons") as determined by the Board of Fabergé Limited, its parent company. The Board determines the number of awards granted. Qualified Persons are entitled to a grant of awards at the commencement date of their employment. Further grants of awards may be made at a future date. The value of the awards is based on the value of the parent company.

The awards are measured at fair value using an appropriate pricing model. The fair value of the awards is charged to the profit and loss account over the vesting period.

Under the terms of the scheme, awards vest in three equal parts on the first, second and third anniversary of the date of grant and can only be settled in cash. Awards lapse on the tenth anniversary of the date of grant. In addition, any award shall lapse six months following an Award Holder ceasing to be employed by any group company under the terms of his contract.

	Units	Weighted Average Value per unit £
Outstanding at 1 January 2008	34*	929*
Effect of movements in foreign exchange rate	-	378*
Granted during the period	34,057	2
Adjustment for variation in share capital of the Company	39,248	25
Exercised during the period	(2,270)	(28)
Lapsed during the period	-	-
Outstanding at the end of the period	71,069	16
Exercisable at the end of the period	16,376	28

* A shareholders' resolution was passed on 21 February 2008 that the 1,389.789 issued shares of US$1.00 par value each in the capital of the Company were subdivided into 1,389,789 shares of US$0.001 par value each.

The above resulted in a recognised expense in the profit and loss account for the period of £1,167,271 (£31,971 in 2007).

Share based payment provision is accounted in US Dollars. Currency retranslation of the opening balance resulted in recognised expense in the profit and loss account of £13,012 (none in 2007).

The earliest vesting date is the first anniversary of the Date of Grant. 18,646.26 awards vested during the period (none in 2007).

2,270.45 awards were exercised during the period (none in 2007) at the weighted average value of £27.60 (none in 2007).

The total number of awards vested but not exercised by 31 March 2009 was 16,375.81 (none in 2007) and the weighted average fair value £30.63 (none in 2007).

The exercise price at the period end ranged between £21.14 and £84.79 (£8.65 and £8.78 in 2007*) and the weighted average contractual life of the awards was 9 years (10 years in 2007).

* As per audited accounts in 2007 the exercise price ranged between £8,652.55 and £8,782.14, but according to shareholders' resolution passed on 21 February 2008 the price was split by 1,000.

Notes to the financial statements
at 31 March 2009

15. Share-based payments (continued)

The following information is relevant in the determination of the fair value of awards granted during the period under the cash-settled share-based remuneration scheme operated by the Company:

	2008 - 2009	*2007*
Pricing model	Binomial Model	Black-Scholes
Average value per share at the date of grant	£45.36	£18.20*
Contractual life of award	10 years	10 years
Expected volatility	23%	15%
Dividend yield and growth rate	0%	0%
Risk-free interest rate	3.31%	4.52%

* Audited accounts as at 31 December 2007 shows Average value per share at the date of grant as £18,204. A shareholders' resolution passed on 21 February 2008 subdivided the 1,389.789 issued shares of US$1.00 par value each in the capital of the Company into 1,389,789 shares of US$0.001 par value each, therefore the Average value per share at the date of grant was adjusted accordingly.

Volatility derived from the average three year annualized volatility of comparable listed companies, which is 48.9% (28.1% in 2007). Private shares are inherently less volatile than publicly available shares so the volatility percentage for the Company was discounted by 53% (47% in 2007).

16. Related party transactions

During the period, Fabergé Services Limited entered into the following transactions with related parties:

	Related party relationship	Amount	Transaction
Kevin Mutch	A Director of Fabergé Services Limited	£45,409	A loan was granted to enable the purchase of shares in Fabergé Limited. This has been partially repaid by 31 March 2009 with the outstanding balance at that date of £28,627. This loan incurs interest at Barclays Bank Base Rate and £2,005 interest was paid during the year.
Mark Dunhill	A Director of Fabergé Limited	£45,409	A loan was granted to enable the purchase of shares in Fabergé Limited. This has been partially repaid by 31 March 2009 with the outstanding balance at that date of £28,627. This loan incurs interest at Barclays Bank Base Rate and £2,005 interest was paid during the year

The Company has taken advantage of the exemption allowed by FRS 8 'Related Party Transactions' not to disclose any transactions with the entities that are included in the consolidated financial statements of Fabergé Limited.

Notes to the financial statements
at 31 March 2009

17. Ultimate parent undertaking and controlling party

Fabergé Services Limited is 100% owned by Fabergé Limited. Fabergé Conduit Limited, a Company incorporated in the Cayman Islands owns approximately 80.33% (78.17% prior to capital raising in September 2009) of Fabergé Limited.

Fabergé Conduit Limited has a 51.1% shareholder, The Pallinghurst Resources Fund L.P., a limited partnership registered in the Cayman Islands. The parent company of The Pallinghurst Resources Fund L.P. is Pallinghurst Resources (Guernsey) Limited, which is listed on the Johannesburg Stock Exchange and Bermuda Stock Exchange. Pallinghurst Resources (Guernsey) Limited changed its name to Pallinghurst Resources Limited on 28 May 2009.

The other shareholders of Fabergé Conduit Limited are NGPMR (Cayman) L.P., Investec Pallinghurst (Cayman) L.P and Pallinghurst (Cayman) Founder L.P.

Due to the voting arrangements embodied in the Articles of Association of Fabergé Conduit Limited, The Pallinghurst Resources Fund L.P. is however not able to control the decisions of Fabergé Conduit Limited. The Directors are therefore of the view that the Company has no single controlling party.

18. Commitments under operating leases

The Company had annual commitments under non-cancellable operating leases as set out below:

	31 Mar 2009	*31 Dec 2007*
	£	**£**
	Land and Building	Land and Building
Operating leases which expire:		
In two to five years	235,964	-

19. Post balance sheet events

Capital raising in Fabergé Ltd of US$35 million

Since the balance sheet date, Fabergé Ltd has successfully undertaken a capital raising and raised approximately US$35 million of new equity share capital. The pricing and terms of the new investment were finalised during May 2009.

The cash balances from each investor were received during September 2009.

International launch of the Fabergé brand on 9 September 2009

Fabergé's international launch was on 9 September 2009 and Fabergé is now poised to re-establish itself as one of the world's most exclusive luxury brands. The first high jewellery collection, "Les Fabuleuses", comprises 132 unique pieces of which 100 were ready at the 9 September 2009 international launch. Initial signs are that the launch collection has been well-received with significant global press coverage.

Ultimate parent undertaking and controlling party

Fabergé S.à.r.l. (a 100% subsidiary of Fabergé Limited) was incorporated on 18 June 2009.

Fabergé Limited transferred 1 ordinary share of £1, being the entire issued share capital of the Company, to Fabergé S.à.r.l. on 17 August 2009.

There were no other significant post balance sheet events.